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GARVEY SCHUBERT BARER

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August 9, 2016

Via E-Mail: Rachael.Hoy@portlandoregon.gov and CC2035@portlandoregon.gov

Portland Planning and Sustainability Commission
c/o Rachael Hoy and Derek Dauphin
1900 SW 4th Avenue, Suite 7100
Portland, Oregon 97201

Re: The Impact of Height Restrictions Imposed on
MadAve LLC / AltSource, 1120 SE Madison Ave.

Dear Chair Schultz and Commissioners:

On behalf of MadAve, LLC, the owner of property located at 1120 SE Madison Ave., we submit the following for your consideration and placement into the record of these proceedings. Attached are a number of re-development scenarios for the MadAve, LLC property that illustrate the flaws in the staff proposal restricting building height on this site to 45 feet. Taken together, these concept studies show that:

- Salmon Springs view corridor and neighborhood transition height, including the provision of open space, can be provided while still allowing unlimited building height.
- Without the unlimited height, providing open space and a transition height as well as maximizing the 3:1 Industrial Office authorization identified in the SE Quadrant Plan will be impossible.
- Therefore, if the Commission finds that a 45 foot height is necessary, it should be coupled with a comprehensive plan amendment and zone change re-designating this property for Employment Uses (EXd), like the other similarly situated properties, allowing for broad fulfillment of the property's identified employment potential.

Thank you for your serious consideration of this request.

Sincerely,

GARVEY SCHUBERT BARER


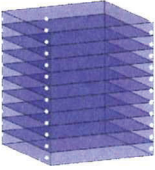





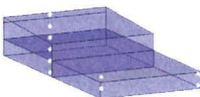


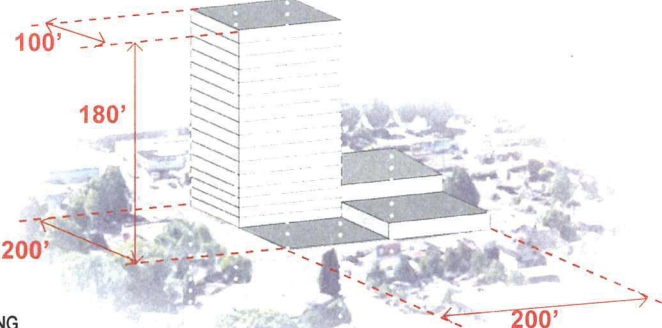


By

Carrie A. Richter

Enclosures

cc: Client

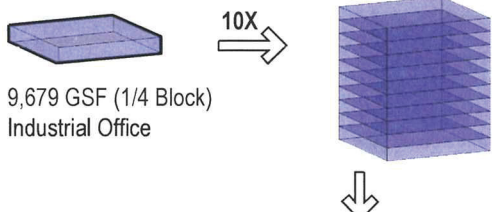

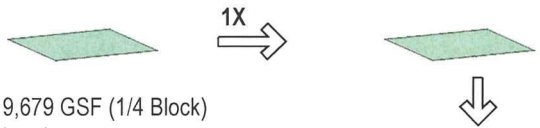
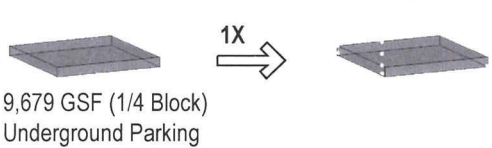
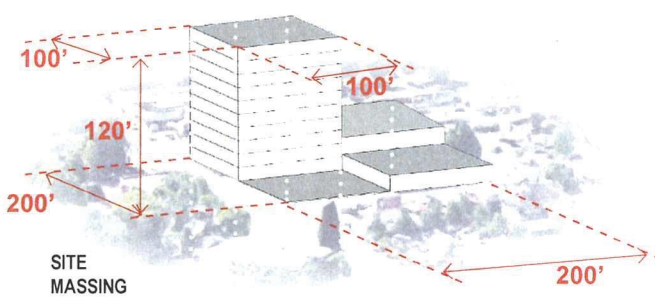
SCENARIO 1_
Unlimited IG1 Height

