

May 10, 2016

Dana L. Krawczuk
DKrawczuk@perkinscoie.com
D. +1.503.727.2036
F. +1.503.346.2036

VIA EMAIL (PSC@PORTLANDOREGON.GOV)

Ms. Katherine Schultz, Chair
Planning and Sustainability Commission
City of Portland
1900 SW Fourth Avenue, Suite 7100
Portland, OR 97201-5380

Re: Testimony Regarding the Proposed Draft of the Mixed Use Zones Project

Dear Chair Schultz and Members of the Planning and Sustainability Commission:

This office represents WREH Lloyd Plaza LLC (“WREH”), the owner of Lloyd Plaza, located at 1425-1435 NE Irving Street (the “Property”). The Property is currently zoned Central Commercial (CX) and developed with four commercial buildings known as Lloyd Plaza. Its CX zoning is proposed to remain unchanged under the Council Amendments to the Recommended Draft of the 2035 Comprehensive Plan and the Proposed Draft of the Mixed Use Zones Project (“MUZP”).

As explained in more detail below, we support retaining the CX zoning for the Property at this time, but believe that allowance for a height bonus is necessary in order for the Property to reach its full potential. We have identified the following two solutions:

1. Amend the MUZP to allow height bonuses up to 160 feet through Planned Development for CX-zoned sites outside of the Gateway and Central City Plan Districts (“CCPD”), including the Property; or
2. Include the Property in the CCPD.

Background

The Property is approximately 5.2 acres, is roughly triangular in shape, bordered by I-84 to the north and the on-ramp to the east, as depicted below.

Ms. Katherine Schultz, Chair
Planning and Sustainability Commission
City of Portland
May 10, 2016
Page 2



The Property consists of four one-story buildings on approximately 5.2 acres. All of the buildings were built in 1963-64 for the Bonneville Power Administration.

The proposed Comprehensive Plan and zoning amendments have led WREH to consider what may be the best development potential for the Property. WREH has no immediate redevelopment plans for the Property, but IT acknowledges that the Property's size, access to transit and proximity to the Lloyd District, Central Eastside, Willamette River and Downtown presents a terrific future mixed use redevelopment opportunity. Unfortunately, the combination of the larger size of the site, the FAR limit (4 to 1) and relatively low height allowance (75 feet maximum) under the MUZP proposal encourage development of relatively low, very large floor plate buildings. Large floor plate development negates urban form objectives, such as providing open space, green space, and light. Mixed use, and particularly residential development, would

be very difficult to develop economically on the Property and similar sites under the proposed zoning. To encourage a mixed use development which would include open green spaces and proper floor plate sizes for this size of site, a height limit of 120 feet or higher would be appropriate. (This would allow 8-stories, which could include 6 stories of wood or light gauge steel construction on top of a 2-story concrete podium.)

Issue

Regulatory Gap for CX Properties Not Included in a Plan District and Resulting Relatively Low Height Limits

Under the MUZP, the CX zone is “intended to provide for commercial and mixed use development within Portland’s most urban and intense areas, specifically the Central City and Gateway Regional Center areas.” However, some select sites outside of the plan districts, including the Property and others in the I-84 - Banfield Corridor, are proposed to remain zoned CX. Under the MUZP regulations proposed at this time, we agree that the Property should retain its CX zoning.

Because the Property is not within a plan district, it does not benefit from the plan district allowances like increased height, FAR and bonuses. The current draft of the MUZP also excludes the CX zone from the new height and FAR bonuses available through a Planned Development that is applicable to the other mixed use (CE and CM) zones. Thus, CX-zoned properties outside of the plan districts are left in a regulatory gap where they do not benefit from either plan district or base zone bonuses. Specifically, under the Property’s proposed CX zone, the maximum height is 75 feet, but the Planned Development available to other mixed use zones allows a height of up to 120 feet. Immediately north of the Property, across the Banfield, base heights of 150 to 250 feet and bonus heights of 225 to 325 feet are achievable.

This regulatory anomaly will lead to comparatively low height and density on sites zoned CX, which is contrary to the intent of the CX zoning in which “development is intended to be very intense with high building coverage, large buildings and buildings placed close together.” (MUZP Section 33.130.030.E, Characteristics of the Zones.)

Solutions

1. Amend the MUZP to Provide Planned Development Height Bonuses in the CX Zone

We request that the Commission allow for the intended level of development on CX-zoned properties outside of the plan districts by adding CX to the list of zones that may utilize Planned

Development bonuses in MUZP Section 33.130.212.B.1. We propose an amendment to the MUZP language as follows (amended text underlined), and corresponding amendments to the other MUZP sections as shown on the attached **Exhibit A**:

33.130.212.B.1. Unless specified below, the bonus options in this section are allowed only in the CM1, CM2, CM3 and CE zones and in the CX zone outside of the Central City Plan District and Gateway Plan District. Sites located within Historic or Conservation districts are not eligible to use bonus options.

