



Bureau of Planning and Sustainability

Innovation. Collaboration. Practical Solutions.

MEMO

DATE: May 24, 2016

TO: Planning and Sustainability Commission

FROM: Tom Armstrong, Supervising Planner
Tyler Bump, Senior Economic Planner
Steve Kountz, Senior Economic Planner

CC: Susan Anderson, Director

SUBJECT: Portland Retail Needs

This memo is a response to the May17 testimony from Eric Hovee and Mark Whitlow on behalf of the Retail Task Force and the International Council of Shopping Centers.

Their testimony is similar to what they presented to City Council on the Economic Opportunities Analysis (EOA) and the retail polices. BPS refuted their testimony and disagrees with their conclusion that Portland is under-retailed, especially with respect to grocery stores. The details of the BPS analysis are attached as supplemental memos.

The Hovee and Whitlow testimony raises a fundamental challenge: how should the City of Portland use the zoning code and development standards to improve the built environment and make a place safer, pedestrian-friendly, bike-friendly and transit-oriented over time? How do you transition an area over time unless new buildings are required to orient in a way that creates the pedestrian-friendly environment? Or, should the standards be “in sync” with the market and “largely match the existing built environment” until transit service improves and auto use declines? Given how slowly the built environment changes over time, the City has chosen to lead the market with the development standards that fosters more pedestrian-friendly and transit-oriented development.

Comprehensive Plan Policies

The City Council has adopted policy amendments on four retail-related policies. These policies need to be considered and balanced with other policies that support creating a more pedestrian friendly built environment.



City of Portland, Oregon | Bureau of Planning and Sustainability | www.portlandoregon.gov/bps
1900 SW 4th Avenue, Suite 7100, Portland, OR 97201 | phone: 503-823-7700 | fax: 503-823-7800 | tty: 503-823-6868

Printed on 100% post-consumer waste recycled paper.

Policy 4.33 Drive-through facilities. Prohibit drive through facilities in the Central City, and limit new development of drive throughs in the Inner Ring Districts and centers in order to support a pedestrian-oriented environment.

Policy 4.85 Grocery stores and markets in centers. Facilitate the retention and development of grocery stores, neighborhood-based markets, and farmers markets offering fresh produce in centers. Provide adequate land supply to accommodate a full spectrum of grocery stores catering to all socioeconomic groups and providing groceries at all levels of affordability.

Policy 6.16 Regulatory climate.

6.16.f. Consider short-term market conditions and how area development patterns will transition over time when creating new development regulations.

Policy 6.67 Retail development. Provide for a competitive supply of retail sites that support the wide range of consumer needs for convenience, affordability, accessibility, and diversity of goods and services, especially in under-served areas of Portland.

Mr. Whitlow misrepresents the impact of these policies. They do not *require* more land to be devoted to auto-accommodating zoning. The policies do require the City consider these policies in our decision making. But, some of these new policies may compete with other policies, such as Policy 3.19 Accessibility, which calls for centers to be accessible places, where the street environment makes access by transit, walking, biking and mobility devices safe and attractive for people of all ages and abilities. When making a specific decision, all of the applicable policies must be weighed and balanced to determine if a particular decision would “on the whole” comply with the Comprehensive Plan. No one policy automatically trumps another policy. In cases where there are competing policies, City Council will choose the direction they believe best embodies the plan as a whole. In some cases, it may be more auto-accommodating zoning and in other cases it may be development standards to create a more pedestrian-friendly street environment.

BPS Retail Findings

In general, BPS staff disagrees with Mr. Hovee’s observations of Portland’s current retail environment.

1. The retail leakage analysis is not significantly different from what is in the EOA and does not materially change the findings of the EOA - there is a large surplus of neighborhood commercial development capacity in terms of sites sizes and locations throughout the City of Portland.
2. Access to healthy affordable food options are not as dire or widespread as Mr. Whitlow states. As described in the BPS April 19th memo, access to grocery stores is reasonably well distributed with the exception of Parkrose/Argay, 122nd/Foster and Southwest. Furthermore, the solution to healthy food access is a multifaceted

2



problem that is not simply a function of proximity to larger, auto-accommodating supermarkets. The City's healthy food strategy focuses on neighborhood-based solutions that, in addition to providing access, make food more affordable and build community capacity and cohesion.

3. Mr. Hovee and Mr. Whitlow misinterpret the requirements of Goal 9. It requires demonstrating adequate capacity for industrial uses specifically and for the widest range of other employment (non-industrial) uses - not for the widest range of retail, as suggested. The City has done that by analyzing the need for Central City, Campus Institutions and Neighborhood Commercial capacity.

The City does not have to create an even-more complex, detailed analysis that looks at the supply and demand for large-format, auto accommodating, value-oriented retail with drive-throughs. The EOA includes a parcel size analysis for neighborhood commercial uses that shows surplus capacity across a range of parcel sizes across Portland. This level of detail is sufficient to comply with Goal 9.

4. BPS staff disagrees with the Hovee/Whitlow position that the land supply is inadequate for store types that require larger sites. The land supply analysis in the EOA finds an overall 216% surplus of developable land in Neighborhood Commercial geographies relative to 20-year demand. The April 27 memo shows that there is ample supply of Neighborhood Commercial land in all size categories. The analysis shows about 45% of the capacity greater than 3 acres is in the 3-10 acre category and there is a reasonable distribution across the pattern areas for both 3-10 acre and greater than 10 acre categories parcel sizes. Additionally, some of the mixed use commercial map changes in the Comprehensive Plan have been made to address areas that are underserved by neighborhood serving retail and services as part of creating complete neighborhoods.

