Columbia Crossing(s) & Quayside:

Portcouver's 2nd Waterfront Downtown

By Will Macht

Quayside can be a vital mixed-use downtown Vancouver waterfront district larger than the new Portland South Waterfront, on the largest river in the West, in a downtown as large as Portland's. It has the capacity to house over 4,800 units, over 300,000 SF of waterfront restaurant/retail space and 2,300 on-street parking spaces on 37 developable blocks focused on 7 urban waterfront plazas as large as Pioneer Square. It can increase the tax base from $40 million to about $1.2 billion.

Its residents could walk to the historic station to take commuter rail to reach Union Station or light rail to the airport in 15 minutes, an intercity Talgo train to Seattle in 3 hours or an air taxi there from nearby Pearson to Boeing Field in 45 minutes. Or they can walk to board a cruise ship or take a car on adjoining arterials or freeway.

A twin arterial/rail Columbia Crossing in the rail corridor, coupled with selected improvements to the I-5 Bridge, can relieve freeway, rail and navigation congestion, without tolls, at a cost of about $200 million, about a $1 billion less than the 10-lane overhead replacement bridge proposal under study currently.

Quayside's residents will pay lower housing prices, no income tax, lower property taxes and have better schools like Vancouver School for Arts & Academics less than 25 blocks away. A full-service grocery topped by a medical clinic will serve the district, as will a fitness center, jazz club, winebar and brewpub in a rehabilitated waterfront hotel.

These are the conclusions of an urban development workshop I taught at PSU on development planning for the downtown Vancouver waterfront and the Columbia Crossing(s) intended to expand bridge transportation planning with that for land use, urban and economic development.

The focus of the workshop was on the 50 acres between the I-5 and rail bridges south of the rail berm in downtown Vancouver we call Quayside. However, the twin arterial/rail Columbia Crossing in the rail corridor would also stimulate mixed-use development of the 1,106-acre Columbia Gateway project owned by the Port of Vancouver, the 741-acre west end of Hayden Island owned by the Port of Portland and the 350-acre center portion of Hayden Island.

Earlier I-5 Partnership research showed that 30% to 40% of all bridge traffic both entered and exited I-5 between SR-500 and Columbia Boulevard, so that two of the six current lanes serve arterial functions. Moreover, a principal source of congestion is not the capacity of the freeway bridge, but rather its location. All traffic from the MLK, I-5, Interstate, and N. Portland Road corridors must funnel to a single point to cross the only river bridge.

Downtown Vancouver [I-5 to BNSF rail; 4th Plain to the Columbia] and downtown Portland [I-405 to the Willamette] are the same size, about 380 blocks, yet downtown Portland has 7

bridges serving it in that span alone, plus 3 more nearby, yet downtown Vancouver has but one. How vital would downtown Portland be if the Fremont, Broadway, Steel, Burnside, Morrison and Hawthorne bridges were eliminated and all traffic must traverse the Marquam Bridge alone?

Portland-Vancouver is a single urban entity and its economic health suffers from a single clogged artery. Replacing that with a single artery, no matter how wide or high or beautiful, will not restore its health. Imposing tariff barriers at its heart in the form of tolls at both I-5 and I-205 bridges, as contemplated, will reduce needed circulation, raising the costs of its goods and services. Congestive economic heart failure will return.

A twin arterial/rail Columbia Crossing in the rail corridor could have 4 arterial/freight lanes connecting Mill Plain Extension with N. Portland Road, Marine Drive and Columbia Boulevard, a third heavy rail track for intercity passenger rail and commuter rail and two light rail tracks connecting the Yellow Line MAX with downtown Vancouver. Commuter rail could make the Vancouver-Portland trip in 15 minutes while the light rail would stop close to the historic Vancouver intercity rail station and stimulate dense urban development on the west side of downtown Vancouver and its waterfront.

Because it carries rail, it could not be an expensive high bridge, but rather would be built as a twin to the BNSF rail bridge. However, it would solve the major navigation problem of I-5 bridge lifts, which are not caused by the height of that bridge but by the fact that navigation spans in the two bridges are not aligned. Barges must now use the 267' high span south of the

531’ long I-5 span then turn rapidly to the north near shore in a reverse “S” movement to align with the narrow, half-open swing span of the rail bridge. That is dangerous, cannot be used in higher wind, water or current periods and puts both bridges at risk of catastrophic losses. The swing span opening of about 175’ would be replaced with a 300’ long lift span aligned with the 531’ long I-5 span.

