

MEMO

November 5, 2008

To: Mayor Tom Potter
Commissioner Adams
Commissioner Fish
Commissioner Leonard
Commissioner Saltzman

From: Troy Alan Doss, Project Manager *North Pearl District Plan*

Cc: Gil Kelley

Subject: Adoption of *North Pearl District Plan* Ordinance and Resolution

On Wednesday, November 5, 2008, City Council will hold a Second Reading in the review of the *North Pearl District Plan*. At the last hearing on the plan held Thursday, October 30, 2008, City Council accepted three amendments supported by staff and denied four amendments not supported by staff. The zoning amendments accepted by Council have been incorporated in the Zoning Amendments package dated October 2008. The amendment to an action item of the plan will be incorporated into the Council adopted version of the *North Pearl District Plan*.

At the Second Reading City Council will be voting on an ordinance and a resolution that adopt the following elements of the *North Pearl District Plan* as follows:

- Ordinance & Findings adopting:
 - Exhibit A: *North Pearl District Plan*, June 2008, as amended by Council
 - Exhibit C: *North Pearl District Plan – Zoning Code Amendments*, as amended by Council, October 2008
 - Exhibit D: River District Design Guidelines, May 2008
 - Exhibit E: *North Pearl District Plan Transportation Analysis*
- Resolution (Exhibit B) adopting:
 - Exhibit A: Objectives & Action Charts of *North Pearl District Plan*, June 2008, as amended by Council



DATE: October 20, 2008

TO: Mayor Tom Potter

Cc: Commissioner Adams
Commissioner Fish
Commissioner Leonard
Commissioner Saltzman

FROM: Gil Kelley, AICP, Director

RE: ORDINANCE/RESOLUTION TITLE:
Adopt and implement the *North Pearl District Plan*

1. **INTENDED THURSDAY FILING DATE:** September 11, 2008
2. **REQUESTED INITIAL COUNCIL AGENDA DATE:** September 24, 2008, **Returning October 30, 2008**
3. **CONTACT NAME & NUMBER:** Troy Alan Doss, 503.823.5857
4. **PLACE ON:** CONSENT X REGULAR
5. **BUDGET IMPACT STATEMENT ATTACHED:** Y N N/A
6. **(3) ORIGINAL COPIES OF CONTRACTS APPROVED AS TO FORM BY CITY ATTORNEY ATTACHED:** Y N N/A

7. **BACKGROUND**

On Wednesday, September 24th, City Council held its first hearing regarding the North Pearl District Plan (NPDP). During this hearing five parties testified that they would like to see amendments to elements of the plan or to the zoning proposals associated with the plan. It should be noted that some of the amendments requested at this hearing have subsequently been withdrawn; however, seven specific amendments remain.

On Thursday, October 30, 2008, City Council will hold a follow-up hearing to consider these amendments and to take additional testimony regarding how Council should act on each.

As a reminder, the amendments requested are summarized below. Staff has also included an advisory recommendation for Council action on each of these requests.

AMENDMENT 1 – REPEAL NEW DEVELOPMENT STANDARDS AT RIVERSCAPE SITE

Proponent: Jeff Bachrach, Riverscape Development

Specific Request: The proponent requests that Council amend the proposed Zoning Code package for the NPDP to ensure that the *North Pearl Subarea Open Area Requirement* (Section 33.510.245) and *North Pearl Subarea Waterfront Development* (Section 33.510.250) development standards not be applied to the waterfront sites north of the Fremont Bridge. These standards are not necessary because there are pre-existing “conditions of approval” from a land division that would conflict with the proposed development standards. Further, these conditions of approval result in the same intended outcomes that were the basis for applying the proposed standards to these parcels.

Staff Recommendation: Staff supports the requested amendment.

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Reviewed by Bureau Liaison _____



AMENDMENT 2 – EXTEND BONUS HEIGHT PROVISIONS TO WATERFRONT SOUTH OF FREMONT BRIDGE

Proponent: Steven Abel and Yoshio Kurosaki, Summit Properties

Specific Request: The proponent requests that Council amend the proposed Zoning Code package for the NPDP to allow waterfront properties south of the Fremont Bridge, to the southern boundary of the Centennial Mills site, to have the ability to earn 75' feet in bonus height. The amendment would apply the same bonus height and building massing provisions proposed for waterfront sites located north of the Fremont Bridge.

Staff Recommendation: Staff supports the requested amendment.

AMENDMENT 3 – AMEND ACTION ITEM T10 OF THE NORTH PEARL DISTRICT PLAN

Proponent: Rick Michaelson, Resident of Northwest District

Specific Request: The proponent requests that Council amend the language of Transportation Action Item T10 as follows:

Circulation and operations improvements: ~~Recommend couplet concept using Lovejoy from NW 16th to NW 10th Avenue.~~ Recommend implementation of circulation improvements to relieve congestion on the Lovejoy corridor between NW 10th and NW 16th. Improvement scenarios to be considered include 1) a couplet concept using Lovejoy and NW Northrup, and 2) a one-way east bound Lovejoy that improves left turn movements during the PM peak hour period. Amendment is supported by staff.

