

# THE BURNSIDE TRIANGLE

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owner of the Crystal Ballroom; Dan Zilka, owner of the gay Panorama complex; and McCormick & Schmick's, which owns Jake's Famous Crawfish—were not interested in getting involved. Property owners and small-business owners haven't participated either, he says.

"I don't know that there is anything to worry about right now," says John Henley, an employee at the neighborhood's Great Northwest Bookstore.

He loves the community in the Burnside Triangle. "We've got the best thing going in town."

Henley recognizes, however, that businesses that do not own their property might succumb to increasing leases. His employer owns the building, he says. Although he realizes buildings in the Burnside Triangle are in need of renovation, he is not sure whether it will help or hinder the quality of the neighborhood.

Not everyone considers high-end restaurants, expensive boutiques and tree-lined streets with benches as improvements to an otherwise colorful neighborhood. But those who do want change to the Burnside Triangle have little chance at success without first changing the zoning map, Mawson says.

## THE ZONE

Mawson and his colleagues want the city to change the zoning of the Burnside Tri-

increase in the Burnside Triangle.

Mawson says increased rents require increased foot traffic—but that won't happen without new development. Higher rents, he says, likely will result in pushing out small retailers—like neighborhood bars.

"Central residential" zoning does allow for some commercial use but generally puts restrictions on developers that keep them from investing, Mawson explains.

Betsy Ames, project manager and liaison for Mayor Vera Katz to the planning bureau, says the Burnside Triangle has viable businesses. Some are renovated inside but not outside, she says.

Ames thinks part of the motivation in keeping the area zoned residential is to prevent the displacement of existing businesses. She says the pressure to develop the area already is strong; a zoning change to commercial use would place too much emphasis on development.

Others think residential zones should be changed in some areas of the West End but not in the Burnside Triangle. In fact, this proposal is likely to go before the Portland City Council for approval.

The thinking is that commercial zoning will make the property so attractive to investors that single-occupancy rooms in the neighborhood would drop. A development plan that results in fewer housing units could violate state requirements, officials say.

And although the neighborhood hasn't changed much in 30 years, or attracted new housing, city planners think the Brewery Blocks and the popularity of the Pearl District will bring needed investment without a change to the zoning map. They think the proposal has enough new incentives to attract developers to the area who will work within the residential zoning codes.

A decrease in affordable housing concerns Martha McLennan, a housing project manager for the city. She says although many of the privately owned single-occupancy rooms in the Burnside Triangle—some at the Kent and Joyce hotels—are not in good condition, it would be a loss to those who need affordable housing if they were redeveloped without options.

McLennan reports that these hotels do not have U.S. Housing and Urban Development Department contracts

but that they play a vital role in Portland's affordable housing mix. As property values increase in the area, federal programs might be necessary to help out, she says. "Part of what public financing does is to compensate for the market."

Mawson says many see residential density as a key issue in the area. This is why the city and others want to keep the residential zoning intact.

"Some people were calling it Pearl envy," Mawson laughs. He wonders how investors will get what they want and need to put in housing south of Burnside when the zoning isn't in their

favor.

In the end, it looks as though proponents of zoning change will not get their way. The Tentative Proposal for the West End, unveiled in late July, calls for leaving the Burnside Triangle intact with the exception of two small changes along Burnside from residential to employment.

Graham Clark of the Office of Planning and Development Review at the Bureau of Planning says the proposed change to an employment zone allows for a diverse mixture of uses including housing, industrial and commercial. The changes along Burnside at the west end of the triangle were proposed, he says, to match the zoning on the north side of Burnside, where the Brewery Blocks will stand.

