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Inside South Waterfront's newest development deal



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One of the largest development projects to hit the South Waterfront in recent years is back on track and slated to break ground later this year.

Mack Urban, a newly formed firm that involves the principals of the original developer, Seattle-based Harbor Urban, is revisiting the design scheme for the roughly 281-unit, six-story mixed use market-rate apartment project.

Jim Atkins, Mac Urban's Pacific Northwest Managing Director and a veteran developer of both the Pearl District and South Waterfront, said the project slowed down when Mack Urban was formed by Urban Partners LLC of Los Angeles, Harbor Urban LLC and Mack Real Estate Group of New York as a strategic long-term developer and owner of urban apartment projects.

Once the dust settled, it hired **GBD Architects** to revisit the design that Harbor Urban presented to the Portland Design Commission nearly a year ago. The project was one of the early signs that for-profit developers were returning to Portland's high-flying, recession-battered South Waterfront.

The Block 37 project budget is undetermined, he said.

Mack Urban's entrance to the South Waterfront comes as another major player departs.

The 57,000-square-foot development-ready site between the Willamette River and Southwest River Parkway was the last holding of **Williams and Dame Development**, the district's original developer.

It has been occupied by community garden but is served by all the infrastructure necessary to serve the project.

Mack Urban teamed with Connell Real Estate and Development Co. to buy the land in a \$7.05 million deal that closed in December.

It has not announced a lender, though that should not be an obstacle for a well-capitalized team with a deep pool of ongoing projects. It has seven active multifamily projects in Seattle, ranging from just-opened to nearly ground breaking. It specializes in high-end projects in urban settings.

Atkins, who previously worked for **Gerding Edlen Development Co.**, said Block 37 met all the criteria the team looks for in a site for an apartment project — proximity to jobs, transportation options, access to recreation and a sense of “there,” or as he put it, “it has to pass the Saturday morning test.”

South Waterfront nails that, he said, noting the pending opening of the Collaborative Life Sciences Building, which will add about 3,000 people to the area’s daytime population, and the new Portland-Milwaukie Light Rail line.

Richard Mack of Mack Real Estate Group called the South Waterfront a perfect place to perfect the partnership’s new real estate model — invest in projects and hold them for the long term.

“When you get into markets like Portland, where we think the long-term prospects are tremendous, when you build something special, you don’t want to sell it,” he said.

In addition to Portland and Seattle, he said the firm is interested in San Francisco, downtown Los Angeles, New York and Miami.

The Block 37 project will be designed to LEED Silver standards and will have about one parking space for every unit as well as street-level retail.

Mack Urban has been working with Sierra Pacific on preconstruction work but has not settled on the general contractor. There will be a request for proposals.

It expects to break ground in the third quarter, with construction slated to take 16 months to 18 months.

While neither Mack nor Atkins thinks Portland faces a glut of apartments, Atkins said the design process includes discussing features such as sound attenuation that could facilitate a conversion to a condominium for-sale project at a much later date, though he said it’s not an “overwhelming” concern.

Wendy Culverwell covers real estate, retail and hospitality.