Staff Recommendation: Staff supports the requested amendment.

AMENDMENT 4 – INCREASE BASE FLOOR AREA ENTITLEMENT AT ONE WATERFRONT DEVELOPMENT SITE

Proponent: Jim Winkler, One Waterfront Development

Specific Request: The proponent requests that Council amend the Zoning Map to increase the base floor area ratio (FAR) of the One Waterfront development site from a base of 2:1 FAR to 4:1 FAR.

Staff Recommendation: Staff recommends denying the request at this time and forwarding the request as action to be analyzed as part of the Central Portland Plan. The basis for this recommendation is two fold: 1) transportation impacts; and 2) urban form considerations

Transportation Impacts: Transportation modeling conducted as part of the NPDP process found that increases to the base FAR entitlements along Naito Parkway could not be supported by the existing transportation network. Specifically, it was found that in 2030 a key intersection acting as a gateway into the district, NW 9th and NW Lovejoy, reaches a level of service (LOS) that exceeds City standards (rating F). The proposed amendment would add significant traffic to this intersection, further worsening its performance.

Urban Form: The Planning and Design Commissions expressed concern about the potential size and massings of buildings developed on this site if FAR increases were granted. In short, these commissions were concerned that granting an additional 2:1 FAR as an entitlement could result in significant impacts to the urban form of the district because it would allow the construction of buildings that would be much larger and more massive than any other development within the North Pearl plan area. This is because most blocks in the Pearl District are 200' x 200' or 40,000 sq. ft. in total area. Typically only one building is constructed on these blocks, especially when the block is in common ownership. In the Central City it is common that all of the base FAR entitled to one of these sites is used as well as an additional 3:1 FAR which the Zoning Code allows to be earned through various bonus and transfer provisions.

Within the NPDP plan area, there are several blocks of this approximate size (40,000 sq. ft.) and each has a base entitlement of 2:1 FAR. The plan proposes increasing this entitlement to a base of 4:1 FAR. This new base entitlement plus the ability to bonus or transfer an additional 3:1 FAR will provide the ability to earn up to 7:1 FAR, or 280,000 sq. ft. of development on these sites (7:1 x 40,000 sq. ft. = 280,000 sq. ft.).

Conversely, the One Waterfront site is approximately 143,000 sq. ft. in total area. Because the existing base floor area entitlement for the site is 2:1 FAR, the Zoning Code allows approximately 286,000 sq. ft. of development to be created by right on this site (2:1 x 143,000 sq. ft. = 286,000 sq. ft.). The Zoning Code further allows an additional 3:1 FAR to be earned through development bonus and transfer provisions, meaning an additional 429,000 sq. ft. of development is possible on this site (3:1 x 143,000 sq. ft. = 429,000 sq. ft.). Thus, the existing provisions of the code

allow up to 715,000 sq. ft. of development to occur on the One Waterfront Site (286,000 sq. ft. + 429,000 sq. ft. = 715,000 sq. ft.). This means one very large building or two buildings exceeding 350,000 sq. ft. a piece could be build on this site under existing provisions.

The following table illustrates how the same floor area ratios applied to sites of different sizes results in greatly differing results.

FAR	Typical Block In Pearl		One Waterfront Site	
	40,000 sq. ft. Site	Average No. of Buildings per Site	143,000 sq. ft. Site	Average No. of Buildings per Site
2:1	80,000 sq. ft.	1	286,000 sq. ft.	1
4:1	160,000 sq. ft.	1	572,000 sq. ft.	1-2
5:1	200,000 sq. ft.	1	715,000 sq. ft.	2+
7:1	280,000 sq. ft.	1	1,001,000 sq. ft.	3+

Lastly, it should be noted that the Design Commission recently granted the approval of one office building (256,000 sq. ft.) and a multiple story parking garage (182,000 sq. ft.) at the One Waterfront site. These two structures combined use only 438,000 sq. ft. of the 715,000 sq. ft. available for development. In other words, 277,000 sq. ft. of development potential is not being used at the One Waterfront site. Further, the owner of the site is requesting that City Council grant an additional 286,000 sq. ft. of development potential (2:1 FAR) be granted by-right. This would bring the total FAR available for use at this site to 1,001,000 sq. ft.

Planning Commission Recommendation: Rather than grant this FAR increase at this time, the Planning Commission recommended that Council adopt the following two action items:

- LR1 Pursue Development of Master Plan Regulations:** Work to create a new regulatory tool to evaluate the development of large sites within the Central City. Issues related to urban form, public amenities, multi-modal transportation, increasing mode splits, the use of height and FAR bonuses, and other factors will be considered in the development of this tool. This tool is envisioned to serve as a mechanism to lock in development entitlements or bonuses when master plans addressing these various factors are planned for and approved through the design review process.
- LR2 Reinvestigate FAR & Height Increases on Naito Parkway:** Consider requests to increase height and/or FAR allowances on properties along Naito Parkway between the Fremont and Broadway bridges once master planning regulations to more comprehensively consider these requests is available.

