NOTICE OF ADOPTED AMENDMENT

June 26, 2006

TO: Subscribers to Notice of Adopted Plan or Land Use Regulation Amendments

FROM: Mara Ulloa, Plan Amendment Program Specialist

SUBJECT: City of Portland Plan Amendment
DLCD File Number 001-06

The Department of Land Conservation and Development (DLCD) received the attached notice of adoption. Due to the size of amended material submitted, a complete copy has not been attached. A copy of the adopted plan amendment is available for review at the DLCD office in Salem and the local government office.

Appeal Procedures*

DLCD ACKNOWLEDGMENT or DEADLINE TO APPEAL: July 12, 2006

This amendment was submitted to DLCD for review 45 days prior to adoption. Pursuant to ORS 197.830 (2)(b) only persons who participated in the local government proceedings leading to adoption of the amendment are eligible to appeal this decision to the Land Use Board of Appeals (LUBA).

If you wish to appeal, you must file a notice of intent to appeal with the Land Use Board of Appeals (LUBA) no later than 21 days from the date the decision was mailed to you by the local government. If you have questions, check with the local government to determine the appeal deadline. Copies of the notice of intent to appeal must be served upon the local government and others who received written notice of the final decision from the local government. The notice of intent to appeal must be served and filed in the form and manner prescribed by LUBA, (OAR Chapter 661, Division 10). Please call LUBA at 503-373-1265, if you have questions about appeal procedures.

*NOTE: THE APPEAL DEADLINE IS BASED UPON THE DATE THE DECISION WAS MAILED BY LOCAL GOVERNMENT. A DECISION MAY HAVE BEEN MAILED TO YOU ON A DIFFERENT DATE THAN IT WAS MAILED TO DLCD. AS A RESULT YOUR APPEAL DEADLINE MAY BE EARLIER THAN THE ABOVE DATE SPECIFIED.

Cc: Gloria Gardiner, DLCD Urban Planning Specialist
Meg Fernekees, DLCD Regional Representative
Matthew Crall, DLCD Transportation Planner
Douglas Hardy, City of Portland

<paa> ya/
Notice of Adoption

Jurisdiction: City of Portland

Local file number: LU 05-181402 CP ZC

Date of Adoption: 6/14/2006

Date Mailed: 6/19/2006

Date original Notice of Proposed Amendment was mailed to DLCD: 1/12/2006

Comprehensive Plan Map Amendment from Industrial Sanctuary to Mixed Employment; and Zoning Map Amendment from General Industrial 1 with a Buffer overlay (IG1b) to General Employment 2 with a Design overlay (EG2d); with conditions limiting the amount of office and retail; and requiring Conditional Use review for institutional uses and medical/dental offices uses.

Describe how the adopted amendment differs from the proposed amendment. If it is the same, write "SAME". If you did not give Notice for the Proposed Amendment, write "N/A".

With the exception of the noted conditions, the adopted amendment does not differ from the proposed amendment.

Plan Map Changed from: Industrial Sanctuary to: Mixed Employment

Zone Map Changed from: IG1b to: EG2d

Location: 3500 SE 22nd Ave; 3605 SE 26th Ave

Acres Involved: 28.4

Specify Density: Previous: n/a to: n/a

Applicable Statewide Planning Goals: 1, 2, 9, 10, 11, 12 and 14

Was and Exception Adopted? □ YES  □ NO

DLCD File No.: 001-00 (14933)
Did the Department of Land Conservation and Development receive a Notice of Proposed Amendment....

Forty-five (45) days prior to first evidentiary hearing? ☒ Yes ☐ No
If no, do the statewide planning goals apply? ☐ Yes ☐ No
If no, did Emergency Circumstances require immediate adoption? ☐ Yes ☐ No

Affected State or Federal Agencies, Local Governments or Special Districts:

Oregon Department of Transportation

Local Contact: Douglas Hardy Phone: (503) 823-7816 Extension:
Address: 1900 SW Fourth Ave, Ste. 5000 City: Portland
Zip Code + 4: 97201- Email Address: dhardy@ci.portland.or.us

ADOPTION SUBMITTAL REQUIREMENTS

This form must be mailed to DLCD within 5 working days after the final decision per ORS 197.610, OAR Chapter 660 - Division 18.

1. Send this Form and TWO (2) Copies of the Adopted Amendment to:
   ATTENTION: PLAN AMENDMENT SPECIALIST
   DEPARTMENT OF LAND CONSERVATION AND DEVELOPMENT
   635 CAPITOL STREET NE, SUITE 150
   SALEM, OREGON 97301-2540

2. Submit TWO (2) copies the adopted material, if copies are bounded please submit TWO (2) complete copies of documents and maps.

3. Please Note: Adopted materials must be sent to DLCD not later than FIVE (5) working days following the date of the final decision on the amendment.

4. Submittal of this Notice of Adoption must include the text of the amendment plus adopted findings and supplementary information.

5. The deadline to appeal will not be extended if you submit this notice of adoption within five working days of the final decision. Appeals to LUBA may be filed within TWENTY-ONE (21) days of the date, the Notice of Adoption is sent to DLCD.

6. In addition to sending the Notice of Adoption to DLCD, you must notify persons who participated in the local hearing and requested notice of the final decision.

7. Need More Copies? You can copy this form on to 8-1/2x11 green paper only, or call the DLCD Office at (503) 373-0050; or Fax your request to:(503) 378-5518; or Email your request to mara.ulloa@state.or.us - ATTENTION: PLAN AMENDMENT SPECIALIST.

J:\pal\a\forms\form2word.doc  revised: 7/7/2005
*Amend the Comprehensive Plan Map designations and change zoning at 3500 SE 22nd Avenue and 3605 SE 26th Avenue at the request of Fred Meyer, Inc. and Allende LLC (Ordinance: LU 05-181402 CP ZC).

The City of Portland ordains:

Section 1. The Council finds:

1. Applicant Fred Meyer, Inc. owns property legally described as SECTION 11 1S 1E, TL 100, 16.52 ACRES; SECTION 11 1S 1E, TL 4300, 5.37 ACRES; SECTION 11 1S 1E, TL 100, 2.09 ACRES; SECTION 11 1S 1E, TL 200, 0.65 ACRES; SECTION 11 1S 1E, TL 6700, 2.00 ACRES; and SECTION 12 1S 1E, TL 2700, 1.54 ACRES (hereinafter, the "Fred Meyer property").

2. Applicant Allende LLC owns property legally described as SECTION 12 1S 1E, TL 16300, 0.26 ACRES (hereinafter, the "Allende property").

3. The applicants filed a joint land use application for comprehensive plan map and zoning map amendments for the Fred Meyer property and the Allende property.

4. The applicants seek, in the vicinity of 3500 SE 22nd Avenue and 3605 SE 26th Avenue, the following:
   a. a Comprehensive Plan Map Amendment from Industrial Sanctuary to Mixed Employment for the Fred Meyer Property and the Allende Property;
   b. a Zoning Map Amendment from General Industrial 1 (IG1) with a Buffer overlay zone, to General Employment 2 (EG2) for the Fred Meyer property and the Allende property; and
   c. a Zoning Map Amendment to map a Design overlay zone on the Fred Meyer property.

5. An application complying with all requirements of Title 33, Planning and Zoning, of the Code of the City of Portland seeking amendment of the Comprehensive Plan Map and Zoning Map has been received with the proper fee for filing paid.

6. The Hearings Officer held a duly noticed public hearing on April 5, 2006 and a Recommendation was issued on April 14, 2006 (BDS File No. LU 05-181402 CP ZC – Fred Meyer / Allende). The Hearings Officer recommended approval of the requested Comprehensive Plan Map and Zoning Map Amendments, with conditions.
7. The Comprehensive Plan Map and Zoning Map amendments, based on the findings contained in the Recommendation of the Hearings Officer, are found to be in conformance with the Comprehensive Plan and relevant Title 33 approval criteria.

NOW, THEREFORE, the Council directs:

a. City Council adopts the facts, findings, conclusions and recommendations of the Hearings Officer in BDS File No. LU 05-181402 CP ZC, except that the conditions of approval in the Recommendation of the Hearings Officer are replaced by the conditions in this ordinance.

b. The Comprehensive Plan Map and Zoning Map Amendments are approved as follows:

1. a Comprehensive Plan Map Amendment from Industrial Sanctuary to Mixed Employment for the property owned by Fred Meyer, legally described as SECTION 11 1S 1E, TL 100, 16.52 ACRES; SECTION 11 1S 1E, TL 4300, 5.37 ACRES; SECTION 11 1S 1E, TL 100, 2.09 ACRES; SECTION 11 1S 1E, TL 200, 0.65 ACRES; SECTION 11 1S 1E, TL 6700, 2.00 ACRES; and SECTION 12 1S 1E, TL 2700, 1.54 ACRES (hereinafter, the “Fred Meyer property”), and for the property owned by Allende LLC, legally described as SECTION 12 1S 1E, TL 16300, 0.26 ACRES (hereinafter, the “Allende property”); and

2. a Zoning Map Amendment from General Industrial 1 (IG1) with a Buffer overlay zone, to General Employment 2 (EG2) for the Fred Meyer property and the Allende property; and

3. a Zoning Map Amendment to map a Design overlay zone on the Fred Meyer property; and

4. The Comprehensive Plan Map and Zoning Map amendments are subject to Conditions b.4.A through D below. For purposes of these conditions, a condition that applies to the “site” shall apply to the Fred Meyer property and the Allende property collectively. Any violation of these conditions shall be subject to the enforcement procedures in the City Code, but will not void the Comprehensive Plan Map and Zoning Map amendments:

A. Until Metro’s Title 4 map is amended to remove the site from the Regionally Significant Industrial Area and except as otherwise provided below, Condition b.4.A shall limit the uses allowed on the site as follows:

1. Office uses on the site shall not exceed the existing office floor area (476,640 square feet).
2. Retail Sales and Service uses on the Fred Meyer Property shall not exceed 10,000 square feet of floor area. This Retail Sales and Services limitation does not apply to the Allende property.