Conclusion

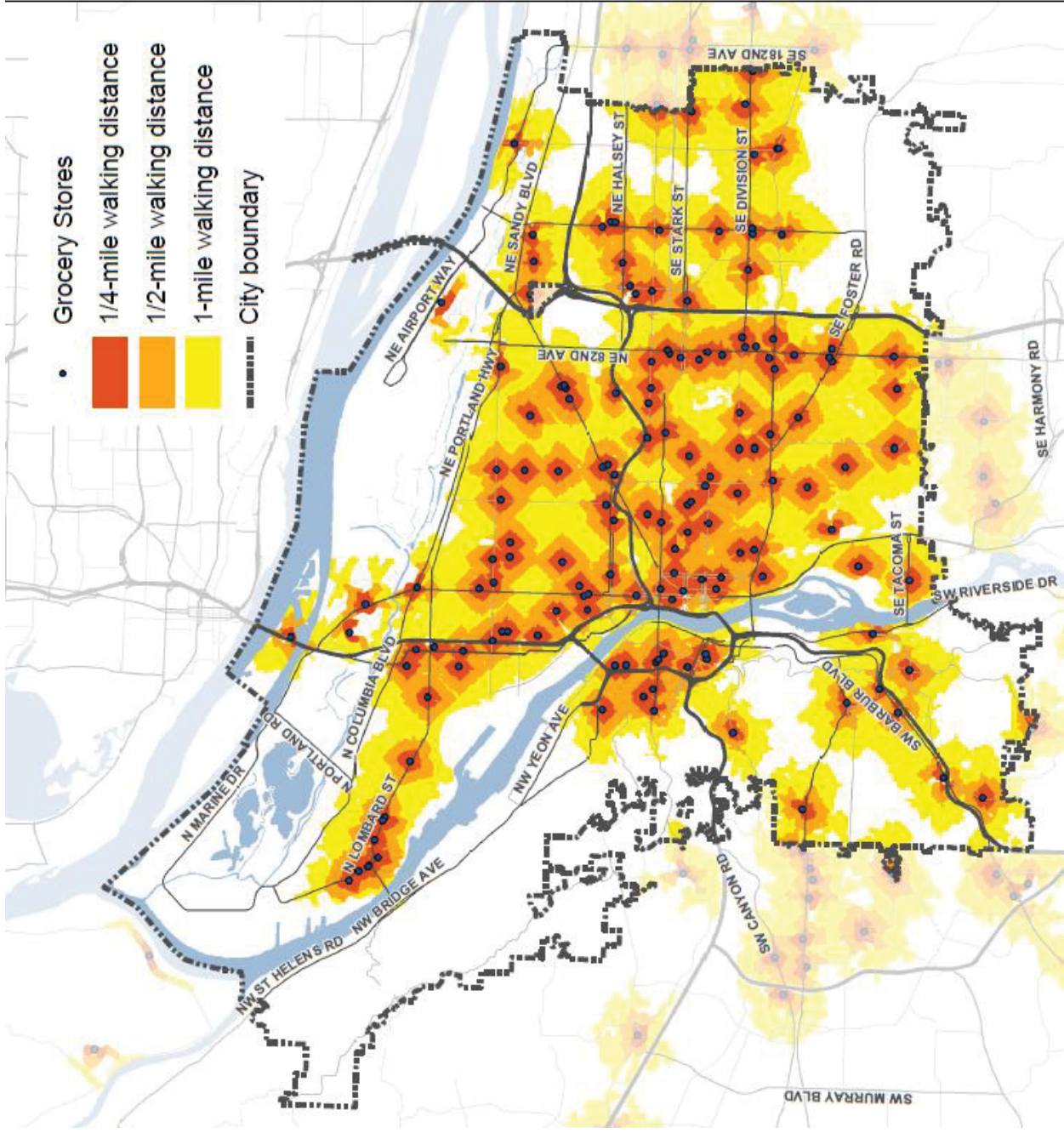
Retail leakage is only one factor that is considered along with job growth, sector trends, development trends, business focus group insights, small business vitality, and complete neighborhood strategy. The EOA demonstrates that there is a more than adequate land supply to meet future employment growth in the Neighborhood Commercial geography.



April 18, 2016

City of Portland, Oregon |
Bureau of Planning and Sustainability |
Geographic Information Systems

Grocery Store Access Large Chain and Independent Markets



The information on this map was derived from City of Portland GIS databases. Care was taken to ensure accuracy, but the City of Portland cannot accept any responsibility for errors, omissions or positional accuracy.



Bureau of Planning and Sustainability
Innovation. Collaborations. Practical Solutions.



City of Portland, Oregon
Cheryl Adams, Mayor - Jane Anderson, Director
Bureau of Planning and Sustainability
1850 SW 4th Avenue, Suite 7100, Portland, OR 97201
Phone: 503-823-7700 | Fax: 503-823-7800 | TTY: 503-823-6868
www.portlandonline.com/bps

