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MULTI USE

PIONEER PLACE

PORTLAND, OREGON

PROJECT TYPE

Pioneer Place is a threeblock retail and office complex in downtown Portland that was conceived in part to restore and revitalize downtown as a retail destination. The three blocks include a 155,000squarefoot retail pavilion on one block, a 16story, 284,000squarefoot office tower with a 60,000squarefoot twolevel department store at its base on the second, and a cityowned 630space parking structure on the third. A fourth block has been programmed for retail and hotel or office uses to be developed at some future time.

SPECIAL FEATURES

- Streetfriendly retail
- Public/private development
- Fourlevel mall

DEVELOPERS

RousePortland, Inc., an affiliate of The Rouse Company
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Columbia, Maryland 21044
4109926000

Portland Development Commission
1120 SW Fifth Avenue, Suite 1100
Portland, Oregon 97204
5038233200

ARCHITECT/PLANNER

Retail Pavilion and Office
The Rouse Company and ELS/Elbasani & Logan Architects
2040 Addison Street
Berkeley, California 94704
5105492929

Parking Structure
Zimmer Gunsul Frasca Partnership
Portland, Oregon



The Pioneer Place retail/office complex has helped to reestablish Portland's downtown core as the retail and cultural heart of the region.

GENERAL DESCRIPTION

Pioneer Place is a multiuse project in downtown Portland that was conceived to stimulate and enhance Portland's active pedestrian street life via new retail development. The Portland Development Commission initiated the project with a request for proposals in 1981, and the development rights were awarded to The Rouse Company in 1983. The three-block project includes a retail pavilion, an office tower with a two-level department store, and a city-owned parking structure. The modestly scaled retail pavilion features large display windows and custom-matched glass canopies to create a memorable pedestrian and shopping experience. In contrast to typical shopping centers, the pavilion addresses the street with large shop windows on all four sides and all three levels, and provides four separate entrances—one at each corner. The program and design have succeeded in creating a viable shopping center while also enhancing and revitalizing surrounding downtown retail areas.

THE SITE AND DEVELOPMENT PROCESS

The project site plan includes four small square blocks—200 feet by 200 feet—in the downtown core, adjacent to the recently restored Pioneer Square Federal Courthouse; only three of the blocks have been developed thus far. Before redevelopment, the site consisted of mostly two and three-story buildings. The corner of Fifth and Morrison, which has become the main entrance for the retail pavilion, is considered the 100 percent retail location, and a Meier & Frank department store is located at this corner as well. This intersection is also where the Portland Transit Mall (Fifth Avenue) crosses the inbound line of the Portland light rail system (Morrison Street). Other major nearby retailers include Nordstrom, which has had a longstanding presence in the downtown, and newcomers Borders Books and Nike Town.

In the early 1970s, Portland initiated a planning process to revitalize and enhance the downtown core area. A new transit mall and light rail system resulted as part of this effort. In July 1980, the Portland Development Commission began preparing a new plan for a retail/mixed-use project on the site. One year later the commission approved the development program for the project, then issued a request for proposals (RFP), and began acquiring the property.

As stated in the RFP, the primary public objective of the project was the development of "major new high-quality retail facilities." Other uses proposed by the developer had to support this objective. The retail was to serve two key purposes in the downtown: it had to link the traditional retail core at the west end of downtown with the emerging specialty and niche-oriented sector at the east end, and it needed to provide an exciting new location for national retailers who would complement strong local establishments. The development commission sent RFPs to developers throughout North America and received proposals from three. The Rouse Company was chosen in June 1983, and negotiations resulted in a development agreement in May 1984.

The program faced some major challenges after the developer was on board. One of the two anchor department stores that The Rouse Company had lined up—Frederick and Nelson—fell out of the deal in January 1986, and its departure caused the remaining anchor—Saks Fifth Avenue—to consider leaving as well. As a result of this problem, the development commission and The Rouse Company worked out a revised redevelopment agreement involving a phased project on three blocks with only one department store in the first phase.

Pioneer Place is a public/private development effort. Land assembly, tenant relocation, and the public parking structure were financed through the issuance of \$32 million in tax-increment bonds. The Rouse Company invested over \$115 million in the development of the retail pavilion and office building. The deal struck between the city and the developer involved one of two options: a land payment of \$7.4 million by the developer for the retail and office blocks that was due ten years after the project opened, or an annual participation payment option. The city built and owns the garage and chose the latter option, converting its land investment into a limited partner position in the project, thus securing a share of the project's future cash flow.

