

July 12, 2016

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VIA EMAIL (PSC@PORTLANDOREGON.GOV)

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

**Re: Killian Pacific Testimony Requesting Zoning Map Amendment for
8112 SE 13th Avenue and 4534 SE McLoughlin Boulevard**

Dear Chair Shultz and Members of the Commission:

As you know, this office represents Killian Pacific (“Killian”). Killian owns property located at 8112 SE 13th Avenue, as shown on the attached Figure 1 (the “Tacoma Site”), and 4534 SE McLoughlin Boulevard, as shown on the attached Figure 2 (the “McLoughlin Site”). Under the Mixed Use Zones Project (“MUZP”) the Tacoma Site is proposed to be split-zoned CM1 and CM2, and Killian requests that the full property be rezoned either CM2 or CM3. The McLoughlin Site is proposed to be rezoned CE, and Killian requests that this site be rezoned CM3. However, as noted in our previous correspondence, Killian’s first priority for both Sites is to act as a good community member and neighbor. Therefore, if the City and surrounding communities feel strongly that the proposed zoning will best maximize the City’s goals for these Sites, Killian is happy to defer to these community interests.

We submitted written and oral testimony regarding these properties at the Mixed Use Zones Project (“MUZP”) hearings on June 10, 2016. We understand that the Commission discussed the down-zoning proposed for the Tacoma Sites and others as part of the Low Rise Commercial Storefront Areas policy and has directed staff to re-map the full Tacoma Site to CM2. Killian appreciates the Commission’s acknowledgement that the CM1 downzone would not allow the desired redevelopment of the Tacoma Site and urges the Commission to adopt CM2 or CM3 zoning for the full Tacoma Site.

This letter provides additional information about both of Killian’s properties supporting the requested zoning changes. We appreciate your consideration of these requests.

Tacoma Site

During the May 2016 Commission hearings on the MUZP, a large amount of testimony was provided opposing the proposed Low Rise Commercial Storefront Areas policy. This policy

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attempts to retain the character of older non-historic main street areas with low-rise Streetcar-Era storefronts by limiting height and density along these commercial corridors. Many of those providing testimony were owners of properties along the corridors whose sites would become non-conforming or financially infeasible to redevelop. Many neighbors also testified that density and height should be concentrated along developed commercial corridors rather than pushed into the lower density neighborhoods that surround the corridors.

Killian also provided testimony at the June 10, 2016 hearing opposing this policy as applied to the Tacoma Site. The half of the Tacoma site with frontage along SE 13th Avenue is proposed to be down-zoned to CM1m, while the rest of the property that fronts only Tacoma Street will be zoned CM2. This proposed change will split-zone the Tacoma Site and the existing building on the Site, which is contrary to the City's long-held policy for zone changes.

The Tacoma Site has frontage on both SE 13th Avenue and SE Tacoma Street. SE Tacoma is a more-established commercial corridor and proposed for CM2 zoning. All of the Tacoma Site's retail establishments front SE Tacoma Street and benefit from the commercial intensity of that corridor. The Tacoma Site is more appropriately considered a part of the Tacoma corridor and should therefore be zoned CM2 or CM3 to allow for similar height and density as other properties along the corridor. To the extent that the Tacoma Site also fronts SE 13th Avenue, higher heights at the corner of SE 13th with a more intense commercial corridor (SE Tacoma Street) would be a natural development pattern consistent with the desired Storefront character.

The Tacoma Site is significantly under-developed, as shown on the attached Figure 3. The Site currently contains a large surface parking lot that occupies half of its SE 13th Avenue frontage and small, one-story buildings built in the 2000's that do not have historic significance. The Tacoma Site is within walking distance of the new MAX Orange Line station at SE Johnson Street and SE Tacoma Street and the Sellwood Bridge. It is also across the street from New Seasons Market. The Tacoma Site is an excellent location for higher-density housing and mixed use development. that will maximize the use of these resources. A mixed use development at this location will support the City's sustainability goals by placing more housing near amenities like grocery and transit. It is unlikely that redevelopment of the Tacoma Site will be feasible with the proposed CM1 split-zoning, which will preserve the underutilization of the Site. If Killian continues to own the Tacoma Site, it does not believe redevelopment would be financially feasible under the proposed CM1 zoning.

Finally, according to the Low Rise Commercial Storefront Analysis used to choose Storefront areas, SE 13th Avenue ties for the lowest percentage of *street frontage* with Streetcar-era buildings (50%) and has the lowest percentage of *lots* with Streetcar-era buildings (52%). The corner of SE 13th and Tacoma streets contains only one lot with a building from the Streetcar

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Era. While Killian agrees that the Storefront Area down-zoning may be an effective policy to safeguard the character of areas with high coverage of Streetcar-era buildings (many areas have upwards of 80% coverage), it is not appropriate to use this policy to depress commercial areas where these buildings do not predominate.

