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**CITY LEADERS APPLAUD IKEA DECISION TO LOCATE A STORE  
IN THE AIRPORT WAY URBAN RENEWAL AREA**

*Set to open in spring 2007, the future IKEA Portland in Cascade Station will be a catalyst to further retail, restaurant, hotel and office development.*

Portland, OR...Portland Mayor Tom Potter and officials from the Port of Portland, Tri-Met, the Portland Development Commission (PDC), other city bureaus and private developers welcomed confirmation today that IKEA, a leading international home furnishings retailer, will build a 280,000 sq ft. store at Cascade Station in the Airport Way Urban Renewal Area.

“This is great news for Cascade Station and great news for Portland,” said Portland Mayor Tom Potter. “This store alone will bring approximately 300 new jobs to our region and this company has been named one of the 100 Best Companies for Working Mothers for the past two years. IKEA is also a company that shares many of Portland’s values. They are known for the environmental sustainability of their products and practices and are good corporate citizens with philanthropy programs that focus on the environment, children and families. I think they will be a great addition to Portland’s retail environment, plus it will be a catalyst for economic and development activity at Cascade Station.”

Cascade Station is a 120-acre parcel located at the southwest corner of the intersection of Interstate 205 and Airport Way. The project was an important consideration when the City of Portland made the decision to invest urban renewal funding into extension of the Airport MAX Light-Rail line in 1999. As part of the negotiations, the Port granted PDC development rights to Cascade Station in exchange for PDC’s financial commitment to the construction of the light rail line to the Airport.

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To pursue the goals set out in the Airport Way Urban Renewal Plan, PDC then assigned the development rights to Cascade Station Development Company, a partnership between Bechtel and Trammell Crow Company, which contributed \$28.2 million in exchange for a long-term leasehold for the development. Cascade Station is envisioned to become a vibrant hub offering shopping, hotels, restaurants, movie theaters and offices.

A Zoning Plan District for the area was adopted by Portland City Council in 1999 and construction of streets, utilities and park blocks commenced. Airport MAX opened two years later, on September 10, 2001 with two MAX stops in Cascade Station, where streets, utilities and park blocks were constructed.

Due to the national events of the next day and regional and local economic factors, Cascade Station development lagged behind expectations. The Port, the developers, PDC and the Bureau of Planning have worked over the course of the past two years to revise plans to bring the originally envisioned goals for the area to fruition.

One of the guiding principles of the revised plans was to bring two to three carefully selected large-format retail anchors to the project. Those anchor tenants would provide the necessary customer draw to spur other development. An amended plan district was adopted in February of 2005 allowing 1,115,000 sf of office; 807,500 sf of retail; 250 hotel rooms and one 12-pump gas station. It is anticipated that the project will generate 7,600 new jobs and more than \$2.4 million annually in property taxes.

“IKEA is a company that enjoys extraordinary popularity throughout the world,” said Bill Wyatt, Port of Portland Director. “As a new entrant in the Oregon/SW Washington market, this is the kind of unique anchor tenant that will enliven development at Cascade Station.”

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“Establishing appropriate, large format retail anchors is critical to the success of Cascade Station,” said Steve Wells of Trammell Crow Company. “Major anchor tenants of the quality and popularity of IKEA will attract other retailers, restaurants, hotels and ultimately office users interested in locating in an area with excellent light rail access to the airport and downtown.” Center Oak Properties will be the retail co-developer with Trammell Crow company of the retail uses at Cascade Station.

“One of the key objectives of the Airport Way Urban Renewal Area (AWURA) is to encourage quality job growth,” said Bruce Warner, Executive Director of the Portland Development Commission. “East of I-205, we are attracting an even mix of industrial and warehouse expansion. In Cascade Station we hope to balance that with a mix of retail, food, hospitality and office jobs including specialized management positions. The company also pays very competitive salaries plus full-time benefits to anyone working 20 hours or more per week. Employees working less than 20 hours also receive benefits ranging from paid vacation to paid tuition to 401K matching.”

IKEA will construct its signature yellow and blue store with two floors. The rest of development is being designed in a style which speaks to the transportation history of the site, but also provides an exciting, pedestrian-friendly shopping experience. “In implementing the vision for the area, we will focus on good architecture and site design commensurate with this ‘gateway to Portland’ location,” said Gil Kelley, Portland Planning Director.

To ensure that development and design at Cascade Station is of the highest quality, a Cascade Station Design Review Committee was established in 2005 to review applicants interested in developing at the site. The committee includes representatives of the Port of Portland, the Portland Bureau of Planning, Cascade Station Development Company and PDC. An architectural consultant provides technical support and guidance and assists applicants in meeting design standards.

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The development will also place a strong emphasis on minimizing traffic impacts and utilizing the significant investment in light rail.

“The transit infrastructure will play a key role in this area,” said Fred Hanson, Tri-Met General Manager. “With IKEA offering home delivery, shoppers can travel to the area on MAX or bus to shop and the store will have bike racks for folks utilizing the new bike lanes in the area.”

Construction of the store should begin in the spring of 2006 with the store opening scheduled for approximately one year later.

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