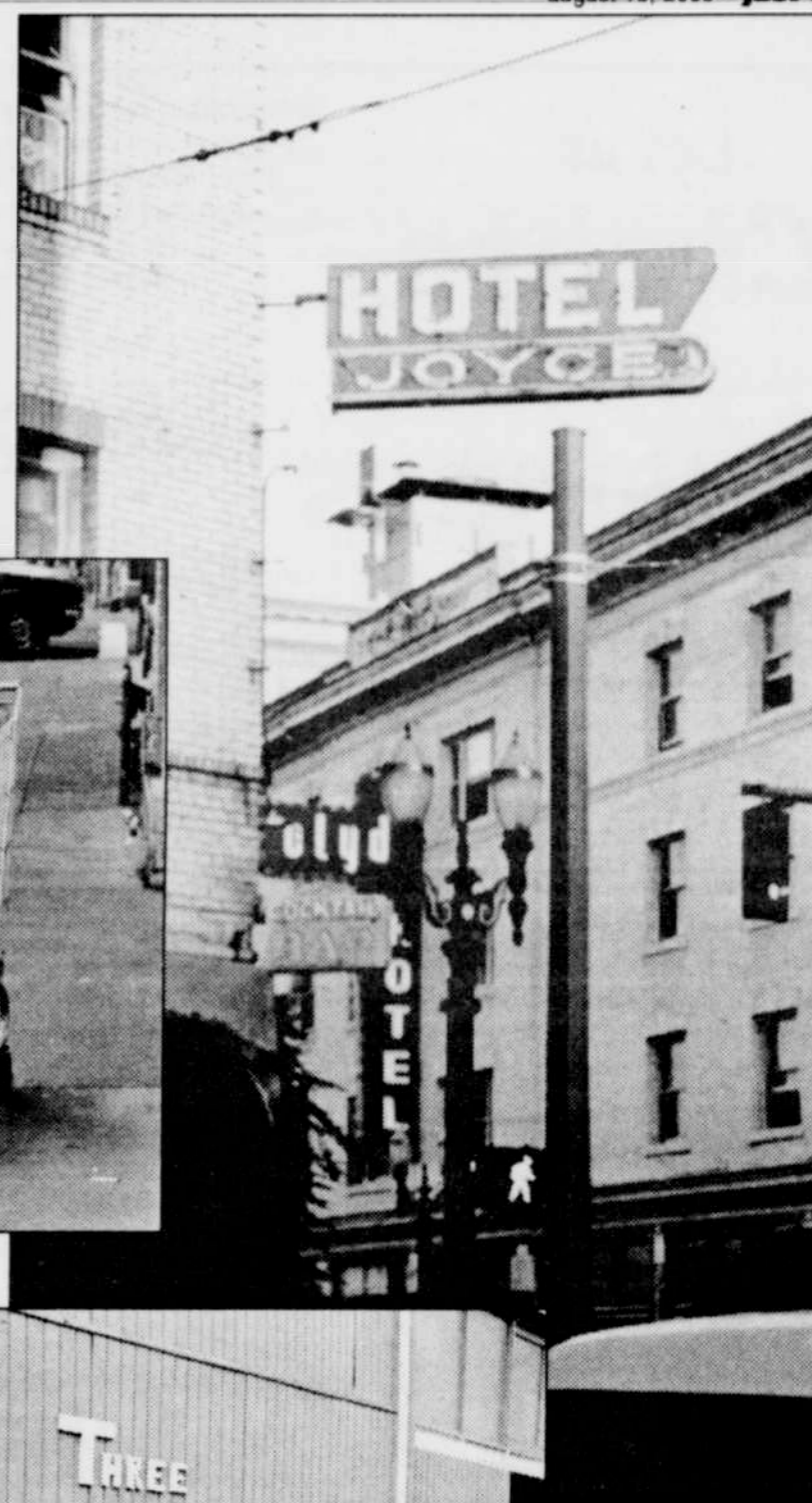
Interestingly, one of the proposed zoning changes is at the Club Portland site.

## THE UNKNOWN

The Portland Area Business Association, a gay networking group, is looking into the future of Stark Street, although it is uncertain what its role will be. The group wonders whether city officials are aware the area is a focal point for night life in the gay community. It also wonders what would happen if the core group of gay-frequented bars, nightclubs and other businesses vanished.

Board member Brian Wilson says PABA is trying to gather information to determine whether anyone wants to start a dialogue about the future of Stark Street. But at least half of the association's members probably aren't interested, he says.

PABA wonders if the situation might give rise to a conversation—maybe even a plan—regarding a more clever, long-range vision for



the community. A gay neighborhood? Perhaps a Portland version of New York City's Chelsea?

"Whether or not it's even viable, it's an interesting question,"

says Wilson, a commercial real estate developer. He says keeping the Burnside Triangle zoned residential will make the area less attractive to developers. Despite that, he predicts the rents will increase significantly within the first few years of the nearby Brewery Blocks' completion.

Wilson expects the lease rate in the area to rise from about \$12 to as high as \$24 a square foot within the next few years. Rates in the Pearl District are between \$16 and \$18 a square foot.