AMENDMENT 5 – POSTPONE PROPOSAL TO ALLOW BONUS HEIGHT AT RIVERSCAPE SITE

Proponent: Northwest District Association (NWDA)

Specific Request: The proponent requests that Council amend the proposed Zoning Code package for the NPDP to repeal proposal to grant bonus height provisions to Riverscape site until it can be considered through Central Portland Plan process. If this is not agreeable, Council should apply bonus height first parcel north of the Fremont Bridge only.

Staff Recommendation: Staff recommends denying this request.

The Planning and Design Commissions decision to grant bonus height to this site was based in large part with the intent of creating a more dynamic and varied skyline along the waterfront in the near term.

AMENDMENT 6 – REJECT PROPOSAL FOR BONUS HEIGHT AT RIVERSCAPE SITE UNTIL FUNDING FOR WATERFRONT PARK IS SECURE

Proponent: Northwest District Association (NWDA)

Specific Request: The proponent requests that Council not grant bonus height provisions to Riverscape site until such time that there is a plan in place by the City to own and fund the design and development of a waterfront park on Parcel 8 of the Riverscape Development site.

Staff Recommendation: Staff recommends denying this request.

The basis for this recommendation is that the NPDP already contains the following action item:

CC10 Pursue Development of Public Waterfront Park: Pursue the development of a public park adjacent to the greenway trail and proposed marina on the eastern portion of Lot 8 of the Riverscape development site.

Although this action item does not require the creation of a governance and funding plan in advance of the granting of bonus height, the decision of the Planning and Design Commissions to grant bonus height to this site was not based on the provision of a waterfront park alone. Specifically, bonus height was allowed in an effort to create a more dynamic and varied skyline along the waterfront.

AMENDMENT 7 – REJECT PROPOSED FAR INCREASES UNTIL INDEPENDENT VERIFICATION OF CITY’S TRANSPORTATION FINDINGS

Proponent: Northwest District Association (NWDA)

Specific Request: The proponent requests that Council not grant any increases to the base floor area ratio (FAR) entitlements proposed by the NPDP until there is an “independent verification that the underlying assumptions of its transportation analysis are (found to be) credible.”

Staff Recommendation: Staff recommends denying this request.

The Portland Office of Transportation (PDOT) ran a thorough analysis of the transportation system that considered the proposed growth within the plan area and the existing regional growth potential based on current zoning. This analysis found that no significant increased congestion would result from the proposed FAR increases to the Northwest District or elsewhere. Non auto mode splits assumed in the analysis were similar to the area just south of the study area, with similar conditions. The plan includes action items that support higher non auto mode splits. This analysis was reviewed by the Oregon Department of Transportation (ODOT) who concurred with the City’s findings.

8. FINANCIAL IMPACT

As shown on the Financial Impact Statement for the *North Pearl District Plan*, implementation of these changes will be incorporated into day-to-day activities of the Bureau of Development Services and will not result in any significant change in revenue or expense. Further, the *NPDP* does recommend the adoption of objectives and actions items calling for the development of public amenities in the district over the next five to ten years; however, the adoption of these objectives and goals does not commit the City of Portland to the funding of these facilities, most of which would be implemented by other government entities, nonprofit entities, or private sector interests.

RECOMMENDATION/ACTION REQUESTED

The Portland Planning Commission recommended the City Council take the following actions:

- Adopt the North Pearl District Plan;
- Amend the Portland Comprehensive Plan as identified in the *North Pearl District Plan*;
- Amend Title 33, Portland’s Zoning Code as detailed in the *North Pearl District Plan – Portland Planning Commission’s Recommended Zoning Code Amendments, July 2008*; and,
- Adopt Design Commission’s recommendations for amendments to the *River District Design Guidelines* that update and correct errors in this existing guidance for design review in the River District.

The Bureau of Planning recommends that the City Council

- Adopt staff recommendations regarding requested amendments to the NPDP and associated Zoning Amendments (as presented in October 2008 Zoning Amendments Package), specifically recommending that the City Council:
 - Support Amendments 1-3
 - Amendment 1 – Repeal new development standards at Riverscape site
 - Amendment 2 – Extend bonus height provisions to waterfronts south of Fremont Bridge
 - Amendment 3 – Amend action item T10 of the North Pearl District Plan
 - Deny Amendments 4-7
- Adopt the *North Pearl District Plan* and accompanying changes as recommended by the Planning Commission and amended by City Council.

North Pearl District Plan Ordinance includes the following exhibits:

Exhibit A: Recommended *North Pearl District Plan*, June 2008

Exhibit B: Resolution XXXXX, adopting objectives and action items of *NPDP*

Exhibit C: *North Pearl District Plan – Portland Planning Commission’s Recommended Zoning Code Amendments*, July 2007

Exhibit D: River District Design Guidelines, May 2008

Exhibit E: *North Pearl District Plan Transportation Analysis*