PLANNING AND DESIGN

Pioneer Place was designed to use its valuable site intensively, yet fit attractively within the surrounding context. Street facades combine fine materials and precise detailing to complement the elegant finishes on nearby historic retail and office buildings. Elements such as the building's metal roof, which is similar in massing and finish to that of the historic Pioneer Courthouse, enhance its compatibility with the downtown area. The building is clad in cast stone with terracotta window trim and French limestone accents. A rose, an important symbol for Portland, is used as the Pioneer Place logo.

Among the design guidelines for the project were the requirement that 50 percent of the groundlevel exterior be nonblank walls, to enhance the pedestrian environment. While principles of modern retailing discourage natural light and encourage windowless buildings, it was important that Pioneer Place not turn its back on the city. A carefully designed grid of translucent and clear glazing provides pavilion tenants with display backdrops, and at the same time offers the city a glowing nighttime attraction. The pavilion is capped with a steel and glass skylight above a fourlevel atrium. Bronze and glass light fixtures, mahogany and bronze handrails, and tightly controlled storefront designs lend an oldworld elegance to the interior.

The third level of the pavilion is connected to the second level of the Saks store—located at the base of the office building—by a glassencased causeway; the pavilion is also connected to the food court—below the Saks store—by a belowgrade shopping concourse that runs under the street. The food court has no direct connection to the department store, although escalators provide access to a separate streetlevel entrance. An underground connection also links the food court to the parking garage across Fourth Avenue.

The city's downtown design guidelines suggested entries and canopies on corners of projects to "reinforce the intersection as an activity area." While a more typical retail solution would have resulted in midblock entrances, the design of the retail pavilion reflects the city's guidelines. Loading and service activities are consolidated in a single location to minimize their physical and visual intrusion on the street; underground service corridors connect the blocks.

Pioneer Tower, the 16story office building, fronts on the corner of Fifth and Taylor Streets, giving the building a prominent downtown office address and creating an image distinct from that of the adjoining retail pavilion. The parking garage, which serves both office and retail users, includes streetlevel retail along Yamhill Street.

MARKETING AND MANAGEMENT

The project has been successful in achieving both the developer's and the city's objectives. Its impact on neighboring blocks is evident in building renovations and a marked increase in the number of highquality storefronts and tenants. Downtown retail sales and leasing outside the project have demonstrated significant gains, evidence of the project's success as a catalyst for revitalization. Pioneer Place has restored downtown Portland as a premier retail destination for shoppers throughout the region and has reversed the loss of Portland's higherincome shoppers.

Sales per square foot six months after opening—during the 1990 recession—were reportedly (according to a local newspaper) running 26 percent above initial projections, at about \$470 per square foot, and occupancy is over 98 percent. The best sales in the mall have been achieved on the food court level. Traffic analyses suggest that the market is currently made up of 25 percent office workers, 50 percent local residents, and 25 percent tourists and visitors from the broader region.

The retail marketing strategy has been to reach the broad metropolitan area. The center has positioned itself to include retailers that are not widely duplicated in the market and prefers to lease to retailers with only one store in the area, allowing the center to establish a unique image and position in the Portland market. Among wellknown national retailers found exclusively at Pioneer Place are WilliamsSonoma, Scribners bookstore, and the Sharper

Image. Other retailers that were first to the market include J. Crew, Ann Taylor, Talbots, Banana Republic, Audrey Jones, Gantos, Hold Everything, Pottery Barn, The Museum Company, and The Nature Company. The Saks store is the first Saks Fifth Avenue in the northwest region. The Cascades Food Court includes 18 vendors with a seating capacity of over 500.

The office building tenants include a law firm, the U.S. District Attorney, and numerous small and mediumsized tenants. Office occupancy exceeds 95 percent despite continued soft market conditions.

The third and final phase of the project is still on hold pending commitments and market demand for a hotel, office space, and/or a second retail anchor.

EXPERIENCE GAINED

- Because the retail facility is sized to be compatible in scale with the neighboring Pioneer Courthouse rather than to maximize floor/area ratio, nearby streetfront retail benefits, and in fact the project has energized the whole area. Prominent retailers that have opened or continue to operate streetfront stores in the surrounding area include Laura Ashley, Brookstone, Nike Town, and Borders Books.
- Before selecting the developer, the city worked closely with the community to define the development goals and to establish design guidelines for the project site. This effort not only ensured that the developer's proposals would meet the city's objectives for a signature mixed-use project, but also significantly reduced the developer's risk during the design review and approvals process.