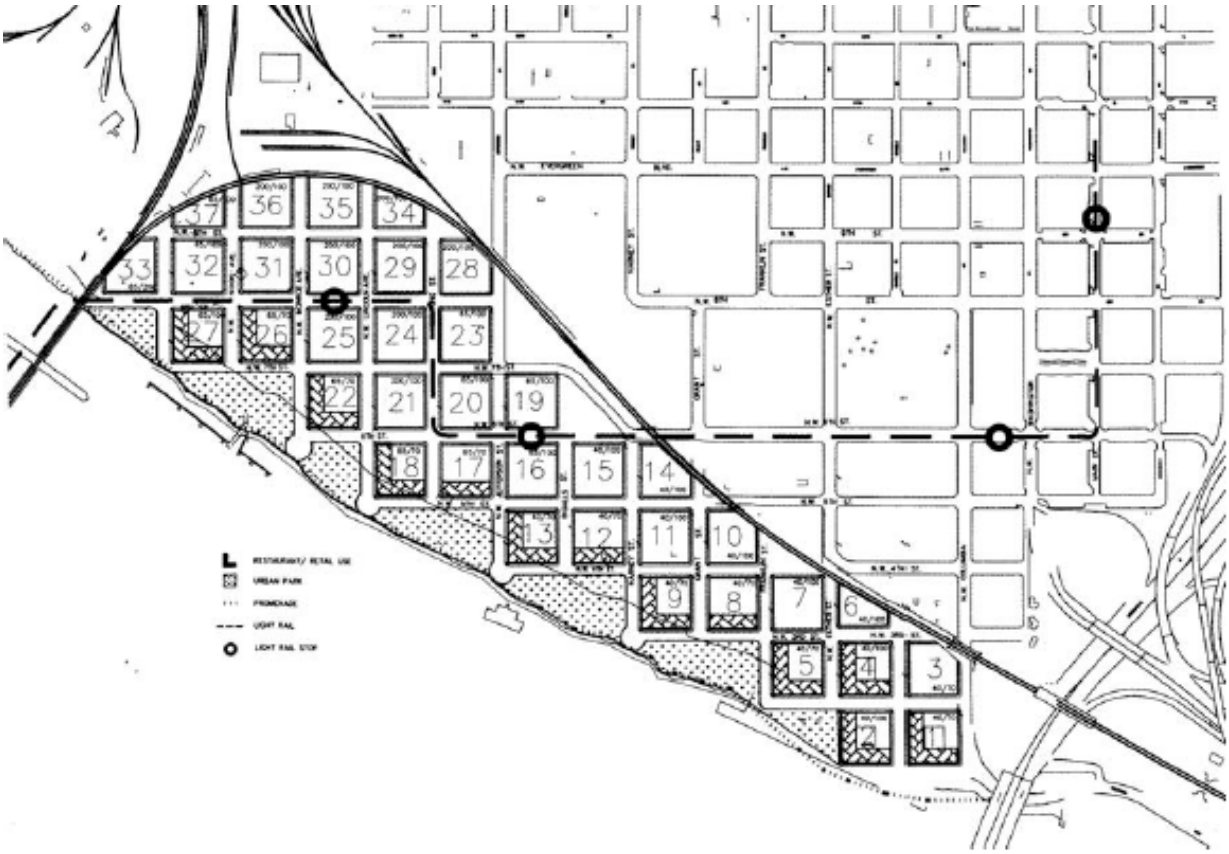
Nor is the high 10-lane overhead bridge necessary or cost effective to reach the I-5 Partnership goal of 6 through lanes. Currently there are 6 lanes but the 2 outer lanes function as merge lanes for the northbound Hayden Island and southbound Vancouver on-ramps. The 38’ between the two existing bridges [documented by ABAM Engineers in 1984] could be used to add two center, through lanes, matching I-5 Slough bridge capacity. The existing east span of the bridge is 38 feet wide and carries 3 lanes, while the existing west bridge is 40 feet wide and also carries 3 lanes, with no shoulders. However, even if 38 feet is deemed insufficient for two opposing through lanes, they could be two reversible lanes. Increased clearance, lift elimination and seismic reinforcement can be included.

