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**VIA EMAIL (PSC@PORTLANDOREGON.GOV) AND U.S. FIRST-CLASS MAIL**

Planning and Sustainability Commission  
Attn: CC2035 Testimony  
1900 SW Fourth Avenue, Suite 7100  
Portland, Oregon 97201

**Re: Comments on Central City 2035 Proposed Draft**

Dear Commissioners:

We appreciate the opportunity to comment on the proposed zoning map and text change for the Albers Mill property ("Albers Mill Property"), which is owned by the Bill Naito Company and located at 1200 NW Naito Parkway. In the Central City 2035 Proposed Draft, the City is proposing to remove the River General (g) overlay from the Albers Mill Property and add the Scenic (s) overlay, River Environmental (e) overlay, and River General (g\*) overlay, which is the re-tooled general overlay applicable within the Central Reach of the Willamette River. Although the existing office use at the Albers Mill Property will remain an allowed use within the proposed base and overlay zones, the proposed overlay standards appear designed to make it far more difficult for the Bill Naito Company to continue to maintain and repair, much less redevelop, the Albers Mill Property. Suffice it to say and as outlined below, the Bill Naito Company is concerned about the proposed changes and the impact the changes will no doubt have on future operations at the Albers Mill Property.

**A. Background**

The Naito family has been a pillar of the Portland community for nearly 100 years. Today, the family business, the Bill Naito Company, operates as a real estate investment and property management company with over one million square feet of commercial office and retail space in the City. The Bill Naito Company participates actively in the civic life of the City, seeking to be a profitable and successful company while acting in an ethical and environmentally-responsible manner.

The Albers Mill Building is a six story office building consisting of 116,601 square feet located on the Willamette River north of downtown. The building was originally constructed between 1909 and 1911 and served as a flour mill. The building is home to the Wheat Marketing Center as well as many tenants in the agricultural industry. Its massive brick walls, heavy timber

construction and original large windows have been carefully preserved. When the building was renovated in 1988-1989, a concrete and wooden section was added to the east. Within the shell of the building is a modern mid-rise office building. The building has been Energy Star certified since 2008. It is listed as an historic resource.

## **B. Discussion of Proposed Changes**

The Bill Naito Company's key concern with the proposed overlay changes relates to the expansion of the river setback from 25 ft to 50 ft from the top of the bank. The Proposed Draft notes that this revised setback provision is aimed at moving non-river-dependent development further away from the river and providing more space for the Greenway trail and natural resource enhancement. While these natural resource goals are laudable, the setback provision, as drafted, threatens to significantly restrict Bill Naito Company's ability to repair and maintain existing facilities and thoughtfully redevelop waterfront properties to respond to market opportunities.

As proposed, the river setback extends from the top of the bank to a point 50 feet landward of the top of the bank. Within (or riverward) of the setback, development (and exterior alterations, excavations, and fills) must be river-dependent or river-related. Within the setback, development that is not river-dependent or river-related is only allowed if it meets a specific narrow exception<sup>1</sup> or is approved through River Review and a Greenway Goal Exception, both of which are involved public processes with exacting standards.

The Bill Naito Company is concerned that this proposed change will substantially restrict the use of the Albers Mill Property and the Albers Mill Building. The Albers Mill Property is a very narrow site such that the Albers Mill Building already extends into the river setback. Moving the setback further landward will only make it more difficult for the Bill Naito Company to repair, maintain, and redevelop the Albers Mill Building and its associated development. Although the Bill Naito Company supports the restoration and enhancement of lands along the Central Reach of the Willamette River, a 50-foot "no touch" zone that does not take into account the existing nature of uses and development is simply not workable. We believe the 25-foot setback should be maintained adjacent to the Albers Mill Property.

Not only is the City proposing to expand the river setback from 25 feet to 50 feet but the exemptions embodied in the current zoning code are notably absent in the Proposed Draft.

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<sup>1</sup> This narrow exception allows development that is not river-dependent or river-related to encroach up to 5 feet into the river setback as long as an area equivalent in size to the encroachment area is provided adjacent and contiguous to the setback area.

Under the current zoning code, Greenway Review is not required for a suite of non-river related or river-dependent uses within the river setback, including:

“C. Changes to the interior of a building where there are no exterior alterations;

\* \* \*

“G. The normal maintenance and repair necessary for an existing development;

\* \* \*

“I. Emergency procedures necessary for the safety or protection of property.”

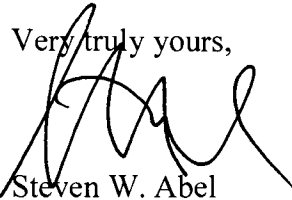
PCC 33.440.320.

At a minimum, the Bill Naito Company urges the City to incorporate similar exceptions into the zoning code text for the g\* overlay to make it clear that property owners may repair and maintain existing development within the river setback, and respond to emergencies for the safety or protection of property.

In sum, the Bill Naito Company is concerned about the effect the revised setback provision on the viability of the Albers Mill Property. Although the City is not proposing to preclude the existing use at the Albers Mill Property, the proposed setback will make it increasingly difficult for the Bill Naito Company to maintain the existing structure and related improvements.

We look forward to the opportunity to work with the Commission and City staff to discuss amendments to the proposed zoning code text that would ensure the continued viability of the Albers Mill Building and its associated development parcel.

Very truly yours,



Steven W. Abel

cc: Marc Fazio, The Bill Naito Company