



ECONOMIC & MARKET CONDITIONS NEIGHBORHOOD CORRIDORS

Source: Christine Dong



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1. Executive Summary

The Portland Neighborhood Corridors Phase 1 Report evaluates how the COVID-19 pandemic affected the city's neighborhood business corridors and the local economy. Some corridors thrived with entrepreneurs who brought innovation and investment, while others struggled with negative perceptions and persistent vacancies.

The report provides a set of baseline market and economic metrics for the 16 corridors pre-pandemic and during the recovery along with a citywide corridor reference to compare and contextualize the recovery. It outlines a framework that includes primary and supporting indicators to evaluate corridors over time, using a repeatable methodology that can be used to evaluate corridors over time.

Recovery framework inputs

Primary indicators

- **Market strength** uses commercial land value as an indicator of the market strength for each corridor compared to other corridors citywide.
- **Market recovery** uses change in small business employment as an indicator of recovery from pandemic-related disruptions.

Supporting indicators

- **Growth in establishments** uses change in small business establishments as an indicator of economic momentum across the corridors.
- **Business stability** uses the share of businesses operating in Q4 2019 that were still operating in Q1 2022 as an indicator of stability within the corridors.
- **Share of BIPOC residents** uses change in share of people of color as a measure of equity and displacement pressures resulting from market dynamics.
- **Household incomes** uses a threshold of 100% Area Median Income as an indicator of income distribution in the corridors.

Overcoming challenges facing each corridor will require the city to identify the most appropriate interventions, which will work in coordination with the Neighborhood Prosperity Network and other stakeholders and partners. In alignment with Advance Portland, this report identifies six intervention categories to support the corridors:

- Resource and grow business district capacity
- Activate commercial buildings and attract new commercial development
- Stabilize existing businesses
- Grow home businesses and create commercial space opportunities
- Address housing production and affordability
- Improve transportation safety and connectivity

2. Purpose and Context

The COVID-19 pandemic transformed Portland’s neighborhood business corridors and local economy. While some businesses altered their models or changed their operations, others needed to close. In many corridors, home businesses flourished as entrepreneurs sought to find opportunity in a paradigm of social-distancing and working-from-home. Alongside business-specific challenges, loomed citywide public safety concerns and a housing affordability crisis. For residents near corridors, the surge in home values intensified displacement risk.

Three years on, we have seen different types of recoveries across the citywide corridors. Some corridors, like Rosewood, welcomed entrepreneurs who brought energy and innovation. Others, like Parkrose and 82nd Avenue north of Division, struggled before 2020. In these corridors, the pandemic led to further vacancies, disinvestment, and negative perceptions.

The city is heading into a period with fewer dedicated resources to mitigate the negative impacts of the market. Many TIF districts will sunset over the next two years, which means that resources will fall short for capital investments in their building stock, improvements to transportation safety, and support for new development. The loss of the 40 percent affordable housing set aside for TIF investments will result in less money available to fund housing and mitigate displacement.

Overcoming these challenges will require creative thinking and partnerships. In order to maximize available resources, the city (Prosper Portland) should work with businesses and stakeholders on each corridor to identify the most locally appropriate interventions.

Much of this work will occur in tandem with the Neighborhood Prosperity Network and other key community partners.

Prosper Portland and its partners at the City of Portland seek to catalyze an equitable recovery that will build a stronger and more resilient Portland. The purpose of this report is to outline a set of baseline market and economic metrics on 16 corridors pre-pandemic and their subsequent recoveries in comparison with all citywide corridors. Citywide, corridors did not experience a sizable change in small business employment but did experience an increase of small business establishments by nearly 10 percent. Furthermore, the share of people of color also increased across all citywide corridors to 30 percent of their total population.

This work will complement Advance Portland, the city’s economic strategy grounded in racial equity and climate resiliency, to be responsive to the varied corridor market conditions and opportunities.

About the Neighborhood Prosperity Network (NPN)

The NPN seeks to strengthen the economic competitiveness of neighborhood business districts through community-planned and community-implemented actions and projects.

Specifically, NPN areas will focus on:

- (1) Increasing the visibility of the business district
- (2) Growing more jobs
- (3) Strengthening existing businesses
- (4) Filling vacant spaces

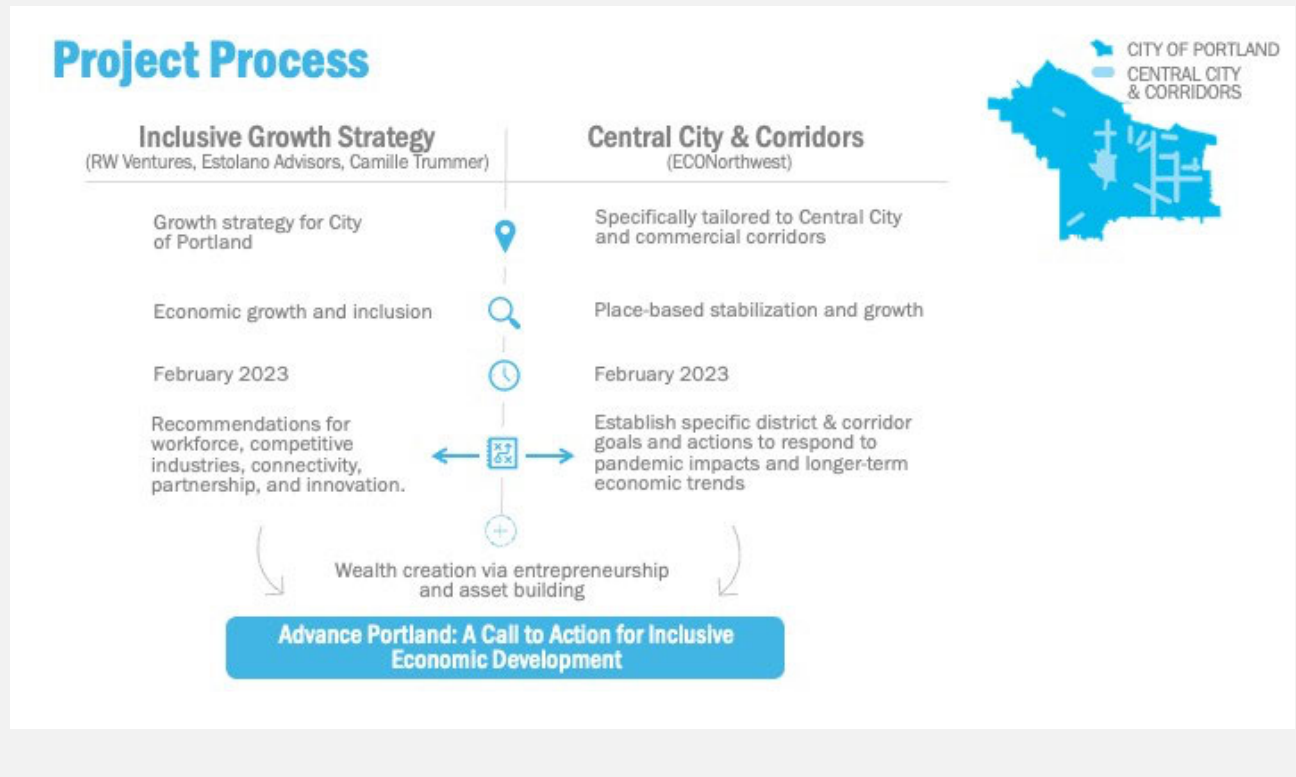
Process and Engagement

The corridor evaluation includes two phases over the course of 2022 and 2023. This report concludes the first phase, during which the ECONorthwest team developed a draft of initial findings and engaged with stakeholders throughout the corridors to discuss the data collected and potential interventions that could occur on each corridor. Phase 2, beginning in Spring 2023, will include a deeper dive into the recommended interventions to support each corridor.

Phase 1: Spring 2022 - Winter 2023			Phase 2: Spring 2023 - Fall 2023
Develop Review Draft	Engage with Stakeholders to Identify Greatest Needs	Finalize Phase 1 Corridors Report	Deep Dive into Potential Interventions

Implementing the Advance Portland Strategy

Advance Portland will center racial equity and climate resiliency as central pillars to citywide economic development recommendations. It seeks to target and manage growth more deliberately, particularly to avoid unintended negative effects, and to nurture prosperity that accrues tangible benefits for Black, Indigenous, and other people of color (BIPOC) communities. The Portland Corridors Report, and its complementary Central City Report, and the Inclusive Growth Strategy collectively informed Advance Portland recommendations.



Study and Portland Corridors

Study Corridors

This study evaluates 16 study corridors throughout the City of Portland compared to an aggregated city-wide corridors benchmark.

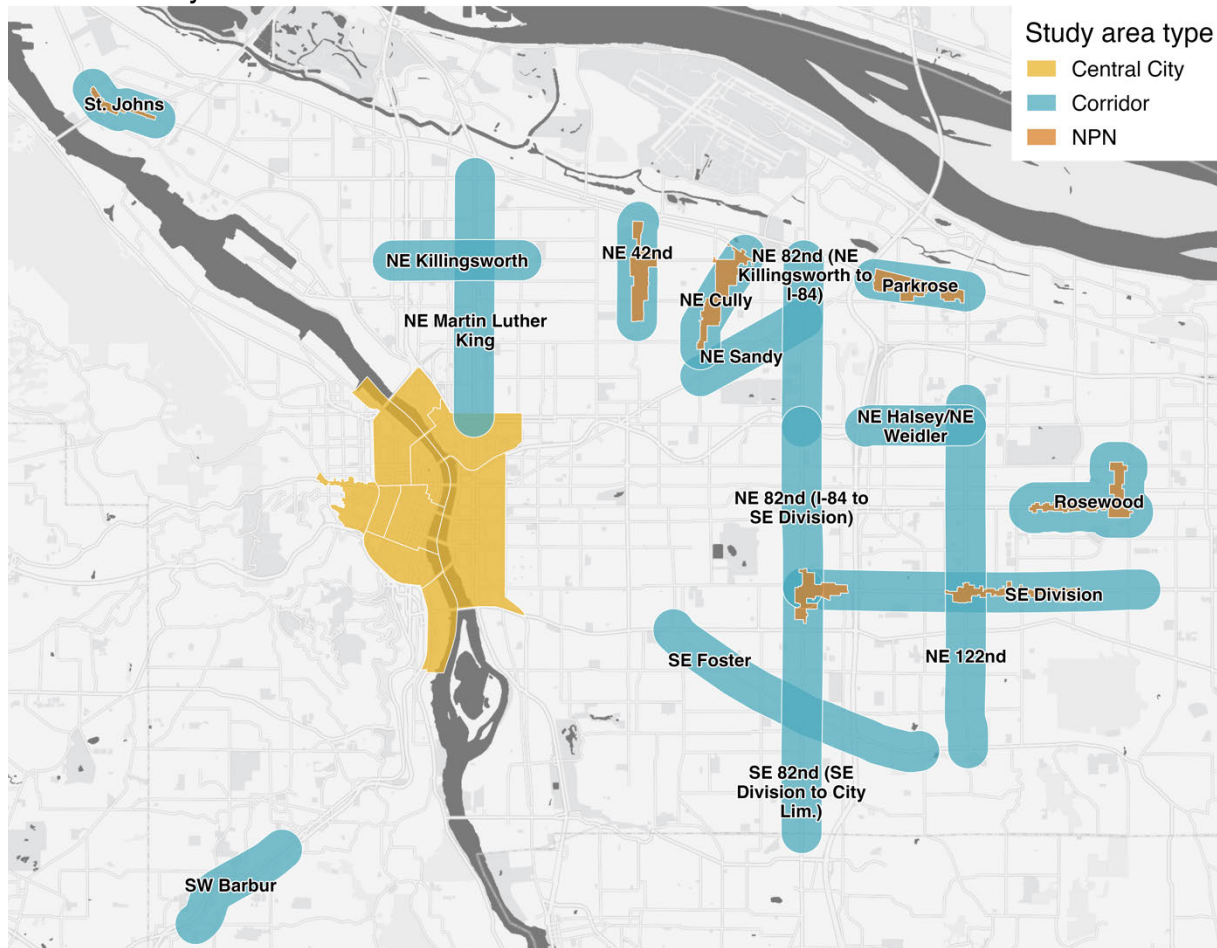
Exhibit 1 provides an overview of the sixteen study corridors evaluated in this report.

The study corridors are:

Areas that are experiencing growing market and displacement pressures, serving vulnerable populations, and providing opportunities for equitable recovery and inclusive growth

Corridors with active involvement from the public sector and existing or growing community capacity

Exhibit 1. Study Corridors



- NE 122nd Ave.
- NE 82nd Ave. (I-84 to SE Division St.)
- NE 82nd Ave. (NE Killingsworth St. to I-84)
- SE 82nd Ave. (SE Division St. to city limits)
- NE Cully Blvd.
- SE Division St.
- SE Foster Rd.
- NE Halsey St./NE Weidler St.
- NE Killingsworth St.
- NE 42nd Ave.
- NE Martin Luther King Blvd.
- NE Sandy Blvd.
- Parkrose
- Rosewood
- St. Johns
- SW Barbur Blvd.

Citywide Corridors

To understand how the corridors performed against broader citywide market trends, ECONorthwest evaluated commercial areas in the City of Portland that were most appropriate for comparison corridors (see Exhibit 2).

The areas evaluated excluded institutional/industrial areas, as well as the central city and large format retail destinations.

How we selected the Citywide Corridors:

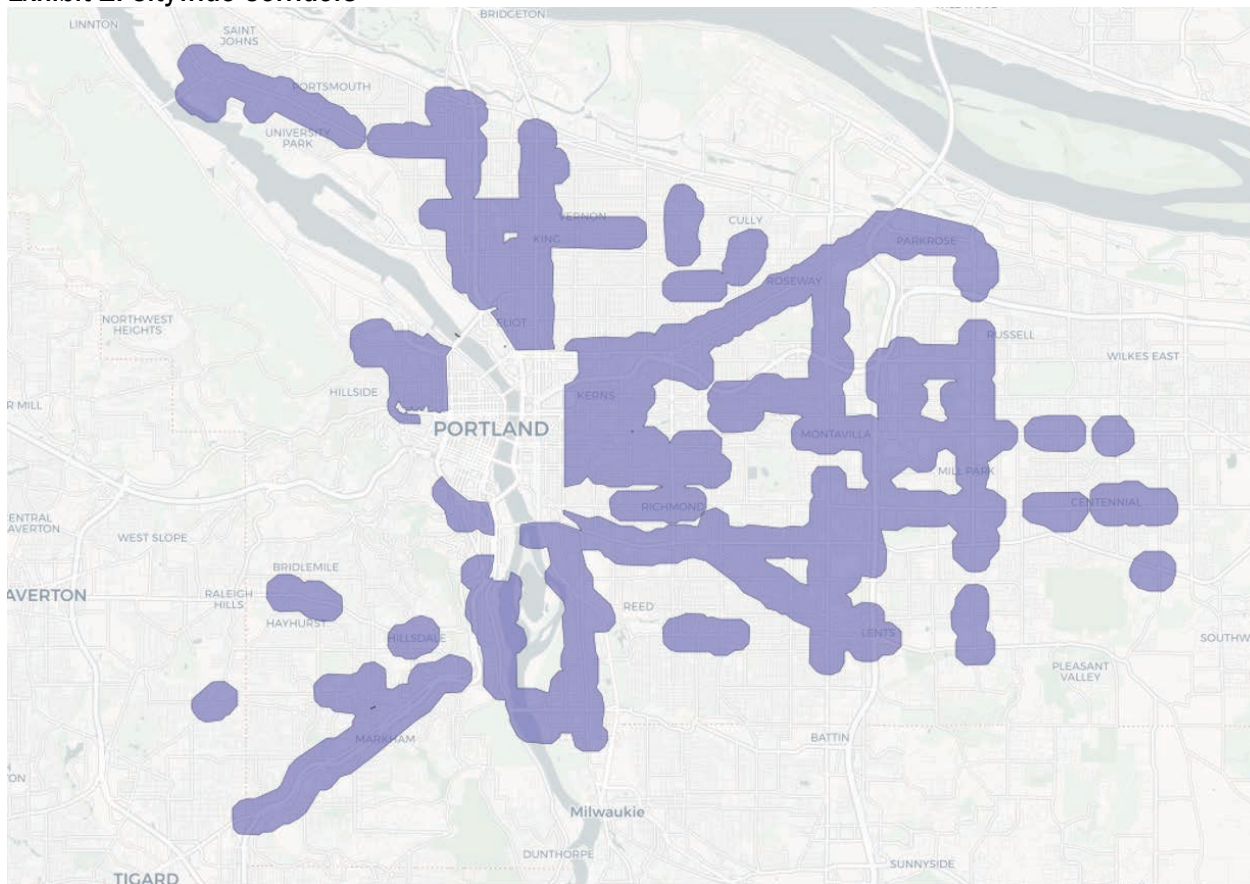
Excluded Central City Plan District corridors

Included Commercial Mixed Use, Commercial Employment, and Employment & Industrial zones

Contiguous area >15 acres (>10 acres if located along civic/neighborhood corridors)

Excluded large format retail destinations like Cascade Station and Hayden

Exhibit 2. Citywide Corridors



The following section explains how ECONorthwest compared the study corridors against the citywide corridors benchmark, using two primary indicators of strength (median commercial land value) and recovery (small business employment change). This created a framework that informs interventions to address deeper market gaps, stabilize businesses and/or further steps to respond to displacement pressures.