Our proposed amendment would require a corresponding amendment to Table 130-3 to add the CX zone. We propose a maximum FAR of 4 to 1 (no increase from base), a maximum of 75 feet in height with bonuses (no increase from base) and a maximum height of 160 feet as part of a Planned Development. This change would recognize the unique nature of the CX-zoned sites outside of the plan districts and allow additional height for sites two acres and larger only when warranted through the Planned Development process. The proposed changes to Table 130-3 are underlined below (existing language shown in grey).

Table 130-3 Summary of Bonus FAR and Height						
		CM1	CM2	CM3	<u>CX</u>	CE
Overall Maximums Per Zone						
Maximum FAR with bonus		2.5 to 1	4 to 1	5 to 1	<u>4 to 1</u>	3 to 1
Maximum Height with bonus		35 ft.	55 ft. 75 ft.[1]	75 ft. 120 ft.[1]	<u>75 ft.</u> <u>160 ft.[1]</u>	45 ft.
Increment of Additional FAR and Height Per Bonus						
Affordable Housing (see 33.130.212.C)	FAR Height	1 to 1 none	1.5 to 1 10 ft.	2 to 1 10 ft.	[tbd] [tbd]	none none
Affordable Commercial Space (see 33.130.212.D)	FAR Height	0.5 to 1 none	0.75 to 1 10 ft.	1 to 1 10 ft.	[tbd] [tbd]	0.5 to 1 none
Large Site Master Plan (see 33.130.212.E)	FAR Height	none none	1.5 to 1 up to 30 ft.	2 to 1 up to 55 ft.	[tbd] [tbd]	1.5 to 1 up to 30 ft.

[1] This larger overall maximum is only allowed through the Planned Development bonus option and required Planned Development Review

Ms. Katherine Schultz, Chair
Planning and Sustainability Commission
City of Portland
May 10, 2016
Page 5

2. Include the Property in the Central City Plan District

The same elements that make the more intense CX base zone appropriate for the Property (ideal location for infill development, proximity to transit and distance from sensitive uses) make it a logical choice for inclusion in the adjacent CCPD.

The Property is located next to the freeway and Benson Polytechnic High School and adjacent to the current CCPD boundaries to the north and west. It forms a connection between the existing Central Eastside employment area and the Lloyd Center, which are both within the CCPD. The Adopted SE Quadrant Plan for the Central City included the “Banfield Portal” area, including the Property, in its transportation study area due to its importance for land use and transportation proposals in the SE Quadrant.

The Property is not located near lower density residential communities, and its large size (approximately 5.2 acres) provides considerable potential for infill development and housing. The property is well-served by transit, including bus lines along 12th Avenue and the yellow, blue and red Max lines at the nearby Lloyd Center Station. As the City continues to grow east, it is important to adjust the CCPD to promote higher levels of development on appropriate sites. We request that the Commission adjust the boundaries of the CCPD to include the Property.

Thank you for your consideration of these requests.

Very truly yours,



Dana L. Krawczuk

DLK:crl

Enclosure: Exhibit A

cc: Brent Lower (via email) (with enc.)
Josh Keene (via email) (with enc.)

Exhibit A

Proposed Amendments to MUZP Text (shown in underline):

33.130.212.B.1. Unless specified below, the bonus options in this section are allowed only in the CM1, CM2, CM3 and CE zones and in the CX zone outside of the Central City Plan District and Gateway Plan District. Sites located within Historic or Conservation districts are not eligible to use bonus options.

Table 130-3 Summary of Bonus FAR and Height						
		CM1	CM2	CM3	<u>CX</u>	CE
Overall Maximums Per Zone						
Maximum FAR with bonus		2.5 to 1	4 to 1	5 to 1	<u>4 to 1</u>	3 to 1
Maximum Height with bonus		35 ft.	55 ft. 75 ft.[1]	75 ft. 120 ft.[1]	<u>75 ft.</u> <u>160 ft.[1]</u>	45 ft.
Increment of Additional FAR and Height Per Bonus						
Affordable Housing (see 33.130.212.C)	FAR Height	1 to 1 none	1.5 to 1 10 ft.	2 to 1 10 ft.	[tbd] [tbd]	none none
Affordable Commercial Space (see 33.130.212.D)	FAR Height	0.5 to 1 none	0.75 to 1 10 ft.	1 to 1 10 ft.	[tbd] [tbd]	0.5 to 1 none
Large Site Master Plan (see 33.130.212.E)	FAR Height	none none	1.5 to 1 up to 30 ft.	2 to 1 up to 55 ft.	[tbd] [tbd]	1.5 to 1 up to 30 ft.

[1] This larger overall maximum is only allowed through the Planned Development bonus option and required Planned Development Review

33.270.100.I. Additional height and FAR. For sites in the CM2, CM3 and CE zones and in the CX zone outside of the Central City Plan District and Gateway Plan District that are greater than 2 acres in size, additional height and FAR may be requested through a Planned Development as specified in 33.130.212. Floor Area and height Bonus Options and Table 130-3.

33.270.200 Additional Requirements for Planned Developments in the Commercial/Mixed Use Zones

Planned developments in the CM2, CM3, and CE zones and in the CX zone outside of the Central City Plan District and Gateway Plan District must meet all of the following requirements: