

August 9, 2016

Planning and Sustainability Commission
c/o Bureau of Planning and Sustainability
1900 SW 4th Ave
Portland, Oregon 97201-5380

Via email: psc@portlandoregon.gov

**Re: Central City Plan
June 20, 2016 – Bureau of Planning and Sustainability (BPS) Recommendation
Beam Development Public Testimony**

As an active member of Portland’s real estate development community and long-term building owner in the Central City, Beam Development offers the following testimony in response to the June 20, 2016 BPS recommendation for the Central City 2025 Plan (CC2035).

1) Grand Ave Historic District Height: Maps 510-3 and 510-4.

a. **Request:** Base heights and height bonuses to remain as per current code allowances along the Grand Ave. historic corridor.

b. Reasons:

- i. The Central Eastside was planned as a dense inner neighborhood with a combination of low-rise, multi-story and high-rise buildings. The Central Eastside Design Guidelines and Grand Ave Historic District Guidelines encourage preservation and restoration of the existing building stock. The guidelines recognize that there are several lots available for redevelopment and do not discourage taller building heights, rather that new developments should be considerate of the historic buildings in the district.
- ii. Current base heights and bonuses work within the context of the existing building stock. Most of the contributing historic resources are clustered together on a few blocks. The 13-story Weatherly Building currently anchors the Morrison bridgehead. Current allowed heights on adjacent empty lots at the bridgehead will allow for buildings of compatible heights. The current proposal limits density at this critical intersection by limiting heights to under the Weatherly – in direct contrast to the buildings planned for the neighborhood at the time of the Weatherly construction.
- iii. New development can be compatible with historic building stock at the current heights. Building massing and exterior material detailing can result in buildings that are symbiotic in their context and highlight the various construction methods and design trends from different eras. Limiting



building height alone does not make a building compatible to its neighbors.

- iv. Density along this corridor is critical to the achieving the goals of the Central Eastside and the Central City plan, as this transportation spine is an important catalyst for the continued growth of the CES District, jobs and housing.
- v. Major investments by the City of Portland in transportation infrastructure along the Grand Ave corridor support dense development and alleviate parking demands throughout the District.
- vi. Density (height) is critical to the viability of development along the corridor, especially as construction, entitlement and overall development costs continue to escalate.
- vii. High water-table in Central Eastside makes below grade parking a challenge and therefore conscientiously designed above grade parking and infrastructure more feasible, which requires reasonable height allowances.
- viii. The CES is one of the fastest growing employment centers in the region – limiting height, limits developable building area which limits job potential in the City’s center.

2) Scenic View Corridors: Maps 510-3 and 510-4.

- a. **Request:** Remove proposed Salmon Springs, I-84 and Tillicum Bridge view corridors from proposal for further assessment.
- b. **Reasons:**
 - i. Views of the region’s scenic resources are a valuable asset to the community, but the proposed view corridors were never discussed in the almost 2 year SE Quadrant Planning Process. BPS has proposed a policy in the draft without the Stakeholder Advisory Committee’s participation/input. At a minimum the view corridor concept needs to go through a supplemental planning process and should not be included in the initial implementation of the 2035 Plan.
 - ii. Since the proposal was not part of the SE Quadrant Planning Process, impact of the view corridors has not been properly assessed. In consultation with other Central Eastside stakeholders, we estimate the view corridors to have a negative impact on property values of over \$200 million dollars and the loss of jobs due to decreased development potential is likely over 6,000 (assuming the loss of over 1,000,000 building SF). We suggest at minimum an Economic, Social, Environmental and Energy (ESEE) study be conducted and made for public review, before the view corridors are proposed again.
 - iii. The CES is one of the fastest growing employment centers in the region – limiting height limits developable building area which limits job potential in the City’s center.
 - iv. The Salmon Springs view corridor limits development potential of the ODOT Blocks. ODOT Blocks are an example of blight in our Central City. The lots are already compromised by the I-5 viaduct. The 25ft-35ft height limits will further limit the development potential of a Central City



site that could provide vitality to another natural resource for our City – the Willamette River.

- v. The proposed View corridors place the viewpoints at the lowest elevation of the West Side. This not only severely restricts height limits of close-in lots, it places greater value on the public amenities of the West Side over the East Side. There are several points in the City which allow for public views of Mt Hood and other scenic resources that are not at the lowest elevations of the West Side. These points need to be assessed along with the economic impacts to determine their value and contribution to the public benefit.

3) Ecoroof Proscriptive Mandate: 33.510.243 Ecoroofs.

- a. **Request:** The ecoroof requirement for buildings over 20,000 square feet should be eliminated as an un-incentivized, proscriptive mandate, or should remain a voluntary measure resulting in additional FAR per the existing FAR bonus structure in section 33.510.200.
- b. **Reasons:**
 - i. Ecoroofs are expensive to install and maintain, and may not be the most efficient method to alleviate urban heat gain and reduce stormwater outflow.
 - ii. Stormwater can be addressed in a variety of ways including horizontal or vertical swales, water reuse, and rainwater capture.
 - iii. At a time when the City is singularly focused on the provision of affordable housing, the layering of additional expenses in development makes it more difficult to deliver affordable units. If the affordable housing is to remain an achievable goal, the City should be looking to reduce baseline building costs, while encouraging density through the provision of voluntary FAR bonuses for sustainable features such as ecoroofs in addition to the proposed affordable housing FAR bonus.

4) Low-Carbon Buildings: 33.510.244 A and B.

- a. **Request:** The LEED Gold standard requirement for buildings over 50,000 square feet should be eliminated as an un-incentivized, proscriptive mandate, or should be included as a voluntary measure resulting in additional FAR per section 33.510.200.
- b. **Reasons:**
 - i. While LEED is an excellent standard for project teams to aspire to, and is already being included on a voluntary basis by many developers and owners in Portland, LEED Gold certification is not the only method to achieve sustainable results.
 - ii. LEED certification includes additional costs for registration, certification, coordination and commissioning, in addition to the costs to implement the sustainable features.
 - iii. At a time when the City is singularly focused on the provision of affordable housing, the layering of additional expenses in development makes it more difficult to deliver affordable units. If affordable housing is



to remain an achievable goal, the City should be looking to reduce baseline building costs, while encouraging density through the provision of voluntary FAR bonuses for sustainable features such as LEED certification in addition to the proposed affordable housing FAR bonus.

5) Bonuses: 33.510.200 Floor Area Ratios; E. Exemptions.

- a. **Request:** Include a new bonus that removes above-grade structured parking from the calculation of FAR.
- b. **Reasons:**
 - i. Parking remains a critical central city issue. By removing above-grade structured parking from the calculation of FAR, the bonus would encourage more active uses on the ground floor, would allow for internal, multi-use parking on sites where underground parking is infeasible due to seismic risk and/or soil conditions, and would support business and economic development in central city locations.
 - ii. Request: Include new bonuses for ecoroofs and LEED certification, as described in above sections 3 and 4.

We appreciate your time and efforts reviewing this testimony, and all the work completed so far by the Bureau of Planning and Sustainability in the development of the Central City 2035 Plan. We are very supportive of the plan in general, other than the few topics addressed in this letter.

Sincerely,

Brad Malsin
Principal
Beam Development
brad@beamdevelopment.com