3. Recovery Framework for Portland’s Neighborhood Corridors

The goal of the recovery framework was to provide an independent and repeatable methodology that Prosper Portland can use to evaluate corridors over time. The framework included:

- **Two primary indicators**
 - **Market strength** uses commercial land value as an indicator of the market strength for each corridor compared to other corridors citywide.
 - **Market recovery** uses change in small business employment as an indicator of recovery from pandemic-related disruptions.
- **Four supporting indicators** for each study corridor: growth in business establishments, share of Black, Indigenous, and people of color (BIPOC) population, household incomes, and business stability (share of businesses operating pre- and post-pandemic).

Exhibit 3 provides an overview of the framework, including the rationale to include each indicator and its data source.

Exhibit 3. Recovery Framework Inputs for Portland Corridors

Source: ECONorthwest

	Key Indicator	What did we seek to understand?	Source
Primary Indicators			
Market Strength	Median Commercial Land Value	Overall demand for commercial land	Multnomah County Assessor
Market Recovery	Small Business Employment Change (2019 to 1Q 2022)	Entrepreneurship and business growth	United States Quarterly Census of Employment and Wages
Supporting Indicators			
Growth in Establishments	Change in Small Business Establishments (2019 to 1Q 2022)	Economic momentum across corridors	United States Quarterly Census of Employment and Wages
Business Stability	Businesses operating in 2019 Q4 still operating in 2022 Q1 (as a share of 2022 businesses)	Corridor stability versus instability	United States Quarterly Census of Employment and Wages
Share BIPOC	Change in Share of People of Color (2010-2021)	Equity and displacement impacts of market pressures and potential future interventions	American Community Survey
Household Incomes	Household Incomes < 100% AMI (2019)	Household incomes in surrounding neighborhoods	Comprehensive Housing Affordability Strategy “CHAS” data

The following pages include a summary for each of the indicators, including the results for each corridor, how ECONorthwest calculated the metric, and key takeaways.

Primary Indicator: Market Strength (Commercial Land Value per Square Foot)

Why This Metric?

Commercial land values are based on the amount of income that they bring to a property owner. Using these values as an indicator for market strength points to the relative demand and development feasibility of land in each corridor.

How Was It Calculated?

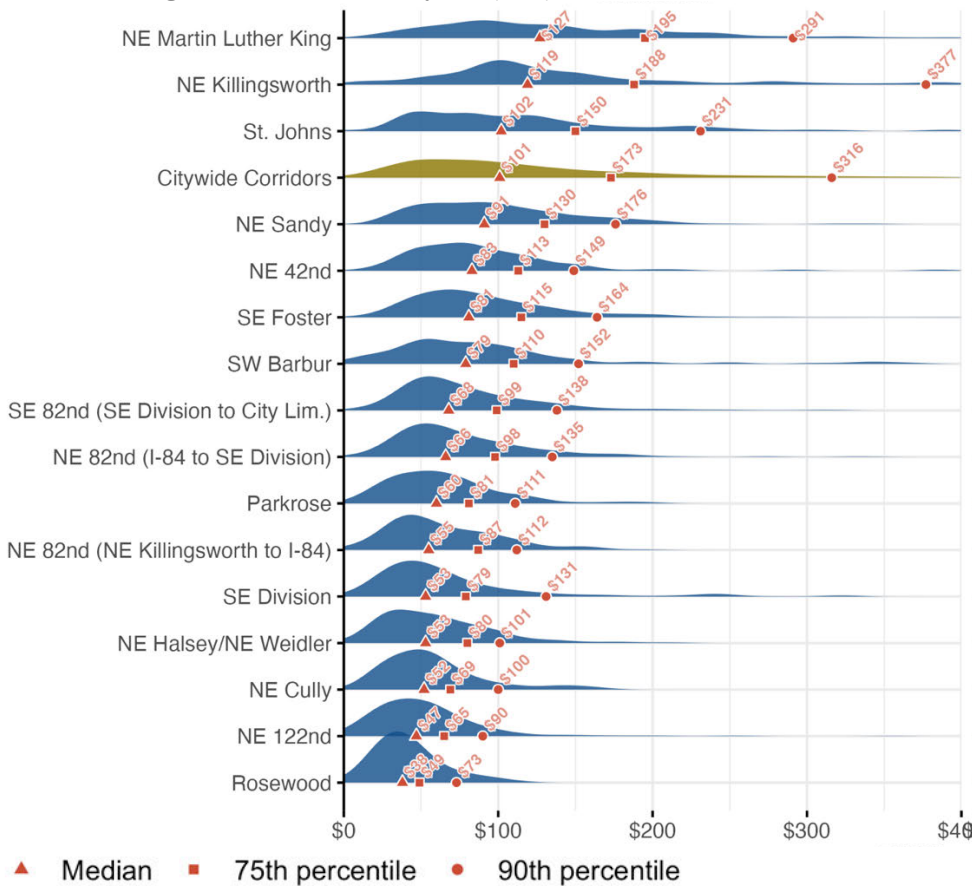
ECONorthwest used Metro's Regional Land Information System to compile commercial land values across the whole corridor. We then calculated the median for citywide corridors and each study corridor.

Commercial Land Value: Key Takeaways

- Inner North/Northeast corridors (NE MLK and N/NE Killingsworth) had the highest median commercial land value at \$127 Per Square Foot of Land (PSF) and \$119 PSF, respectively.
- Most study corridors had commercial land values that were lower than citywide corridor average (\$102 PSF), ranging from \$38 PSF in Rosewood to \$91 PSF in NE Sandy International Business District.
- Some corridors had steady market increases since 2008 but experienced substantial setbacks as a result of the pandemic (MLK, Killingsworth, St. Johns).

Exhibit 4. Commercial Land Value (Per Square Foot), Portland Study Corridors

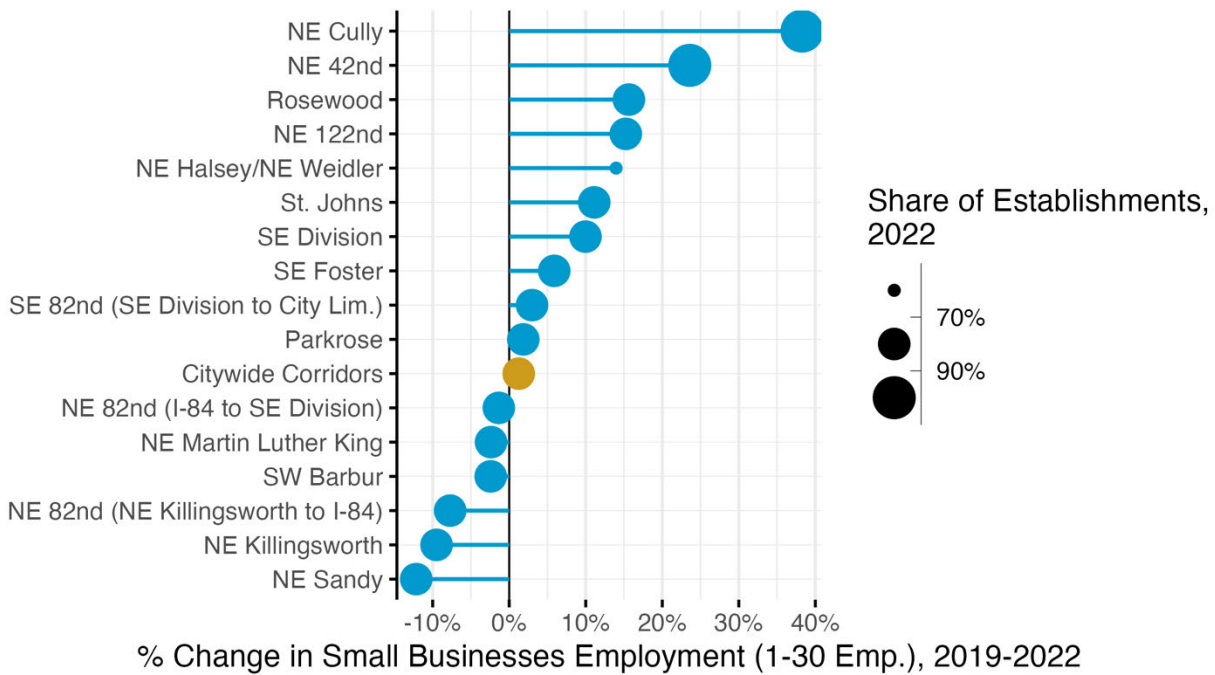
Source: Metro Regional Land Information System (RLIS)



Primary Indicator: Market Recovery (Small Business Employment)	
Why This Metric?	How Was It Calculated?
Small business employment growth is an indicator of entrepreneurship and business growth across the corridors. These estimates can point to the health and resiliency of businesses employing up to 30 people.	ECONorthwest used Quarterly Census of Employment and Wage (QCEW) data to count the change in the number of employees and the share of small businesses (with 1 to 30 employees) within each corridor.
Small Business Employment: Key Takeaways	
<ul style="list-style-type: none"> Many outer NE and East Portland neighborhoods experienced the highest increases in small business employment, including NE Cully Boulevard, NE 42nd Avenue, Rosewood, and SE 122nd Avenue. These corridors experience greater small business employment than citywide corridor averages. NE 82nd (NE Killingsworth to I-84), N/NE Killingsworth, and NE Sandy saw negative growth in small business employment between 2019 and 2022. 	

Exhibit 5. Change in Small Business Employment, Portland Study Corridors, 2019-2022

Source: Quarterly Census of Employment and Wages (QCEW), 2019-2022



Supporting Indicator: Market Recovery (Change in Small Business Establishments)

Why This Metric?

Complementary to small business employment (primary indicator discussed above), the number of small businesses is an indicator of the economic momentum of corridors. These values can point to a need for business stabilization or needed technical assistance.

How Was It Calculated?

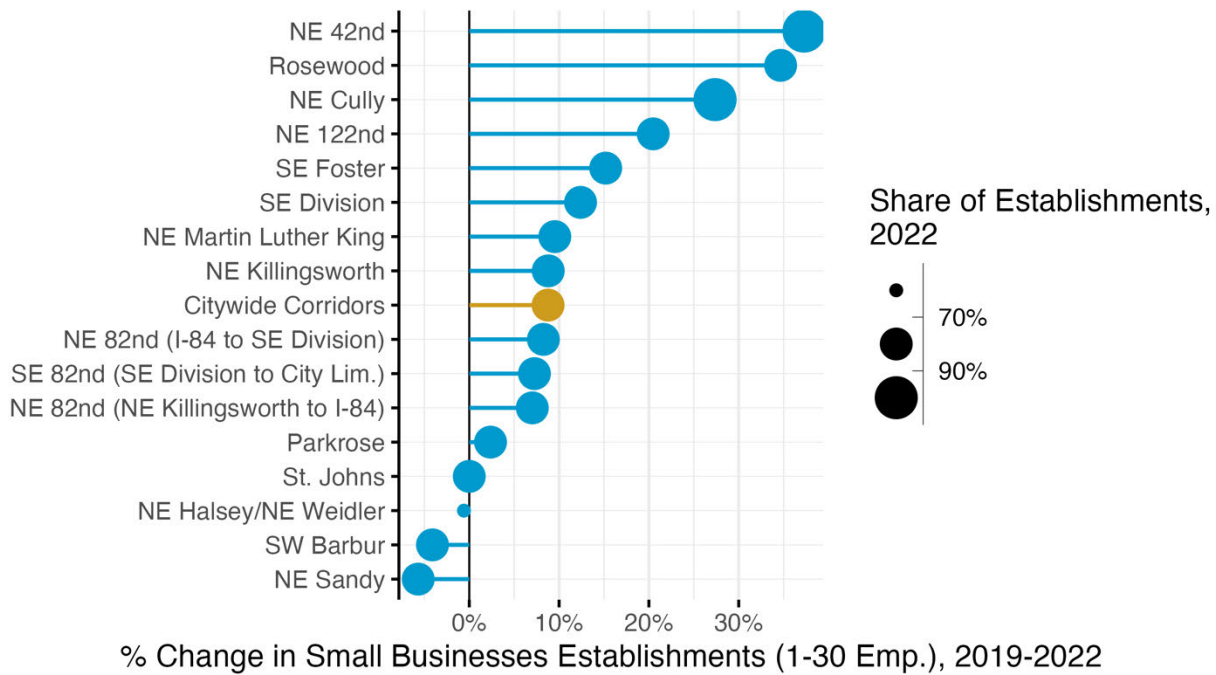
ECONorthwest used Quarterly Census of Employment and Wage (QCEW) data to count the change in the number of businesses and the share of small businesses (with 1 to 30 employees) within each corridor.

Small Business Formations: Key Takeaways

- Half of the study corridors gained small businesses at a higher rate than the citywide corridor baseline.
- Rosewood and NE 42nd Avenue had the largest increases in small businesses.
- NE Halsey/NE Weidler, NE Sandy, and SW Barbur were the only corridors to see a decline in the number of small businesses.

Exhibit 6. Change in Small Business Establishments (1 to 30 employees)

Source: Quarterly Census of Employment and Wage (QCEW), 2019-2022



Supporting Indicator: Business Stability

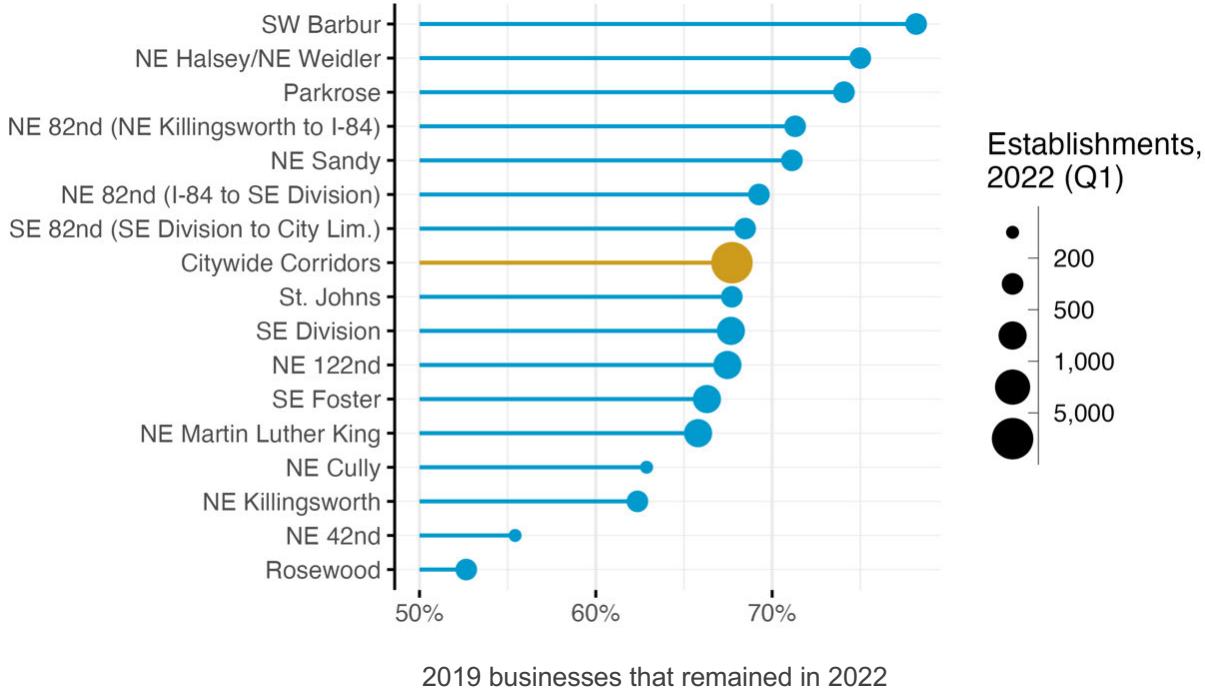
Why This Metric?	How Was It Calculated?
<p>Measuring the number of businesses still active in the corridor pre- and post-pandemic shows overall stability among businesses. Higher stability means lower formation and closure rates. Lower stability (or higher churn) indicates more formations and more closures.</p> <p>Corridors can have a lower percentage of stable businesses for a variety of reasons. This can be due to business closures during the pandemic or increased business formation during the recovery. This is a complementary indicator to describe business conditions in each corridor (see change in small businesses for additional context).</p>	<p>ECONorthwest measured the number of businesses that were operating in the fourth quarter of 2019 and still operating in first quarter of 2022 as a share of total businesses in 2022.</p>

Business Stability: Key Takeaways

- Five corridors had a low churn, with 70% or more of the pre-pandemic businesses still operating during the most recent period when data was available (Q1 2022): SW Barbur, NE Halsey-NE Weidler, Parkrose, NE 82nd (Killingsworth to I-84), and NE Sandy.
- NE 42nd and Rosewood corridors had higher churn, with a higher concentration of business closures and new business formations, where existing businesses pre-pandemic now account for half or less of the current businesses.