	COMPONENT/USE TYPE		CONFIGURATION	TOTAL AREA
1	 9,679 GSF (1/4 Block) Industrial Office	10X →		≡ 91,585 GSF
2	 9,679 GSF (1/4 Block) Warehouse	2X →		≡ 19,538 GSF
3	 9,679 GSF (1/4 Block) Parking Structure	4X →		≡ 100 spaces 38,715 GSF
4	 9,679 GSF (1/4 Block) Industrial Office*	3X →		≡ 24,560 GSF * Preserve north building for historic character
5	 9,679 GSF (1/4 Block) Landscape	1X →		
 <p>SITE MASSING</p>				
6	 Underground Parking (1/4 Block)	1X →		≡ 25 spaces 9,679 GSF

IMPORTANT STATISTICS

- Maximizes authorized 3:1 industrial office uses - totals 116,145 GSF
- This was our original, long-term plan for development of this site
- Enables us to keep the historic north part of the building that we have invested in redeveloping
- Preserves landscaping/buffer
- Still provides views and neighborhood transition — tower located to the south to maximize Salmon Springs view Central Eastside
- Includes 19,538 GSF of warehouse/storage space to be used or leased, maximizing value to help support development costs
- Approximately 125 parking spaces when 390 would be allowed
- Gross Cost of Construction: \$28,816,000
- Gross Annual Revenue: \$3,712,000

