

# Portland Observer

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## Cutting Edge Displacement?



photo by Mark Washington/The Portland Observer

*The Portland streetcar follows its route downtown to Portland State University.*

By Jake Thomas/The Portland Observer

### **Streetcars may speed area gentrification**

When Portland was awarded \$45 million in federal funds for a streetcar expansion earlier this year, the city's political class hailed the project as a major contributor to the city's world-class public transportation system, a driver for new industrial jobs in Oregon, and proof that Portland was on the cutting edge of all things sustainable.

However, streetcar cheerleaders have been largely mute on how it is going to drastically alter any neighborhood and community it is extended into. Businesses could be displaced as property values soar; locals might find themselves priced out of their neighborhoods; and the city has few plans to deal with these unintended consequences.

Streetcars are such a powerful force in reshaping urban landscapes in large part because of how they are perceived.

Christopher B. Leinberger, a visiting fellow with the Brookings Institution's Metropolitan Policy Program, explained that in the minds of moneyed people, streetcars are different from bus or light rail

It's as if bus transit put signs on their doors saying, 'only ye who are poor shall enter,' Leinberger said.

He said streetcars are considered an innovative mode of transportation and are associated with livable neighborhoods. But as a consequence, whenever a new streetcar line is planned, interest in the area spikes as does real estate prices.

The 3.3-mile streetcar extension now coming to the central eastside will snake across the Broadway Bridge and then extend south along the Martin Luther King Jr. Boulevard and Grand Avenue corridor.

If you want to see what this area will look like when it's finished in 2011, you may want to look no further than the Pearl District in northwest Portland.

The Pearl was once a lifeless area that consisted of warehouses and aging industrial facilities before the four-mile streetcar line was installed in 2001.

Since then the area has boomed with high-rise condominiums, up-scale businesses, and posh art galleries.

According to a study conducted by the City of Portland Bureau of Transportation, \$3.5 billion in new development has been invested within two blocks of the streetcar since plans were finalized in 1997, which accounts for nearly two-thirds of all development in the westside central city.

The economic development created over 3,000 residential units, 800 of which are considered affordable for people of average or modest incomes.

Debbie Thomas, of Debbie Thomas Real Estate, knows first hand what a boon the streetcar has been to development after she shrewdly invested in the Pearl District just as it was taking flight.

"It's been fabulous for urban commercial development," she said of the streetcar. "It's been a very positive impact on the community and the city."

Garrison Selliker, the owner of Mreatly, said that streetcars add to a perception of quality of life for people looking to buy a piece of property or set up shop. They like the idea of being able to walk out of their condominium and hop on the streetcar, he explained.

"It's really important to have every positive you can get," said Selliker.

The city is also mulling over putting even more lines in other parts of the city.

Planning documents related to the streetcar stress that the city wants to preserve the character of each neighborhood it passes through, but there are few concrete plans on

how to do this.

The Portland Streetcar System Concept Plan explicitly states that the development of the streetcar could increase property taxes, change neighborhood density, cause gentrification, and displace local small businesses.

Chris Smith, chair of the Streetcar Citizens' Advisory Committee, said his group looked at how streetcars create "nodes of activity" that will benefit small businesses in the long term.

John Miller, the executive director of HOST, an affordable housing non-profit, hopes that future streetcars will actually help people of more modest incomes because they won't have to rely on their cars as much.

Miller provided input on the streetcar's System Advisory Committee.

While preventing people from getting priced out of the area wasn't a hot topic before his group, he hopes that additional affordable housing is incorporated into neighborhoods where new streetcars are added.

Kay Dannen, communications director for Portland Streetcar, Inc., said that she's been in contact with neighborhoods to mitigate their concerns during construction, but her agency is really looking at the long-term effects of the streetcar.

Regardless, Leinberger points out that Portland has a very straightforward set of options when it comes to streetcar development: accept displacement or "stay poor."