Exhibit 7. Stable Business Establishments, Portland Study Corridors, 2019-2022

Source: Quarterly Census of Employment and Wage (QCEW), 2019-2022



Supporting Indicator: Change in Share of People of Color in the Corridors

Why This Metric?

Increasing housing costs and commercial rents can lead to displacement pressure for residents and business owners. Understanding how demographics have changed in the corridors can help Prosper Portland tailor its recommendations to mitigate displacement and support BIPOC businesses. The share of BIPOC residents can change due to several factors: people of color leaving the neighborhood, an influx of white households, or both trends at once. The Corridor Profiles Appendix details change in BIPOC residents compared to total population change.

How Was It Calculated?

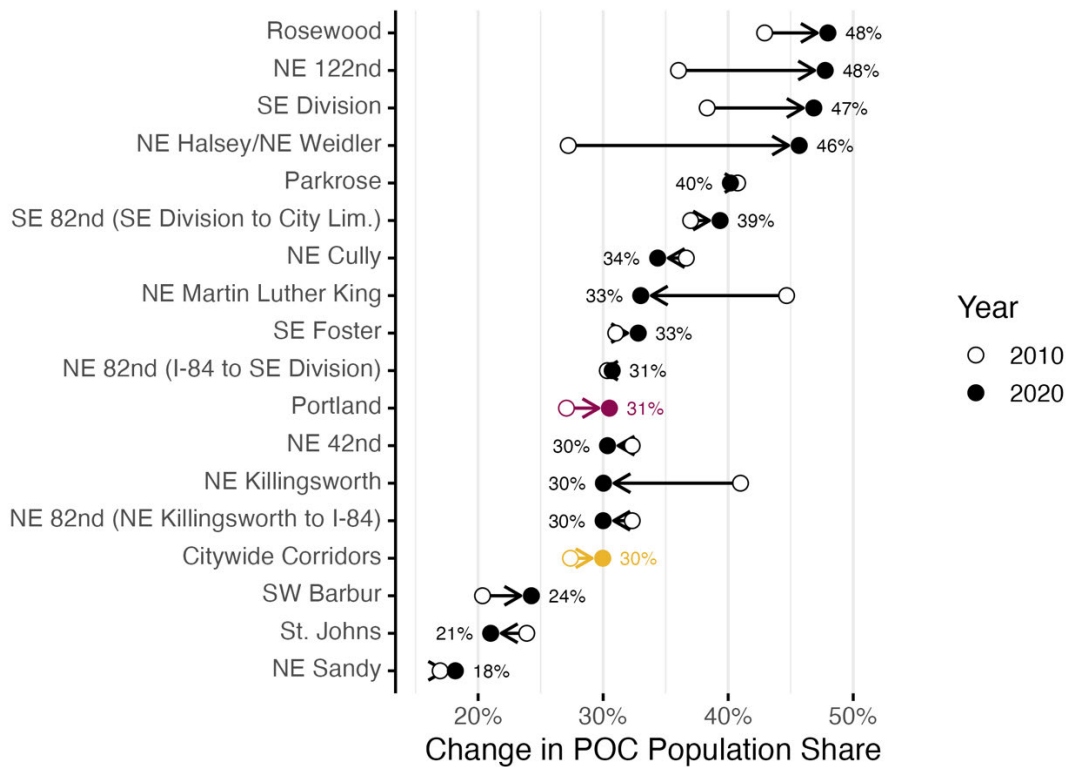
ECONorthwest used American Community Survey data to calculate the change in share of people of color between 2010 and 2021 within each corridor.

BIPOC Share: Key Takeaways

- Many East Portland corridors experienced the greatest increases in share of BIPOC residents, including Rosewood, SE Division, and 122nd Ave.
- Inner north and northeast corridors, including NE MLK and N/NE Killingsworth, experienced a decrease in BIPOC residents.
- The City of Portland and citywide corridors both experienced an increase in share of BIPOC residents to 31% and 30% respectively.

Exhibit 8. Change in Share of People of Color, Portland Study Corridors, 2010-2021

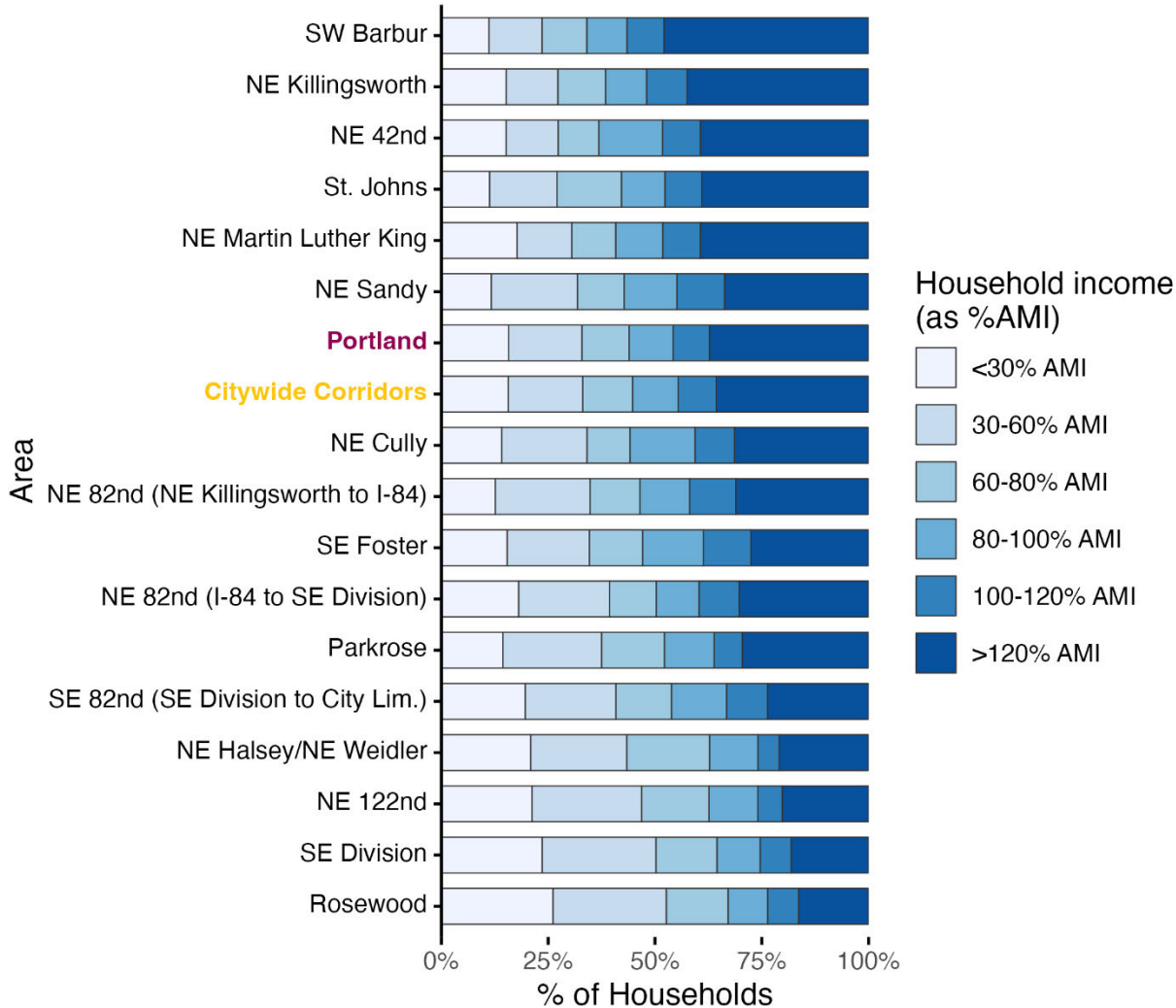
Source: American Community Survey 5-year, 2010 & 2021



Supporting Indicator: Share of Households With Incomes Under 100% AMI	
Why This Metric?	How Was It Calculated?
Understanding the household incomes for residents near the commercial corridors can help Prosper and its partners tailor programs to support and stabilize local businesses and households.	ECONorthwest used US Census Comprehensive Housing Affordability Strategy (CHAS) data from 2019 to calculate income profiles for each profile based on 2022 Area Median Income for the Portland region.
HH Incomes under 100% AMI: Key Takeaways	
<ul style="list-style-type: none"> Nearly three quarters of households in East Portland study corridors like Rosewood, SE Division, and SE 122nd have incomes under 100% AMI. Nearly half of residents in these same corridors have incomes under 60% AMI, pointing to the need to stabilize households. Corridors in North, inner Northeast, and Southwest have the highest incomes. About half of the households in these corridors have incomes under 100% AMI. 	

Exhibit 9. Share of Households with Incomes under 100% Area Median Income, Portland Study Corridors, 2019

Source: CHAS, 2019



4. Recommendations

Prosper Portland will strategically deploy city resources, regulatory interventions, and partnerships across corridors to expand economic growth that is centered in racial equity, inclusion, and climate resiliency. The recommendations described below will be support implementation of the Advance Portland strategy over the next five years (2023 through 2028).

Prosper Portland will develop policy and programmatic recommendations to support the city's corridors that are pursuant to specific corridor needs and identified intervention categories.

How Can Investments and Programs Best Support Neighborhood-Scale Economic Development?

To determine how long-term corridor trends compare with the COVID recovery, ECONorthwest created a framework using the primary indicators of **market strength** (commercial land value) and **market recovery** (small business employment). The purpose of this framework is to help Prosper Portland review and assess the groupings of the 16 study corridors to identify patterns in needed interventions related to neighborhood-scale economic development. The matrix shows which corridors are performing above or below the citywide corridors baseline.

As described in Exhibit 10, corridors with lower commercial land values require more support for housing production, business assistance, and commercial property investments. Corridors with higher commercial land values need more targeted assistance. The graphic also shows that many corridors with low market strength (low land values) and low recovery (decrease in employment during the pandemic) need a high level of investment across all of the intervention categories. Many of the corridors need transportation investments, particularly along the city's designated Civic Corridors, as well as support to help build business district capacity.

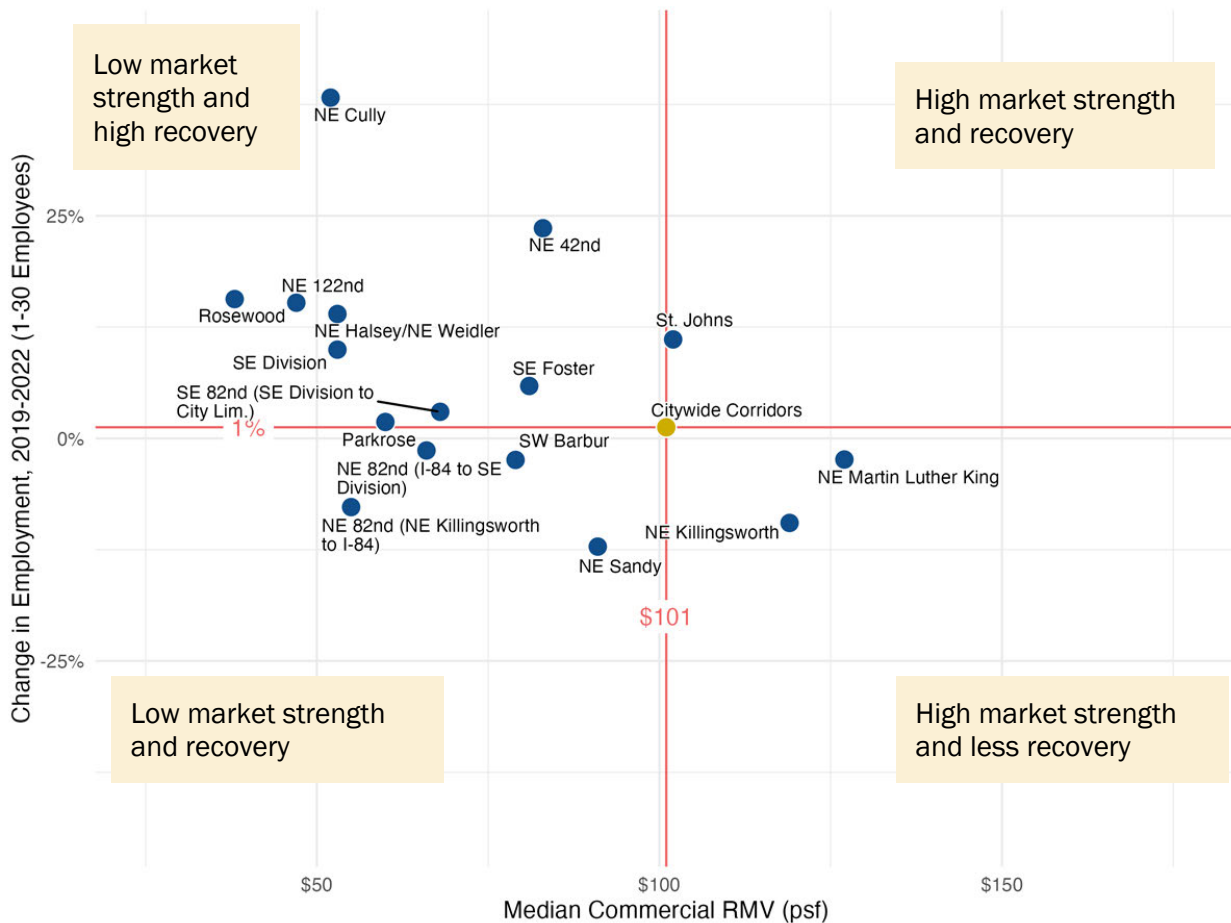
This data illustrates high-level trends, Prosper Portland and its partners will supplement these data with on-the-ground conversations with key stakeholders in Phase 2 of this work.

The *change in commercial land values* reflects longer-term investment trends. It reflects recent investments in buildings and the relative desirability of commercial land in the corridor based on the rents they can command.

Employment change shows recent recovery trends after the pandemic for corridors.

Exhibit 10. Corridor Groupings by Quadrant

Source: QCEW 2019-2022, RLIS



Upper Left: Low market strength and high recovery

These corridors have seen an increase in small business employment since 2019 in locations with lower than median commercial land values. Small business employment in these corridors has outperformed corridors throughout the city, but land values lag.

Lower Left: Low market strength and less recovery

These corridors will require the most interventions, given short- and long-term challenges. These corridors, including SW Barbur, NE 82nd (NE Killingsworth to SE Division), and NE Sandy, have experienced a decline in small business employment and commercial rents.

Upper Right: High market strength and recovery

These corridors have performed well over the longer term with high commercial land values, as well as an increase in small business employment since the COVID pandemic. In this study, only St Johns outperformed citywide corridors with both indicators.

Lower Right: High market strength and less recovery

In these corridors, commercial markets have performed well longer term, but small business employment has not fully recovered from the COVID pandemic. In this study, NE Martin Luther King and N/NE Killingsworth, both located in inner Northeast Portland, have higher commercial land values than citywide corridors but saw a decline in small business employment.

Corridor investments

In alignment with Advance Portland, Prosper Portland identified six intervention categories to support corridors. The actions included in each category, potential partners, and rationale for why a corridor would need the support are outlined below.

Resource and Grow Business District Capacity		
What is included in this intervention category? (Source: Advance Portland)		
<p>Through partnerships with Venture Portland and other partners, as well as deploying capacity building through the Neighborhood Prosperity Network, Prosper will support the network of formal business districts to address gaps in localized economic and community development capacity in the corridors. Through this capacity building, partners would provide support and stability to small businesses through a mix of shared marketing, promotion, and small business services.</p>		
What existing or future programs could this include?	Why would a corridor need this?	Which partner would lead?
<ul style="list-style-type: none"> • Technical support • Neighborhood Prosperity Network programming • Co-marketing strategies 	<ul style="list-style-type: none"> • Stakeholder interest • Lack of existing capacity 	<p>Prosper is limited in how it can support capacity building, but it could be a work plan for partners (e.g. Venture Portland)</p>

Activate Commercial Buildings + Attract New Commercial Development		
What is included in this intervention category? (Source: Advance Portland)		
<p>Rebalance financial incentives and disincentives to encourage conversion of nuisance vacant ground-floor commercial into active uses and tenant in a way to support small businesses serving local community needs.</p> <p>Create a broad spectrum of commercial building spaces in corridors, through renovation and new construction, to support a healthy mix of business types and accommodate growth of neighborhood-serving businesses. Strategically deploy an Affordable Commercial Tenanting program to support business opportunities and stabilization in priority areas. Increase knowledge for building owners to take advantage of energy efficiency and building energy management systems and incentives. Build on Bureau of Development Services and Fire Marshal’s work to incent shorter term uses (e.g. <1 year) to strengthen and increase use of temporary occupancy permits for pop-ups or other short-term uses of vacant ground floor retail space.</p> <p>Identify and address existing regulatory requirements that are cost-prohibitive to investing in existing commercial spaces. Raise the threshold for triggering mandatory public infrastructure upgrades, such as increasing the minimum value of private improvements that trigger public improvements, setting a maximum of public improvements costs for small local businesses, and providing financial support to private parties required to make improvements. Support modifications to lower the barriers for small businesses who are required to pursue change of occupancy permits.</p>		
What existing or future programs could this include?	Why would a corridor need this?	Which partner would lead?
<ul style="list-style-type: none"> • Tenant improvement programs • Vacant building marketing • Property owner outreach 	<ul style="list-style-type: none"> • High share of vacant commercial buildings and lots • Disinvestment in building stock 	<ul style="list-style-type: none"> • Prosper, BDS, BPS, Private-sector partners, Venture Portland, NPN District Managers

Stabilize Existing Businesses

What is included in this intervention category? (Source: Advance Portland)

Enhance knowledge of and access to small business technical assistance, financial programs and incentives including rental assistance and supports to help residents and businesses reduce climate impact (e.g. heat pump incentives, grants for installing EV chargers, clean energy incentives etc.).

