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City of Portland
Planning and Sustainability Commission
1900 SW 4th Avenue
Portland, OR 97201-5380

To the Planning and Sustainability Commissioners,

First, I would like to thank you for this opportunity to provide input to your hearings on the Central City 2035 Plan (Plan) on behalf of the Portland Development Commission (PDC). As with the 1988 Central Portland Plan, this effort will provide important clarity to the community regarding the City's plan for growth over the next 20 years. The proposed Plan is a tribute to the Bureau of Planning and Sustainability's many years of hard work, data synthesis, and public involvement, and the Plan positions our city well as we prepare for the next generation of growth. I would like to also take this opportunity to thank you for engaging PDC staff throughout the process and for their contributions as well.

Unlike some urban areas nationwide, Portland's Central City has remained resilient, and PDC has played a significant role in introducing new mixed-income housing; growing and retaining high wage jobs; integrating new open space and public plazas into our expanding urban fabric; supporting the region's higher educational institutions and anchor amenities; and, maintaining a vibrant retail core. However, as stated in PDC's recent 5 Year Strategic Plan, PDC's ability to help the City implement the Plan requires a clear-eyed understanding of Portland and PDC's assets and challenges today and into the future. Public-private partnerships, with strong coordination across Bureaus, has been key to Portland's success over the past twenty years. Looking forward, we need a similarly coordinated examination of the aggregate benefits and impacts of various currently proposed regulatory and financial policies; their combined implications for private development; and, any cross implications for shared public goals. In other words, we need to jointly prioritize policy and ensure feasibility of implementation.

As many of you are aware, the City and PDC are facing a dramatic decline in tax increment resources as a financing mechanism for implementing Plan goals. As a result, PDC can only retain its leadership role in helping Portland grow and in promoting widely-shared prosperity by thinking in new ways about how we do business and how we fund our work. It is with the premise that we have recommended to BPS staff to retain PDC as implementing partner on those activities that align with our current tax increment resources and our current Strategic Plan – and particularly those investments that have a direct correlation to redevelopment and economic development outcomes.

In reviewing the Plan, PDC has identified several specific Sections and project impacts where we recommend PDC staff continue to support BPS staff to refine Plan language through future work sessions leading up to Portland City Council consideration in early 2017.

- **Proposed Code Language.** The Plan includes two significant new code sections that are critical to the future economic as well as physical growth of the city. In general, we are supportive of these new sections but are concerned with some of their specific provisions.
 - **Central City Master Plan** (Section 33.510.255). Whereas previous Master Plan code language was voluntary, the new proposed Master Plan is required for certain Central City sites, including the US Post Office site and Clinton Station, amongst others. While PDC is supportive of much of the proposed language, we are concerned with the prescriptive nature of some of the language – in particular, provisions regarding Approval Criteria; Amendment triggers and processes; and specific Open Area development standard provisions.
 - **River General Overlay and Setback** (Sections 33.475.200 through 33.475.220). It is our understanding, the River Overlay, Setback, and Review related sections are applicable to all areas of the Central City in lieu of the current Greenway code, but for in South Waterfront where the Greenway Review process will remain similar to current code. Maintaining unchanged greenway related goals and processes is critical as we further public infrastructure related efforts to support future build out of the OHSU Schnitzer campus and to implement the Development Agreement regarding Zidell Yards.

The proposed new River Overlay and related Setback language – including the new 50' requirements and Top of Bank definition– have the potential to impact a number of river adjacent developable sites. In particular, PDC has significant concerns with the new language as it would make any future of redevelopment and/or retenanting of existing buildings at Centennial Mills infeasible.

- **Strategic Development Sites and Projects.** In Volume 5 of the Plan, PDC is tasked with implementing development and economic development activities within specific districts and projects – from Broadway Corridor and Union Station to the Central Eastside industrial and job center. We are concerned that language elsewhere in the Plan does not align or significantly impacts these efforts, including:
 - **Proposed Maximum Floor Area Ratios and Base Heights** (Maps 510-2 and 510-3).
 - **Broadway Corridor/US Post Office Site Redevelopment.** PDC is pursuing redevelopment of the US Post Office site and the broader Broadway Corridor area in partnership with the Portland Housing Bureau and pursuant to the Broadway Corridor Framework Plan (Framework Plan) as shared with the Planning and Sustainability Commission and adopted by the City Council. While certain elements of the Plan Proposed Maps align with the Framework Plan – such as an increase to 7:1 FAR – some elements do not. We recommend all Plan

Map entitlement and right-of-way (FAR, height, and a street plan showing NW Park and Johnson as public rights-of-way) be included to align with Framework Plan as adopted by City Council.

- ODOT Blocks/Central Eastside. In the Central Eastside, PDC is pursuing acquisition of 2.1 acres (three separate parcels) located at the western edge of the Central Eastside and currently owned by the Oregon Department of Transportation (ODOT). Upon acquisition, it is PDC's intention to redevelop the property with a mixed-use, public/private development partnership and to realize various public goals including increasing job density, adding to the City's supply of industrial and commercial space, and providing an opportunity for affordable industrial space.

The Salmon Springs view corridor, as currently proposed, is of significant concern to PDC as it would prevent redevelopment that could realize these goals. As proposed, the view corridor caps about half of both the north and middle parcels (along SE Salmon) to 35' limiting that portion of the development to approximately two stories assuming industrial height requirements. PDC strongly recommends revisiting the public benefits of this proposed view corridor relative to its impact on the future growth of industry and jobs within the Central Eastside – the Central City's only employment center to grow jobs during the economic downturn.

- Parking Structures and Access (Sections 33.510.261 through 33.510.263). While we appreciate the underlying goals of the standards listed under these Sections, certain standards create significant challenges for public and private development and related parking uses – standards such as the historic district building coverage minimum, street-facing façade requirements, and restricting parking and loading access to or from any Major City bikeway, Traffic Street, Truck Street, and Transit Priority Street. Staff has identified a number of developable sites that under this language would have no remaining parking or loading access point options based on these standards.

We look forward to working further with you, BPS staff, and other Bureau partners and leadership as you move towards City Council consideration and action on the Plan in early 2017.

Sincerely,



Faye Brown
Interim Executive Director