



Bureau of Planning and Sustainability
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Portland Planning and Sustainability Commission

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August 15, 2017

Dear Mayor Wheeler and City Council Members,

The Planning and Sustainability Commission (PSC) is pleased to forward our Recommended Draft Central City 2035 Plan (CC2035). This is the first comprehensive update to the Central City Plan since 1988, the first update to the new 2035 Comprehensive Plan, and our chance to lay the groundwork for a Central City that is an even more vibrant place than it is today.

The plan before you represents years of work and public input. Over the past few years, the PSC held hearings on and forwarded to Council the Central City 2035 Concept Plan, followed by more detailed quadrant plans for the north/northeast, west and southeast portions of the Central City. Staff used this guidance to develop the draft CC2035 Plan.

The Planning and Sustainability Commission held two public hearings on the Proposed Draft in summer 2016 and nine work sessions from September 2016 to May 2017. On May 23, 2017, we voted to forward our recommended plan to you.

The PSC supported many of the staff proposals, developed amendments based on testimony at the hearings, and worked through several very challenging issues before reaching a recommendation.

The Draft Plan calls for fostering creativity, innovation and productivity in the city center; protecting and enhancing the Willamette River for people, fish and wildlife; celebrating the area's distinct districts and neighborhoods; connecting people, places and activities through enhanced public spaces; encouraging development of affordable housing; and, increasing our resiliency to climate change and natural hazards.

Key Components of the Plan

Zoning, height, bonuses, transfers and the public realm

- Focuses the bonus and transfer system to **increase affordable housing** and **encourage seismic upgrades** to historic resources.
- **Increases height** to promote development along transit corridors and at bridgeheads. **Decreases height** to preserve public scenic views.
- **Increases FAR** and the amount of potential development at key locations.
- **Supports active and livable streets** through ground floor use requirements and improvements.
- **Increases Central Eastside job potential** by allowing more next-generation industrial office businesses and small manufacturers.



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Environment and the river

- **Extends development setback to 50 feet** to allow for public access and habitat improvements. Due to the extent of existing development along the Willamette in the Central City, a 50-foot setback is the maximum practical. In other reaches of the Willamette River, a wider setback may be more appropriate.
- Protects natural resources with a **new river environmental overlay zone**.
- Increases **tree canopy targets** to over 15 percent in the Central City.
- Supports **marine passenger terminal development** through code changes.
- Allows **retail in parks and open space zones** in limited amounts.
- Supports **swimming in the Willamette River** through new regulations and improvements.
- **Requires eco-roofs** on most buildings.
- Adds requirements for **bird-safe glazing** and **low-carbon building practices**.

Transportation

- Designates the Central City as a Multimodal Mixed-Use Area (MMA) **to provide flexibility during review of certain land use actions**.
- Simplifies the **parking code** and adds **parking maximums** to support the City's aggressive mode-split targets.
- Includes **new transportation projects** to make it easier to walk, bike and use transit in the Central City.

Issues of Note

1. Heights in historic districts. Height limits in some historic districts predate the creation of the districts and do not align with building heights that are likely to be compatible with the character of older structures. The height reductions in CC2035 bring regulations into greater alignment with the objectives of the historic district designation and the design protections applied by the Historic Landmarks Commission.

Some individual property owners testified that retaining existing heights on specific sites would best allow for full utilization of base and bonus floor area allowances. Others in the East Portland/Grand Avenue Historic District wanted to retain heights to provide denser development opportunities adjacent to the streetcar alignments. The Historic Landmarks Commission requested further reducing height limits in historic districts to an across-the-board 75-foot maximum unless and until a block-by-block compatibility study was conducted.

The PSC deliberated on how best to balance historic preservation objectives with existing development allowances that provide the potential for more dense development. The PSC voted to maintain current base density allowances but reduce maximum heights in two of six historic districts in the Central City and eliminate the ability to gain more height through bonuses in those historic districts where height bonuses are currently allowed.

2. Salmon Springs view point. There are 10 specific locations in the Central City along the riverfront with public views of Mt Hood. Staff proposed protecting two of them, one from the new Tilikum Crossing bridge and the other from Salmon Springs fountain in Tom McCall Waterfront Park.



We received testimony that supported protecting views of Mt Hood are important because they are iconic and part of Portland's image. Testifiers also made a case for the uniqueness of seeing Mt Hood from the waterfront and the importance of Salmon Springs to tourism. But there was also testimony against the proposed reduced height limits due to the negative impact on property development potential in the Central Eastside.

The PSC supported preserving the view of Mt Hood and limiting heights in the view corridor from Tilikum Crossing because these height limits will have minimal effect on redevelopment. This is due to the large site sizes and mix of employment and industrial zones in this area of the Central Eastside district.

The PSC voted 7 to 4 to *not* support protecting the view of Mt Hood from Salmon Springs. We found that height limits in this corridor would significantly reduce redevelopment along NE Martin Luther King and NE Grand and in the areas on industrially zoned blocks on both sides of these streets.

3. View of Vista Bridge from SW Jefferson Street. The 1991 Scenic Resources Protection Plan protected the view of the historic Vista Bridge from the I-405 overpass by limiting building heights along the north side of SW Jefferson Street to 30–50 feet.

The Proposed Draft included some additional height along Jefferson. The PSC heard some testimony that even more height was needed to allow for redevelopment near the light rail station. Other testimony opposed any changes to height and asked that the 1991 heights be maintained to protect the view.

The PSC discussed this topic at two different meetings. The uniqueness and history of the view as well as its significance to the neighborhood were important. Redevelopment near a light rail stop was also important. The view of Vista Bridge changes as one moves from I-405 toward the bridge because the street is not straight, and existing development and trees block the view in some locations. Ultimately, PSC voted to support 75 feet of height along SW Jefferson Street and to designate a new viewpoint of Vista Bridge at Collins Circle.