3. No more than 3,000 square feet total of either Office or Retail Sales and Service uses may occupy new buildings or additions of new floor area on the site.

4. Condition b.4.A expires on the date amendments to Metro’s Title 4 map that remove the site from the Regionally Significant Industrial Area become effective.

B. After the amendments to Metro’s Title 4 map to remove the site from the Regionally Significant Industrial Area are effective and except as provided below, Condition b.4.B shall limit the uses allowed on the site, replacing Condition b.4.A as follows:

1. Office uses allowed on the site shall not exceed 618,100 square feet of floor area. This limitation includes headquarters offices.

2. Retail Sales and Service uses allowed on the Fred Meyer property shall not exceed 10,000 square feet of floor area. This Retail Sales and Service uses limitation does not apply to the Allende property.

C. Conditional Use Review

1. Proposals for the site that include any of the following uses are allowed only if approved as a Conditional Use processed according to Conditions b.4.C.2 and C.3 below and only after the Metro’s Title 4 map has been amended to remove the site from the Regionally Significant Industrial Area:
   a. Schools;
   b. Colleges;
   c. Medical Centers;
   d. Religious Institutions;
   e. Daycares (the existing daycare at its present location and size is excluded from this condition); and
   f. Medical/Dental Offices.

2. Proposals that involve uses in any one or combinations of these uses, up to 60,000 square feet, will be processed as a Type II Conditional Use; proposals that involve uses in any one or combinations of these uses that are in excess of 60,000 square feet will be processed as a Type III Conditional Use.
3. As long as the uses listed in Condition b.4.C.1 remain allowed uses in the EG2 zone under Title 33 of the City Code, the only Conditional Use approval criteria that will apply to proposals for these uses will be as follows:

a. The proposed use is in conformance with the street designations of the Transportation Element in the Comprehensive Plan; and

b. The transportation system is capable of supporting the proposed use in addition to the existing uses in the area. Evaluation factors include street capacity, level of service, and other performance measures; access to arterials; connectivity; transit availability; on-street parking impacts; access restrictions; neighborhood impacts; impacts on pedestrian, bicycle, and transit circulation; safety for all modes; and adequate transportation demand management strategies.

D. Land divisions and other development reviews (including building permits, but excluding tenant improvements to existing buildings) shall be reviewed for general compliance with the shadow street/pedestrian/bicycle access plan (Hearings Officer Exhibit C.2). The Portland Office of Transportation will address this plan under the authority of Title 17 (Public Improvements) as part of future land divisions or other development reviews.

E. Fred Meyer is willing to contribute up to $10,000.00 toward the traffic calming solutions that are arrived at and agreed upon through the Portland Department of Transportation process with the effected residents and property owners.

Section 2. The Council declares an emergency exists because there should be no delay in the beneficial use of the above-described properties; therefore, this ordinance shall be in full force and effect from and after its passage by the Council.

Passed by the Council JUN 1 4 2006
Introduced by: Auditor Gary Blackmer
Gregory J. Frank:db June 8, 2006

Gary Blackmer
Auditor of the City of Portland
By: Susan Takuwana
Deputy

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RECOMMENDATION OF THE HEARINGS OFFICER

I. GENERAL INFORMATION

File No.: LU 05-181402 CP ZC (HO 406003)
Applicant: Fred Meyer, Inc
c/o Charles Moseley
P.O. Box 42121
Portland, OR  97242
Allende LLC
4509 SE 39th Avenue
Portland, OR  97203
Representative: Geraldene Moyle, contact
Group Mackenzie
P.O. Box 69039
Portland, OR  97239
Hearings Officer: Gregory J. Frank
BDS Staff Representative: Douglas Hardy
Site Address: 3500 SE 22ND AVENUE/3605 SE 26TH AVENUE
Legal Description: SECTION 11 1S 1E , TL 100, 16.52 ACRES; SECTION 11 1S 1E , TL 4300, 5.37 ACRES; SECTION 11 1S 1E , TL 100, 2.09 ACRES; SECTION 11 1S 1E , TL 200, 0.65 ACRES; SECTION 11 1S 1E , TL 6700, 2.00 ACRES; SECTION 12 1S 1E , TL 16300, 0.26 ACRES; SECTION 12 1S 1E , TL 2700, 1.54 ACRES
Tax Account No.: R991110820, R991110830, R991111010, R991111120, R991111370, R991120290, R991122970
State ID No.: 1S1E11D 00100, 1S1E11DA 04300, 1S1E11DD 00100, 1S1E11DD 00200, 1S1E12CB 06700, 1S1E12CB 16300, 1S1E12CC 02700
Quarter Section: 3332, 3432, 3433

Neighborhood: Brooklyn Action Corps

Business District: Greater Brooklyn

District Coalition: Southeast Uplift

Existing Zoning: IG1b - General Industrial 1, with a Buffer overlay zone

Land Use Review: Type III, Comprehensive Plan Map Amendment (CP) Zoning Map Amendment (ZC)

BDS Staff Recommendation to Hearings Officer: Approval with conditions

Public Hearing: The hearing was opened at 1:31 p.m. on April 5, 2006, in the 3rd floor hearing room, 1900 SW 4th Avenue, Portland, OR, and was closed at 3:20 p.m. The record was closed at that time.

Testified at the Hearing:
Douglas Hardy, BDS staff representative
Steve Abel, attorney with Stoel Rives, representing Fred Meyer, 900 SW 5th Avenue, #2300, Portland, OR 97204
Bob Currey-Wilson, Fred Meyer, 3800 SE 22nd Avenue, Portland, OR 97202
Julia Kuhn, Kittelson & Associates, 610 SW Alder, #700, Portland, OR 97205
William R. Meyer, Allende LLC, 501 SE 38th Avenue, Portland, OR 97202
Tom McGuire, 4142 SE 25th Avenue, Portland, OR 97202
Bernhard Masterson, PO Box 1836, Estacada, OR 97023
Jamie Jeffrey, Office of Transportation

PROPOSAL
The applicant, Fred Meyer, is requesting a Comprehensive Plan Map Amendment and Zoning Map Amendment on the site of its corporate headquarters (3500 SE 22nd Avenue). The Comprehensive Plan Map designation on the site would change from Industrial Sanctuary to Mixed Employment, with the Zoning Map designation changing from General Industrial 1 (IG1) to General Employment 2 (EG2). The Buffer ("b") overlay zone along the site's SE 26th Avenue frontage is proposed to be removed, and a Design ("d") zone overlay is proposed to mapped across the entire Fred Meyer site. As part of the Comprehensive Plan Map/Zoning Map amendment request, Fred Meyer is proposing a condition that would limit the amount of potential retail floor area on the site to a maximum of 10,000 square feet. The applicant also
identified potential intersection improvements at SE 22nd Avenue/SE Powell Boulevard, and SE 21st Avenue/SE Powell Boulevard.

The application also includes changing the Industrial Sanctuary Comprehensive Plan Map designation on the 0.26 acre Allende site located at 3605 SE 26th Avenue to Mixed Employment, and changing the Zoning Map designation on this site to General Employment 2 (EG2). The “b” overlay would also be removed from this property.

**APPROVAL CRITERIA**

In order to be approved, this proposal must comply with the following approval criteria of Title 33, Portland Zoning Code:

- 33.810.050 Approval Criteria for Comprehensive Plan Map Amendments.
- 33.855.050 Approval Criteria for Base Zone Changes
- 33.855.060 Approval Criteria for Other Changes

**II. ANALYSIS**

**Site and Vicinity:** The site subject to the Comprehensive Plan Map/Zoning Map amendment consists of two properties:

1) The Fred Meyer headquarter site is approximately 28.14 acres in size, and bounded by Powell Park to the north, SE 22nd Avenue to the west, SE 26th Avenue to the east, and SE Gladstone Street to the south. The site is developed with approximately 613,890 square feet of floor area, distributed among six buildings. This includes approximately 476,640 square feet of headquarter office space, 65,250 square feet of warehouse space, 72,000 square feet of manufacturing space, and a 5,000 square foot daycare facility.

The remainder of the site, with the exception of a 67,000 square foot portion fronting SE Gladstone Street, is developed largely with surface parking, accommodating 1,468 spaces. Vehicular access to the parking area is made via curb cuts along SE 22nd Avenue, SE 26th Avenue and SE Gladstone Street. The site was historically served by rail access; by 1984, there were no rail connections to the site.

Fred Meyer established its operations on the site in 1963, with the most recent office building (five-stories in height and 306,000 square feet in area) completed in 1999. No new development is proposed as part of the Comprehensive Plan Map/Zoning Map amendment.

2) The 0.26 acre Allende site, located at the northeast corner of the Fred Meyer site, fronts SE 26th Avenue. The building on this site is approximately 1,750 square feet in area, and is occupied by a retail-oriented photography studio.
The combined Fred Meyer/Allende site is situated between the largely industrial neighborhood generally located west of SE 22nd Avenue, and the low-density, single-dwelling residential neighborhood east of SE 26th Avenue, and South of SE Gladstone Street. The industrial area, beginning at the west side of SE 22nd Avenue and extending westward, is characterized by a mixture of manufacturing, light industrial, and warehouse uses, as well as the Brooklyn Rail Yard. The lots fronting the east side of SE 26th Avenue, and the area extending eastward, as well as the area just south of SE Gladstone Street is predominated by single-dwelling, detached residences. The area southwest of the site is characterized by a mixture of light industrial uses. A city park (Powell Park) abuts the northern edge of the Fred Meyer/Allende site. This park, nearly eight acres in size, provides both passive and active recreational opportunities. The park fronts SE Powell Boulevard, which is largely characterized by a mixture of low-scale commercial uses. Cleveland High School fronts the north side of SE Powell Boulevard at SE 26th Avenue.