What existing or future programs could this include?	Why would a corridor need this?	Which partner would lead?
<ul style="list-style-type: none"> • Technical assistance programs, loans/grants, legacy business supports 	<ul style="list-style-type: none"> • High level of business churn • High share of BIPOC residents • Concentrations of BIPOC businesses 	<ul style="list-style-type: none"> • Prosper Portland

Grow Home Businesses and Create Commercial Space Opportunities

What is included in this intervention category? (Source: Advance Portland)

Tailor and market business assistance programs and support regulatory changes that reduce barriers to home-based businesses, particularly home-based childcare providers.

Identify and address significant regulatory and process barriers—from permitting to development fees—impacting the feasibility of opening or relocating to brick-and-mortar businesses and/or food carts. Reevaluate thresholds for triggering infrastructure improvements that may be cost-prohibitive for small businesses.

Empower small businesses, particularly startups led by people who are from BIPOC or historically disadvantaged communities, to navigate the permitting process for city, county, and state permits.

What existing or future programs could this include?	Why would a corridor need this?	Which partner would lead?
<ul style="list-style-type: none"> • Code changes • Property owner outreach • New programs to make more space available 	<ul style="list-style-type: none"> • Increase in home-based business changes • Increase in small businesses 	<ul style="list-style-type: none"> • BPS/BDS (regulatory changes) • Prosper Portland (availability of space)

Address Housing Production and Affordability

What is included in this intervention category? (Source: Advance Portland)

Address housing production and affordability. Working with the Portland Housing Bureau, support tenants facing increasing market pressures and prevent displacement through direct funding, together with increased access to centralized technical assistance, with a focus on culturally specific services.

Invest in culturally supportive mixed-income housing production, particularly in communities with significant demographic and income diversity, in recognition of a higher risk of displacement due to market pressures, and to encourage diversity and success in neighborhood-serving businesses.

Explore and expand production methods that can streamline and increase completion of workforce housing, including but not limited to modular construction, 3D-printing, and other innovations in delivery of housing.

Support implementation of the zoning code changes to increase infill housing production in alignment with the City's Housing Needs Analysis and resulting Housing Production Strategy. Streamline permitting process for developments that increase housing units, particularly units that will provide additional workforce housing.

Reduce financial barriers for market and related inclusionary housing production and delivery, including identifying and evaluating financial barriers to increased housing and tools such as SDC deferrals, fee reductions, and/or tax exemptions.

What existing or future programs could this include?	Why would a corridor need this?	Which partner would lead?
New housing tailored to corridor needs	Housing price change and affordability compared to incomes in the corridor	PHB, Private-sector partners

Improve Transportation Safety and Connectivity

What actions would be included for the study corridors as part of Advance Portland?

Address pedestrian and multi-modal safety concerns on select corridors with priority focus on communities with significant demographic and income diversity. Design improvements with a mindfulness of impacts on adjacent small businesses (e.g. access to parking, driveways, left turns) and corridor climate resilience. Create enhanced neighborhood connections along Civic Corridors to increase access between residential areas and commercial districts.

Require an impact analysis of any proposed infrastructure improvements to quantify impacts to adjacent businesses. Clearly document public sector roles and responsibilities to ensure smooth delivery of transportation improvements, and how engagement of local businesses and residents informs project designs and delivery. Debrief and memorialize how new or innovative strategies benefited and/or created unintended consequences for adjacent businesses and residents to inform practices.

Provide technical and direct assistance to small businesses during disruptions due to infrastructure construction, and devise methods to support property investment for priority businesses and property owners to share benefits of investments in infrastructure.

Stabilize businesses and corridors through programs like the Neighborhood Prosperity Network, concurrent with regional-scale long-term transit and land use growth planning.

What existing or future programs could this include?	Why would a corridor need this?	Which partner would lead?
<ul style="list-style-type: none"> Investments in roads, sidewalks, and crossings 	<ul style="list-style-type: none"> Known safety and connectivity issues 	<ul style="list-style-type: none"> PBOT, NPN

How Could the Interventions Match to the Corridors?

The analysis outlined above points to possible actions that the Implementation Partners could take to support each corridor. ECONorthwest’s assessment is based on the recovery framework and meetings with corridor stakeholders to date. Some corridors show similar patterns across the two primary metrics, pointing to investments needed in commercial space, housing, or business stabilization.

Exhibit 11 provides a broad overview of corridors that will need more intensive corridor-wide support versus more targeted support. Exhibit 12 provides a detailed overview of which corridors could benefit from the six intervention categories.

The needs of those corridors may vary widely depending on the growth plans for businesses, property owner interests, and public realm investments planned for each corridor. In Phase 2, the Prosper Portland team will further refine and prioritize possible interventions.

While this analysis focused on specific corridors with active investment of city resources underway and/or under discussions, this methodology can be replicated for other corridors to measure their market strength and recovery relative to the citywide baseline.

Exhibit 11. Interventions Matched to Corridors

Interventions	Which corridors need more investment?	Which corridors need targeted investment?
Resource and grow business district capacity	Districts that need deployment of resources, while engaging with businesses and residents. Corridors with employment loss that also need other interventions.	Districts with existing organized business district capacity (e.g. NE 42nd Avenue) have fared better through the COVID pandemic.
Activate commercial buildings + attract new commercial development	Corridors with concentrations of nuisance vacant ground-floor commercial or vacant properties next to active businesses.	Corridors with existing support programs through nonprofit community organizations (like 82 nd Avenue) or with fewer ground floor vacancies or vacant land (NE MLK, N/NE Killingsworth, SE Foster).
Stabilize existing businesses	Corridors with increases or declines in small businesses will both need support, but the types of support might be different. New businesses might need technical support, such as marketing, financial literacy/planning, and assistance navigating licensing and regulation. Long-term businesses in declining corridors may need these same programs, or other programs to ensure they can continue to operate.	<p>Corridors with existing support programs through nonprofit community organizations, like 82nd Avenue.</p> <p>Corridors with longstanding, stable businesses, like SW Barbur.</p>
Grow home businesses and create commercial space opportunities	Corridors with many home-based businesses and small startups that might be looking to scale.	Some corridors have seen rapid increases in new small businesses formation and new home-based businesses COVID recovery period, especially some East Portland corridors.
Address housing production and affordability	<p>Corridors with lower commercial land values could use support for physical investments in building stock to support growing businesses.</p> <p>In corridors with high proportions of residents and business owners of color or high shares of renters (particularly low-income renters), policies must be implemented that actively combat displacement pressures to retain existing residents and business owners while still supporting corridor prosperity.</p>	<p>Corridors with relatively higher commercial land values need more targeted support to prevent further displacement, stabilize businesses. These include St Johns, N/NE Killingsworth, and NE MLK.</p> <p>In these corridors, a focus on housing production will help residents and businesses (by broadening their market base).</p>
Improve transportation safety and connectivity	<p>82nd Avenue (3 corridors), 122nd Avenue, Parkrose, SW Barbur, Rosewood, Sandy, and MLK will all need transportation investments to improve safety and mobility to support access to businesses from the adjacent neighborhood.</p> <p>82nd Avenue and 122nd Avenue will be receiving an influx of state and federal funding to facilitate this work. These corridors will need business stabilization during large-scale investments in the corridor.</p>	Some of the remaining corridors will need smaller and more targeted safety enhancements.

Exhibit 12. High level intervention categories

	Resource and grow business district capacity	Activate commercial buildings + attract new commercial development	Stabilize existing businesses	Grow home businesses and create commercial space opportunities	Address housing production and affordability	Improve transportation safety and connectivity
NE 122nd Avenue		•	•	•	•	•
NE 42nd Avenue		•	•	•	•	
NE 82nd Avenue (I-84 to SE Division)					•	•
NE 82nd Avenue (NE Killingsworth to I-84)					•	•
NE Cully Boulevard		•	•		•	
NE Halsey Street/NE Weidler Street		•		•	•	
NE Killingsworth Street	•		•			
NE Martin Luther King Boulevard	•		•	•		•
NE Sandy Boulevard	•	•	•		•	•
Parkrose	•	•			•	•
Rosewood		•	•	•	•	•
SE 82nd Avenue (SE Division to city Limits)				•	•	•
SE Division Street		•	•		•	
SE Foster Road			•	•	•	•
St. Johns		•	•			
SW Barbur Boulevard	•				•	•

Next Steps

Targeted support of each of the corridors will require energy, time, and financial resources from many Portland bureaus and community partners, and from the private market. Exhibit 13 provides an overview of the array of partners who will be involved in supporting each corridor moving forward.

Exhibit 13. Corridor Implementation Partners

East Portland Action Plan (EPAP)	Leadership and guidance to public agencies addressing challenges and improved livability in East Portland
Metro	Regional government supporting residents in Clackamas, Multnomah, and Washington counties.
N/NE Leadership Committee	Working in partnership with Prosper Portland to implement the N/NE Community Development Initiative
Neighborhood Prosperity Network Districts	Strengthen economic competitiveness in neighborhood business districts through community-planned and community-implemented actions and projects
Portland Bureau of Development Services (BDS)	Promotes safety, livability, and economic vitality through building and development codes
Portland Bureau of Planning and Sustainability (BPS)	Zoning code changes and long-range planning
Portland Bureau of Transportation (PBOT)	Investments in transportation safety, connectivity, and walkability
Portland Clean Energy Fund (PCEF)	Creates green jobs, funds renewable energy and efficiency programs, and supports local businesses
Portland Housing Bureau (PHB)	Housing investments and housing stability
Prosper Portland	Small business and commercial real estate programs, NPN programs, and TIF Districts
Real Estate Industry Partners	Private sector leaders representing landlords, tenants, and developers
Venture Portland	Neighborhood business district capacity building and support

In Phase 2, the Prosper Portland team will engage more deeply with corridor stakeholders and implementation partners to further refine and prioritize possible interventions. This work will create coordinated strategy for improving conditions for each corridor based on its unique needs. The team will also look at programs, initiatives, policies, and funding mechanisms that other cities are using to support neighborhood commercial corridors as part of post-pandemic recovery.

Appendix: Portland's 16 Neighborhood Corridor Profiles

Corridor Groupings by Quadrant

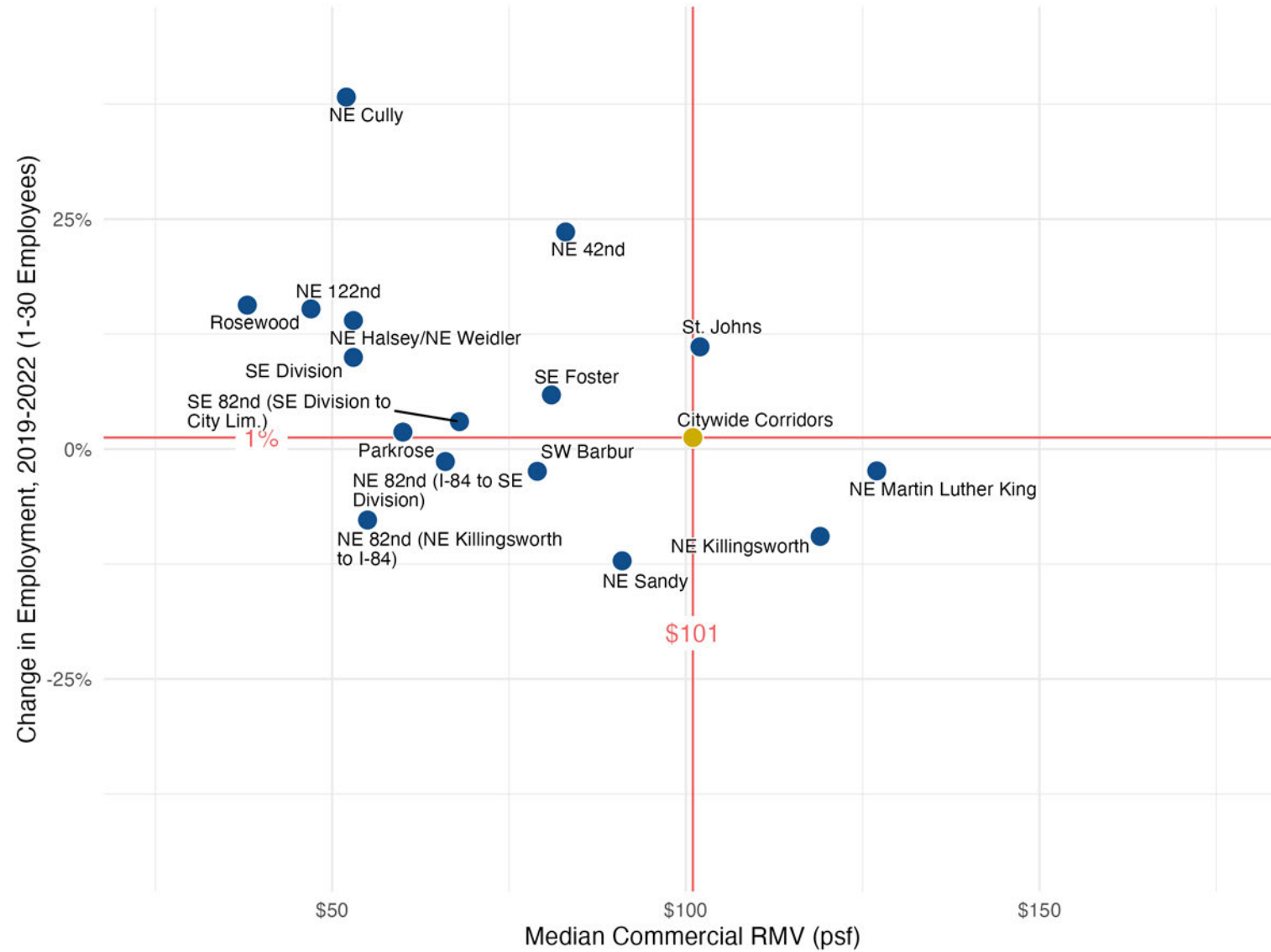


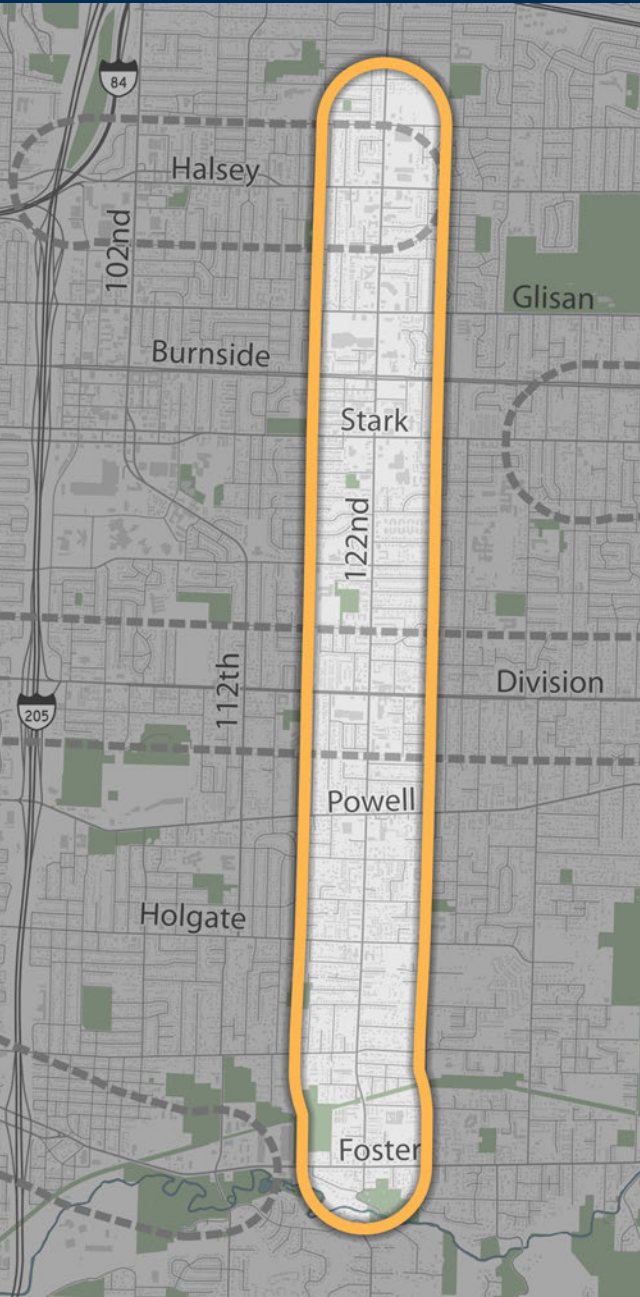
Exhibit 12: High level intervention categories