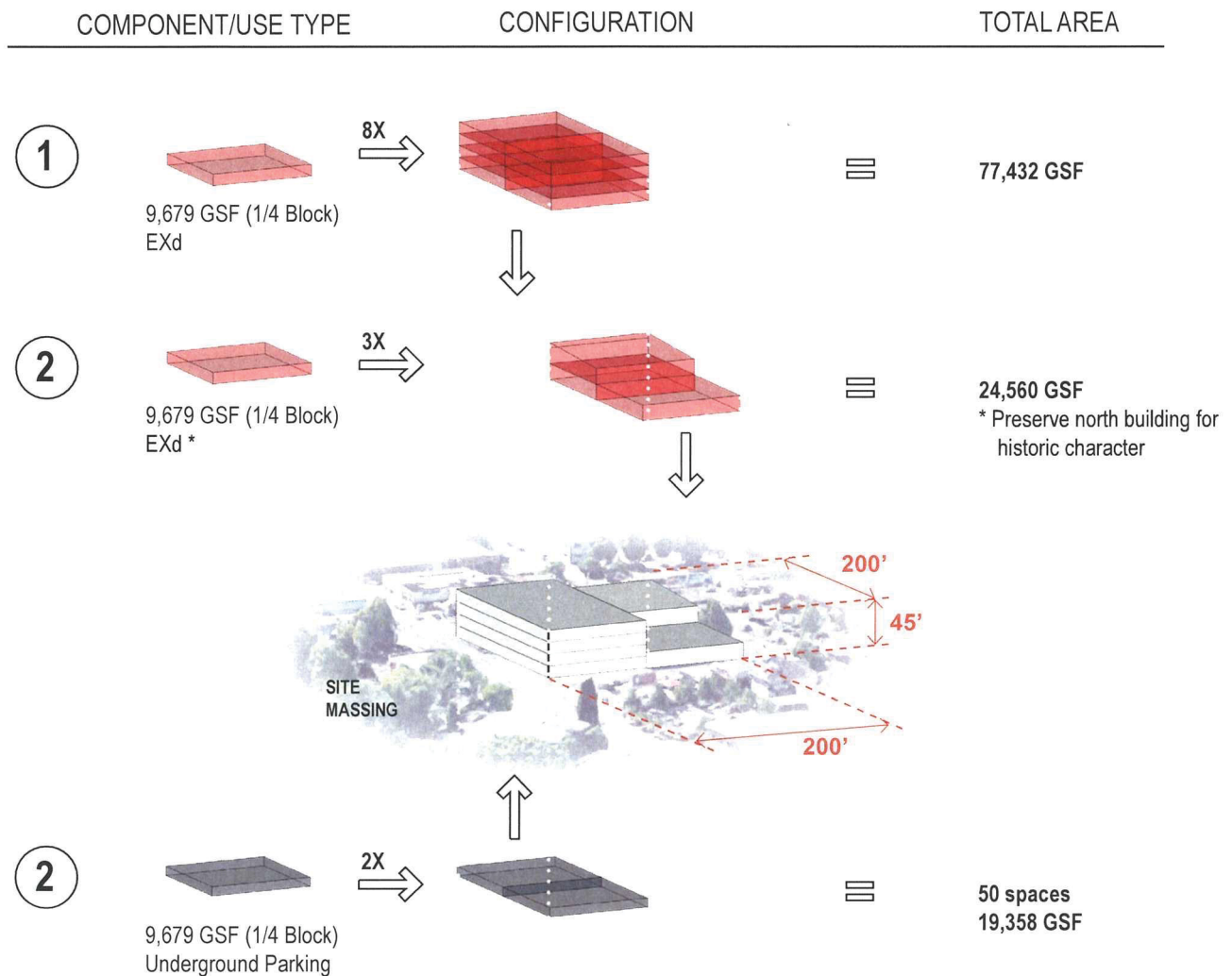
SCENARIO 2_
Reduced IG1 Height

COMPONENT/USE TYPE	CONFIGURATION	TOTAL AREA
<p>1</p>  <p>9,679 GSF (1/4 Block) Industrial Office</p>	 <p>9,679 GSF (1/4 Block) Industrial Office*</p>	<p>91,585 GSF</p>
<p>3</p>  <p>9,679 GSF (1/4 Block) Landscape</p>	 <p>9,679 GSF (1/4 Block) Underground Parking</p>	<p>24,560 GSF * Preserve north building for historic character</p> <p>9,679 GSF</p>
 <p>SITE MASSING</p>		
<p>6</p>		<p>9,679 GSF 25 spaces</p>

IMPORTANT STATISTICS

- Maximizes authorized 3:1 industrial office uses - totals 116,145 GSF
- This scenario also keeps the historic part of the building, landscaping/buffer, and provides views and neighborhood transition, but the lack of parking severely restricts leasing opportunities and employment opportunities/retention.
- Lack of leasable warehouse/storage space that could have been leased to help support development costs.
- Approximately 25 parking spaces when 390 would be allowed
- Gross Construction Cost: \$21,535,000
- Gross Annual Revenue: \$3,297,000