**Existing Zoning:** The subject site is currently zoned IG1 (General Industrial 1). A Buffer ("b") overlay zone is mapped at a depth of approximately 100 feet along much of the site's SE 26th Avenue frontage.

The General Industrial zones are two of the three zones that implement the Industrial Sanctuary map designation of the Comprehensive Plan. The zones provide areas where most industrial uses may locate, while other uses are restricted to prevent potential conflicts and to preserve land for industry. The development standards for each zone are intended to allow new development which is similar in character to existing development. The intent is to promote viable and attractive industrial areas. Areas mapped with the IG1 zone generally have smaller lots and a grid block pattern. The area is mostly developed, with sites having high building coverages and buildings that are usually close to the street. IG1 areas tend to be the City's older industrial areas.

The Buffer overlay zone requires additional buffering between nonresidential and residential zones. It is used when the base zone standards do not provide adequate separation between residential and nonresidential uses. The separation is achieved by restricting motor vehicle access, increasing setbacks, requiring additional landscaping, restricting signs, and in some cases by requiring additional information and proof of mitigation for uses that may cause off-site impacts and nuisances.

**Proposed Zoning:** The applicant is proposing a Zoning Map amendment that will place General Employment 2 (EG2) zoning on the (Fred Meyer and Allende) site, and a Design ("d") overlay zone on the entire Fred Meyer site.

The General Employment zones implement the Mixed Employment map designation of the Comprehensive Plan. The zones allow a wide range of employment opportunities without potential conflicts from interspersed residential uses. The emphasis of the zones is on industrial and industrially-related uses. Other commercial uses are allowed to support a wide range of services and employment opportunities. Office uses are allowed outright in the EG2 zone up to a maximum floor area ratio (FAR) of 1:1, with Retail Sales and Service uses allowed outright up to
60,000 square feet or an FAR of 1:1, whichever is less. The development standards for each zone are intended to allow new development which is similar in character to existing development. The intent is to promote viable and attractive industrial/commercial areas. Areas mapped with the EG2 zone have larger lots and an irregular or large block pattern. These areas are less developed, with sites having medium and low building coverages and buildings which are usually set back from the street. EG2 zoned lands will generally be on larger areas than those zoned EG1.

The Design overlay zone promotes the conservation, enhancement, and continued vitality of areas of the City with special scenic, architectural, or cultural value. The Design Overlay Zone also promotes quality high-density development adjacent to transit facilities. This is achieved through the creation of design districts and applying the Design overlay zone as part of community planning projects, development of design guidelines for each district, and by requiring design review or compliance with the Community Design Standards. In addition, design review or compliance with the Community Design Standards ensures that certain types of infill development will be compatible with the neighborhood and enhance the area. **Land Use History:** City records indicate the following previous land use reviews on the subject site:

- LUR 91-00617 NE: Determination of legal nonconforming development rights for a parking lot located in the eastern portion of the Fred Meyer site. This request was denied in 1991.

- LUR 92-00161 AD: Request for the following adjustments on the Fred Meyer site:
  1. Reduce the depth of parking lot perimeter landscaping along SE 22nd Avenue from the required five feet of L2 (trees, three foot high shrubs and groundcover) landscaping to zero feet;
  2. Reduce the depth of parking lot perimeter landscaping along the south property line from the required five feet of L2 landscaping to zero feet;
  3. Eliminate the 129 trees required as part of the parking lot interior landscaping.

All three adjustment requests were denied in 1992.

- LUR 92-00877 AD: Request for the following adjustments for the Fred Meyer site:
  1. Allow up to 123 of the required parking spaces to be compact in size (7.5 feet by 15 feet);
  2. Allow a reduction in the dimensions of 709 employee parking spaces to 8.5 feet by 18 feet, and a reduction in the dimensions of 32 visitor parking spaces to 9 feet by 18 feet.

Both adjustments were approved in 1992 with the condition that a minimum aisleway of 24 feet be maintained.

- LUR 93-00843 CU: Conditional Use review to allow the construction of a Kinder-Care learning center for up to 165 children adjoining the Fred Meyer corporate office. Approved in 1993 with conditions.
Recommendation of the Hearings Officer
LU 05-181402 CP ZC (HO 406003)
Page No. 6

- LUR 98-00317 AD: Adjustment request to reduce the perimeter landscaping and to approve an alternative interior parking lot landscaping plan for a temporary parking lot to exist for an 18-24 month period on the Fred Meyer. Approved in 1998 with conditions. No further information is on file.

- LUR 99-00138 CP ZC: Comprehensive Plan Map and Zoning Map Amendment from Industrial Sanctuary with a General Industrial 1 and Buffer Zone designation (along SE 26th Avenue) to Mixed Employment (ME) with a General Employment 2 (EG2) and Buffer Zone designation (along SE 26th Avenue). The application was withdrawn by the applicant prior to any decision.

Agency Review: A “Request for Response” was mailed August 8, 2005. The following Bureaus have responded with no issues or concerns regarding the requested land use review:

- Bureau of Police (Exhibit E1);
- Fire Bureau/Fire Prevention Division (Exhibit E2);
- Bureau of Environmental Services (Exhibit E3);
- Bureau of Development Services/Site Development (Exhibit E4);
- Bureau of Development Services/Life Safety Plans Examiner (Exhibit E5);
- Bureau of Water Works (Exhibit E6); and
- Portland Park & Recreation/Urban Forestry (Exhibit E7).

Portland Transportation and Oregon Department of Transportation provided written comments on the requested land use review, and recommend conditions of approval that will be necessary for the request to be approved. These comments (Exhibits E8 and E9) are discussed in detail, below, in response to approval criteria in 33.810.050.A.1 and 33.855.050.B.

Neighborhood Review: A Notice of a Public Hearing on a Proposal in Your Neighborhood was mailed on February 10, 2006, with a revised Notice (identifying a new hearing date) mailed on February 23, 2006. The following written comments have been received in response to the Notice of Proposal:

1) Letter from Tom McGuire, resident at 4142 SE 25th Avenue (Exhibit F1). The issues in this letter generally focus on traffic impacts associated with the Fred Meyer headquarter site. The resident finds that the proposal does not meet the approval criterion found in Section 33.810.050.A.1, which requires demonstrating that the proposed designation on balance equally or better meets the goals and policies of the Comprehensive Plan than the existing designation. The resident finds that the proposed Employment designation will result in the potential for substantially greater traffic and livability impacts on nearby residential areas than under the existing Industrial designation, and that no mitigation is proposed. In particular, the resident cites Goal 3 (Neighborhoods) and Goal 6 (Transportation) as not being met by the requested map amendment. Specific recommendations are proposed for the implementation of traffic calming measures (at least) along SE 25th Avenue. [BDS Comment:
These issues will be addressed later in staff's recommendation in response to the approval criteria.

2) Letter from Creston-Kenilworth Neighborhood Association (CKNA) (Exhibit F2). CKNA expresses support for an amendment that promotes job opportunities in the neighborhood, and that allows Fred Meyer to lease vacant office. CKNA is also supportive of the requested Design overlay designation. However, CKNA expresses concerns regarding transportation impacts and resulting neighborhood livability associated with the proposal. CKNA specifically requests redirecting non-residential traffic away from residential uses; addressing Code compliance issues as it relates to landscaping along SE 26th Avenue; and the possibility of mapping the EG1 zone instead of the requested EG2 zone on the site. With the exception of the landscape code compliance issue, the remaining points raised in CKNA’s letter will be addressed later in staff’s recommendation in response to the approval criteria. The code compliance issue is a matter outside the purview of this land use review.

ZONING CODE APPROVAL CRITERIA

This report contains the following parts, each of which examines compliance with applicable criteria:

Part A Comprehensive Plan Map Amendment
Part B Base Zone Map Amendment
Part C Other Zoning Map Amendments

PART A. COMPREHENSIVE PLAN MAP AMENDMENT

The applicant is requesting a Comprehensive Plan Map amendment from Industrial Sanctuary to Mixed Employment. For the requested Comprehensive Plan Map amendment to be approved, the applicant must demonstrate that the approval criteria in Section 33.810.050 of the Portland Zoning Code are met.

33.810.050 Approval Criteria

A. Quasi-Judicial. Amendments to the Comprehensive Plan Map that are quasi-judicial will be approved if the review body finds that the applicant has shown that all of the following criteria are met:

1. The requested designation for the site has been evaluated against relevant Comprehensive Plan policies and on balance has been found to be equally or more supportive of the Comprehensive Plan as a whole than the old designation;

Findings:
The Hearings Officer noted at the public hearing that he believed that this approval criteria does not mandate a decision maker to balance by numerically comparing the
number of Comprehensive Policies that are equally or more supportive against those that are less supportive. What this approval criteria does require, however, is for a decision maker to individually assess each relevant Comprehensive Plan Policy to the “current” comprehensive plan designation and also the the “proposed” comprehensive plan designation. The Hearings Officer finds that it is appropriate when assessing the “current” comprehensive plan to consider both the “current” use and the uses permitted if the site were developed. The Hearings Officer finds that it is appropriate when assessing the “proposed” comprehensive plan to consider uses if the site were developed fully and, if the application includes a development plan to also consider such development plan. However, the Hearings Officer notes that an applicant is not required to have a detailed development plan to satisfy this approval criteria.