McLoughlin Site

The McLoughlin Site is primarily developed as a surface parking lot, as shown on the attached Figure 4, and is adjacent to a 24-Hour Fitness and other commercial uses. It is not near lower-density residential uses and is easily accessible from the SE 17th and Holgate MAX Station and Tri-Met bus lines 17, 19, 30, and 70. Due to these surrounding land uses and access to transportation resources, the McLoughlin Site is best suited for large-scale employment, housing, or mixed-use development.

The MUZP proposes CE zoning for the McLoughlin Site, which is intended for medium-scale commercial and employment uses with a focus on drive-throughs and auto-accommodating uses. The CE zone allows only 45 feet in height and a base FAR of 2.5:1 with fewer options to earn bonus FAR through providing affordable housing, affordable commercial space or a historic transfer. The CM3 zone, which provides 65 feet in base height, a base FAR of 3:1 and FAR bonus potential of up to 5:1 would make redevelopment more feasible on the McLoughlin Site. Redevelopment using the MUZP bonuses would provide affordable housing and commercial spaces in a location well-served by transit. A larger scale development would maximize the City's investment in transportation and provide greater utilization of the private commercial resources nearby (such as 24-Hour Fitness).

Killian acknowledges that the Comprehensive Plan designation for the McLoughlin Site is Mixed Use Neighborhood, which is not compatible with the CM3 zone. Killian requests that, in consideration of the policy arguments made here, that the Commission recommend rezoning this property to CM3 with a note to the City Council to consider reconciling the Comprehensive Plan designation to allow this more appropriate zoning.

Killian appreciates the City's competing tasks to respond to neighborhood concerns regarding higher density, while maximizing the investment in light rail and other infrastructure that should drive higher density in mixed-use areas. Killian has no current plans to develop either the Tacoma or McLoughlin Sites at this time, but requests that the Commission consider rezoning both Sites to allow greater density. Both Sites are located within commercial areas that can support greater heights and density than is currently proposed. If the City wishes to see properties like these redeveloped within the 2035 planning horizon, additional density will encourage this in a way the proposed zoning will not.

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Thank you for your consideration of these requests.

Very truly yours,



Dana L. Krawczuk

DLK:rsr

cc: Mr. Noel Johnson (via email)
Mr. Barry Manning (via email)