	Resource and grow business district capacity	Activate commercial buildings + attract new commercial development	Stabilize existing businesses	Grow home businesses and create commercial space opportunities	Address housing production and affordability	Improve transportation safety and connectivity
NE 122nd Avenue		•	•	•	•	•
NE 42nd Avenue		•	•	•	•	
NE 82nd Avenue (I-84 to SE Division)					•	•
NE 82nd Avenue (NE Killingsworth to I-84)					•	•
NE Cully Boulevard		•	•		•	
NE Halsey Street /NE Weidler Street		•		•	•	
NE Killingsworth Street	•		•			
NE Martin Luther King Boulevard	•		•	•		•
NE Sandy Boulevard	•	•	•		•	•
Parkrose	•	•			•	•
Rosewood		•	•	•	•	•
SE 82nd Avenue (SE Division to City Limits)				•	•	•
SE Division Street		•	•		•	
SE Foster Road			•	•	•	•
St. Johns		•	•			
SW Barbur Boulevard	•				•	•



Corridor Overview: 122nd Avenue

How to support this corridor:



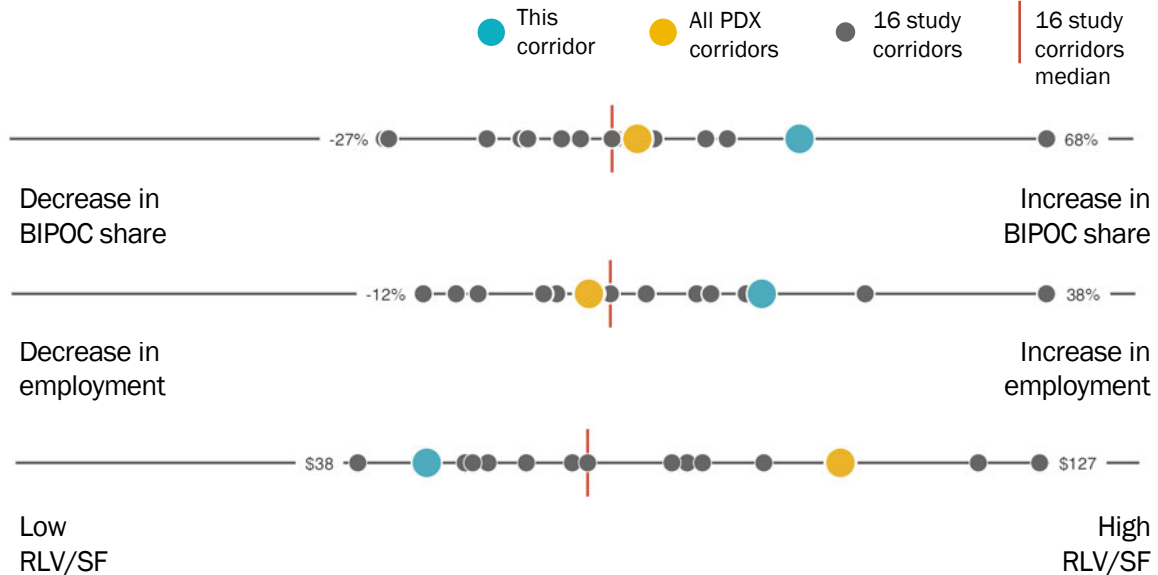
Change in BIPOC share

Market Recovery

(change in small business employment)

Market Strength

(median commercial property RLV per SF)



Grow business district capacity

Activate commercial buildings and attract new commercial dev't

Stabilize existing businesses

Grow home businesses and create commercial space opportunities

Address housing production and affordability

Improve transportation safety and connectivity

Demographics

(2010-2020)

- 69% increase of BIPOC residents
- 50% of HHs rent
- 28% population increase (17,184 residents in 2020)
- 77% of households < 100% AMI in 2019

Market Recovery

(2008-2022)

- Employment in retail and office-based losing to education and medical

Market Strength

(2008-2022)

- Retail and office rents lower than the corridor average and decreasing
- Housing investments in affordable housing in 2017-19, but limited commercial and market rate development



Corridor Overview: NE 42nd

How to support this corridor:



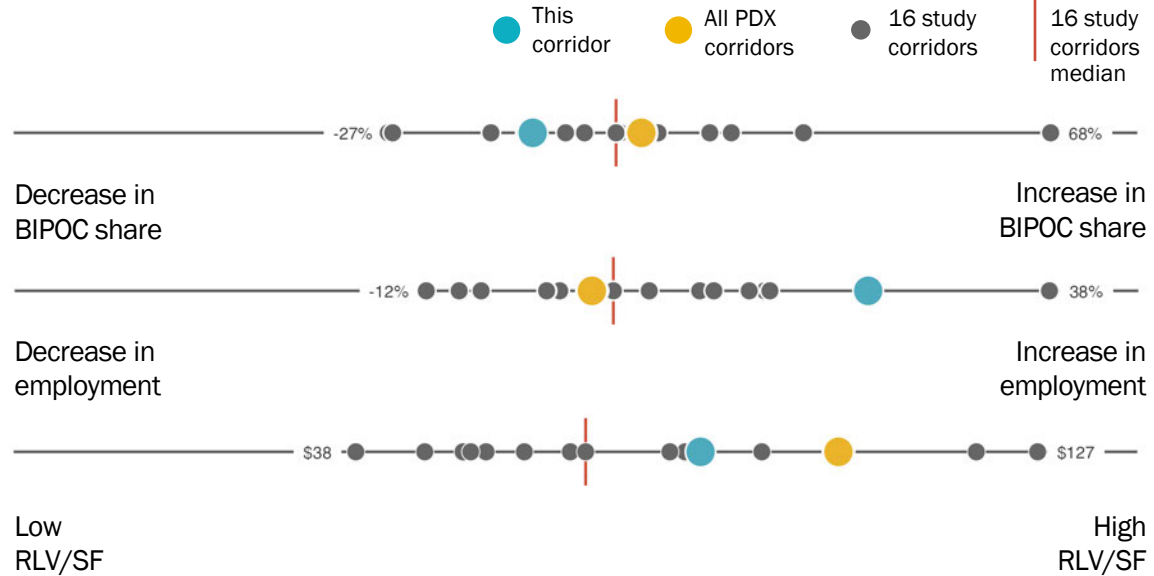
Change in BIPOC share

Market Recovery

(change in small business employment)

Market Strength

(median commercial property RLV per SF)



Grow business district capacity

Activate commercial buildings and attract new commercial dev't

Stabilize existing businesses

Grow home businesses and create commercial space opportunities

Address housing production and affordability

Improve transportation safety and connectivity

Demographics

(2010-2020)

- ➔ Share of BIPOC population decreased by 2% (nominally increased by about 200)
- ➔ 20% population increase (5,378 residents in 2020)
- ➔ Renters make up 24% of households
- ➔ 44% of households < 100% AMI in 2019

Market Recovery

(2008-2022)

- ➔ Total businesses doubled since 2008 (up to 220 in 2022)
- ➔ Employment increased 20% since 2019 after returning to pre-pandemic levels

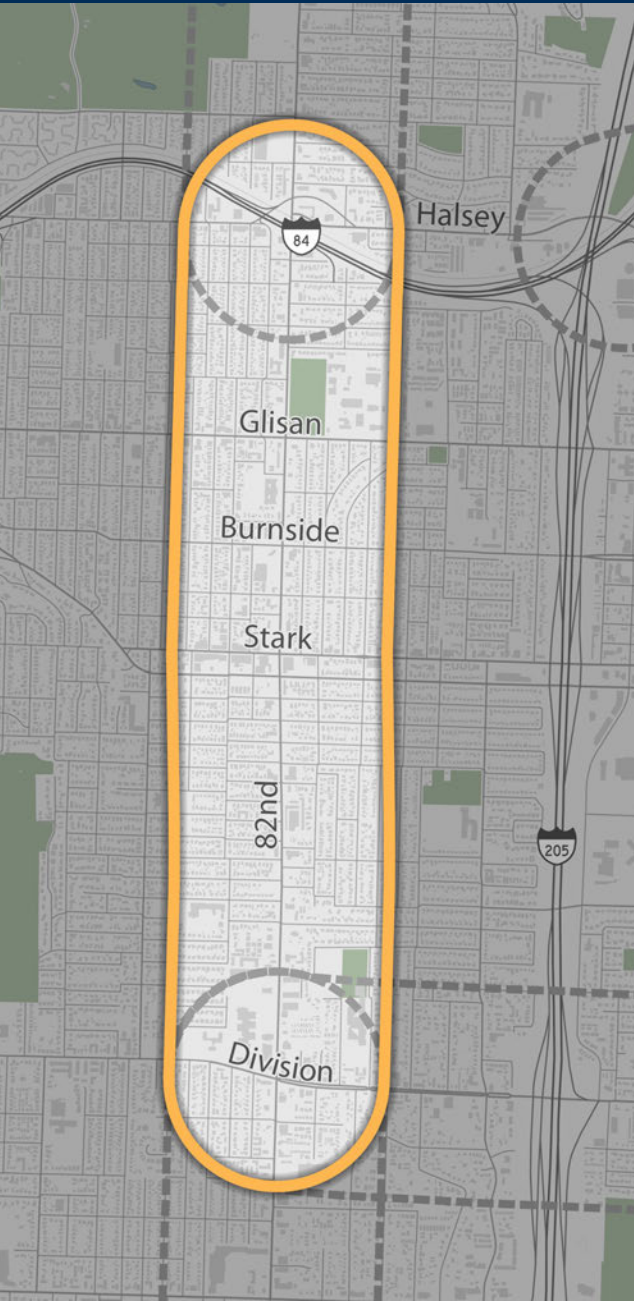
Market Strength

(2012-2022)

- ➔ Residential development has seen strong demand with 170 residential permits since 2019
- ➔ Residential sales prices more than doubled since 2008; median prices hovering around \$600k

Corridor Overview: 82nd (I-84 to Division)

How to support this corridor:



Change in BIPOC share

Market Recovery

(change in small business employment)

Market Strength

(median commercial property RLV per SF)



Demographics

(2010-2020)

- ➔ Modest increase in share of BIPOC population
- ➔ 5% population increase (7,742 residents in 2020)
- ➔ 6% decrease in share of renters
- ➔ 58% of HHs < 100% AMI in 2019

Market Recovery

(2008-2022)

- ➔ **Employment** increased 10%
- ➔ **Total businesses** increased by 41% between 2008-2011
- ➔ **Small business employment** has not recovered from pandemic losses

Market Strength

(2008-2022)

- ➔ **Retail** has seen rent growth with low vacancies
- ➔ **Commercial alterations/permits** have increased

Grow business district capacity

Activate commercial buildings and attract new commercial dev't

Stabilize existing businesses

Grow home businesses and create commercial space opportunities

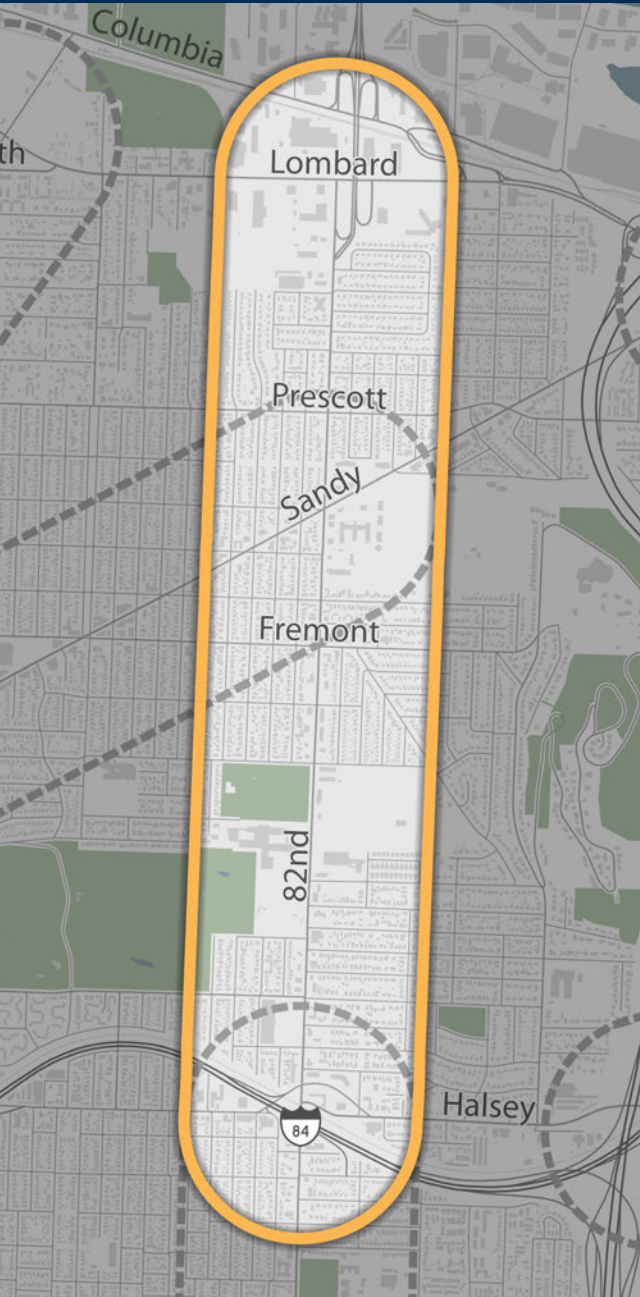
Address housing production and affordability

Improve transportation safety and connectivity

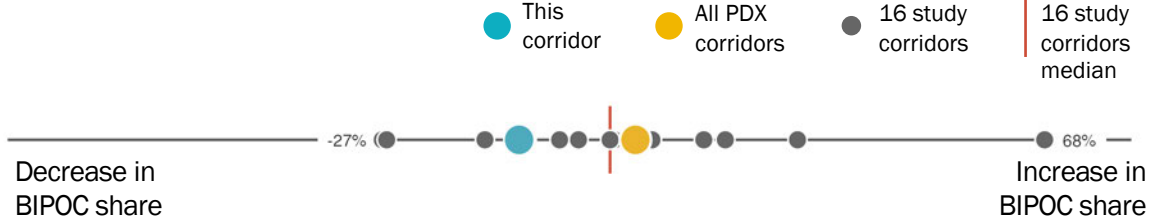


Corridor Overview: NE 82nd (Killingsworth to I-84)

How to support this corridor:

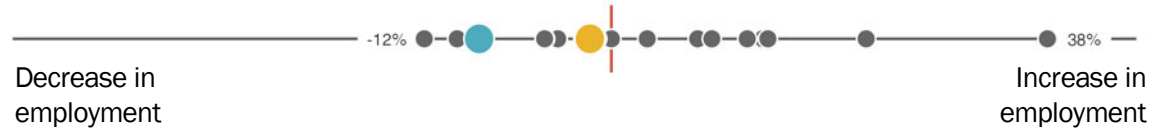


Change in BIPOC share



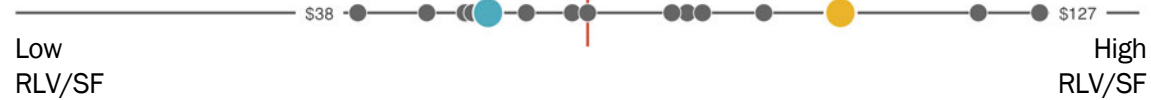
Market Recovery

(change in small business employment)



Market Strength

(median commercial property RLV per SF)



Grow business district capacity

Activate commercial buildings and attract new commercial dev't

Stabilize existing businesses

Grow home businesses and create commercial space opportunities

Demographics (2010-2020)

- ➔ 30% of residents are BIPOC
- ➔ 21% population increase (6,381 residents in 2020)
- ➔ 36% of HHs rent
- ➔ 62% of HHs with incomes < 100% AMI in 2019

Market Recovery (2008-2022)

- ➔ Small business employment decreased
- ➔ Employment increased 26%
- ➔ Number of businesses increased by 39%

Market Strength (2008-2022)

- ➔ Residential and commercial development has been sparse
- ➔ Home sales prices track City trends; homes sell for ~\$50K less