The proposal involves a Comprehensive Plan Map Amendment from Industrial Sanctuary to Mixed Employment. No detailed development plan has been proposed. Therefore, the Hearings Officer will consider, in the context of the “proposed” comprehensive plan designation, the relevant Comprehensive Plan Policies as if the site were fully developed (or, as in this case with the office and retail square footage limitations).

The Hearings Officer also notes, in the context balancing the “current” and “proposed” comprehensive plan designations that many, if not most, of the comprehensive policies considered below involve subjective judgment by a decision maker. It is important that readers of this recommendation appreciate the subjective nature of the analysis. For example, one opponent opined that this approval criteria was not satisfied because the proposed designation would “result in a potential for substantially greater traffic and livability impacts on nearby residential areas...” (emphasis added) (Exhibit F.1) The decision maker, when considering this approval criteria may consider if an impact (such as traffic) is substantial. This is a subjective determination.

After reviewing each relevant comprehensive plan policy the hearings officer must undertake the final “balancing” of policies. It is not unusual that some of the comprehensive plan policies are “more supported” by the proposed comprehensive plan designation, others are “equally supported” and yet others are “less supported” by the proposed designation. The Hearings Officer’s approach to this balancing is to consider the severity or significance of the impacts in terms of the policies in reaching a final conclusion for this approval criteria. This process involves an additional subjective judgment.

Based on the findings identified below, the requested Comprehensive Plan Map designation on balance will be equally or more supportive of the applicable goals and policies of the Comprehensive Plan as the existing designation, and this criterion will be met.

Goal 1 Metropolitan Coordination
The Comprehensive Plan shall be coordinated with federal and state law and support regional goals, objectives and plans adopted by the Columbia Region Association of Governments and its successor, the Metropolitan Service District, to promote a regional planning framework.

**Findings:** Policy 1.5 of this goal (Compliance with Future Metro Planning Efforts) requires the review and update of Portland’s Comprehensive Plan so that it complies with the Regional Framework Plan adopted by Metro. The Urban Growth Management Functional Plan was approved by the Metro Council on November 21, 1996, and became effective February 19, 1997. The purpose of this plan is to implement the Regional Urban Growth Goals and Objectives, including the 2040 Growth Concept. Local jurisdictions must address the Functional Plan when Comprehensive Plan Map Amendments are proposed through the quasi-judicial or legislative processes. Each title of the Urban Growth Management Functional Plan is addressed below.

Overall, as noted in the discussion below, the requested Mixed Employment designation either will be supportive of the intent of the titles contained in the Urban Growth Management Functional Plan, or those titles will be met through compliance with other applicable City regulations.

- **Title 1, Requirements for Housing and Employment Accommodation,** requires that each jurisdiction contribute its fair share to increasing the development capacity of land within the Urban Growth Boundary. This requirement is to be generally implemented through city-wide analysis based on calculated capacities from land use designations.

Housing (other than in houseboats) is a prohibited use in zones that correspond to the existing Industrial Sanctuary Comprehensive Plan Map designation on the site. The zones that correspond to the proposed Mixed Employment designation allow housing if approved as Conditional Use. As such, the proposed designation is more supportive than the existing designation in promoting potential housing opportunities.

The proposed Mixed Employment Comprehensive Plan designation also promotes a large variety of employment uses. While the corresponding zones of both the existing and proposed Comprehensive Plan Map designations allow Office and Retail uses, the Employment designation allows such uses at larger floor areas. Both designations also allow a variety of industrial uses, with the only difference being that the Employment designation does not allow Railroad Yards and Waste-Related uses. As for institutional uses, the zones corresponding to the proposed Employment designation allow a far greater variety than the existing designation, including parks, schools, colleges, and religious institutions.
On balance, the proposed designation better supports this title than the existing designation in that it promotes greater opportunities for both housing and mixed employment growth.

- **Title 2, Regional Parking Policy**, regulates the amount of parking permitted by use for jurisdictions in the region.

  This Title requires cities and counties to place limits on parking to ensure a more efficient use of land, and to promote alternative modes of transportation. Whether the site remains under its current Industrial Sanctuary designation or changes to the proposed Mixed Employment designation, parking on the site will continue to be regulated by provisions of Zoning Code Chapter 33.266, Parking and Loading, and specifically, Zoning Code Section 33.266.110 (Minimum Required Parking Spaces) and PCC 33.266.115 (Maximum Allowed Parking Spaces). These regulations, which have been recognized by Metro as meeting the parking ratio requirements identified in Table 3.07-2 of Title 2, ensure that on-site parking will be consistent with Title 2.

- **Title 3, Water Quality, Flood Management, and Fish and Wildlife Conservation**, protects the region's health and public safety by reducing flood and landslide hazards, controlling soil erosion and reducing pollution of the region's waterways.

  This Title is unaffected by the proposed Comprehensive Plan Map designation.

- **Title 4, Industrial and Other Employment Areas**, places restrictions on certain uses in three designations on the 2040 Growth Concept Map.

  This Title limits type and density of uses in areas on the 2040 Growth Concept Map designated as Regionally Significant Industrial Areas, Industrial Areas, and Employment Areas. The subject site is identified on Metro’s Title 4 map as a Regionally Significant Industrial Area.

**Office and Retail Use Limitations**

As indicated in the findings above that address Title 1, the proposed Mixed Employment Comprehensive Plan Map designation, while still allowing a comparable diversity of industrial uses as the existing designation, also provides opportunities for a variety of nonindustrial uses on the site, including housing (if approved through a Conditional Use review process), and limited commercial and institutional uses. Based on these factors alone, the proposed designation is not as supportive of Title 4 as the existing designation.

However, it is important to emphasize the historical development of the site. Because of a zoning provision in City code that allows by right headquarter office space to
locate on a site where the same business operates an allowed industrial use, the subject site has been developing as a corporate headquarters for Fred Meyer, Inc. since 1960. Today, Fred Meyer operates 476,640 square feet of office space on the site, located in three, multi-story buildings, the newest of which was completed in 1999. An additional 137,250 square feet on the site is developed with manufacturing, warehousing and a daycare facility all associated with the Fred Meyer operation. (The Allende site is developed with 1,750 square feet of Retail Sales and Service space.) Because of this exceptional situation, the proposed change in the Comprehensive Plan Map designation will not remove zoning restrictions that are currently preserving the site for industrial development and employment opportunities. The site is already relatively intensively developed with a nonindustrial use, at approximately a floor area ratio of 0.5:1, which can be described as a corporate office park. Given the age and size of this office space, it is not likely to be replaced in the near future by an industrial use. As such, the requested Comprehensive Plan Map amendment is not intended to allow a variety of new uses not envisioned in an industrial area, but instead, to allow the Comprehensive Plan Map designation (and corresponding zoning) to better reflect what presently exists on the site and will likely remain on the site in the future.

The corresponding zones to the existing Industrial Sanctuary Comprehensive Plan Map designation – IG1, IG2 and IH – place no maximum floor area limit and no height limit on development. There are no maximum building coverage limits (with the exception of the IG2 zone, which has an 85 percent building coverage limit), and no minimum overall landscape requirement (with the exception of the IG2 zone, which requires 15 percent landscape cover). Because of these allowances, and in combination with the headquarter office exception, there is no cap on the maximum amount of headquarter office floor area that can be built on the site under the existing designation. (Note that floor area built under the headquarter office exception is not considered Office use, but instead is considered part of the use allowed outright in the zone (i.e., manufacturing, warehousing, wholesaling, etc)). Under the two corresponding zones of the proposed Mixed Employment designation (EG1 and EG2), there is a maximum floor area ratio of 3:1, with a maximum building coverage of 85 percent and minimum landscape coverage of 15 percent. The two corresponding zones of the proposed Comprehensive Plan Map designation limit Office use to a maximum floor area ratio (FAR) of 1:1. As such, the corresponding zones of the proposed designation place greater limits on headquarter office development than the existing designation. As indicated in the purpose statement for the Mixed Employment Comprehensive Plan Map designation (Goal 10, Policy 10.4(19)), these commercial use limitations are specifically intended to “maintain adequate industrial development opportunity.” Given the purpose of the proposed designation and the limits on office under the corresponding zones, the Mixed Employment designation is more supportive of Title 4 as it applies to this particular site situation.
Furthermore, as proposed by the applicant and recommended as a condition of approval by Portland Transportation and Oregon Department of Transportation, the amount of Office space allowed on the site will be further capped at 618,100 square feet. Whereas the EG1 and EG2 zones would allow an FAR of 1:1 for Office space, this cap equates to an FAR of 0.5:1. Again, under the existing designation, there is no FAR cap on the amount of (headquarter) office space. This limitation on office space, required by the corresponding zones of the proposed designation and as required as a condition of approval, is more consistent with Title 4 than the existing designation.

The two corresponding zones of the proposed Mixed Employment designation limit the amount of Retail Sales and Service allowed on the site to an FAR of 1:1, or 60,000 square feet, whichever is less. Retail Sales and Service uses in excess of that amount are permitted if approved as a Conditional Use. The applicant proposes, and Portland Transportation is recommending as a condition of approval, that the amount of Retail Sales and Service uses on the site be limited to no more 10,000 square feet (equivalent to a FAR of 0.008:1). This retail cap is considerably less than the 20,000 square feet retail limit prescribed in Title 4 for Regionally Significant Industrial Areas.

