

Urban Renewal breathes life into Rockwood

Created on Thursday, 19 February 2009 16:00 | Written by [Mara Stine](#) | 

Entrepreneurs tap city program



by: Jim Clark, Spencer Noecker and Martin Larson, both 24, are upgrading several apartment complexes within the Rockwood urban renewal district. This complex, Village Court, is getting fresh paint and has new energy-efficient windows. Others, such as the old Riviera Gardens, has new roofs, siding, windows, trim and totally overhauled interiors.

As college buddies majoring in business and economics at the University of Oregon, Spencer Noecker and Martin Larson had no idea they'd end up business partners, let alone up to their elbows gutting moldy, roach-infested, crime-ridden apartments in Gresham's gritty Rockwood neighborhood.

But here they stand, two fresh faced 24 year olds brimming with energy in front of Noecker's investment company's corporate office, a business-like apartment at Village Court in the 17800 block of Northeast Oregon Street.

Over the past two years, the duo has worked to clean up Rockwood's problem complexes.

With Noecker specializing in acquisitions, Spanish-speaking Larson serves as property/asset manager, keeping tabs on the company's four Rockwood complexes and one Vancouver property. A deal for a Portland complex is in the works, and Noecker plans to buy another Gresham complex on Halsey Street.

'It's turned out better than I ever could have expected,' Noecker said.

He started out in 2006 brokering commercial building deals before teaming up with his sister and buying their first property - a 22-unit apartment complex in Los Angeles.

Looking for deals, they turned their attention to Oregon, where apartments cost about a third as much.

Gresham, and its urban renewal district, stood out.

'The focus in the apartment industry has been in Hillsboro and the west side,' Noecker said. 'The east side's really been ignored.'

Dollar signs

He saw profit in that neglect.

Not only are many of the area's apartment buildings quite old, many of the owners live out of state. And distance often allows properties to fall into disrepair, which can mean big bucks for the right investor.

Knowing the urban renewal district would funnel money toward local improvements - boulevard treatments to make Stark Street more pedestrian friendly, a new MAX station on Burnside, the future Cultural Marketplace - only made the area more desirable.

'The opportunity that sits in this part of town is huge,' Noecker said.

With an eye on such properties, in October 2007 the company purchased the 80-unit Riviera Gardens Apartment Complex off Southeast 190th Avenue and Yamhill Street and changed the name to Grant View Court.

To say the complex needed work would be an understatement.

Its reputation as a gang stronghold was so great, members of the East Metro Gang Enforcement Team refused to respond to police calls there alone.

Noecker remembers painting a unit one night when a huge gang fight broke out in the parking lot. The place was crawling with cops. When he approached one of them to find out what happened, he was greeted with a terse, 'It's none of your business.'

'I'm the new property owner, so actually it is,' he replied.

The officer paused.

'Well, good luck,' the cop said.

Clean-up begins

Noecker and Larson began by evicting about a third of the tenants for everything from drug use to gang affiliation to having an unauthorized tenant. Another mass exodus happened after security cameras were installed and they started cracking down on things such as storing junk outside units.

While units were vacant, Noecker and Larson gutted them. About a third are fully rehabbed with Ikea kitchens, new bathrooms with gleaming tile floors. Another third have had facelifts with fresh paint, carpet cleaning and basically addressing anything that's an issue.

They've also taken advantage of the urban renewal district's apartment rehabilitation grant program. They applied for and received \$22,671, matched with \$34,329 of their own dollars, for steel security doors and new frames, plus a spiffy wrought iron fence.

The complex is one of the apartment rehabilitation grants awarded in the urban renewal district totaling \$182,500, leveraging \$700,000 in private investment. Nine of the 32 apartment complexes eligible for the program have received grants.

Since buying Riviera Gardens, the company has purchased three more Rockwood complexes - the 28-unit Stark Street Station at 611 S.E. 190th Ave., the 84-unit Village Court on Northeast Oregon Street and

the 54-unit Carrington Square at 637 S.E. 182nd Ave.

The improvements continue. This week, workers applied new paint at Village Court. At Grant View, a crew replaced gutters and pressure washed the buildings. In a few weeks, Carrington Square units are getting new windows, siding and more improvements through a partnership with Energy Trust of Oregon.

Although the improvements mean higher rents, they're still below market rate.

Manager thrilled

Longtime Riviera Gardens (turned Grant View Court) manager Chuck Pearman is thrilled to have new bosses. The old practice of renting to anyone with a pulse and cash are long gone. Prospective renters would come to look at an apartment, only to have police cars blocking the parking lot. He averaged about 2 inches of police reports a month.

And the units?

'They were absolutely disgusting inside,' he said. 'You could open the door and cockroaches would fall on you like rain.'

His old marching orders were to 'cover up what can be covered up and rent 'em.'

Not anymore.

Gesturing toward Noecker, Pearman said, 'This guy has done more in the last year than the prior owners did in the 14 years I've been here.'

Instead of being told to clean moldy walls with bleach and paint over it, Noecker and Larson tear out the sheet rock and get rid of the bad wood, Pearman said.

'I mean, this guy ain't cheap.'

Renovations ease concern over safety

Cristal Cardoza was six months pregnant when she moved to the Riviera Gardens apartment complex two years ago.

Raised in quiet Coos Bay, she lived for a year in Costa Mesa, Calif., with her husband, Deyvi, before she became pregnant. When her mom suggested they move into her apartment in Rockwood, the idea of being closer to family appealed to them, so they headed north.

But Cardoza was shocked at what she found.

'There was a lot of violence,' she says. 'Shootings, stabbings, a lot of gang violence.' People wandered through the complex selling drugs and their bodies. One night a car careened off Southeast Yamhill Street, crashing into her brother's bedroom.

'I was a little scared,' says Cardoza, 21, a stay-at-home mom. 'I was like, 'Oh man, what did I get myself into?' I mean, I love the hardwood floors, but is it really worth it to get shot? I wouldn't even leave the apartment without my brothers as bodyguards.'

But since new owners bought the complex in late 2007, she's seen a huge difference, particularly after the installation of a new wrought iron fence.

'It's been like a force field,' she says.

Most units have been totally renovated, but such a remodel would require Cristal to move into another apartment, which she's not willing to do.

She's content with her new front and back doors, and new kitchen appliances. 'My other stove was turning itself on,' she said. 'It was such a hazard.'

Now she feels safe enough for her 17-month-old daughter Esmeralda to play outside. 'Under my supervision, of course,' Cardoza says. 'I love it now.'

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