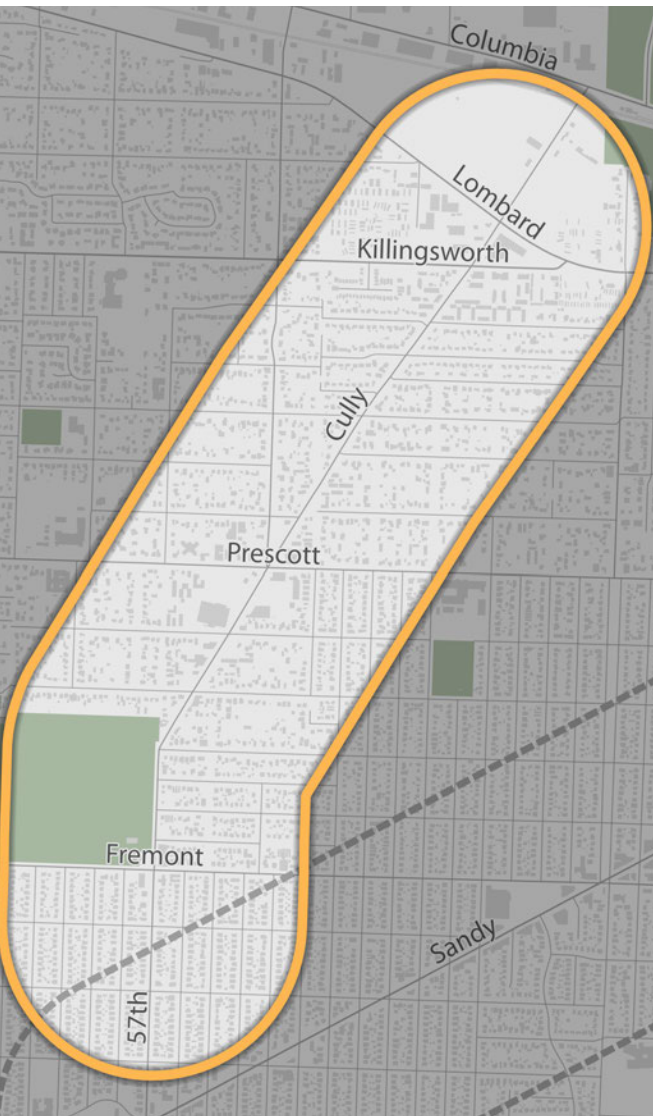
Address housing production and affordability

Improve transportation safety and connectivity



Corridor Overview: Cully

How to support this corridor:



Change in BIPOC share

Market Recovery

(change in small business employment)

Market Strength

(median commercial property RLV per SF)



Grow business district capacity

Activate commercial buildings and attract new commercial dev't

Stabilize existing businesses

Grow home businesses and create commercial space opportunities

Address housing production and affordability

Improve transportation safety and connectivity

Demographics (2010-2020)

- ➔ 34% of residents are BIPOC
- ➔ 7% population increase (5,759 residents in 2020)
- ➔ Share of working age population increased by 6%
- ➔ 58% of HHs < 100% AMI in 2019

Market Recovery (2008-2022)

- ➔ **Employment** increased 73% since 2008
- ➔ **Home values** increased with median home value over \$500,000 in 2022

Market Strength (2008-2022)

- ➔ **Residential development** has been slow with mostly SFH, middle housing, and ADU infill



Corridor Overview: Halsey/Weidler

How to support this corridor:

Demographics (2010-2020)

- 85% increase in BIPOC population
- 113% increase in people with Bachelor's degrees
- 10% population increase (4,197 residents in 2020)
- 77% of HHs < 100% AMI in 2019

Market Recovery (2008-2022)

- Employment recovery is at or slightly above 2019-2022 employment growth rates compared to citywide corridors.
- Small businesses have increased since 2019, but still lower than the average of all Portland corridors

Market Strength (2008-2022)

- Retail lease rates increased from 2009-2019, then declined as vacancy rates have increased.

Change in BIPOC share

Market Recovery (change in small business employment)

Market Strength (median commercial property RLV per SF)



Grow business district capacity

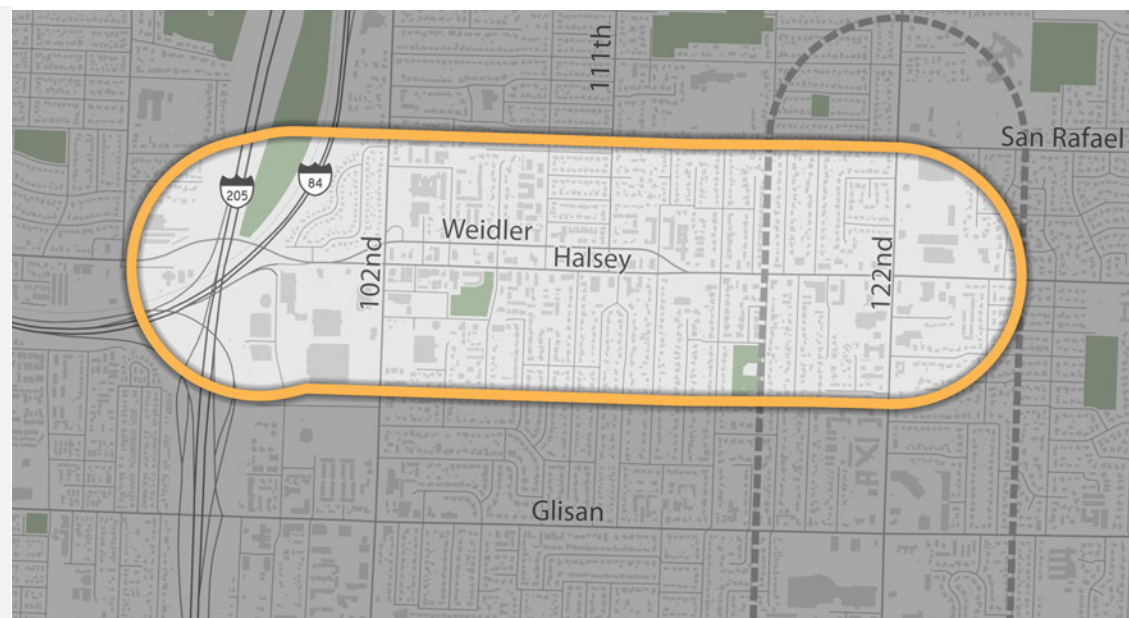
Activate commercial buildings and attract new commercial dev't

Stabilize existing businesses

Grow home businesses and create commercial space opportunities

Address housing production and affordability

Improve transportation safety and connectivity



Corridor Overview: N/NE Killingsworth

How to support this corridor:

Demographics (2010-2020)

- Largest decrease in share of BIPOC population among all corridors
- 13% population increase (8,486 residents in 2020)
- 52% of HHs < 100% AMI in 2019

Market Recovery (2008-2022)

- Increase in small businesses and high churn; 61% of 2019 businesses remained in 2022.
- 5% loss in jobs between 2019-2022, mostly from business relocation and losses in food services.

Market Strength (2008-2022)

- Retail employment mostly stable, but rents decreased since 2017 while vacancies remained low.
- Office Rents were stable despite high (15%) vacancy rates

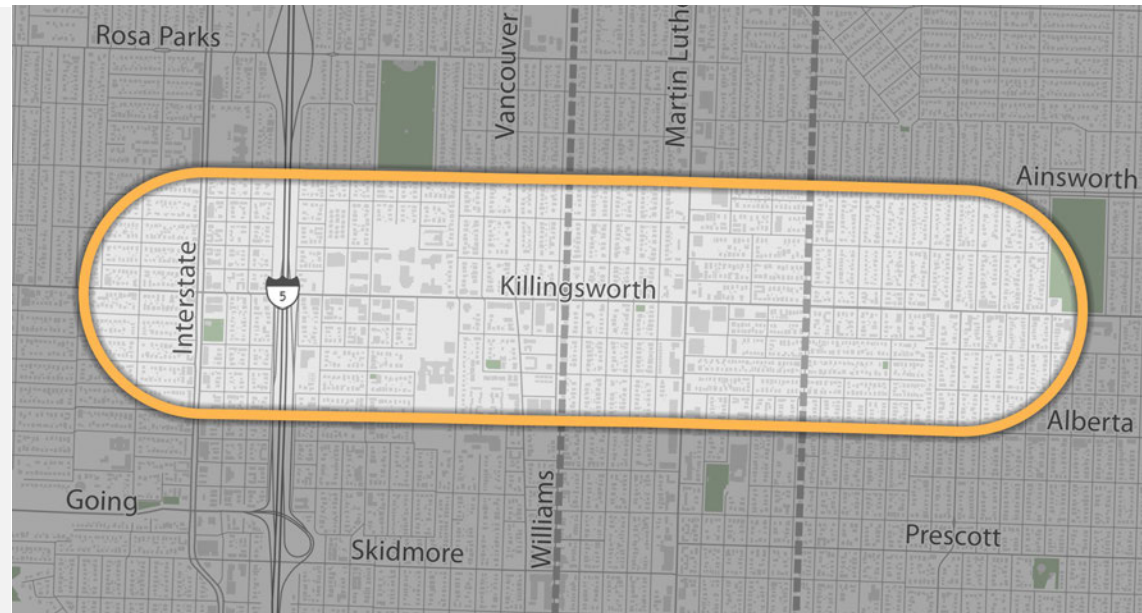
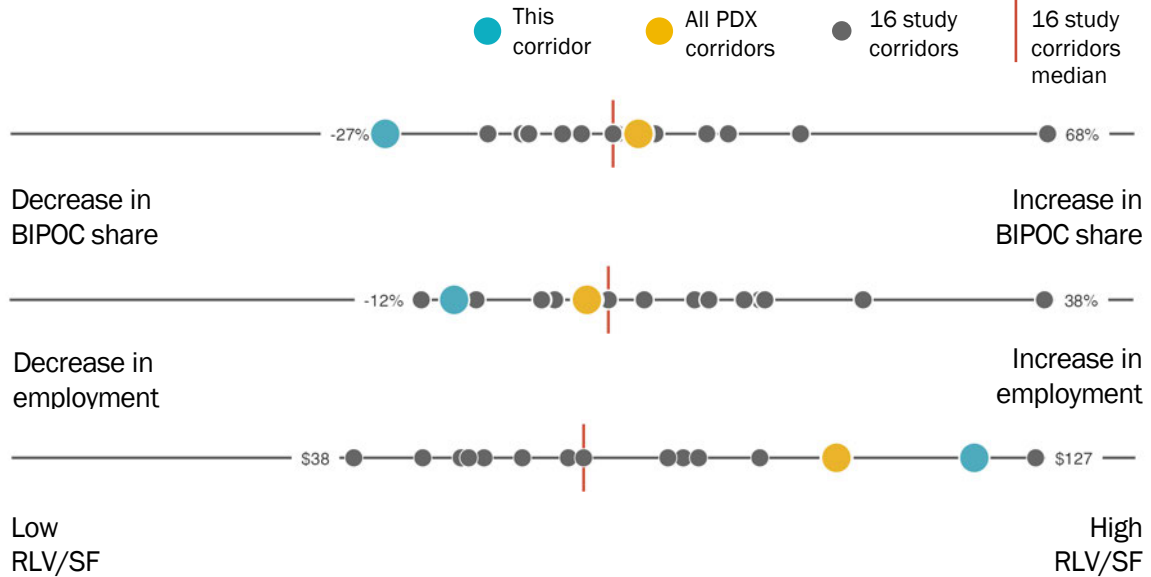
Change in BIPOC share

Market Recovery

(change in small business employment)

Market Strength

(median commercial property RLV per SF)



Grow business district capacity

Activate commercial buildings and attract new commercial dev't

Stabilize existing businesses

Grow home businesses and create commercial space opportunities

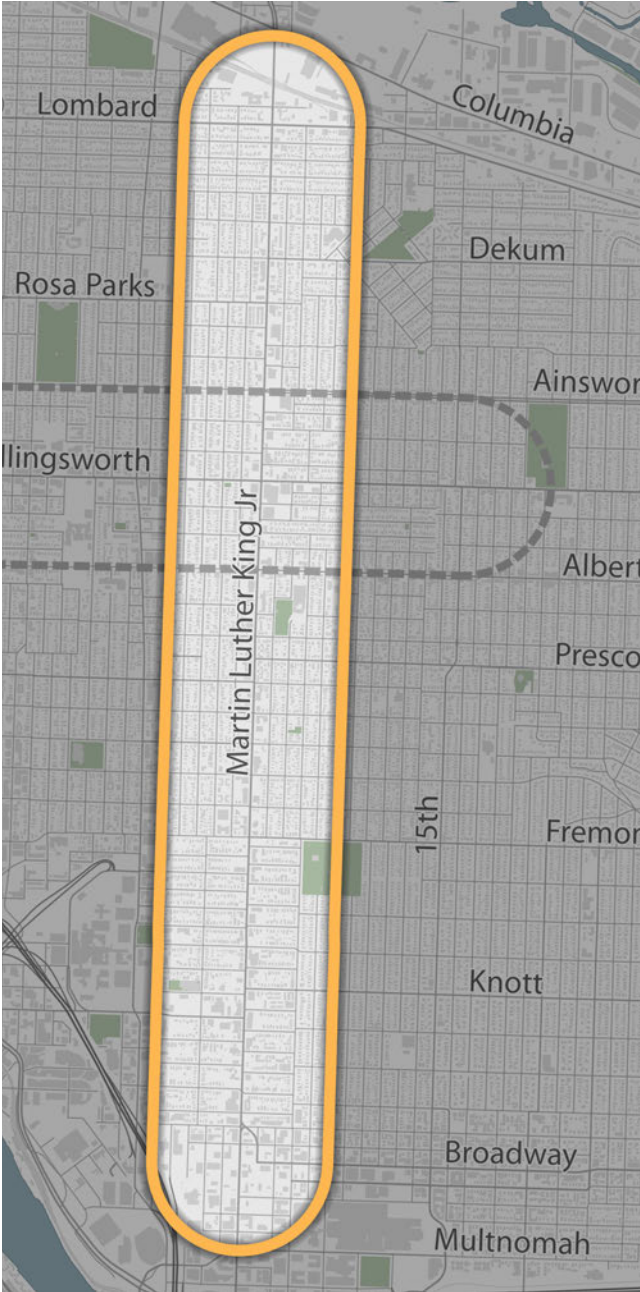
Address housing production and affordability

Improve transportation safety and connectivity



Corridor Overview: NE MLK

How to support this corridor:



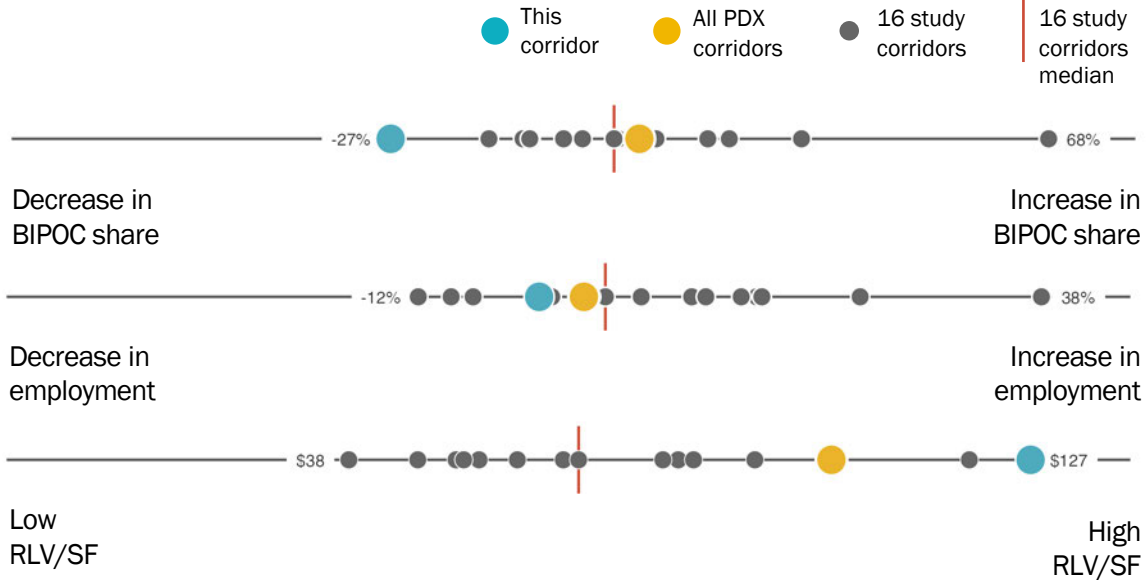
Change in BIPOC share

Market Recovery

(change in small business employment)

Market Strength

(median commercial property RLV per SF)



Grow business district capacity

Activate commercial buildings and attract new commercial dev't

Stabilize existing businesses

Grow home businesses and create commercial space opportunities

Address housing production and affordability

Improve transportation safety and connectivity

Demographics

(2010-2020)

- 12% decrease in BIPOC share
- 28% population increase (14,708 residents in 2020)
- Share of renter households increased by 9%
- 52% of HHs < 100% AMI in 2019

Market Recovery

(2008-2022)

- Employment increased in medical and personal services, 5% lower than pre-pandemic
- Small business employment mostly recovered from pandemic losses

Market Strength

(2008-2022)

- Retail rents have been increasing since 2006
- Commercial space in new mixed-use buildings sometimes stays vacant



Corridor Overview: NE Sandy (Int'l Business District)

How to support this corridor:

Demographics (2010-2020)

- 4% increase in share of seniors
- 20% population increase (6,241 residents in 2020)
- Modest loss in share of BIPOC population
- 49% of HHs < 100% AMI in 2019

Market Recovery (2008-2022)

- Businesses returned to pre-pandemic levels in 2022, and increased 43% since 2008
- Small businesses employment has not returned to pre-pandemic levels and remains below 12% below 2019 levels.

