

October 26, 2017

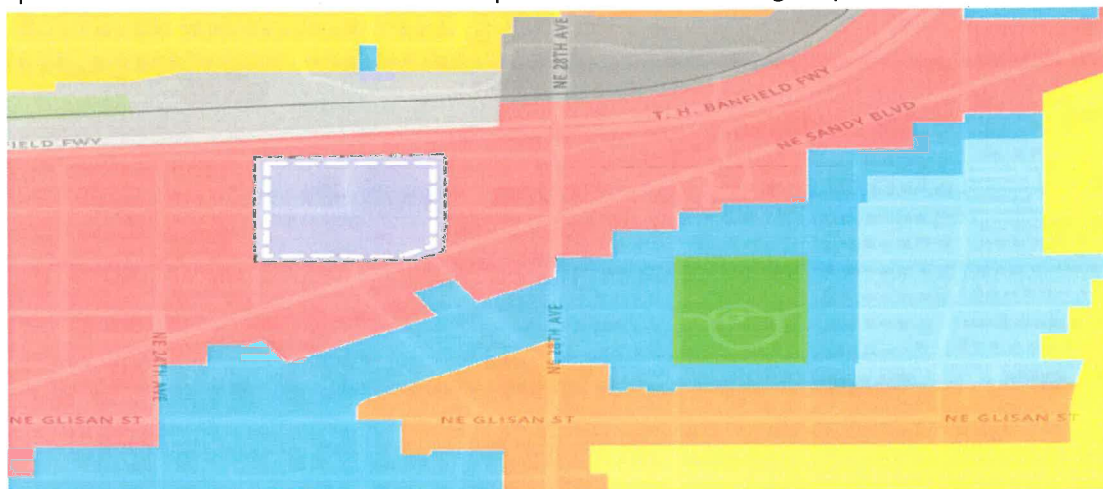
Planning and Sustainability Commission
1900 SW Fourth Avenue, Suite 7100
Portland, OR 97201

RE: Support for the CM3 Zone Correction on the Former PepsiCo Site: NE Sandy

Dear Chairperson Schultz and Members of the Planning and Sustainability Commission,

This letter is to express our full support for the proposed 2035 Map Refinement Project which will amend the Comprehensive Plan Map and the Zoning Map designations for a limited number of sites based on consistency with the recently adopted 2035 Comprehensive Plan. Security Properties is a Pacific Northwest based multi-family developer with substantial holdings in the Portland market. Our company specializes in mixed-use urban development predominantly located in thriving neighborhoods near the Central Business District and inner east side.

In September of this year, we finalized the purchase and acquisition of the PepsiCo Distribution center located between NE 25th and NE 27th Avenues off Sandy Blvd. (the "Property"). The Bureau of Planning and Sustainability ("BPS") initially recommended the CM3 zone for the Property to create a contiguous and critical mass of CM3 development along the NE Sandy corridor. The previous owner, PepsiCo, objected to that zone change to protect and facilitate its then current operations on the Property. The PepsiCo objection resulted in the adoption of an inconsistent zoning pattern along the NE Sandy corridor with an EG spot zone within what is otherwise a continuous and consistent pattern of CM3 zoning. The spot zone is illustrated below in an excerpt from the 2035 Zoning Map.



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Subsequent to the adoption of the EG spot zone, PepsiCo decided to sell the Property and accordingly submitted a letter on July 31st, 2017 expressing PepsiCo's strong support for the original BPS proposal for CM3 zoning.

We concur with this correction and request that the Commission return to the original BPS proposal and retain the CM3 zoning for the Property. In making the zoning correction from EG1 to CM3, the City will restore the contiguous zoning pattern along the NE Sandy corridor and facilitate the next dynamic urban village on the inner eastside of Portland. Security Properties and our partners at the Beijing Jade Investment Group anticipate utilizing a master plan or planned development to comprehensively design a multi-phased mixed-use, pedestrian-friendly and transit oriented development. Our team is exploring a range of uses for the site that include a mixture of market-rate and affordable housing, commercial-office, retail and senior housing, all consistent with the CM3 zoning requirements and the neighboring properties.

By affirming staff recommendations to rezone the Pepsi site, the City will be setting the stage for a vibrant mixed-use community sensitively stitched in to an existing neighborhood. Security Properties has become an industry leader in this arena, especially in the Portland market where we recently completed the Peloton Apartments in North Williams and will deliver the Heartline development in the central Pearl District in early 2018 and the Oregonian Press Blocks in Goose Hollow in 2020.

We urge you to support the planned revisions and restore a consistent planning framework along NE Sandy Blvd.

Kind regards,

A handwritten signature in blue ink, consisting of a stylized 'J' followed by a series of loops and a horizontal line.

John Marasco
Chief Development Officer

CC:

Marty Stockton, BPS

Michael Nanney – Security Properties

Gus Baum – Security Properties

Xiaorong Zhai – Beijing Jade Investment Group