

Week in The Review

## For Lease: MLK Properties



**Bill Visits, Hillary Due** Former President Bill Clinton visited OHSU and a senior center in Portland on Monday on behalf of his wife's presidential campaign. Hillary Clinton was scheduled to visit Portland and Eugene on Saturday, but released no further details by press time. See story, page A2.

#### **Voters Switch Parties**

In the past seven weeks, nearly 10,000 Oregonians have registered to vote in the May 20 Democratic Primary featuring Sen. Barack Obama and Sen. Hillary Clinton – that's about 1 percent of the state's 764,000 registered Democrats. About 3,500 of the potential voters were formerly Republican, with former nonaffiliated voters accounting for most of the others.

#### **Housing Secretary Resigns**



As federal authorities investigate whether he had given lucrative housing contracts to friends, Housing Secre-

tary Alphonso R. Jackson resigned on Monday, saying that he needed to devote more time to his family. See story, page A2.

#### **R&B Singer Dies** Sean Levert, a third of the 1980s R&B trio LeVert and son of lead O'Jays singer Eddie Levert, has died after falling ill while serving a jail term for failing to pay child support. He was 39. Authorities said Monday that an autopsy was

## High market prices blamed for vacancies

#### BY LEE PERLMAN THE PORTLAND OBSERVER

In some ways, Northeast Martin Luther King Jr. Boulevard is hopping, with new projects either under construction, on the ground or in the pipeline. What are lacking, in some cases, are people and businesses to occupy the new spaces.

Months after its completion, the Fremont Project at the intersection of MLK and Fremont Street stands empty, its anchor Terroir Restaurant having failed. The nearby Heritage Project is partially filled – the occupants include classroom space for Portland Community College, space for the Community Cycling Center and No Limits Martial Arts, but Eric Wentland, one of its developers, says securing these tenants "hasn't been easy."

African-American business leader Ray Leary and neighborhood activist Jeana Woolley spent years trying to attract tenants for the Vanport Project on MLK north of Alberta before they hit upon a commercial condominium idea that attracted individual owners, but even then they needed \$7 million in urban renewal funds to make it work.

Veteran commercial broker Michelle Reeves says part of the problem is that some of the new buildings, such as the Fremont Project, are isolated.

"In the Hawthorne, Mississippi and Alberta districts, you started with existing older buildings," she told the Portland Observer. "Even on Martin Luther King at Russell you had older buildings to start with, and that area's thriving."



PHOTO BY MARK WASHINGTON/THE PORTLAND OBSERVER A signature Portland Development Commission-backed project at Northeast

that's still developing like MLK, the single most important factor for a potential tenant is the price. The break-even rate for new buildings is \$16 to \$18 per square foot, she says. However, at that price they can find places to rent in developed areas that are inherently more desirable. A competitive rental rate for a building in isolation is \$10 to \$12 per square foot, she says, "It may be a new building, but the market is what it is."

Reeves says some projects that got financial assistance from the Portland Development Commission in a good real-estate market are now struggling with a downturn in the market.

For such projects to succeed now, PDC would need to provide additional assistance such as tenant improvements, or subsidies to tenants based on ground floor utilization or other public benefits. Otherwise, she says, "the developers will take a loss, which means you might not get people to participate in the future or the buildings will sit empty for awhile until the market changes."

Wentland, who also owns a vacant block on the east side of the avenue between Fargo and Cook streets, says he has put off earlier plans to develop it.

"This is a really bad climate to try out something new," he says, "and the people who finance development projects are really afraid of it." A factor may be the rising price of gasoline, and people's subsequent reluctance to travel far to destinations. "Whatever the reason, real estate in this area is worth 30 to 50 percent less than it was a year ago," he says.

A partial inventory of new projects on MLK includes the following:

\*Piedmont Place. The PDC owned site between Northeast Rosa Parks Place and Highland Street is currently negotiating its sale to developer Tom Walsh and the Portland Community Land Trust. They propose *continued*  $\checkmark$  *on page A7* 

jail term for failing to pay child support. He was 39. Authorities said Monday that an autopsy was inconclusive, but foul play was ruled out.

#### **Questioning Big Oil**

U.S. oil company executives told a House committee looking for answers to record fuel costs Tuesday that they know high prices are hurting consumers, but deflected any blame and argued their profits —\$123 billion last year — were in line with other industries.

#### Iraqi Violence Spikes

Fighting between security forces and Shiite militiamen last month has driven civilian deaths in Iraq to their highest level in more than six months, government figures showed on Tuesday. A total of 923 civilians were killed in March, up 31 percent from February.

#### **Election Mayhem**

Zimbabwe's elections commission tried to calm growing disquiet Tuesday at the delay in announcing the results of three-day-old presidential polls, amid warnings that the country was teetering on anarchy.



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### Martin Luther King Jr. Boulevard and Fremont Street sits mostly empty with signs in the widows offering space for lease.

# Bridging<sup>the</sup> Divide

### Controversial I-5 project on fast track

#### BY RAYMOND RENDLEMAN THE PORTLAND OBSERVER

Plans are on the fast track for a new Interstate 5 bridge crossing the Columbia River.

Construction could begin as soon as 2010 for a \$3.1 billion to \$4.2 billion project if a coalition of public transportation-management and government agencies has its way.

Proponents argue that a new bridge is necessary to relieve rushhour congestion, allow for mass transit, protect against earthquakes, and improve access for freight, bicyclists and pedestrians.

Planners have already enlisted the support of several politicians and local trade unions behind building something soon.

A public-comment period during the next couple months will go a long way in influencing votes on whether the Portland City Council, Metro regional government, and other city and county jurisdictions back the initiative.

Momentum is also growing to question the efficacy of building a new connection that will push the transportation grid with tens of thousands of additional vehicle trips per day.

An organization called Columbia River Crossing, based in Vancouver and developed through a partnership of the Washington and Oregon transportation departments, has organized regular meetings in an at-



Community activist Marcia Ward (left) speaks with Carley Francis of the Columbia River Crossing project about the future of connections between Oregon and Washington.

PHOTOS BY RAYMOND RENDLEMAN/THE PORTLAND OBSERVER

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tempt to address all the issues, but some attending have left unsure that the bridge will pay off for taxpayers.

A resident of Vancouver who commutes to Portland and meets with the group's Community and Environmental Justice committee, Marcia Ward is trying to represent low-income commuters.

Carley Francis of the Columbia River Crossing says it's likely that daily toll fees will be needed in addition to local, state and federal funds.

Ward would appreciate a new bridge to ease traffic congestion but argues that no one should have to pay extra taxes.

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