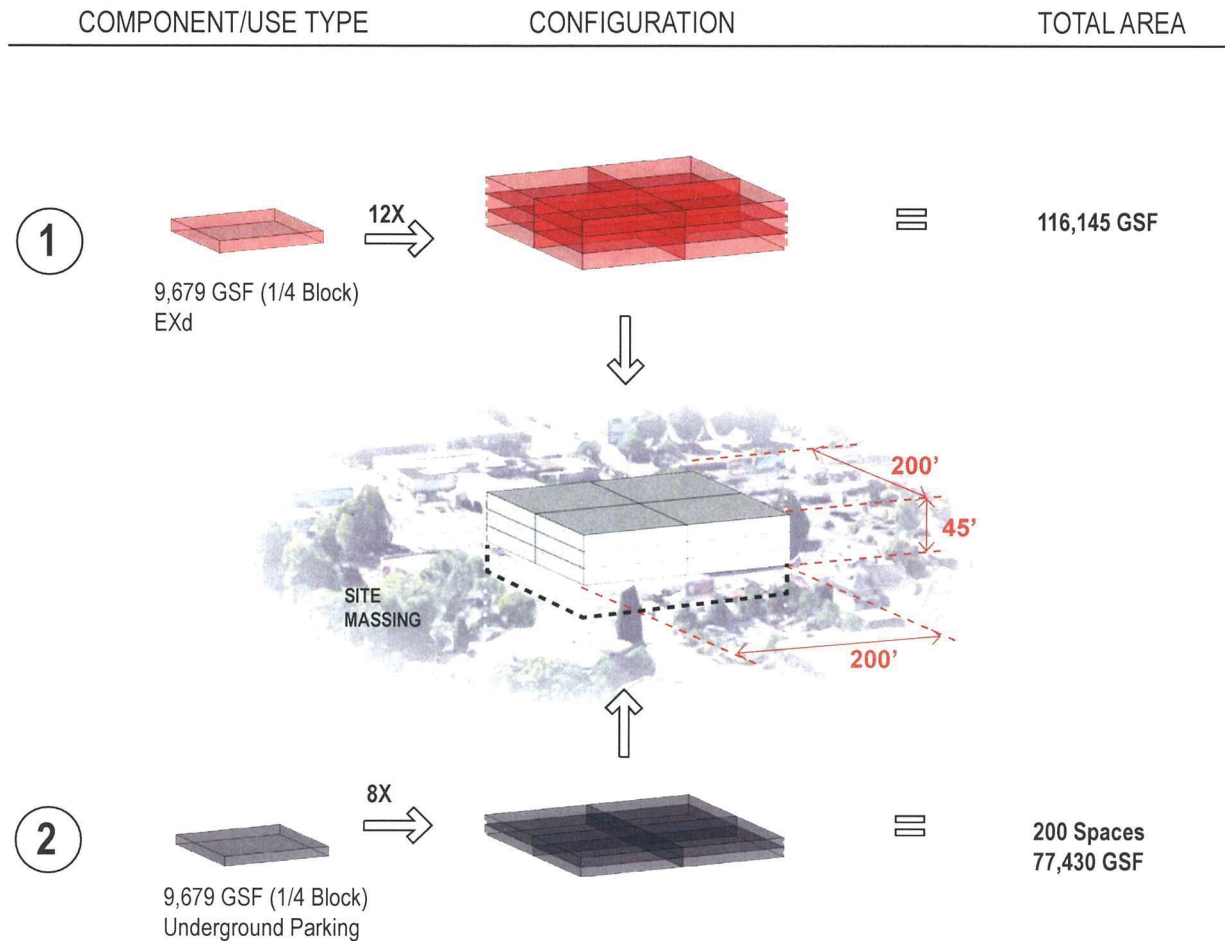
SCENARIO 3
EXd at 45'-0" Height Restriction w/ Preserved North Structure



IMPORTANT STATISTICS

- EXd zoning achieves consistency with EXd zoned blocks adjacent to SE 12th and allows a greater variety of uses necessary to serve the adjacent industrial and residential areas
- Preserves historic north half of structure
- EXd zoning provides the best opportunity to lease at rents that will support development costs, although the leasing opportunities in this amount of GSF don't support the development costs
- The GSF in this diagram doesn't support long-term company growth to continue to add jobs in the Central Eastside.
- This scenario does not provide enough parking to support maximized growth or leasing opportunities (approximately 50 spaces).
- Loss of green space and money put into 2016 landscape improvements
- Gross Construction Cost: \$22,818,000
- Gross Annual Revenue: \$3,761,000

SCENARIO 4
EXd at 45'-0" Height Restriction



IMPORTANT STATISTICS

- EXd zoning achieves consistency with EXd zoned blocks adjacent to SE 12th and allows a greater variety of uses necessary to serve the adjacent industrial and residential areas
- EXd zoning provides the most development opportunities and supports long-term growth at this site (approximately 580 employees)
- EXd zoning provides the best opportunity to lease at rents that will support development costs
- IG1 zoning would not allow us to support development costs
- Loss of green space and historic portion of building — would require demolition of all 2016 improvements
- Gross Construction Cost: \$32,907,000
- Gross Annual Revenue: \$4,541,000