



McDonald's USA, LLC
 12131 - 113th Avenue NE, #103
 Kirkland, WA 98034

May 9, 2016

Portland Planning and Sustainability Commission
 1900 SW 4th Avenue, Suite 7100
 Portland, OR 97201

Re: Portland Mixed Use Zones Project

Dear Chair Schultz and Members of the Commission:

I am the Pacific Northwest Regional Property Manager for McDonald's Corporation ("McDonald's"). McDonald's owns or holds ground leases on several properties in the City of Portland that are proposed to be rezoned under the City's Mixed Use Zones Project. This letter is respectfully submitted to request that these sites are zoned Commercial Employment ("CE") and not subjected to the Centers Main Street Overlay ("CMSO") zone during this rezoning process. We also recommend that the CE zone be revised to better acknowledge existing auto-accommodating development.

Our primary concern with the City's proposed re-zonings on our sites is that they will expressly or effectively prohibit drive-through uses. McDonald's business model has depended on drive-through and drive-up business since its earliest days, and few of its locations can be considered solely sit-down restaurants. On average, a McDonald's restaurant achieves 72% of its gross sales through its drive-through window. This obviously means that preserving existing drive-throughs is a paramount concern for us. It is similarly important that we have the ability to expand, remodel, and reconstruct our existing restaurants. This ability becomes much more difficult when our restaurants have significant areas of non-conformity with Portland City Code.

The City proposes to rezone four of our locations as mixed-use zones and apply the Centers Main Street Overlay ("CMSO"). These are summarized in the table below:

Exhibit Number	Restaurant Location	Existing Base Zone	Existing Overlay Zone	Existing Plan District	Proposed Base Zone	Proposed Overlay Zone	Plan District Changes
1.	12109 NE Glisan St.	CS	(d)	N/A	CM2	CMSO, (d)	N/A
2.	5613 SE 82nd Ave.	EX	(d)	N/A	CM3	CMSO, (d)	N/A
3.	10050 SW Barbur Blvd.	CG	N/A	N/A	CM2	CMSO, (d)	N/A
4.	8149 SE Stark St.	CG-CS	N/A	N/A	CM2	CMSO	N/A

Once this new zoning is in effect, the very linchpin of these stores' success—their drive-through windows—will be unlawful. This will present very real problems when McDonald's operators seek to remodel their restaurants. For example, depending on the remodel plan, the City may require the drive-through to be removed.

Of the proposed zones, only CE without the CMSO will allow drive-throughs. Applying this zone at these locations is appropriate because they are outside of the Central City and already committed to auto-accommodating development, consistent with the following statement in the Proposed Draft of the mixed-use zones: “[The CE zone] is generally not appropriate in designated centers, except on a site that is currently developed in an auto-oriented manner and urban scale development is not economically feasible.” In our experience, areas such as these are slow to redevelop and we do not anticipate them doing so in the foreseeable future.

Although we understand the City’s goal of making existing neighborhoods more walkable, the prohibition on drive-throughs will not do that; only changed market conditions and increased residential density will substantially change the character of outer-Portland neighborhoods. Drive-throughs are not inconsistent with walkability. Most McDonald’s drive-through trips are “pass-by” trips, meaning that McDonald’s restaurants have a relatively low traffic impact. To the extent that curb cuts and vehicle queuing are a concern, such issues can be addressed through site design of new and remodeled stores.

McDonald’s is committed to operating and improving these restaurants. The proposed zoning, and in particular the CMSO, will make this substantially more difficult. Moreover, the policy of prohibiting drive-throughs will make life harder for those who rely on the convenience of drive-throughs, such as the elderly, disabled, and those with a number of small children, for whom sit-down restaurant dining is difficult or inconvenient.

Finally, even if our stores are zoned CE, we are concerned that the existing CE zone is not truly auto-accommodating, as currently defined in Portland Zoning Code:

"Auto-Accommodating Development. Development which is designed with an emphasis on customers who use autos to travel to the site, rather than those which have an emphasis on pedestrian customers. This type of development usually has more than the minimum required number of parking spaces. The main entrance is oriented to the parking area. In many cases, the building will have parking between the street and the building. Other typical characteristics are blank walls along much of the facade, more than one driveway, and a low percentage of the site covered by buildings."

Please consider a reduction of the pedestrian and transit oriented development standards in the new CE zone, to make it more auto-accommodating to better implement the existing "auto-accommodating" definition. For example, the City should consider allowing vehicle circulation areas in front setbacks and allowing dense landscaping in lieu of the 50-foot setback proposed to be required between drive-through uses and adjacent residential zones.

We sincerely appreciate the Commission’s consideration of our request.

Best regards,



Glenda Hollenbeck

Enclosures

cc: Ms. Stephanie Hipp
Mr. Harlan Levy
Mr. Mark Whitlow