



May 18, 2015

VIA EMAIL

Planning and Sustainability Commission
City of Portland
1900 SW Fourth Ave., Suite 7100
Portland, OR 97201-5380

**Re: Testimony on April 2015 Southeast Quadrant Plan
Request to Extend EOS Overlay on Map III-1**

Dear Commissioners:

Seven Hills Properties has been developing mixed use, office, retail, industrial and residential projects throughout the West Coast for almost 30 years, and has completed six projects in Portland. We have been tracking the Southeast Quadrant Plan closely because we currently have an interest in two properties within the Central Eastside -- 210 and 226 SE Madison and 1103 SE 7th Avenue.

Overall, we are supportive of the April 2015 Proposed Draft, and appreciate City staff's and the Stakeholder Advisory Group's efforts to balance the needs of industrial users and creative office/industrial office users. We think that the Proposed Draft makes strides in providing certainty so that the maker economy that needs the Employment Overlay Subarea ("EOS") can flourish, while still protecting the industrial backbone of the district.

We request that **Map III-1: Land Use Proposals** be amended so that the IG1 + EOS area **extends** south to include the area between SE Yamhill and SE Main Street between SE 6th Avenue and SE 11th Avenue, as depicted on the enclosed map.

Seven Hills is based in San Francisco, and we are familiar with the real estate needs of the tech world and creative/design oriented businesses. The EOS overlay provides the nimbleness that these users need, while continuing to allow more traditional industrial uses to remain. The currently proposed zoning map creates a small island of land that does not have the EOS overlay. This hole in the EOS fabric limits opportunity because the EOS overlay is critical for encouraging innovative uses in the Central Eastside. The proposed land use map interrupts the synergy created by having incubator EOS users in close proximity to one another and could limit the district's potential to create jobs and increase employment densities.

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While the proposed Industrial Ground Floor/Industrial Office Bonus (RC 7) allows additional flexibility on non-EOS IG1 land, because it is a tool that would work best for new construction, it may create pressure to remove existing development. A better solution is to extend the advantages of the EOS overlay to the area depicted on the enclosed map.

Thank you for your consideration.

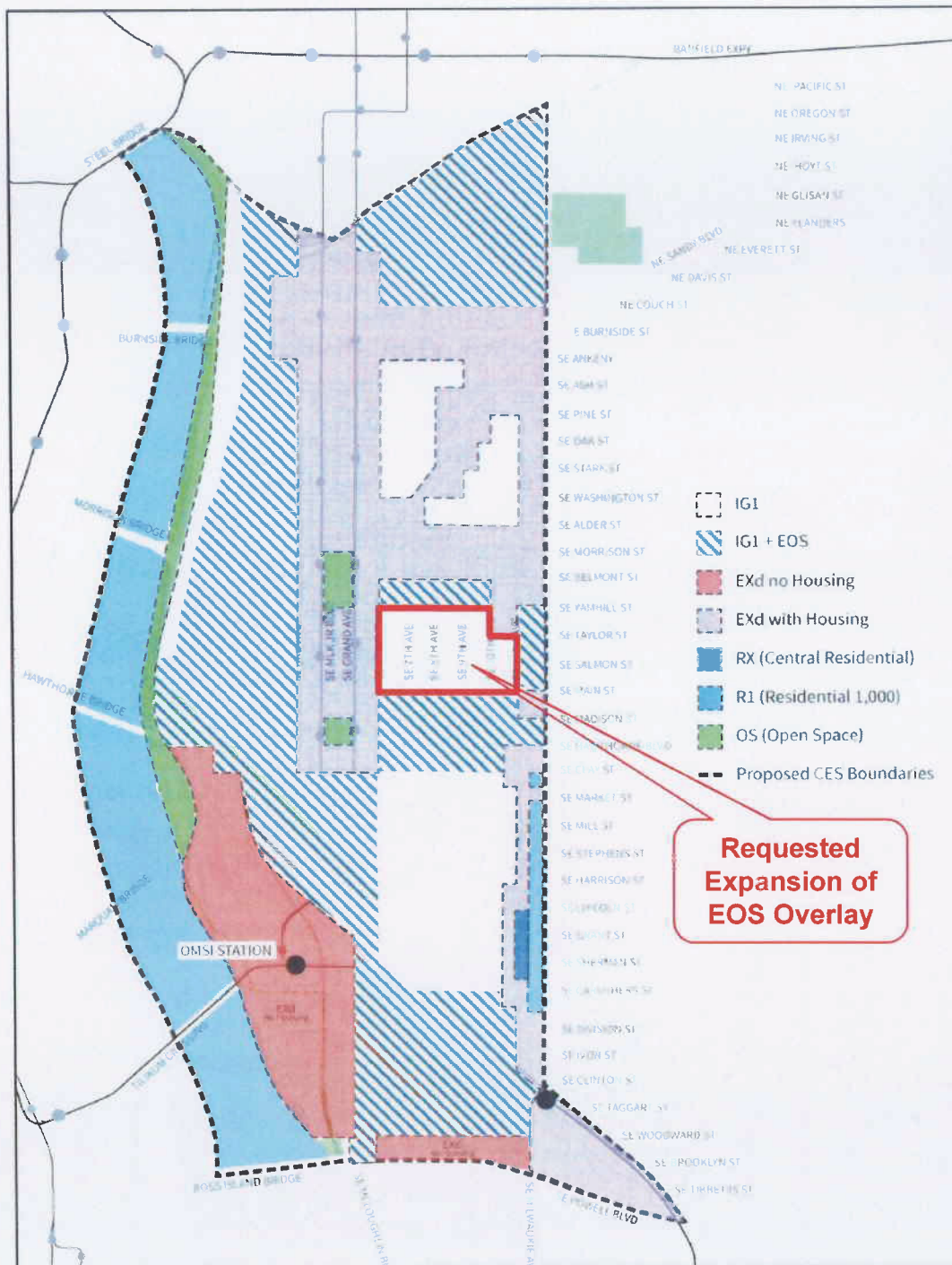
Very truly yours,


Thomas J. Rocca *olk*

Enclosure

cc: Troy Doss, BPS (via email) (with enc.)
Dana L. Krawczuk, Perkins Coie LLP (via email) (with enc.)

Map III-1: Land Use Proposals



This map shows the land use proposals for the SE Quadrant area. Nearly all existing IG1 zoning is retained, and receives additional flexibility for new industrial uses.