Value of Site as Industrial

The value of the Fred Meyer property as a Regionally Significant Industrial site is decreased given its proximity to a low density, single-dwelling residential neighborhood. An R2.5, Single-Dwelling zoned neighborhood is located immediately east of the site, across SE 26th Avenue, with an R2.5 and R5 zoned area approximately 200 feet (less than one-half block) south of the site. Open Space (OS) zoning abuts the site to the north, with additional Single-Dwelling zoning approximately 120 feet north of the site. This juxtaposition of zones and uses is contrary to the basic intent of zoning which is intended, in part, to separate incompatible uses. This incongruous zoning pattern has negative impacts for industry (in terms of limiting their operations) and for the nearby residences and users of the Open Space (in terms of heavy vehicles, noise, odors, etc.). The proposed Mixed Employment designation provides a much better transition between the industrial uses and rail yard to the west and southwest of the subject site, and the Single-Dwelling residential neighborhood and parkland to the north, south and east.

Amendment to Title 4 Map

As indicated above, the site is currently identified on Metro's Title 4 map as a Regionally Significant Industrial Area. If the requested Comprehensive Plan Map/Zoning Map amendment is approved, it will be necessary to amend the Title 4 map, changing the designation from Regionally Significant Industrial Area to Employment Area. Metro has advised BDS that the City may not take final action on this Comprehensive Plan Map/Zoning Map amendment until the Title 4 map has been amended. As such, a condition of approval is proposed that states the requested
Comprehensive Plan Map/Zoning Map amendment will not go into effect until amendments to Metro's Title 4 map have been completed that remove the site from the Regionally Significant Industrial Area.

Summary
Because of these unique circumstances, changing the Comprehensive Plan Map designation from its current Industrial Sanctuary to Mixed Employment, with conditions, does not conflict with the intent of Title 4.

- Title 5, Neighbor Cities and Rural Reserves, protects land along the green corridors from continuous strip development to maintain their rural character and agricultural economy.

This Title is not applicable to the subject site.

- Title 6, Central City, Regional Centers, Town Centers and Station Communities, enhances the Centers designated on the 2040 Growth Concept Map by encouraging development in these Centers.

Because the site is not within one of the centers identified on Metro's 2040 Growth Map, this title is not applicable to the requested amendment.

- Title 7, Affordable Housing, recommends that local jurisdictions implement tools to facilitate development of affordable housing.

This Title is unaffected by the proposed Comprehensive Plan Map designation.

- Title 8, Compliance Procedures, outlines compliance procedures for amendments to comprehensive plans and implementing ordinances.

This proposal meets this Title by fulfilling the notice requirements for Type III land use reviews, as outlined in Portland Zoning Code Section 33.730.030 (Type III Procedure). In addition to notifying the affected City-recognized organizations and property-owners within a 400 foot radius of the site, a notice of the proposal has also been sent to Metro and to the Department of Land Conservation and Development. Therefore, the proposal is consistent with this Title.

- Title 9, Performance Measures, ensures that progress or lack of progress is measured in the implementation of the Urban Growth Management Functional Plan (UGMFP) and the 2040 Growth Concept.

This Title is not applicable to the requested land use action.
Title 10, Definitions, defines the words and terms used in the document. This Title is not applicable to the requested land use action.

Title 11, Planning for New Urban Areas, guides planning of areas brought into the UGB for conversion from rural to urban use. This Title is not applicable to the requested land use action.

Title 12, Protection of Residential Neighborhoods, protects the region's existing residential neighborhoods from air and water pollution, noise and crime, and to provide adequate levels of public services.

The requested designation will have no greater impact on air and water pollution, or on crime than the existing designation on the subject site. As for noise, because the proposed Mixed Employment designation (and its corresponding zones) prohibits some of the most intense (and potentially high impact) industrial uses that are allowed under the existing Industrial Sanctuary designation (and its corresponding zones), the proposed designation provides a better transition to the adjoining single-dwelling residential and open space zones than the existing designation.

Goal 2 Urban Development
Maintain Portland's role as a regional employment, population, and cultural center, and the expansion of housing and employment opportunities while retaining the character of existing areas.

Findings: As previously mentioned, the proposed designation provides for greater diversity of uses on the site than the existing designation. The corresponding zones to the proposed Mixed Employment allow housing (if approved as a Conditional use), greater amounts of (non-headquarter) office and retail space, as well as a wide variety of industrial and institutional uses. Opening up the site to a wider array of uses may adversely impact the ability for future industrial growth on the site, as industrial interests may be outbid by other commercial interests, and as an area developed with nonindustrial uses may be less attractive to industrial interests. However, on balance, a designation which promotes a wider diversity of potential uses is more consistent with Goal 2. Additionally, the proposed designation better reflects the existing, non-industrial development on the site.

Policy 2.1 Population Growth
Allow for population growth within the existing city boundary by providing land use opportunities that will accommodate the projected increase in city households by the year 2,000.
Findings: Neither the existing or proposed designation allows housing development outright, so the amendment request has little impact on this policy. However, because housing may be developed under the corresponding zones of the proposed designation if approved as a Conditional Use, the proposal is somewhat more supportive of this policy than the existing designation.

Policy 2.2 Urban Diversity
Promote a range of living environments and employment opportunities for Portland residents in order to attract and retain a stable and diversified population.

Findings: The proposed designation could potentially decrease the opportunities for future industrial development on the site. However, the broad range of uses allowed in the corresponding zones to the proposed Mixed Employment designation have the potential, on balance, to support more diversified employment opportunities.

Policy 2.9 Residential Neighborhoods
Allow for a range of housing types to accommodate increased population growth while improving and protecting the City's residential neighborhoods.

Findings: As stated above, because housing is not allowed outright in the corresponding zones of either the existing or proposed designation, the requested amendment has little impact on this policy. Because the existing designation has as a single focus the preservation and development of industrial uses, while the proposed designation allows a variety of non-industrial uses, the proposed designation may be more suitable for the site as a transition between industrial designations to the west and the single-dwelling and open space zoning to the north, south and east.

Policy 2.12 Transit Corridors
Provide a mixture of activities along major transit routes... Increase residential densities on residentially-zoned lands within one-quarter mile of existing and planned transit routes to transit-supportive levels. Require development along transit routes to relate to the transit line and pedestrians and to provide on-site pedestrian connections.

Findings: The site is located approximately 350 feet south of SE Powell Boulevard. The Transportation Element of the Comprehensive Plan designates SE Powell Boulevard as a Major Transit Priority Street, and TriMet operates a frequent service bus line on this street. The wide array of uses allowed outright in the corresponding zones of the proposed Mixed Employment designation, in combination with a relatively high floor area ratio (3:1) ensures that the proposed designation will be as equally (if not more) supportive of this policy than the existing designation.
Because neither the existing nor proposed designation allow residential development outright, the proposed amendment has no impact of the ability of the site to achieve transit-supportive residential densities.

**Policy 2.14 Industrial Sanctuaries**  
*Provide industrial sanctuaries. Encourage the growth of industrial activities in the City by preserving industrial land primarily for manufacturing purposes.*

**Findings:** The site currently has an Industrial Sanctuary Comprehensive Plan Map designation. The Comprehensive Plan describes this designation as follows:

>This designation is intended for areas where City policy is to reserve land for existing and future industrial development. A full range of industrial uses are permitted and encouraged. Nonindustrial uses are limited to prevent land use conflicts and to preserve land for industry. The corresponding zones are General industrial 1 (IG1), General Industrial 2 (IG2), and Heavy Industrial (IH).

The applicant indicates in their written statement that this policy is not intended to be read as an absolute prohibition against the redesignation of lands currently mapped with the Industrial Sanctuary designation. The applicant makes reference to a previous land use decision for Lutz Tire in Northwest Portland (LUR 97-00158 CP ZC) which involved a Comprehensive Plan Map/Zoning Map amendment from Industrial Sanctuary to Central Employment (IG1 to EXd). In approving the request, City Council rejected the Hearings Officer's recommendation of denial, and the Hearings Officer's finding in that case stating that Policy 2.14 is a prohibition against the redesignation of industrially-zoned lands. “This interpretation,” Council stated, “transforms one policy, which is to be read in balance with the [Comprehensive] Plan as a whole, into an absolute prohibition against redesignation of industrially zoned lands.” “We reject this interpretation of Policy 2.14 in support of a more balanced approach” (Page 8, Findings and Decision of the City Council).

In addressing Policy 2.14, the applicant also describes the site’s unique development situation. As indicated above, the property has been the site of Fred Meyer’s corporate headquarters since 1960. In this capacity, the site is developed with 471,640 square feet of headquarter office space, in multi-story buildings. This office space is located in four, multi-story buildings, with the newest of these buildings completed in 1999. This amount of office space in an Industrial Sanctuary is the result of a provision in the Zoning Code that allows headquarter offices to locate in an industrial zone as long as the office space is operated in conjunction with a use on the site that is allowed by the industrial zone (i.e., Manufacturing and Production, Warehouse and Freight Movement, Industrial Service, etc.) (Section 33.920.240.D.1). Fred Meyer, historically and currently, operates some warehousing and other light industrial uses on the site. These uses occupy approximately 137,250 square feet of building area.
The applicant also notes that given the unique status of this office space, it may not be leased to other tenants without severe restrictions. Instead, this office space may only be used as corporate headquarters space for a business that also operates an allowed (industrial use) on the site.

The applicant points out that given the size and (recent) age of the principal office structures on the site, it is not a feasible scenario that they would be demolished and the site redeveloped for an industrial use. Likewise, these multi-story buildings were constructed for office use making their adaptation to modern industrial uses impractical. The applicant’s conclusion, similar to that made by City Council in the Lutz Tire case, is that the cost of demolishing the existing office structures and building space that is suitable for modern industrial users would deter future industrial development on the site. As such, the primary use of the site will likely remain office.

BDS staff proffered this argument to the Hearings Officer in this case and the Hearings Officer finds the argument has merit; given the existing unique development situation, and that retention of the Industrial Sanctuary will not facilitate new or preserve existing industrial development on the site. That being the case, the Hearings Officer, in this case, finds that changing the existing designation on the site will have little impact on Policy 2.14.

