

May 17, 2016

Katherine Schultz, Chair
Portland Planning and Sustainability Commission
1900 SW 4th Avenue, Suite 7100
Portland, OR 97201

Re: **Mixed Use Zones Project**
Request for CE Zoning for the Safeway Store located at 6901 NE Sandy Boulevard

Dear Chair Schultz and Members of the Commission:

I am the Senior Real Estate Manager for Albertsons Companies, Inc., and am also responsible for real estate matters pertaining to Portland's Safeway stores. The Proposed Draft of the Portland Mixed-Use Zoning Code would designate our Safeway store at 6901 NE Sandy Boulevard as Commercial/Mixed Use 2 ("CM2"), subject to the Centers Main Street Overlay Zone ("CMSO"). This letter is respectfully submitted to request that this store be zoned Commercial Employment ("CE") and not be subject to the proposed CMSO. We request this revision because the proposed zoning would make this store substantially more nonconforming, and because the CE zone is the most appropriate zone for this site and the surrounding area, which is already committed to auto-accommodating development.

An aerial photograph and site plan of this store is attached. **Exhibits 1 and 2.** Its access and vehicle circulation areas front NE Sandy Boulevard and NE Fremont Street, which are both designated as Transit Streets. As is evident from the attachments, this store relies on convenient vehicle access and circulation to accommodate its customers, most of whom arrive by automobile.

Applying the CM2 zone and CMSO to this site is especially problematic for the following reasons:

- It would prohibit vehicle areas along 50% of transit street frontages.
- It would impose a minimum FAR of 0.5:1.
- It would require ground floor windows along 60% of its transit street frontages.
- It would require one transit street entrance for every 100 feet of building wall.

This store does not comply with these requirements and it is not economically feasible to remodel or replace it with a store that would comply. Note also that this store, at 51,602 sq. ft., does not qualify for the proposed alternative maximum setback standard for large retailers, which only applies to buildings with at least 60,000 sq. ft. of retail sales and service uses.

Application of the CM2 zone and CMSO will cause significant nonconformity on this site. Nonconforming status lowers market value, makes it more difficult to obtain financing and to sell, and makes it difficult if not impossible to maintain and upgrade the store. Zoning this site to CE, with no CMSO overlay, will be necessary to avoid excessive nonconformity.

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This store, like all other Safeway and Albertsons stores in Portland, is "auto-accommodating" as defined in the Portland Zoning Code. **Exhibit 3.** None of the proposed mixed use zones provide development standards which are as auto-accommodating as the development standards (for access, parking, and main entrance locations) contained in the definition, but the CE zone comes closest. It is also the only new zone that does not prohibit drive-through facilities, which are often part of our grocery operations.

We need auto-accommodating development standards to continue to operate, modernize and grow our grocery supermarket business in Portland. Applying the CE zone to this site is appropriate because it is outside of the Central City and already committed to auto-accommodating development. The CE zone description in the Proposed Draft provides that such sites are appropriately zoned CE: “[The CE zone] is generally not appropriate in designated centers, except on a site that is currently developed in an auto-oriented manner and urban scale development is not economically feasible.” In our experience, areas such as the one around our site are slow to redevelop and we do not anticipate it doing so in the foreseeable future.

Although the CE zone is the least problematic from our perspective, it is not truly "auto-accommodating." Accordingly, we also request that the Commission request that staff soften the main entrance and glazing requirements of the CE zone to be consistent with the Code's definition of "auto-accommodating." For example, the ground-floor window standard should remain as it is under the current commercial zoning code and only one transit street entrance for each building should be required.

Finally, we request that the 60,000 sq. ft. threshold for the alternative maximum setback for large retailers, set forth in PCC 33.130.215.E, be reduced to 45,000 sq. ft. This is appropriate because there is no essential difference between how our 45,000 sq. ft. and 60,000 sq. ft. stores function. This will still only apply to a large site, as 45,000 sq. ft. exceeds the typical 40,000 sq. ft. block size generally used in Portland.

We sincerely appreciate the Commission's consideration of our request.