Figure 1: Tacoma Site

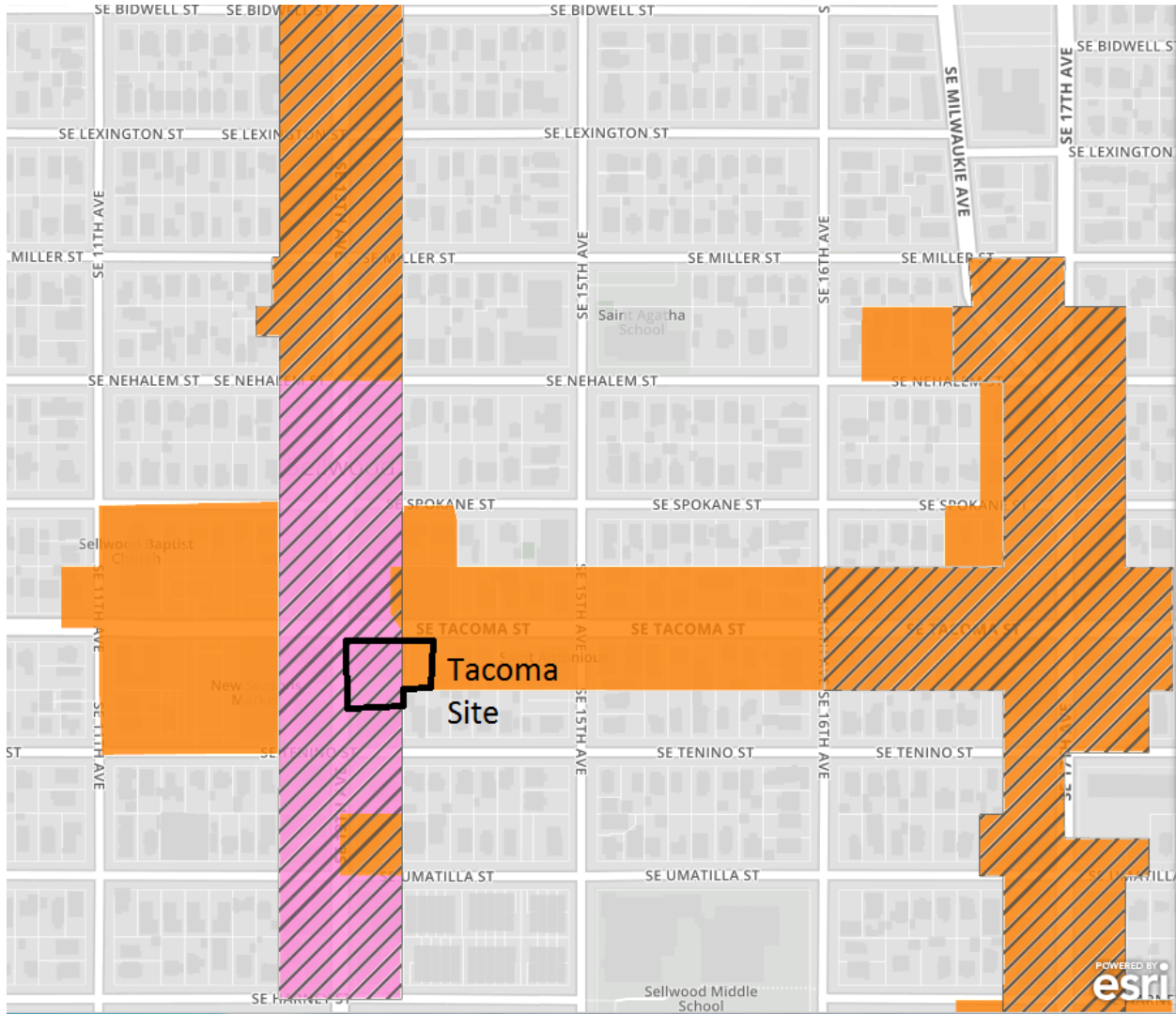


Figure 2: McLoughlin Site

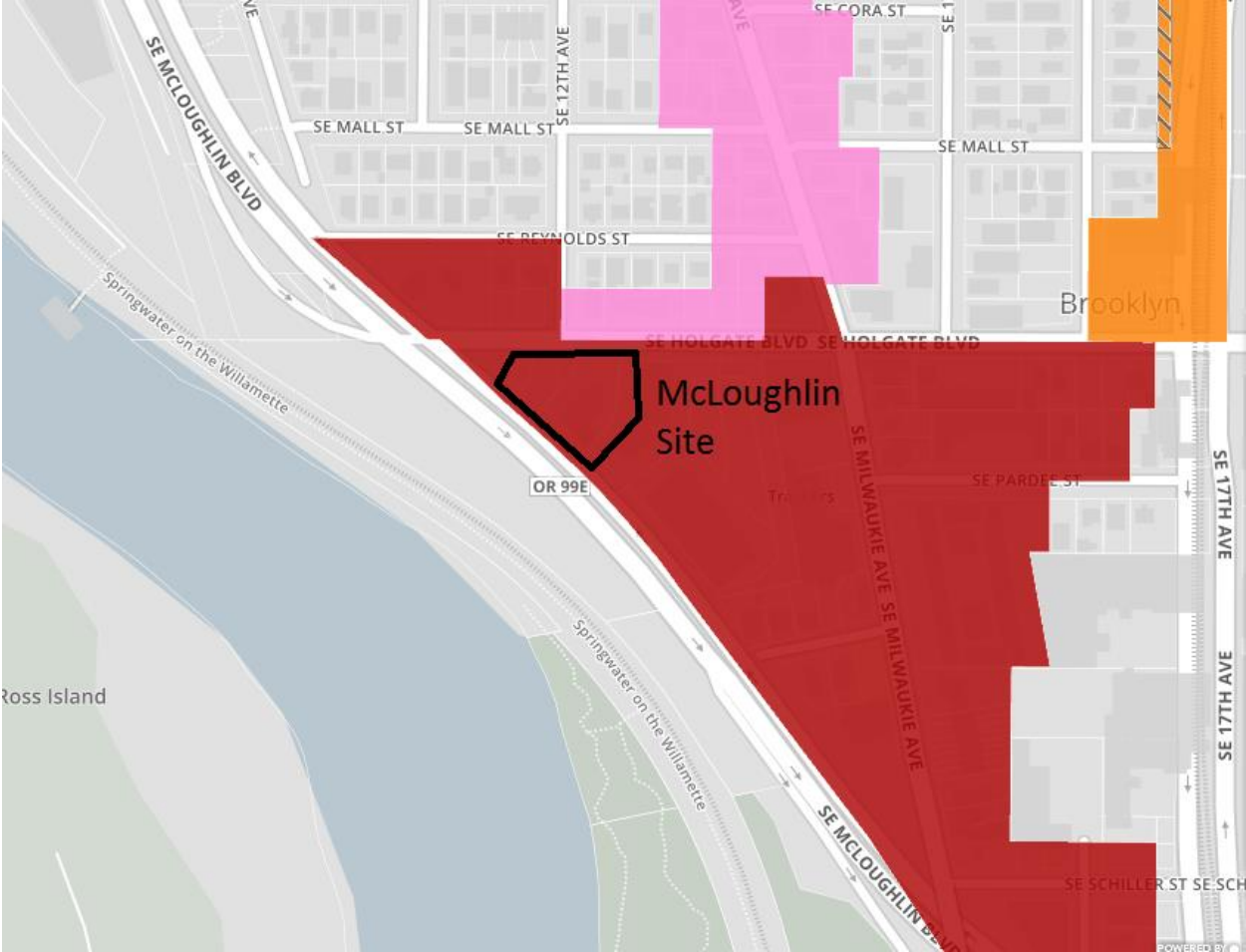


Figure 3: Tacoma Site Aerial



Figure 4 McLoughlin Site Aerial