Market Strength (2008-2022)

- Retail Lease Activity declined sharply after the beginning of the pandemic and vacancy rates are high

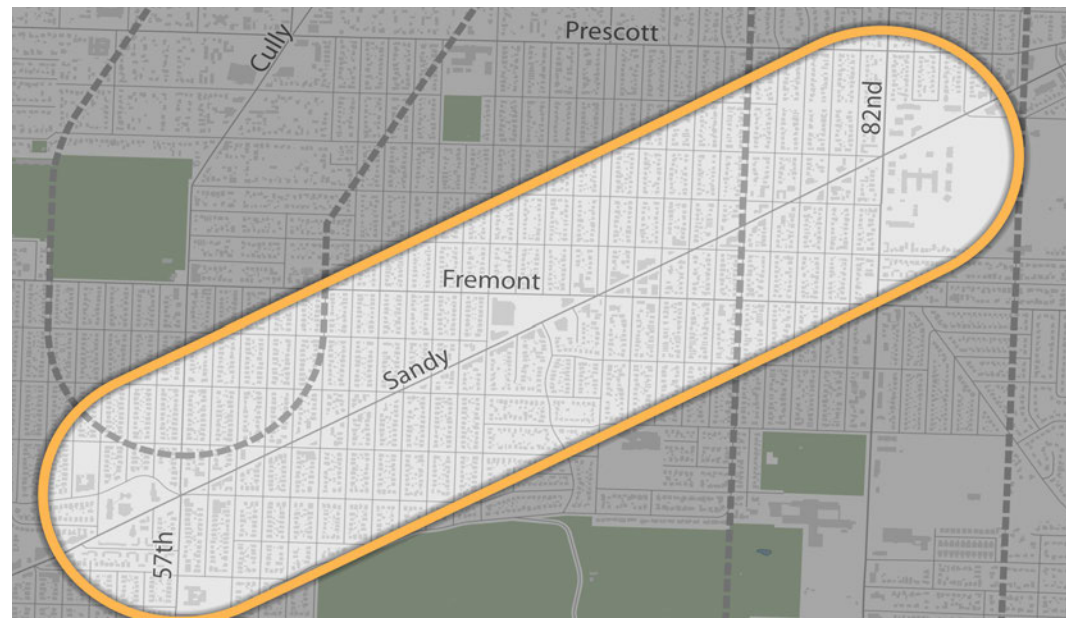
Change in BIPOC share

Market Recovery

Market Strength

(change in small business employment)

(median commercial property RLV per SF)



Grow business district capacity

Activate commercial buildings and attract new commercial dev't

Stabilize existing businesses

Grow home businesses and create commercial space opportunities

Address housing production and affordability

Improve transportation safety and connectivity



Corridor Overview: Parkrose

How to support this corridor:

Demographics (2010-2020)

- ➔ 40% of residents are BIPOC
- ➔ 3% population increase (2,422 residents in 2020)
- ➔ 42% of HHs rent
- ➔ 68% of HHs < 100% AMI in 2019

Market Recovery (2008-2022)

- ➔ Small business employment recovered after losses during the pandemic
- ➔ Total employment decreased by 7% since 2019
- ➔ Industrial employment grew, food service and retail lost jobs

Market Strength (2008-2022)

- ➔ Residential sales price per square foot are not increasing at the rate seen in the other corridors
- ➔ Commercial vacancies began increasing in 2019 and have continued to increase

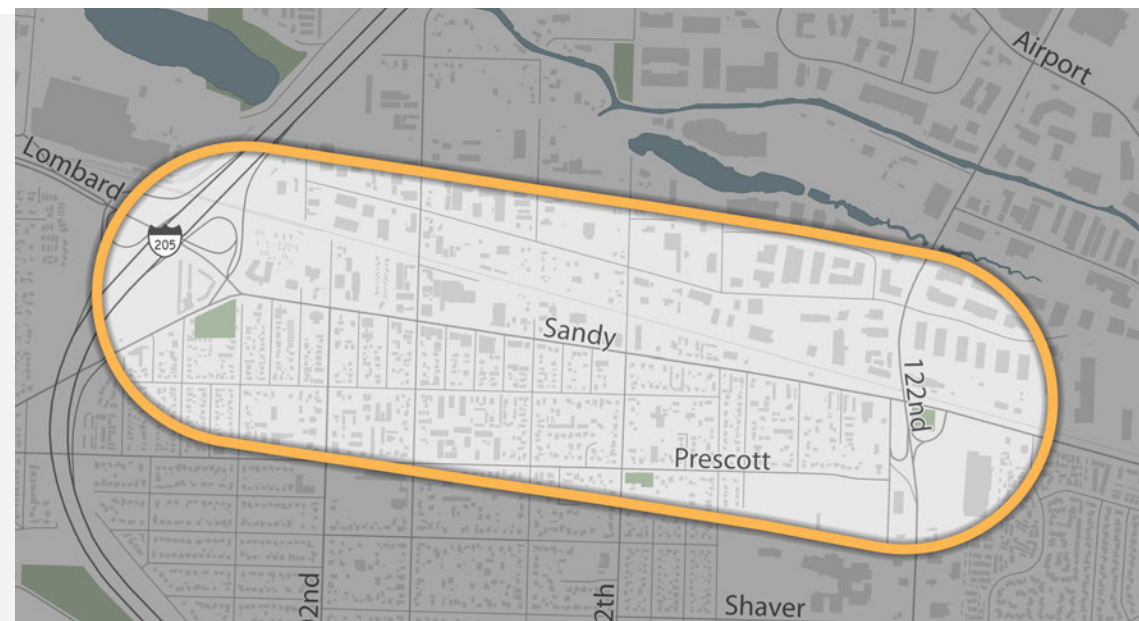
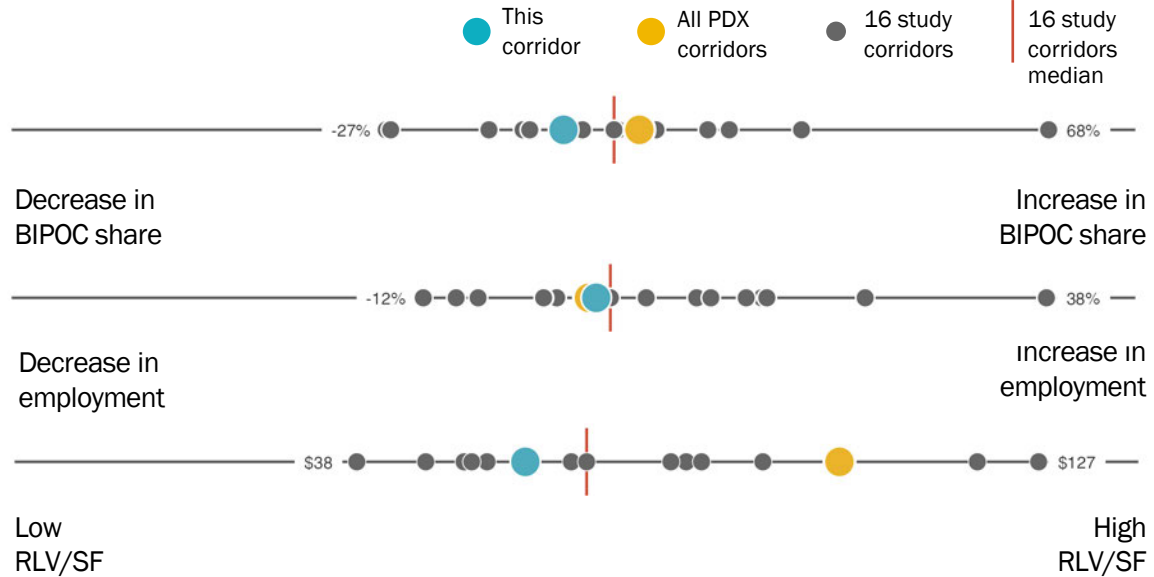
Change in BIPOC share

Market Recovery

(change in small business employment)

Market Strength

(median commercial property RLV per SF)



Grow business district capacity

Activate commercial buildings and attract new commercial dev't

Stabilize existing businesses

Grow home businesses and create commercial space opportunities

Address housing production and affordability

Improve transportation safety and connectivity



Corridor Overview: Rosewood

How to support this corridor:

Demographics (2010-2020)

- Almost 50% of population is BIPOC
- 24% of residents are Hispanic
- 14% population increase (10,999 residents in 2020)
- 76% of HHs < 100% AMI in 2019

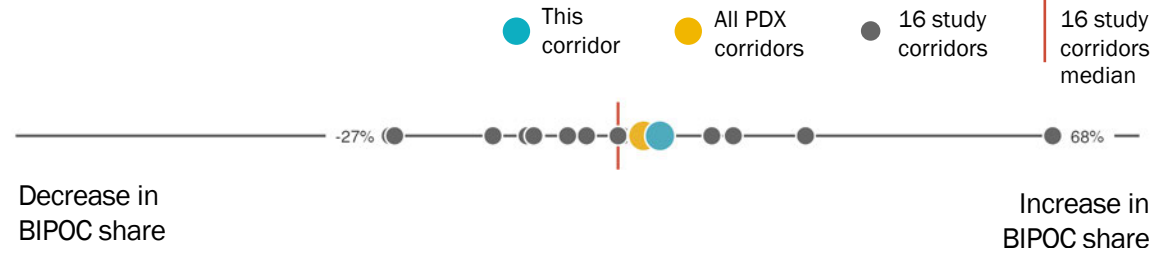
Market Recovery (2008-2022)

- **Small businesses grew** during the recovery period, many home based businesses were started since 2019

Market Strength (2008-2022)

- **Increase in multifamily development and investment** has occurred in limited locations
- **Lack of commercial spaces** impacts entrepreneurship opportunities and business growth
- **Residential sales prices** more than doubled since 2014

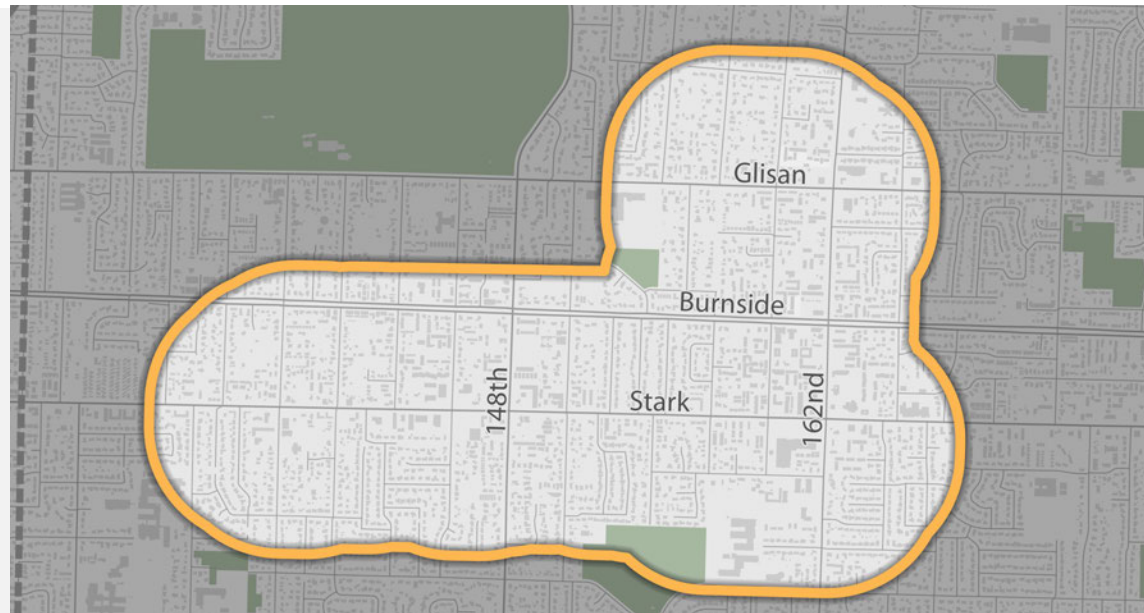
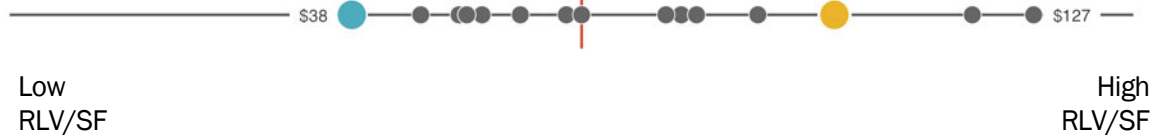
Change in BIPOC share



Market Recovery (change in small business employment)



Market Strength (median commercial property RLV per SF)



Grow business district capacity

Activate commercial buildings and attract new commercial dev't

Stabilize existing businesses

Grow home businesses and create commercial space opportunities

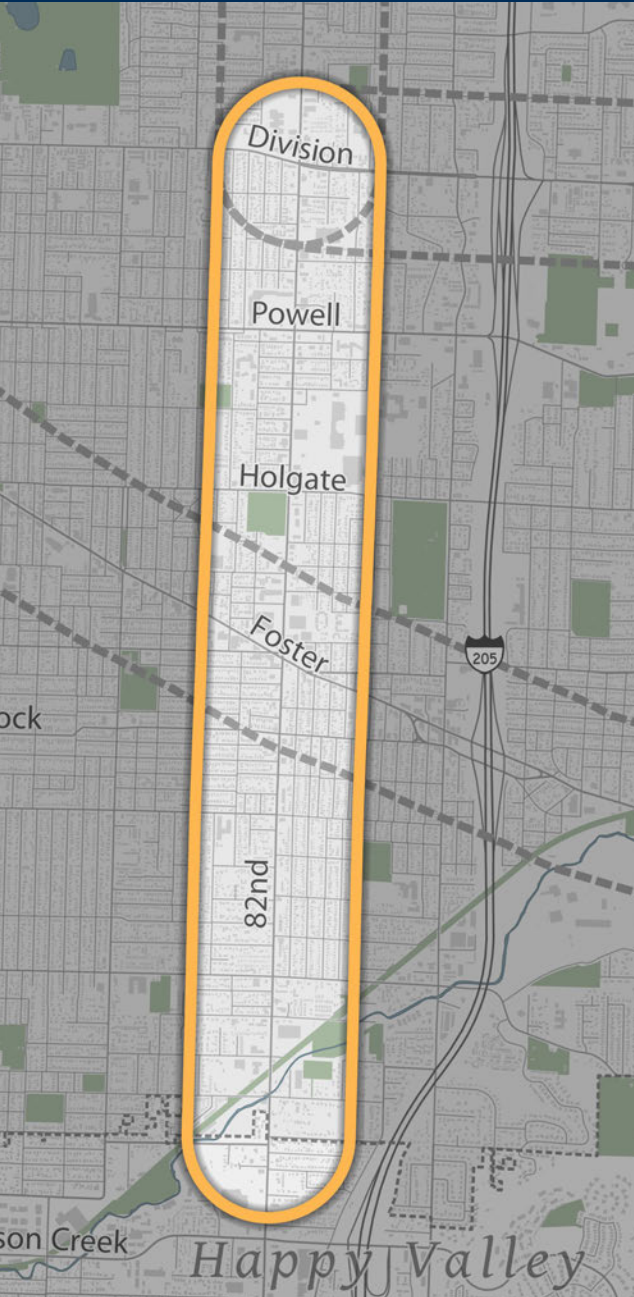
Address housing production and affordability

Improve transportation safety and connectivity



Corridor Overview: 82nd Avenue (Division - City Limits)

How to support this corridor:



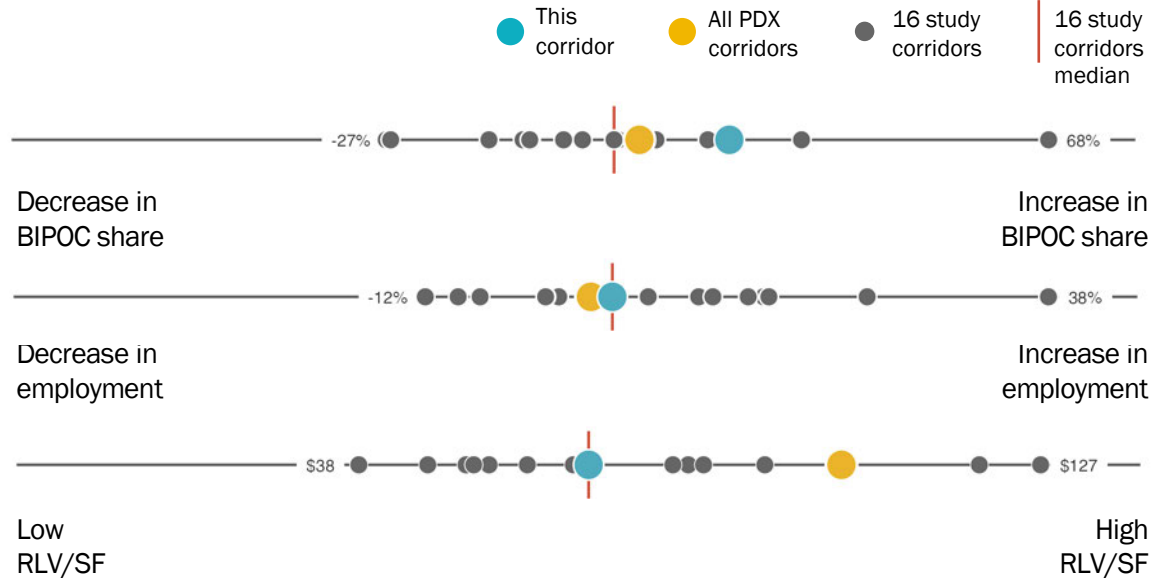
Change in BIPOC share

Market Recovery

(change in small business employment)

