



Ms. Katherine Schultz, Chair
Planning and Sustainability Commission
City of Portland
1900 SW Fourth Avenue, Suite 7100
Portland, OR 97201-5380

Re: Central City 2035 Proposed Draft Height Limits

Members of the Planning Commission:

Menashe Properties, Inc. (“Menashe”) owns five properties located at 606 and 632 SE Madison Street, 615 and 635 SE Hawthorne Street and the corner of SE Madison and 7th Avenue in Portland’s Central Eastside (collectively, the “Property”). The Property spans the full block between SE Madison, Hawthorne, 6th and 7th Avenues and a quarter block at the corner of SE Madison and 7th. They are currently developed with four attached single story buildings and a surface parking lot. Menashe plans to redevelop the Property for industrial office use, which will be allowed under the proposed Employment Opportunity Subarea being added to the full Central Eastside. However, due to the proposed Salmon Springs view corridor the development height for some of the Property will be restricted to 50 feet, from the current unlimited height level. We request that you remove this height limit from our Property.

The Property is five separate lots of record that Menashe plans to improve with five industrial office developments over time. Under the new EOS rules, each site will qualify for up to 60,000 square feet of industrial office, 5,000 square feet of traditional office, and 5,000 square feet of retail uses. The current limit under the Property’s IG1 zoning is 3,000 square feet of any of these uses, so the EOS will allow considerable redevelopment on the properties that can utilize much taller structures. Additionally, under the proposed industrial ground floor bonus, properties in the EOS will qualify to add another 1:1 FAR (here, 10,000 square feet per site) of industrial office if 5,000 square feet of ground floor uses are dedicated for industrial. Menashe supports traditional industrial use in the Central Eastside and plans to use this bonus option when redeveloping. In all, this would allow up to 80,000 square feet of limited uses and unlimited industrial uses on each of the five sites. Menashe anticipates that these buildings will be approximately 90 feet tall (with a required 20-foot ground floor for the industrial bonus).

The Salmon Springs view corridor does not impact the two properties along Hawthorne Street, which are allowed to build to unlimited height under the base zone. However, the other three properties are impacted by the height limit and are restricted to 50 feet, which will eliminate 40 feet and five stories from the allowed buildings on these properties. In the EOS and IG1 zone, floor area for limited uses is calculated “per site” and is not transferable to other sites, so this floor area could not be transferred to the Hawthorne Street properties to allow larger buildings and this value will be lost. The view corridor applies to Menashe’s Property, but not the sites next door, which will be vastly more valuable for development since they are not burdened by a height limit.



MENASHE
PROPERTIES

The lost density on these sites means lost potential jobs and economic growth in the Central Eastside. The EOS is being applied to the Central Eastside to encourage development of mixed employment buildings, like industrial office, industrial, and retail projects. Menashe plans to develop the Property with just these types of uses, which will bring jobs to this area of the Central Eastside. However, with the view corridor in place, the potential to develop some of the Property is cut in half, lowering the value of potential redevelopment.

In sum, we plan to redevelop our Property to its full employment potential under the new EOS rules and the proposed height limits will make this impossible. We request that you remove the height limit from the Property to preserve our redevelopment options.

Sincerely,

Jordan Menashe

Menashe Properties, Inc.