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Portland Planning and Sustainability Commission

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June 12, 2015

Mayor Hales and Commissioners Fish, Fritz, Novick and Saltzman
1211 SW 4th Ave
Portland, OR 97204

Subject: CC2035 Southeast Quadrant Plan

Dear Mayor Hales and City Council Members:

The Planning and Sustainability Commission is proud to recommend the Southeast Quadrant Plan for adoption. The plan presents a vision of a 21st century “makers” district with vibrant new MAX station areas and an enlivened Willamette Riverfront. The Central Eastside has long been in need of a modern set of guiding policies and actions to allow it to keep pace with technological changes to industry while maintaining the unique culture and character that has drawn people to the district for over 100 years. The \$1 billion Knight Cancer Challenge, Tilikum Crossing and the growth of the Schnitzer Campus in the South Waterfront Area represent tremendous opportunities to link west side research activity with industry and businesses in the Central Eastside. The Southeast Quadrant Plan has strong policies that will ensure the district and the Central City remain the economic engine of Portland and the region through 2035.

In addition to goals, policies and actions for the Central Eastside, the plan builds on the work of the previous N/NE and West Quadrant Plans to establish a cohesive Central City-wide framework. We now have a clear vision of the Central City 2035 Plan’s policies and actions and believe they are setting Portland on a course to grow and adapt to future conditions while improving livability and sustainability for all.

What We Heard

At the May 26, 2015 public hearing, the commission received a range of testimony, most of which was supportive of the plan, but felt the plan did not go far enough in increasing flexibility for property owners. The testimony centered around two main issues:

- 1. Expansion of the Employment Opportunity Subarea.** The Employment Opportunity Subarea (EOS) provision applies to lands with General Industrial (IG1) zoning and allows more Industrial Office and Retail Sales and Service uses by right. Currently this is limited to an area west of SE 3rd Ave. The Proposed Draft Plan expands the EOS along key corridors and to specific areas well served by transit. The majority of testimony supported expanding the EOS to all IG1 zoned areas as a way to increase



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1900 SW 4th Avenue, Suite 7100, Portland, OR 97201 | phone: 503-823-7700 | fax: 503-823-7800 | tty: 503-823-6868

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employment density in the district, improve flexibility for property owners, while maintaining the industrial zoning and uses found in the district today. We also heard from a few stakeholders who agreed with the expansion of the EOS but were concerned about the perceived increase in allowed Retail Sales and Service uses they believe will result in more congestion on district streets. Their concern is that more congestion will make it harder to move freight and for employees to find parking.

2. **Housing at the OMSI Station Area.** The plan proposed to convert lands around the new OMSI MAX light rail station area from General Employment (EG) and General Industrial (IG1) to Central Employment (EXd) with the limitation that housing, typically allowed by right in EXd zoned areas elsewhere in the Central City, would not be allowed here. At our hearing, representatives from the Oregon Museum of Science and Industry (OMSI) argued that zoning on a portion of their site is currently EG2 and has a conditional use provision that would allow them to develop housing if they met a series of criteria. They asked that the PSC consider retaining this as a part of the new zoning for their property.

Our Recommendation

At the end of our work session on June 9, 2015, the Planning and Sustainability Commission voted unanimously to recommend that the City Council adopt the Resolution that adopts the Southeast Quadrant Plan as non-binding City policy that will give City staff guidance for completing the Central City 2035 Plan package in 2016. The Commission supports all of the plan's strategies, but we want to call out a few key ideas that we feel make this plan unique:

- **21st Century “Makers” District.** We agree with testimony we received from property owners, businesses, and the Central Eastside Industrial Council that expansion of the Employment Opportunity Subarea to all IG1 zoned properties will allow for continued growth and prosperity of the industrial district in the decades ahead.
- **Employment Transit Oriented Development.** This plan includes strategies that represent a first for Portland: Transit oriented development at the new OMSI Station based on creating vibrant employment, commercial and cultural center. With bioscience and technology development on both sides of the river, this seems like the right time and location to attempt this new model for smart growth.
- **Vibrant Eastside Waterfront.** The plan creates a compelling vision for bringing people and the economy down to the river in the Central Eastside. Actions call for new partnerships with OMSI, Portland Spirit and other river related groups to realize opportunities to enhance river habitat while increasing public access and activities.
- **Multi-Modal Transportation Improvements.** The plan proposes an innovative combination of freight, bicycle and pedestrian improvements with the express intent of improving safety and reducing conflicts. These improvements combined with a comprehensive parking strategy will allow the district to meet business needs and reduce single occupancy vehicle trips as the Central Eastside grows more dense.

We appreciate the good work done by staff on these key issues and the chance to work with them over the last few months to make a small number of amendments to the plan.



Housing at the OMSI Station Area

We spent considerable time at our work session debating the topic of whether housing should be allowed in any way at the OMSI Station Area. The plan staff brought to us proposes rezoning the area to EXd No Housing, and four of the nine commissioners agreed with this approach. These commissioners felt that housing was not consistent with nature of the area and would negatively impact the City's job creation and business investment goals. We also discussed whether there was a fairness issue if only OMSI was allowed the option to develop housing when other property owners in the area who currently have EG zoning may also be able to address the criteria of the conditional use provision.

In the end, the majority believed the door to housing should be left open and the commission voted five to four to amend the plan to allow housing as a conditional use as part of a Master Plan Provision for sites within the OMSI Station Area. We fully support the Employment Transit Oriented Development (ETOD) strategy pursued in the Southeast Quadrant Plan and believe this conditional use provision will not significantly impact the success of this approach.

Other Amendments

In addition to the housing amendment, commissioners worked with staff on amendments to:

- Support the growth of existing and new businesses in the district by expanding the EOS to all IG1 zoned lands.
- Strengthen Willamette River related policies that seek to enhance habitat, increase public access to the river and support climate change adaptation goals.
- Strengthen tree canopy and public open space strategies.
- Establish a pilot program in response to existing parking needs to allow existing privately owned parking facilities to be "shared" by district businesses and residents.
- Clarify that the Green Loop and new transportation proposals in the plan should be pursued in addition to projects already identified in the Transportation System Plan.

Thank you for the opportunity to participate in the review of this plan and for considering our recommendations.

Sincerely,



André Baugh, Chair
Portland Planning and Sustainability Commission