Market Strength

(median commercial property RLV per SF)



Grow business district capacity

Activate commercial buildings and attract new commercial dev't

Stabilize existing businesses

Demographics

(2010-2020)

- 39% of residents are BIPOC
- 99% increase in people with Bachelor's degrees
- 12,171 residents 12% (12,171 residents in 2020)
- 68% of households < 100% AMI

Market Recovery

(2008-2022)

- Total employment is still 6% lower than pre-pandemic levels
- Small business employment has increased
- Investments by APANO are supporting business stability in growth in the corridor

Market Strength

(2008-2022)

- Commercial improvements in restaurants have bolstered the corridor
- Demand for retail space for targeted retail uses may help market strengths

Grow home businesses and create commercial space opportunities

Address housing production and affordability

Improve transportation safety and connectivity



Corridor Overview: Division

How to support this corridor:

Demographics (2010-2020)

- 9% increase in BIPOC share
- 23% population increase (17,821 residents in 2020)
- 76% of households < 100% AMI in 2019

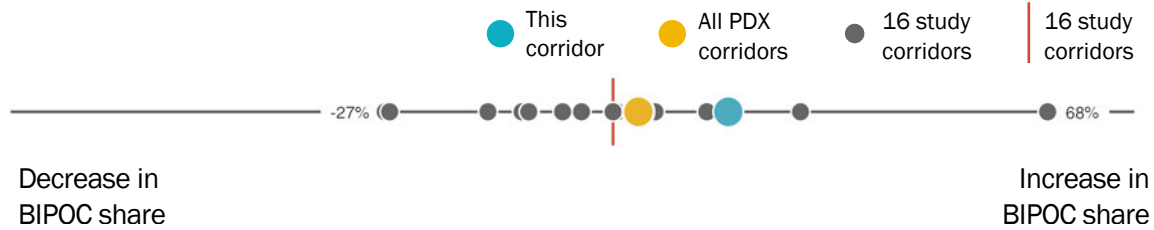
Market Recovery (2008-2022)

- Employment increased by 6.4% with losses in office based and industrial businesses
- Small business employment since the pandemic has recovered more than all corridors across Portland
- Total businesses increased by 46% 198 businesses since 2008

Market Strength (2008-2022)

- Residential sales prices more than doubled since 2012, with median sales price over \$400k.

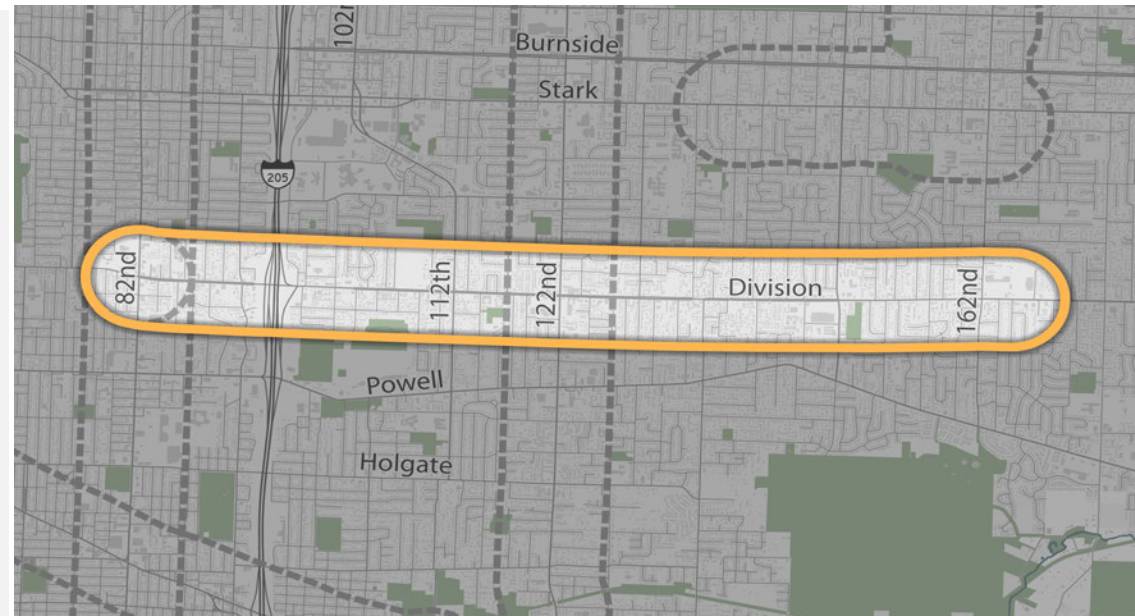
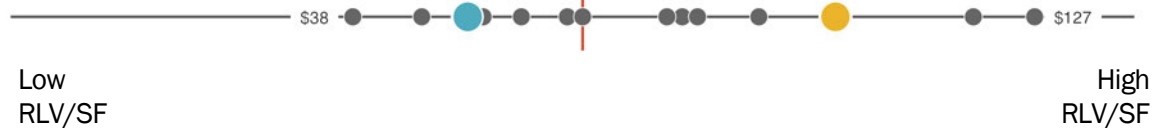
Change in BIPOC share



Market Recovery (change in small business employment)



Market Strength (median commercial property RLV per SF)



Grow business district capacity

Activate commercial buildings and attract new commercial dev't

Stabilize existing businesses

Grow home businesses and create commercial space opportunities

Address housing production and affordability

Improve transportation safety and connectivity



Corridor Overview: Foster

How to support this corridor:

Demographics (2010-2020)

- 90% increase in population with Bachelor degree or higher
- 33% of residents are BIPOC
- 17% population increase (15,704 residents in 2020)
- 62% of HHs < 100% AMI in 2019

Market Recovery (2008-2022)

- Small business employment has recovered faster than all corridors across Portland on average
- Food services employment recovered from pandemic era lows

Market Strength (2008-2022)

- Residential sales price PSF more than doubled since 2012 but ~\$50k less than the citywide median sales price
- Retail vacancy rates are low

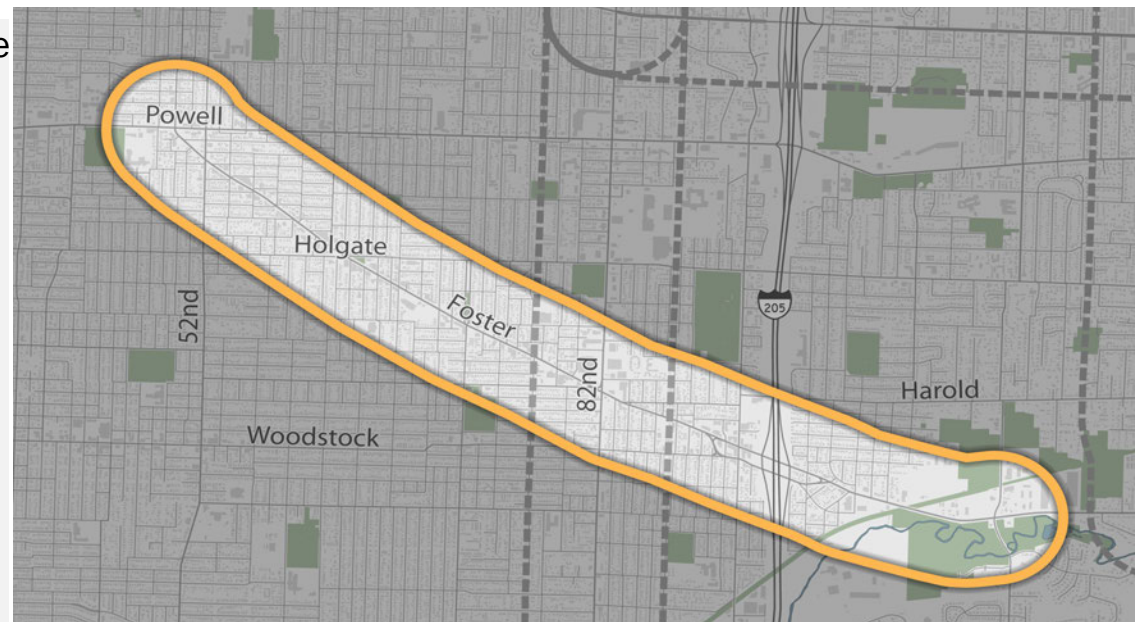
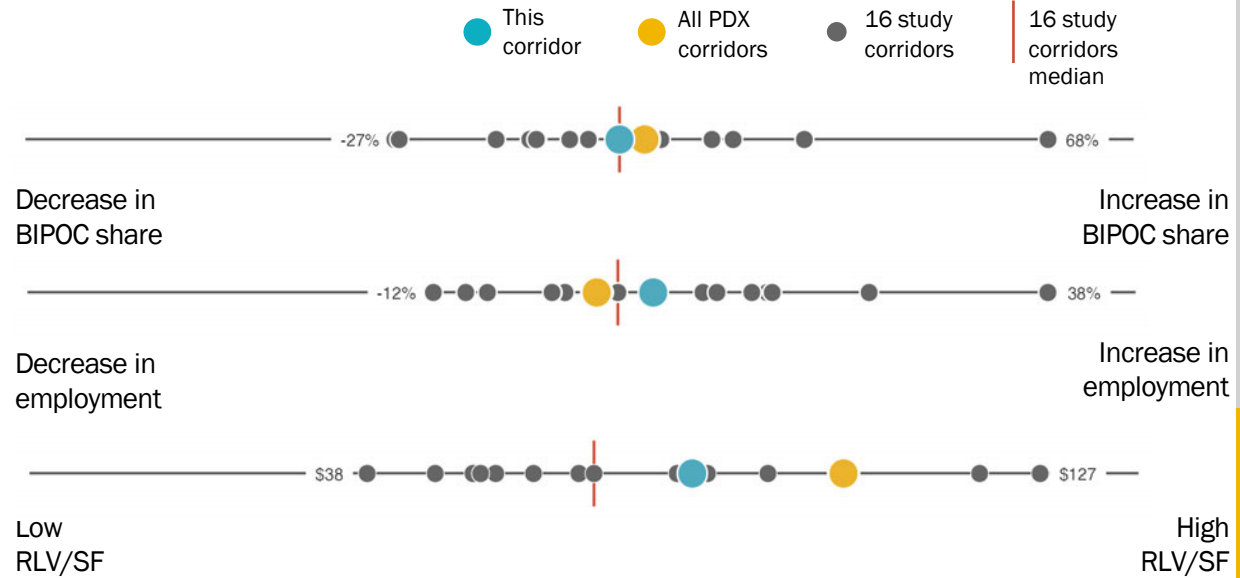
Change in BIPOC share

Market Recovery

(change in small business employment)

Market Strength

(median commercial property RLV per SF)



Grow business district capacity

Activate commercial buildings and attract new commercial dev't

Stabilize existing businesses

Grow home businesses and create commercial space opportunities

Address housing production and affordability

Improve transportation safety and connectivity



Corridor Overview: St. Johns

How to support this corridor:

Demographics (2010-2020)

- 77% of population is working age
- 21% of population is of BIPOC
- 21% population increase (3,586 residents in 2020)
- 52% of HHs < 100% AMI in 2019

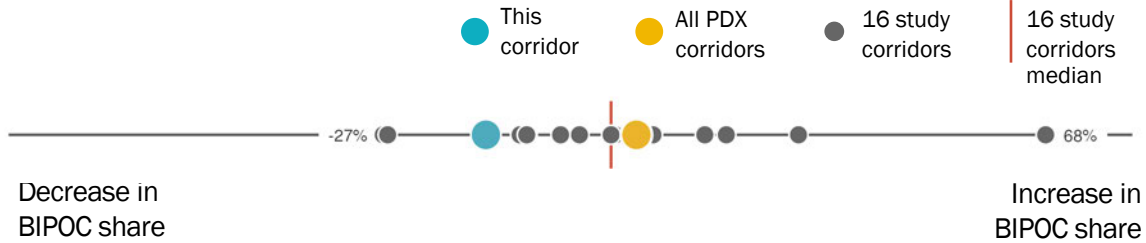
Market Recovery (2008-2022)

- Employment decreased by 1.9%.
- Small business employment has recovered from pandemic era lows and has recovered faster than all corridors on average across Portland

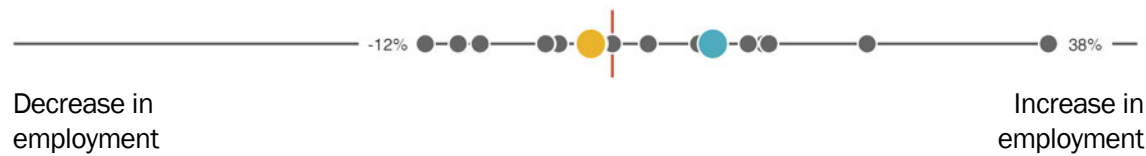
Market Strength (2008-2022)

- Retail Rents increased steadily increased starting in 2010 through the pandemic and have stabilized
- Retail vacancy rates are low

Change in BIPOC share



Market Recovery (change in small business employment)



Market Strength (median commercial property RLV per SF)



Grow business district capacity

Activate commercial buildings and attract new commercial dev't

Stabilize existing businesses

Grow home businesses and create commercial space opportunities

Address housing production and affordability

Improve transportation safety and connectivity



Corridor Overview: SW Barbur

How to support this corridor:

Demographics

(2010-2020)

- 5% increase in share of seniors
- 4,280 residents (+13% since 2010)
- 24% of residents are BIPOC
- 48% of HHs < 100% AMI in 2019

Market Recovery

(2008-2022)

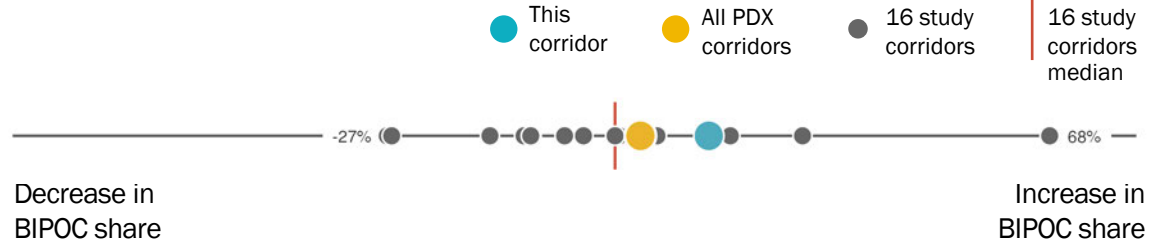
- Employment 8% decrease in total employment since 2019
- Small businesses have seen a 3% loss in establishments and a 5% increase in employment

Market Strength

(2008-2022)

- Office has high vacancy rates, around 20%

Change in BIPOC share



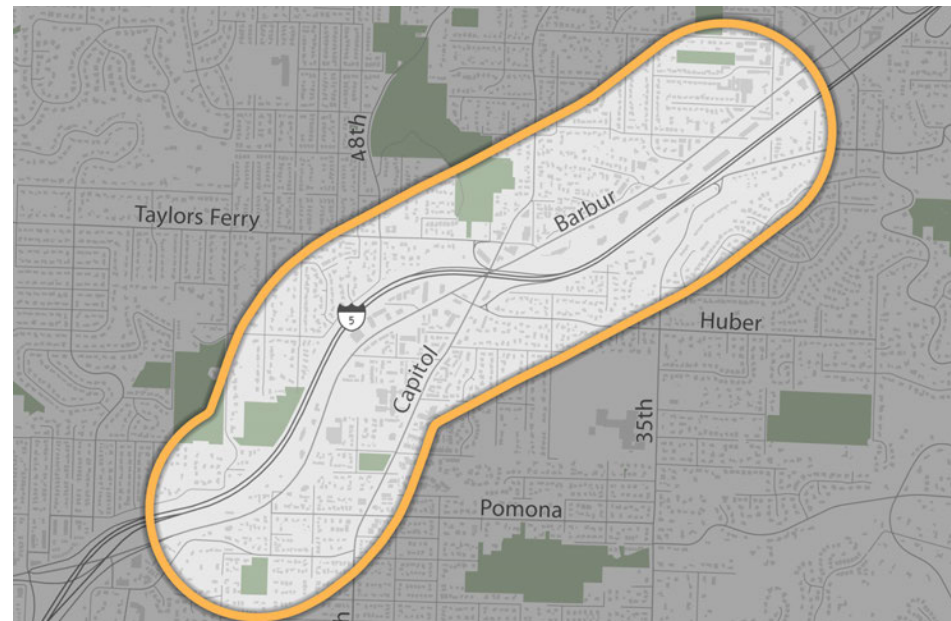
Market Recovery

(change in small business employment)



Market Strength

(median commercial property RLV per SF)



Grow business district capacity

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