Using Washington DOT bridge design estimates, the order of magnitude cost estimate for these five projects is approximately $200 million, or about $1 billion less than the $1.2 billion 10-lane, long, high overhead replacement toll bridge due to lower, shorter bridge spans and types in a

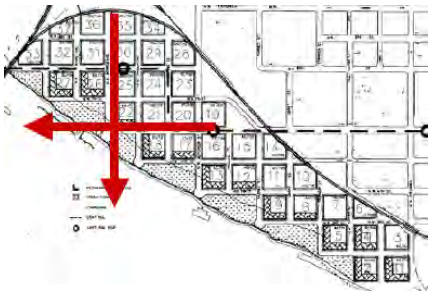
531' narrower channel, infrastructure reuse, multiple-project phasing, I-5 & I-205 toll system cost elimination and minimized approach costs. With multiple additional benefits, it:

- Improves freeway, arterial, freight and passenger rail and marine mobility;
- Opens 2 underutilized arterial corridors to disperse freight and local traffic;
- Phases sub-projects more quickly than alternatives, with less construction disturbance/delay;
- Improves navigation safety and homeland security;
- Stimulates mixed-use, transit-oriented development on over 2,200 acres;
- Directly serves Ports of Portland and Vancouver and other industrial areas;
- Opens highway, rail, marine and Port financing options;
- Eliminates need, delay, opposition, space, negative impacts and costs of tolling;
- In short, provides 2 bridges for far less than the cost of one, and in a shorter time.

To realize these multiple benefits, the City of Vancouver should follow these key development strategies:



1. **Extend the downtown street grid and avoid superblocks.** The grid preserves view corridors to the river both to the south and the west, increasing the value of the internal blocks. It provides low-cost, on-street parking reducing the cost impediments of structured parking. It disperses public parking throughout the district. It increases both pedestrian and vehicular accessibility especially at the waterfront, supporting waterfront restaurants and retail services. It creates a public realm and a more urban character than



Tidewater Cove or Columbia Shores. It ameliorates the railroad berm and connects downtown to its waterfront.

2. **Maximize on-street parking.** Especially in the early development period, land values and sales prices will make it economically difficult to justify adequate quantities of structured parking. On-street parking is not only relatively inexpensive surface parking, it is also shared parking that can support a variety of uses with maximal efficiency. It can make accessible almost a mile of waterfront in a benign fashion. Double diagonal parking can provide over 2,300 parking spaces in Quayside, a value of about $58 million for structured parking equivalents. Parking supplies of this quantity can permit lower onsite parking ratios of one per unit.

3. **Close 8th St. & BNSF rail crossing and divert traffic along the grid to Harney, Ingalls, Jefferson and the 6th, 5th, and Grant underpasses.** Elimination of the train horns and whistles is vital to develop waterfront housing. Doing so relieves rail traffic congestion, improves train stacking alternatives and adds nine blocks to the waterfront district. The closure will be a major benefit for BNSF and the City should use this as leverage to acquire under-utilized properties and rights-of-way nearby in the district.

4. **Use multiple developers.** It is critical for the City to ensure that there will be multiple developers in Quayside. This will spread the risk, speed the development pace, diversify the type, size, scale and design of the projects and ensure local participation. Experience and history in other cities show that so-called "master developer" are more likely out-of-town developers who are not as responsive to local markets and who defer development pace when other, richer opportunities in larger markets appear. Development is still a local business, especially in smaller markets.

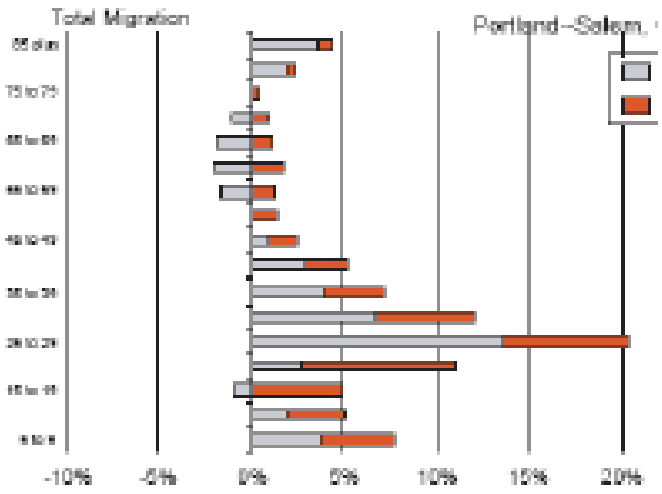
5. **Develop block by block and do not underbuild.** The greatest danger for Quayside is that it will be underbuilt, to less dense standards and in areas too large to preclude suburban-style development. While that might have been acceptable for Tidewater Cove and Columbia Shores, it is not for downtown Vancouver's only chance to reclaim its waterfront. Vancouver and Portland usually grew only by quarter blocks within the 200' by 200' grid. When a single block can easily contain more than 250 units, it would be extremely shortsighted to use 42 blocks to equal Tidewater Cove's less than 6 units/acre. At 130 units/ac., Quayside's 37 blocks can hold 4,800 units. At 263 unit/ac., the building at right holds double that and only half the block contains a tower. In coming years, Vancouver needs more units, at lower prices than Portland's Pearl and South Waterfront districts, to attract its share of downsizing empty nester baby boomers and their children, the creative class echo boomers, the two largest growth markets. It cannot achieve this at lower densities that would need to be high-priced exclusive enclaves to cover costs.