4. Green buildings requirements and development-related costs. The PSC had a lengthy discussion about the bird-safe glazing, ecoroofs and low-carbon registration proposals. While generally supportive of these requirements, the PSC requested an analysis of the [cumulative impact of](#) new and proposed regulations on the cost of new development. The Commission needed this information to balance the public benefits of the regulations with potential losses to the feasibility, scale and pace of development in the Central City.

The City contracted with EcoNorthwest to analyze the impact of the new policies on development costs and feasibility. These included the Parks System Development Charges (SDCs), a new Construction Excise Tax (CET), the new Inclusionary Housing program requirements (IH) and the proposed green building zoning requirements (including low-carbon building registration, standards for bird-safe glazing and ecoroofs).

The study found that many factors affect project feasibility, and they vary in size and volatility. These additional project costs may exacerbated market factors — such as construction cost, land values and financial cost — which may reduce project feasibility and affect whether a project moves forward or not.



The study estimated that all of the new policies, including those that have already been adopted, would represent approximately 7 percent of total costs:

- Parks and Recreation SDCs and the CET could add **one percent** total (0.97 and 0.01, respectively) to project costs.
- New inclusionary housing requirements could add up to **three percent** to total project costs. However, these costs are offset by benefits, including a 10-year property tax exemption on all residential units (market rate and affordable).
- The proposed CC2035 green building requirements (ecoroofs, bird-safe glazing and low carbon registration) could add from **one percent** of total project costs. If a building owner wants to pursue full low-carbon building certification it could cost up to **three percent** of total project costs.

The PSC concluded that the public benefit supported by these requirements outweigh the additional cost to development and voted to support the new green building requirements. However, the vote was not unanimous for the ecoroof provision with some concern applying it to all building types including wood frame buildings and industrial buildings.

5. The Green Loop. The [Green Loop](#) has received widespread support from the public, stakeholder groups and the PSC throughout the CC2035 process. There have also been concerns expressed by the public and one Commissioner that the Green Loop benefits the Central City rather than other deserving neighborhoods, particularly those that have been historically underserved. This point was illuminated by opinion research conducted for the Bureau of Planning and Sustainability by PSU.

The PSC concluded that investments in the Central City such as the Green Loop support the health and growth of the entire city. As well, the Central City is home to a significant population of low-income and/or underserved residents. However, Commissioners agreed investment in Central City alone will never be sufficient to meet equity objectives. It must be complemented by similar projects in infrastructure-deficient areas, such as the proposed Lents Green Ring.

After a robust discussion, the PSC concluded that the Green Loop is a shrewd growth strategy that will allow us to keep moving people and commerce in and out of the city core while building a healthy web of connectivity throughout the city. It leverages existing and planned investments already on the books and strings them together into a cohesive expression of green sustainable infrastructure. Ultimately, the PSC continued to strongly support inclusion of the Green Loop in the Central City 2035 Plan.

6. I-5 Broadway/Weidler Transportation Systems Plan (TSP) Project. The [Broadway/Weidler project](#) is one of the largest single investments in the TSP. It includes adding a shoulder lane on I-5 to improve safety and reduce congestion as well as changes to the Broadway/Weidler vicinity overpasses to support active transportation in the Rose Quarter/Lloyd District area, including a future pedestrian and bicycle bridge and lids over I-5 (which would become part of the Green Loop alignment). This project supports the growth of Lloyd District and Lower Albina and the inclusion of these areas in the designation of the Central City as an MMA.

The PSC discussed removing this item from the project list based on the concern that it may not be aligned not aligned with the Climate Action Plan and Vision Zero priorities and offers a lower return on investment on funds that might be spent more productively in other locations, particularly in East Portland.



We voted 6-4 to retain the project because it has important freeway safety and local street benefits then clarified that support was contingent on the inclusion of:

- Local surface improvements, including enhanced bicycle and pedestrian connections.
- Development of an equity strategy to address impacts to the African-American community.
- Low income housing solutions.
- MWESB benefits.
- Limiting City funding to multimodal project elements and projects that do not reduce investments supporting Vision Zero.
- Increasing livability in East Portland.
- Encouraging ODOT and PBOT to evaluate congestion pricing and Transportation Demand Management (TDM) options.

Forwarding the Plan

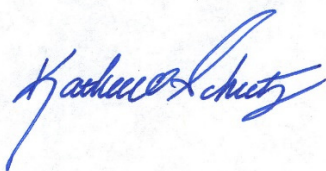
The PSC 's deliberations were informed and thoughtful. Many thanks to staff for all of their hard work and organization of the issues.

On May 23, 2017, the PSC voted 9 to 1 to support the CC2035 Plan, as amended, and move it forward to City Council for consideration. Commissioner Smith voted no because of the I-5 [Broadway/Wielder Transportation System Plan \(TSP\) project](#) but made it clear that this "no" vote should not be misinterpreted as opposition to any other part of the plan. And while CC2035 furthered implementation of citywide policy supporting inclusionary housing, Commissioners reiterated their desire to reassess the program after a year (or whatever period is most appropriate).

As the Central City becomes denser, absorbing 30 percent of the city's population growth, we'll need more housing and urban amenities like parks, shops and places to eat. We'll need more office space as well as space for innovators and makers. We'll need more and better access to the river, more tree canopy and energy-efficient buildings. And we'll need new and easier ways to get around, emphasizing bike, ped, rail or trail. We believe this plan supports the required change to satisfy these needs.

We've come a long way since 1988. The CC2035 Plan charts the course for a prosperous, healthy, equitable and resilient urban core in the years to come.

Sincerely,



Katherine Schultz
Chair