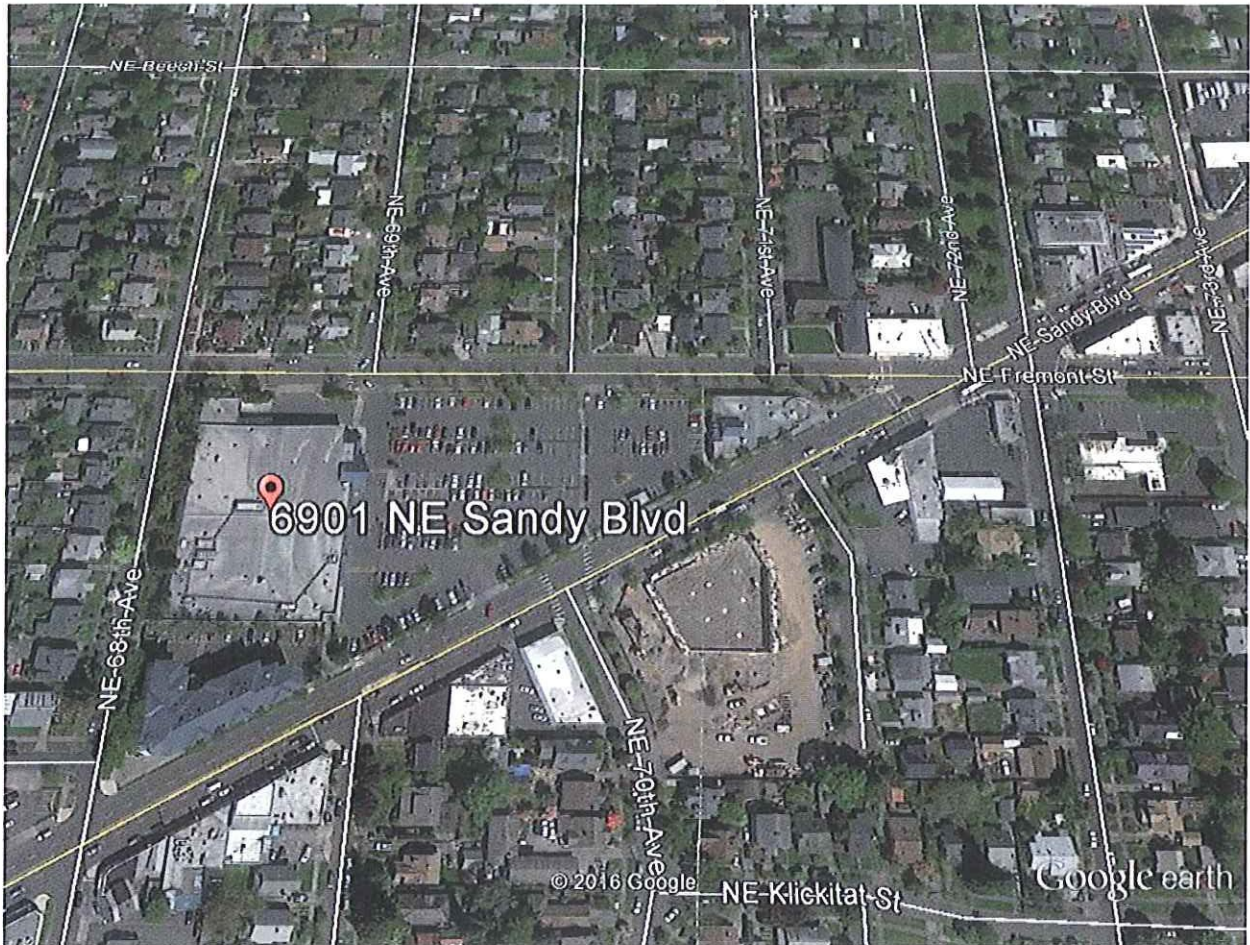
Yours truly,



Eric Holzer

Enclosures

cc: Ms. Natacha Epley (via email) (w/encl.)
Mr. Kevin Angstenberger (via email) (w/encl.)
Mr. Garrett Stephenson (via email) (w/encl.)



Development, New. Development of a site that was previously unimproved or that has had previously existing buildings demolished.

Development Types

- **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. See also Pedestrian-Oriented Development.
- **Pedestrian-Oriented Development.** Development which is designed with an emphasis primarily on the street sidewalk and on pedestrian access to the site and building, rather than on auto access and parking areas. The building is generally placed close to the street and the main entrance is oriented to the street sidewalk. There are generally windows or display cases along building facades which face the street. Typically, buildings cover a large portion of the site. Although parking areas may be provided, they are generally limited in size and they are not emphasized by the design of the site. See also Auto-Accommodating Development.

Director of BDS. The Director of the City of Portland Bureau of Development Services, or the Director's designee.

Disabled Person. For the purposes of Chapter 33.229, Elderly and Disabled High Density Housing, a disabled person is a person who has a condition of physical or mental disability which substantially limits one or more major life activities as stated in Section 504 of the Federal Rehabilitation Act of 1973 and state law.

Disturbance. An action that causes an alteration to soil or vegetation. The action may create temporary or permanent disturbance. Examples include development, exterior alterations, exterior improvements, demolition and removal of structures and paved areas, cutting, clearing, damaging, or removing native vegetation.

Disturbance Area. The area where all temporary and permanent disturbance occurs. For new development the disturbance area must be contiguous. Native vegetation planted for resource enhancement, mitigation, remediation, and agricultural and pasture lands is not included. The disturbance area may contain two subareas, the permanent disturbance area and the temporary disturbance area:

- **Permanent Disturbance Area.** The permanent disturbance area includes all areas occupied by existing or proposed structures or exterior improvements. The permanent disturbance area also includes areas where vegetation must be managed to accommodate overhead utilities, existing or proposed non-native planting areas, and roadside areas subject to regular vegetation management to maintain safe visual or vehicle clearance.
- **Temporary Disturbance Area.** The temporary disturbance area is the portion of the site to be disturbed for the proposed development but that will not be permanently occupied by structures or exterior improvements. It includes staging and storage areas used during construction and all areas graded to facilitate proposed development on the site, but that