PROJECT DATA

LAND USE INFORMATION

Site Area: 2.53 acres'
 Gross Building Area (GBA)
 Office: 322,500 square feet
 Retail: 315,120 square feet²
 Total: 637,620 square feet

Leasable Area
 Office Net Rentable Area (NRA): 280,750 square feet
 Retail Gross Leasable Area (GLA): 160,570 square feet²
 Saks Fifth Avenue: 60,000 square feet
 Total: 501,320 square feet

Parking Spaces: 630
 Floor/Area Ratio (FAR): 7.97

LAND USE PLAN

	Acres	Percent of Site
Retail pavilion	0.92	36.4%
Office/department store	0.92	36.4
Parking garage	<u>0.69</u>	<u>27.3</u>
Total	2.53	100.0%

OFFICE INFORMATION

Percent of Net Rentable Area Occupied: 95 percent
 Number of Tenants: 31
 Average Tenant Size: 8,670 square feet
 Annual Rents: Individually negotiated at prevailing rates for downtown market
 Average Length of Lease: 5 to 7 years

RETAIL INFORMATION

Classification	Number of Stores	Total GLA (Square Feet)
Department store	1	60,000
Food service	21	20,000
Clothing and accessories	24	73,833
Shoes	2	3,051
Home furnishings	3	15,816
Home appliances/music	1	4,447
Hobby/special interest	2	15,279
Gift/specialty	12	25,519
Jewelry	1	655

Drugs	1	825
Financial	3	276
Other	<u>1</u>	<u>868</u>
Total	72	220,569

Percent of Gross Leasable Area Occupied: 100 percent

Average Annual Sales: Approximately \$470 per square foot³

Average Length of Lease: 5 to 10 years

DEVELOPMENT COST INFORMATION

Public Investment

Land acquisition/business relocation	\$ 19,500,000
Parking garage	\$ 10,000,000
Legal, financial, project management	<u>\$ 2,500,000</u>
Total public investment	\$ 32,000,000

Private Investment \$115,000,000⁴

Total Development Cost to Date \$147,000,000

Notes:

¹Excluding final phase parcel.

²Including retail at parking structure.

³Initial performance estimated. Current data not available.

⁴Approximate cost for development and construction of office and retail components.

DEVELOPMENT SCHEDULE

Request for Proposals Issued: 1981

Developer Chosen: June 1983

Planning Started: January 1984

Construction Started: 1988

Sales/Leasing Started: November 1989

Office Tower Completed: February 1990

Retail Pavilion Completed: March 1990

Department Store Completed: August 1990

DIRECTIONS

From Downtown: Located at the corner of Morrison Street and Fifth Avenue in downtown Portland.

The Project Reference File is intended as a resource tool for use by the subscribers in improving the quality of future projects. Data contained herein were made available by the Development team and constitute a report on, not an endorsement of, the project by ULI - The Urban Land Institute.

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Timothy Hursley



The Pioneer Place retail/office complex has helped to reestablish Portland's downtown core as the retail and cultural heart of the region.

Kristin Finnegan Photography



The four-story atrium brings daylight to all levels of the retail pavilion and the below-grade concourse level.

Timothy Hursley

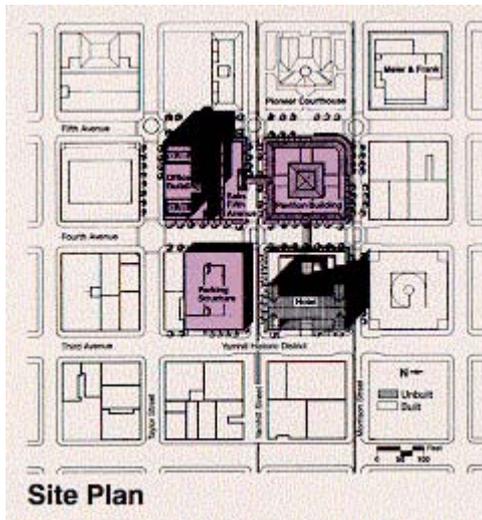


The project at dusk, with the retail pavilion shops spilling light into downtown Portland's streetscape.



Timothy Hursley

The Pavilion is connected to Saks Fifth Avenue—at the base of the office building—by a third-level glass-enclosed skybridge.



(note: fine print on image is illegible)