Developers will likely try to replicate the unit sizes, types and densities that have worked in Columbia Shores and Tidewater Cove. The City will need to make a concerted effort to increase densities in Quayside, impose high minimums and stimulate development of smaller, lower-priced lofts, live-work options, incubator spaces and spinoff opportunities from the Vancouver Wine & Jazz Festival, indoor Farmers' Market, amphitheater and other waterfront attractions.

6. **Negotiate public-private partnerships that maximize ground leasing.** While the City currently has limited development funds, some may say it cannot afford to purchase Quayside land. Not as rhetoric, but for pure economic reasons, it cannot afford not to. As a long-term investment, which yields an ever-growing income stream, it is a low-risk strategy to ensure long-term solvency and to reduce taxes. The City through its actions will create long-term value, and the City, not speculative developers, should reap land value rewards while developers profit from their development. The City should use its leverage to aggregate, acquire and invest in Quayside district land and then ground lease it to control development location, pace, scale, type and design, as well as to participate in land value increases to repay public improvements. Because much of the land needs environmental remediation, the City does have significant leverage if it can interpose itself in the liability chain and relieve the developer of those risks. It also has access to governmental brownfield remediation funds.

   Another major element in its leverage is the removal of substantial carrying costs during the long development periods to complete buildout over what could be a 20-year period. Moreover, by ground leasing, the City can reduce the amounts the developer needs to finance, thereby lowering its development costs, and the resulting breakeven price points and lower unit prices. Yet because the City is a long-term investor, with low carrying costs, it can afford to defer large repayments until ground rents rise with escalation in land values over the development period. While ground leasing is less extensive in the West, it has a long history in the East and can work to the advantage of the landowner, developer and building purchasers, deferring costs until land values rise to meet them. The City can use the long-term growing income stream from its investment to reduce taxes.

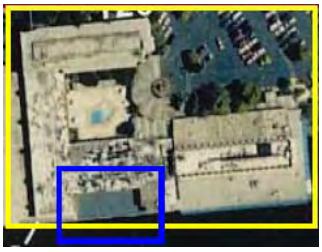
7. **Implement a creative class economic development strategy.** With no personal or corporate income taxes, lower property prices and taxes and better schools, Vancouver has attracted its share of higher income, college-educated professionals as well as empty nester baby boomers and retirees. However, it has not yet attracted the metro area's disproportionate share of the so-called "creative class", who are college-educated echo boomers, aged 25-34. Portland is one of the fastest growing cities in this cohort enjoying a 12% increase against an 8% national decline, adding over 60,000 net cohort in-migrants in the last decade.



Job creation for, and new business formation by, this group is particularly high. Attracting the creative class should be an important economic development strategy that can help revitalize Main Street and activate Quayside. They can start jazz clubs, winebars, brewpubs, restaurants and shops in vacant storefronts and along the waterfront that will attract these two fastest growing groups who control two-thirds of all consumer spending – baby boomers and their children, the echo boomers.

Priced out of the Pearl District, creative class members have moved closer to Vancouver in north and northeast Portland but have not yet crossed the river. Yet Vancouver has significant comparative economic advantage over Portland to attract them. To test this hypothesis, we compared equivalent top-floor, one-bedroom waterfront units overlooking the river at Columbia Shores and McCormick Pier at prices of $210,000 and $295,000 respectively. Because of the significant differences in prices, mortgage amounts, property taxes and income taxes, the creative class person with a $40,000 income could afford the Vancouver unit but would need to earn more than double, $85,000, to afford the Portland unit.

Beside its economic advantages for the creative class, Vancouver needs to build on its comparative advantage in magnet schools in arts, science, technology and others. For example, Vancouver School of Arts and Academics is one of only five schools in the nation to receive to receive a multi-year research grant from the College Board and Getty Center for Education in the Arts, even as arts programs at Jefferson School in Portland have been decimated. Like Vancouver, B.C., and unlike Portland, Vancouver, can attract single parents with children and small families.

