



GUARANTEED TO SATISFY

May 16, 2016

Portland Planning and Sustainability Commission
City of Portland
1900 SW 4th Avenue, Suite 7100
Portland, OR 97201

Re: Portland Mixed Use Zones Project

Dear Chair Schultz and Commission Members:

I am the General Counsel for DB Franchising USA, LLC ("Dutch Bros. Coffee") and wish to comment on the proposed zoning for the Dutch Bros. Coffee outlets located within the City of Portland. Dutch Bros. Coffee submits this letter requesting that the proposed zoning for all of Dutch Bros.'s existing stores subject to the mixed use zones project be CE.

We are first concerned that the proposed mixed use zones greatly reduce our ability to maintain, modernize and develop new drive-through facilities. As you could reasonably expect, our business model is almost exclusively the operation of the drive-through coffee kiosks. Without drive-through friendly zoning, our company could not develop and grow. The only proposed mixed use zone in the proposed 2035 Comprehensive Plan which does not expressly prohibit drive-through facilities is the new CE zone. For that reason alone, we hereby request that all existing Dutch Bros. stores be zoned CE. These locations include the Dutch Bros. Coffee outlets located at 5710 Foster Rd., Portland, OR and 13640 SE Division St., Portland, OR 97236. These were developed as drive-throughs in auto-oriented areas and would not be sustainable as part of an expensive mixed-use project.

Even if these Dutch Bros. outlets are zoned CE, we are concerned that the existing CE zone is not truly auto-accommodating, as currently defined in Portland Zoning Code:

"Auto-Accommodating Development. Development which is designed with an emphasis on customers who use autos to travel to the site, rather than those which have an emphasis on pedestrian customers. This type of development usually has more than the minimum required number of parking spaces. The main entrance is oriented to the parking area. In many cases, the building will have parking between the street and the building. Other typical characteristics are blank walls along much of the facade, more than one driveway, and a low percentage of the site covered by buildings."

Please consider a reduction of the pedestrian and transit-oriented development standards in the new CE zone, to make it more auto-accommodating to better implement the existing "auto-accommodating" definition.

In addition, I am concerned that existing drive-through facilities will become nonconforming and thus unable to be updated or remodeled in accordance with obligations in long-term leases and franchise agreements. Therefore, I also request that all existing drive-throughs as of the effective date of the 2035 Comprehensive Plan that are placed into zoning that prohibits further drive-through development nevertheless be deemed a conforming use. In addition to the addresses above, additional drive-through Dutch Bros. outlets that are at risk of becoming nonconforming are located at: 430 NE Lloyd Blvd., Portland, OR; 514 SE Belmont St., Portland, OR 97214; 5482 SW Beaverton Hillsdale Hwy, Portland, OR (due to new residential set-back requirement). These locations will need to be able to remodel and update to comply with evolving system standards aimed at improving the look and function of the location. In the absence of a policy establishing existing drive-throughs as conforming uses, operators of Dutch Bros. outlets will be stuck between their legal obligations with their landlord and franchisor, and the City's stringent nonconforming development standards.

Yours truly,

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Cc: RTF/ICSC GR Committee