Ron Mitchell, general manager of the Fish Grotto/Brig/Panorama complex, expects the Brewery Blocks will bring change to the neighborhood and likely will make rents go up. But increased rent is not an issue for this popular dancing and drinking destination because the business owns its own property. "It won't affect us at this point," Mitchell says.

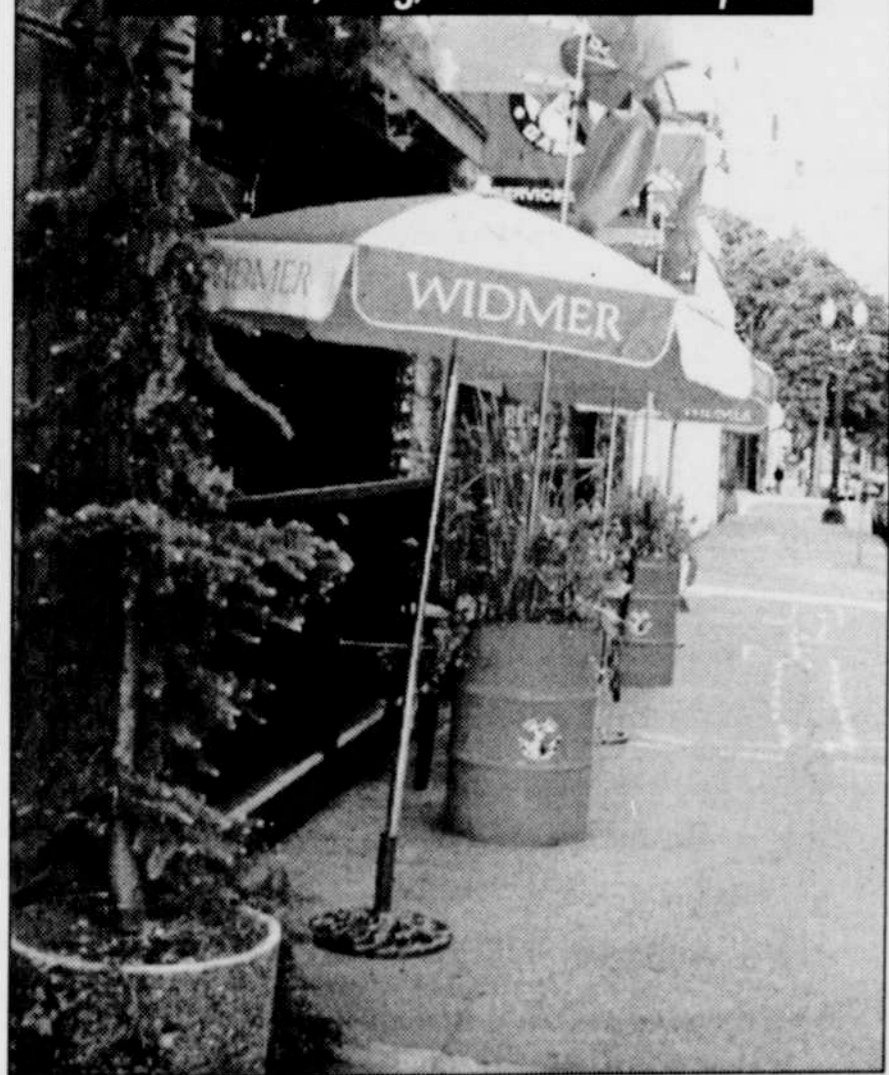
Most of the other establishments along Stark Street are leasing their space. Mitchell says several of the smaller bars are doing financially well.

He recognizes that businesses with leases could be at risk in the coming years,

but he thinks bars might do even better as the neighborhood develops. Typically when leases are raised, Mitchell says, it is because of increased foot traffic or the overall traffic in the area that potentially would increase business.

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**"The synergy in the neighborhood is really important."**  
— Ron Mitchell, general manager  
Fish Grotto/Brig/Panorama complex



gle from "central residential" to "central commercial." This will provide more incentive for investment in the area, they say.

If a change isn't made, Mawson says, private affordable housing will continue to gentrify, and retailers will be driven out because of increasing rents. "Doing nothing is an option," he says, "but not an attractive one."

Mawson thinks leaving the zoning alone will prevent investors from putting money into the neighborhood, just as it has for the past 30 years. He says that people seeking entertainment will turn to the Pearl District, which has new businesses, and that land values just steadily will



Future Starbucks?