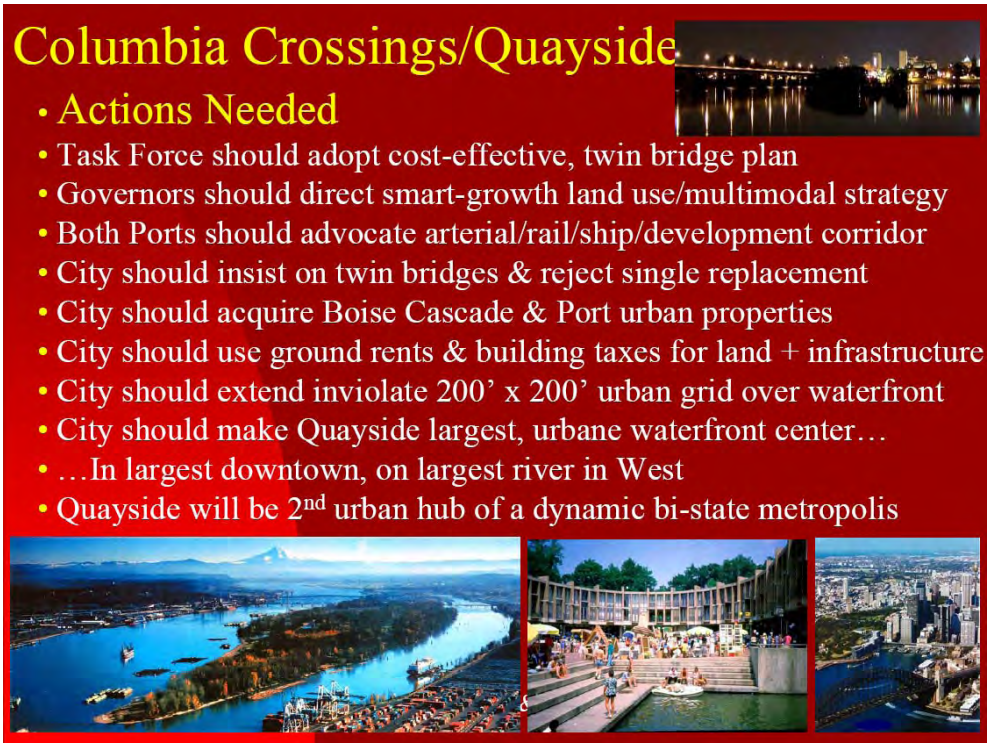


8. **Rehabilitate and reuse Red Lion Inn at the Quay.** Development of Quayside could get a jump start by rehabilitating and reusing the Red Lion Inn at the Quay. With its ground lessor Port concentrated on industrial development and the new 226-room Hilton Hotel and Vancouver Convention Center owned by the City, parochial interests might suggest that the older inn should be removed. Demolition would be extremely shortsighted since no new building would ever be permitted to occupy such a prominent location on and over the water. Conversely, rehabilitating and reusing the 150-room hotel, restaurant and conference center as a specialty waterfront hotel, full- service fitness center, jazz club opening onto the amphitheater, bistro café with outdoor dining over the water, winebar and brewpub could provide special amenities and services for new waterfront condominiums and apartments built around the amphitheater blocks as the first phase of Quayside, as well as other attractions and services to the convention center hotel.

9. **Focus on seven urban waterfront plazas defined by streets terminating in decks, docks, piers and overlooks.** The character of Quayside will be defined by its accessibility to the water and the urbanity of its urban waterfront plazas. Rather than the Portland model of buildings separated from the water by green parkland, Vancouver should continue the model it set with restaurants, offices, hotels and housing on the waterfront. Furthermore, each street should terminate at the waterfront with accessible decks, docks, piers and overlooks. Large urban plazas between them should create a variety of public spaces around which the restaurants, shops, offices, hotel and housing focus. The urban esplanade from the east should continue on a cantilevered walkway around the Inn at the Quay and through the series of seven urban plazas.

These development strategies will create a special and different urbane character for the largest downtown waterfront in the largest downtown on the largest river in the West. Vancouver needs live up to its location. With a new crossing at its west side and an underdeveloped waterfront at its heart, downtown Vancouver, the equal of Portland's in size, can be the second urban hub of a dynamic bi-state metro area in itself reducing the bi-diurnal, unidirectional commute.

But Governors Kulongoski and Gregoire must lead ODOT and WDOT away from the single mega-project overhead replacement bridge to these cost-effective, smart-growth twin bridge alternatives. And the City of Vancouver must take the lead to creatively acquire and control redevelopment of both Boise Cascade and Port properties, the largest holdings in the Quayside district.



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