**Policy 2.16 Strip Development**

*Discourage the development of new strip commercial areas and focus future activity in such areas to create a more clustered pattern of commercial development.*

**Findings:** The Hearings Officer finds that the Comprehensive Plan neither defines nor provides guidance regarding the term “strip development.” However, the term commonly refers to development (typically Retail Sales and Service development) that is largely auto-oriented, with little or no deference to pedestrians, bicyclists and transit users. Buildings, entrances and storefront windows (if any) are typically located a substantial distance from any abutting street.

Because both the existing and proposed designations focus on industrial and industrial-related uses, the development standards of the corresponding zones do not seek to create transit-oriented development, with buildings placed close to the street and doors and windows oriented to the public sidewalk. The corresponding zones of both the existing and proposed Comprehensive Plan Map designations limit the amount of Retail Sales and Service, and Office uses that may locate in the area (the existing designation more so than the proposed designation), so the likelihood of strip development is remote. Additionally, the applicant has proposed to limit the total amount of Retail Sales and Service use allowed on the site to 10,000 square feet, less than 20 percent of the Retail Sales and Service floor area allowed by right in corresponding zones to the proposed Mixed Employment designation.
Based on the uses and development standards of the existing and proposed
designations, the requested Mixed Employment designation will have little impact on
Policy 2.16.

Policy 2.18 Transit-Supportive Density
Establish average minimum residential densities of 15 units per acre within one-
quarter mile of existing and planned transit streets, Main Streets, town centers, and
transit centers. Establish average minimum residential densities of 25 units per acre
within one-half mile of light rail stations and regional centers. Establish minimum
floor area ratios for non-residential development at light rail centers of 0.5:1.

Findings: The site is within a quarter mile of SE Powell Boulevard, which is a
designated transit street. There are no light rail stations, light rail centers, or Regional
Centers within a half mile of the site. While the site is within a quarter mile of an
existing transit street, the requested Comprehensive Plan Map will have no impact on
the desire of Policy 2.18 to establish minimum residential densities within a quarter
mile of transit streets. This is based on the residential use restrictions of the
Corresponding zones to both the existing and proposed Comprehensive Plan Map
designations on the site. Residential use (other than houseboats) is prohibited in the
Industrial Sanctuary, and is allowed only through an approved Conditional Use in the
Mixed Employment designation. Because neither of the designations allow outright
the development of residential uses on the site, the requested amendment has no
impact on Policy 2.18.

Policy 2.22 Mixed Use
Continue a mechanism that will allow for the continuation and enhancement of areas
of mixed use character where such areas act as buffers and where opportunities exist
for creation of nodes or centers of mixed commercial, light industrial and apartment
development.

Policy 2.23 Buffering
Ensure that impacts from nonresidential uses on residential areas are mitigated
through the use of buffering and access limitations.

Findings: The proposed Mixed Employment designation is more supportive of these
policies than the existing designation as the proposed designation better facilitates
mixed-use opportunities. While both designations allow an array of industrial uses,
with some opportunity for residential in the proposed designation (if approved
through the Conditional Use review process), the proposed designation allows greater
opportunities for office and retail development. (To preserve the intent of the General
Employment zones to remain industrial and industrially-related, office and retail uses
are limited in size.) The greater variety of uses allowed under the proposed
designation better promotes the potential for mixed-use development.
This mixed-use nature of development is more appropriate for the subject site than the existing designation given the site's proximity to a Single-Dwelling and Open Space zoned neighborhood to the north, south and east. The proposed designation and its mixed-use character provides a superior buffer between the industrial uses to the west and southwest of the site and these open space and residential uses when compared to the existing industrial designation.

The applicant is proposing to remove the Buffer ("b") overlay zone along the SE 26th Avenue frontage of the site. This request is addressed later in this recommendation in response to the approval criteria in Section 33.855.060 (Approval Criteria for Other Changes). In summary, it is found that removal of the Buffer overlay zone will have little impact on adjacent residential uses given the development standards of the requested zone (EG2), and the existence of curb cuts along SE 26th Avenue that already allow vehicle access through the Buffer overlay.

**Goal 3 Neighborhoods**
*Preserve and reinforce the stability and diversity of the City's neighborhoods while allowing for increased density in order to attract and retain long-term residents and businesses and insure the City's residential quality and economic vitality.*

**Findings:** The applicant indicates in their written statement that the purpose for the amendment request is to allow Fred Meyer, Inc., the current owner of and tenant on the property, to lease nearly 100,000 square feet of vacant office space on the site. Under existing zoning provisions that apply to office in industrial zones, the ability to lease this office space is severely limited. Fred Meyer is a longstanding business establishment in the City of Portland, and has been at this site for more than 45 years. Granting the requested Comprehensive Plan Map amendment will help retain Fred Meyer's presence in the neighborhood and City by allowing them to lease a substantial amount of vacant office space on the site.

Correspondence received from an area resident noted the amendment request is not consistent with Policy 3.2 (Social Conditions) under this goal (Exhibit F1, page 2). Policy 3.2 reads:

*Provide and coordinate programs to promote neighborhood interest, concern and security and to minimize the social impact of land use decisions.*

The resident states that the "social impact" of the request will result in the potential for "severe impact to quality of life and livability in neighboring residential areas due to increased cut-through traffic" (on SE 25th Avenue) generated by the proposal.

The Hearings Officer agrees with BDS staff analysis which concluded that this policy is not relevant to this land use request. The policy is directed at providing and coordinating
“programs,” and ensuring such programs benefit neighborhood interests without adverse impacts. In this situation, the requested land use review does not propose any new or changed “programs”. As for the traffic issues cited in the letter, this issue will be addressed in response to Goal 6 (Transportation) and to the Zoning Map Amendment approval criteria.

Goal 4 Housing

Enhance Portland’s vitality as a community at the center of the region’s housing market by providing housing of different types, tenures, density, sizes, costs and locations that accommodate the needs, preferences and financial capabilities of current and future households.

Findings: The requested Mixed Employment designation is somewhat more supportive of this housing goal than the existing Industrial Sanctuary designation in that the corresponding zones of the proposed designation allow housing if approved as a Conditional Use. Housing in the corresponding zones of the existing designation is prohibited.

Goal 5 Economic Development

Foster a strong and diverse economy which provides a full range of employment and economic choices for individuals and families in all parts of the City.

Findings: As detailed below, the proposal, on balance, is found to be equally or more supportive of Goal 5 as the existing designation.

Policy 5.1 Urban Development and Revitalization

Encourage investment in the development, redevelopment, rehabilitation and adaptive reuse of urban land and buildings for employment and housing opportunities.

Findings: The proposal supports this policy by allowing a substantial amount of vacant office space (approximately 100,000 square feet) to be leased. Without the proposed amendment, the office space may be leased only under strict limitations which greatly reduce the potential to lease the space. Under the existing designation, the space can only be leased to another headquarter office that also operates an allowed industrial use on the site. The applicant has provided a marketing report, which identifies a need for additional office space in the identified primary market area (close-in Southeast) within the next two years.

Policy 5.2 Business Development

Sustain and support business development activities to retain, expand and recruit businesses.
Findings: Allowing the substantial amount of vacant office space on the subject site to be leased to a larger tenant base will support the expansion and recruitment of businesses in an area where additional office space will be needed in the next two years, and is therefore directly supportive of this policy.

Policy 5.4 Transportation System
Promote a multi-modal regional transportation system that encourages economic development.
Findings: The policies associated with the transportation system are addressed below in response to Goal 6, Transportation.

Policy 5.8 Diversity and Identity in Industrial Areas
Promote a variety of efficient, safe and attractive industrial sanctuary and mixed employment areas in Portland.

Findings: The proposal is consistent with this policy in that the requested Mixed Employment Comprehensive Plan Map designation allows most of the industrial uses permitted under the existing designation, while also allowing with limits more diverse uses including office and retail. The desired character of development in the proposed designation is one that encourages mixed-use development in an industrial setting. This desired character is appropriate for the subject site given its development with a substantial amount of office space (much of which has been built in recent years and is likely to remain on the site for an extended period of time), and its proximity to a single-dwelling residential neighborhood. The standards of the corresponding zones to the Mixed Employment designation, as stated in the purpose statement for the zones, are specifically intended “to promote viable and attractive industrial/commercial areas.” These standards include landscaped setbacks up to 25 feet in depth along street lot lines, a minimum of 15 percent of the site being in landscaped area, and pedestrian circulation standards that connect main building entrances to adjacent streets as well as interconnecting building and parking areas within the site.

Policy 5.9 Protection of Non-industrial Lands
Protect non-industrial lands from the potential adverse impacts of industrial activities and development.

Findings: While both the existing and proposed designation allow a variety of industrial uses, the intent of the corresponding zones to the existing Industrial Sanctuary designation (IG1, IG2 and IH) is to provide areas where most (or all) industrial uses may operate, including those not desirable in other zones due to the objectionable impacts or appearance of the industrial uses. The intent of the corresponding zones to the proposed Mixed Employment designation (EG1 and EG2) is to promote a wide range of employment opportunities, generally in an industrial setting. The mixed use characteristics of the Mixed Employment designation is more
appropriate for the site given its development largely with office space and its close proximity to a single-dwelling residential neighborhood.

**Goal 6 Transportation**

*Develop a balanced, equitable, and efficient transportation system that provides a range of transportation choices; reinforces the livability of neighborhoods; supports a strong and diverse economy; reduces air, noise, and water pollution; and lessens reliance on the automobile while maintaining accessibility.*

**Findings:** As detailed below in response to the applicable policies under Goal 6, Portland Transportation and Oregon Department of Transportation find that with recommended conditions of approval, the amendment request is equally or more supportive of Goal 6 than the existing Comprehensive Plan Map designation on the site.

**Policy 6.2 Public Involvement**

*Carry out a public involvement process that provides information about transportation issues, projects and processes to citizens, businesses and other stakeholders, especially to those traditionally underserved by transportation services, and that solicits and considers feedback when making decisions about transportation.*

**Finding:** As required by the Portland Zoning, all quasi-judicial land use reviews must be noticed to the public (Chapter 33.730). This notice requirement includes a mailed notice to affected property-owners, as well as to surrounding neighborhood and business associations, and city, regional and state agencies. The mailed notice solicits comments from the public on the proposed land use action. The site is also required to be posted with the proposed land use action at least 30 days in advance of the hearing. Responses were received and considered in making this recommendation, either in writing prior to the hearing or at the hearing before the Hearings Officer, from the Creston-Kenilworth Neighborhood Association, (Exhibit F.2), Hosford Abernathy Land Use and Transportation Committee (Exhibit H.4) and neighboring property owners (see, for example, Exhibit F.1). For Comprehensive Plan Map amendments, a public hearing is required before both the Hearings Officer and City Council, which provides additional opportunity for public comment.

**Policy 6.5 Traffic Classification Descriptions**

*Maintain a system of traffic streets that support the movement of motor vehicles for regional, interregional, interdistrict, and local trips as shown. For each type of traffic classification, the majority of motor vehicle trips on a street should conform to its classification description.*

**Policy 6.6 Transit Classification Descriptions**

*Maintain a system of transit streets that supports the movement of transit vehicles for regional, interregional, interdistrict, and local trips.*
Policy 6.7 Bicycle Classification Descriptions
Maintain a system of bikeways to serve all bicycle users and all types of bicycle trips.

Policy 6.8 Pedestrian Classification Descriptions
Maintain a system of pedestrianways to serve all types of pedestrian trips, particularly those with a transportation function.

6.9 Freight Classification Descriptions
Maintain a system of truck streets and districts and other freight facilities.

Policy 6.11 Street Design Classification Descriptions
Street Design Classification Descriptions identify the preferred modal emphasis and design treatments for regionally significant streets and special design treatments for locally significant streets.

Findings:

<table>
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<tr>
<th>Street</th>
<th>Traffic</th>
<th>Transit</th>
<th>Bicycle</th>
<th>Pedestrian</th>
<th>Freight</th>
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<td>Transit Access</td>
<td>City Bikeway</td>
<td>City Walkway</td>
<td>Freight District</td>
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The applicant has provided a Transportation Impact Analysis (TIA) prepared by Kittelson & Associates, Inc. The study was prepared to address transportation impacts associated with the proposed Comprehensive Plan Map and Zoning Map amendment. The TIA compares the reasonable worst-case scenario for the existing IG1 zoning (548,640 square feet of corporate headquarter office space and 65,250 square feet of warehouse space) with the reasonable worst-case scenario for the proposed EG2 zoning (651,920 square feet of corporate headquarter office space and 10,000 square feet of retail space). The results of the TIA indicate the transportation system has adequate level-of-service and street capacity to support the additional trips. However, the number of peak hour vehicle trips added to local service streets in the area by the additional square footage of office space in the EG2 zoning scenario is potentially significant. The existing volumes on some local service streets in the area are considered high and currently adversely impact neighborhood livability. Adding
trips on top of what is allowed in the current zone would increase these impacts on neighborhood livability.

Goal 6 promotes neighborhood livability among other items. A follow-up analysis (dated March 13, 2006) of the impacts on SE 25th Avenue was submitted, as well as driveway counts that were taken at all Fred Meyer site driveways (Exhibit A4). Upon review of existing driveway counts, Portland Transportation finds that PM peak hour volumes on SE 25th Avenue may increase by up to 20 percent. In addition, PM peak hour volumes on SE Gladstone Street east of the site may increase by up to 22 percent. Due to existing vehicle circulation patterns in the area, these percentages may be higher during AM peak hour, as well.

Based on the level of increased volumes associated with the worst-case EG2 scenario, Portland Transportation finds that providing a limitation on Office square footage that is based on the existing zoning square footages (618,100 square feet) plus a limitation of 10,000 square feet on Retail Sales and Service is more supportive of Policies 6.4 - 6.11 Classification Descriptions.

Providing the limitation on square footage that is based on the existing zoning square footages (618,100 square feet of Office plus 10,000 square feet of Retail Sales and Service) is more supportive of Policies 6.4 - 6.11 Classification Descriptions.

Policy 6.12 Regional and City Travel Patterns
Support the use of the street system consistent with its state, regional and city classifications and its classification descriptions.

Findings: The site has access to arterial streets in all directions. Southeast 26th Avenue is a Neighborhood Collector and is adjacent to the site. Southeast Holgate Boulevard is a Neighborhood Collector, and is accessed via SE 26th Avenue. Southeast Powell Boulevard is a Major City Traffic Street and is accessed via SE 26th Avenue. In addition, a number of local service streets in the area provide access to these identified arterials. This policy is met.

Policy 6.13 Traffic Calming
Manage traffic on Neighborhood Collectors and Local Service Streets consistent with the land uses they serve and to preserve and enhance neighborhood livability.

Findings: As noted in the discussion of the policies related to Classification Descriptions (Policies 6.4 - 6.11), limiting the square footage to 618,100 square feet of Office and 10,000 square feet of Retail Sales and Service, with a requirement for a Conditional Use review that will review transportation impacts associated with any institutional and medical/dental office uses that may locate on the site, is not expected to increase traffic impacts on local service streets over what is allowed under the IG1 zoning. In addition, Fred Meyer has a Good Neighbor Agreement with a number of
Neighborhood Associations and Business Associations. The purpose of the Good Neighbor Agreement is to provide a forum for addressing neighborhood traffic issues, potential traffic calming solutions, and strategies to reduce vehicle trips to the site.

Traffic calming on surrounding residential local service streets seemed, to the Hearings Officer, to be the most important concern of the neighborhood associations and nearby property owners who testified at the hearing or submitted written statements in this case. The Hearings Officer considered these comments, some of which requested placing “speed bumps” and/or “traffic circles” and/or turning restrictions (for example, upon SE Gladstone or SE Powell). The Hearings Officer finds that the concerns expressed regarding “cut-through” traffic exist under the current plan and zoning designations and will, in all likelihood, continue to exist if the applicant’s requested plan and zoning are approved under this application. The Hearings Officer also finds that if the subject site were developed, as legally permitted under the current plan and zoning designations, the “cut-through” traffic impacts upon the surrounding neighborhoods would likely be greater than today.

The Hearings Officer acknowledges that “cut-through” traffic may be a problem for this site and the surrounding residential areas. However, the Hearings Officer finds, based primarily upon the applicant’s traffic analysis, that with the requested plan and zoning, with the proposed “caps” and other conditions, will not significantly exacerbate the current “cut-through” problem. The Hearings Officer suggests that the neighborhood associations and nearby neighbors work with Portland Transportation to address the “cut-through” problem.

This policy is met.

Policy 6.16 Access Management
Promote an efficient and safe street system, and provide adequate accessibility to planned land uses.

Findings: The applicant has proposed removal of the Buffer overlay zone on SE 26th Avenue. As noted below in the discussion of the Buffer overlay zone removal, no significant changes in traffic patterns are expected as a result of this removal. Access to arterials is noted above in the discussion of Policy 6.12. This policy is met.

Policy 6.18 Adequacy of Transportation Facilities
Ensure that amendments to the Comprehensive Plan (including goal exceptions and map amendments), zone changes, conditional uses, master plans, impact mitigation plans, and land use regulations that change allowed land uses are consistent with the identified function and capacity of, and adopted performance measures for, affected transportation facilities.
Findings: The site fronts on three public streets that are currently improved with curbs and sidewalks. A Transportation Impact Analysis (TIA) was prepared by Kittelson & Associates, Inc, dated March 2006 (Exhibit A3). Acceptable level-of-service for intersections that are under City of Portland authority is LOS “D” or better. Southeast Powell Boulevard is a State Route. As such, Oregon Department of Transportation (ODOT) performance standards apply to the intersections on SE Powell Boulevard. A volume-to-capacity (v/c) ratio of 0.99 or lower is considered acceptable.

All intersections in the study area are expected to operate at LOS “D” or better at City intersections, and v/c of 0.99 or less under the proposed EG2 zoning, with the exception of SE Powell Boulevard/21st Avenue and SE Powell Boulevard/22nd Avenue. The study recommends mitigation at both intersections that will achieve ODOT performance standards. ODOT has indicated the mitigation concepts appear to be feasible, subject to review/approval by the State Traffic Engineer.

As noted above, Portland Transportation recommended providing a cap of 618,100 square feet of Office and 10,000 square feet of Retail Sales and Service. Therefore, mitigation at the intersections of SE Powell Boulevard/21st Avenue and SE Powell Boulevard/22nd Avenue would not be necessary.

A review of other uses allowed in the EG2 zone include medical/dental office and institutional uses (Schools; Colleges; Medical Centers; Religious Institutions; and Daycare). The number of vehicle trips generated by medical/dental office uses is significantly higher (more than two times) than the number of vehicle trips generated by a general office use. Institutional uses also have the potential to generate more trips than general office, and have other impacts associated with them. Neither of these scenarios were evaluated in the TIA. As such, Portland Transportation (and ODOT) recommended that prior to approval of any of these uses on this site, an evaluation of the transportation system be required.

BDS recommended to the Hearings Officer a condition of approval that allowed medical/dental office and schools, colleges, medical centers, religious institutions, and daycare uses on the site only if approved as a Conditional Use. The Hearings Officer concurs with this BDS recommendation. The approval criteria for the Conditional will be limited to those currently used in the Code to assess the transportation impact of proposed Conditional Uses. Specifically, the approval criteria would read:

1) The proposed use is in conformance with the street designations of the Transportation Element of the Comprehensive Plan; and

2) The transportation system is capable of supporting the proposed use in addition to the existing uses in the area. Evaluation factors include street capacity, level of
service, and other performance measures; access to arterials; connectivity; transit availability; on-street parking impacts; access restrictions; neighborhood impacts; impacts on pedestrian, bicycle, and transit circulation; safety for all modes; and adequate transportation demand management strategies.

It is recommended that proposals having up to 60,000 square feet of floor area in any one or combination of these uses be processed as a Type II Conditional Use review, and those proposals having more than 60,000 square feet of floor area in any one or combination of these uses be processed as a Type III Conditional Use review.

With a condition of a square footage limitation for Office and Retail Sales and Service uses, and a requirement for a Conditional Use review for future for medical/dental offices and institutions, this policy is met.

Policy 6.19 Transit-Oriented Development

Reinforce the link between transit and land use by encouraging transit-oriented development and supporting increased residential and employment densities along transit streets, at existing and planned light rail transit stations, and at other major activity centers.

Findings: TriMet route numbers 9, 10 and 66 serve the site on SE Powell Boulevard, SE 26th Avenue and SE Powell Boulevard, respectively. TriMet route number 9 is a “frequent service” route with service every 15 minutes or less throughout the day. This policy is met.

Policy 6.20 Connectivity

Support development of an interconnected, multimodal transportation system to serve mixed-use areas, residential neighborhoods, and other activity centers.

Findings: The applicant has provided a shadow street/pedestrian/bicycle access plan to address the City’s connectivity policies (Exhibit C2). This plan is acceptable to Portland Transportation and can be implemented under the authority of Title 17 Public Improvements with future land divisions or other development proposals. Easements, dedications and/or improvements can be required as part of these future proposals. Suggestions were made that vacated rights-of-way (such as Lafayette Street and “others”) should be “opened” and “improved”, including access from the site to Powell Park. (See Exhibits F.2 and H.4) The Hearings Officer finds this request reasonable in the event of a redevelopment of the site. However, until a specific redevelopment plan is proposed the Hearings Officer does not find it appropriate to condition this approval upon the “opening” of rights-of-way. In the future, upon redevelopment, the Hearings Officer finds the proposed “pedestrian/bicycle access plan” (Exhibit C.2) to be a reasonable starting point for providing additional connectivity for the general area.
This policy can be met with condition that future land divisions and other development proposals are in general compliance with the shadow street/pedestrian/bicycle access plan. (Exhibit C.2)

Policy 6.22 Pedestrian Transportation
Plan and complete a pedestrian network that increases the opportunities for walking to shopping and services, schools and parks, employment, and transit.

Policy 6.23 Bicycle Transportation
Make the bicycle an integral part of daily life in Portland, particularly for trips of less than five miles, by implementing a bikeway network, providing end-of-trip facilities, improving bicycle/transit integration, encouraging bicycle use, and making bicycling safer.

Findings: The site is currently improved with sidewalks. The shadow street/pedestrian/bicycle access plan provides for future increased pedestrian and bicycle circulation through the site (Exhibit C.2). These two policies are met.

Policy 6.25 Parking Management
Manage the parking supply to achieve transportation policy objectives for neighborhood and business district vitality, auto trip reduction, and improved air quality.

6.26 On-Street Parking Management
Manage the supply, operations, and demand for parking and loading in the public right-of-way to encourage economic vitality, safety for all modes, and livability of residential neighborhoods.

6.27 Off-Street Parking
Regulate off-street parking to promote good urban form and the vitality of commercial and employment areas.

Findings: The applicant indicates there are currently 1,468 on-site parking spaces. The parking supply provides space for both employees and visitors to the site. Based on this number of parking spaces, there are not expected to be negative parking impacts from the proposed Zoning Map Amendment. Parking minimum and maximum standards of Zoning Code Chapter 33.266 (Parking and Loading) will continue to apply to the site. This policy is met.

Policy 6.28 Travel Management
Reduce congestion, improve air quality, and mitigate the impact of development-generated traffic by supporting transportation choices through demand management programs and measures, and through education and public information strategies.
Findings: The applicant has an Alternative Transportation Study with Recommendations dated January 1997 (Exhibit A6). This study was prepared by Wright TDM Consulting to provide Fred Meyer with a Transportation Demand Management (TDM) plan. In addition, Fred Meyer participates in a Good Neighbor Agreement with a number of Neighborhood Associations, Business Associations and City Agencies. The purpose of the Good Neighbor Agreement is, in part, to address neighborhood concerns regarding cut-through traffic, as well as provide a forum for Fred Meyer to discuss development proposals. These two formats adequately provide TDM strategies. This policy is met.

Policy 6.30 Truck Movement
Provide a complete, safe, and reliable system of Major and Minor Truck Streets for local truck movement, connecting Freight Districts, intermodal facilities, and commercial areas.

Findings: The subject site is located within a Freight District. This policy is met.

Goal 8 Environment
Maintain and improve the quality of Portland's air, water and land resources and protect neighborhoods and business centers from detrimental noise pollution.

Findings: As addressed below in the relevant policies under this goal, the requested amendment will be equally or more supportive of Goal 8 than the existing designation.

Policy 8.4 Ride Sharing, Bicycling, Walking, and Transit
Promote the use of alternative modes of transportation such as ridesharing, bicycling, walking, and transit throughout the metropolitan area.

Findings: The proposed Mixed Employment designation will accommodate a wider range of uses than would otherwise be allowed outright if the subject site retained its existing Comprehensive Plan map designation. This greater diversity of allowed uses has the potential to increase employment opportunities. Given the site's proximity to residential neighborhoods and to SE Powell Boulevard, a designated Major Transit Priority Street, these employment opportunities can be accessed by alternative modes of transportation including bicycling, walking and public transit.

Policy 8.8 Groundwater Protection
Conserve domestic groundwater and surface water resources from potential pollution through a variety of regulatory measures relating to land use, transportation, and hazardous substances.

Policy 8.10 Drainageways
Regulate development within identified drainageways for the following multiple objectives.
Findings: Policies 8.8 and 8.10 are not impacted by the proposed designation. Issues dealing with the quantity and quality of stormwater runoff will be addressed by the Bureau of Environmental Services through the implementation of the City’s Stormwater Management Manual. Required landscape standards of the corresponding zoning designations will also help address issues related to the quantity and quality of stormwater on the site. Minimum landscape requirements, in combinations with BES’ stormwater management regulations, will apply to the site regardless of the Comprehensive Plan Map designation on the site.

Policy 8.20 Noise Abatement Strategies
Reduce and prevent excessive noise levels from one use which may impact another use through on-going noise monitoring and enforcement procedures.

Findings: Noise generated by uses on the site, whether under the existing designation or proposed designation, is regulated by Portland City Title 18 and will continue to apply to the site. Conformance with Title 18 ensures that Policy 8.20 will be met.

Goal 9 Citizen Involvement
Improve the method for citizen involvement in the on-going land use decision-making process and provide opportunities for citizen participation in the implementation, review and amendment of the adopted Comprehensive Plan.

Policy 9.1 Citizen Involvement Coordination
Encourage citizen involvement in land use planning projects by actively coordinating the planning process with relevant community organizations, through the reasonable availability of planning reports to city residents and businesses, and notice of official public hearings to neighborhood associations, business groups, affected individuals and the general public.

Policy 9.3 Comprehensive Plan Amendment
Allow for the review and amendment of the adopted Comprehensive Plan which insures citizen involvement opportunities for the city’s residents, businesses and organizations.

Findings: As noted above, the City and the applicant have complied with the mandated neighborhood notification requirements identified in the Portland Zoning Code. This includes posting the site with a description of the proposal at least 30 days prior to the hearing; mailing affected property-owners, neighborhood associations, district coalition offices, and business associations a written description of the proposal (with exhibits) and notifying them of the opportunity to comment on the proposal, and holding public hearings before the Hearings Officer and City Council.
The HAND Land Use and Transportation Committee expressed concern that this policy had not been satisfied. (Exhibit H.4) Other testimony/correspondence suggests that the applicant has met and/or exceeded the legal requirements for citizen involvement. (Exhibit F.2) The Hearings Officer finds that the applicant, in particular through its Good Neighbor Agreement, has met or exceeded the spirit of this citizen involvement policy. As such, Goal 9 will be equally met.

Goal 10 Plan Review and Administration
Portland's Comprehensive Plan will undergo periodic review to assure that it remains an up-to-date and workable framework for land use development. The Plan will be implemented in accordance with State law and the Goals, Policies and Comprehensive Plan Map contained in the adopted Comprehensive Plan.

Findings: As indicated below in response to the applicable policies, the proposal will be equally or more supportive of this goal as is the existing designation.

Policy 10.4 Comprehensive Plan Map
The Comprehensive Plan Map is the official long-range planning guide for uses and development in the city. The Comprehensive Plan Map uses the designations listed below. The designations state the type of area each is intended for, general uses and development types desired, and the corresponding zone or zones which implement the designation. Comprehensive Plan Map designations are shown on the Official Zoning Maps.

Finding: The proposed Mixed Employment designation, as it is described under this policy, more appropriately reflects conditions at the site than the existing Industrial Sanctuary designation, as it is described under this policy. Generally, the Mixed Employment designation is described as being used in areas where a wide variety of employment opportunities are encouraged in an industrial-type setting. Commercial uses are allowed but limited in intensity to maintain adequate industrial opportunities. The Industrial Sanctuary Comprehensive Plan Map designation is generally described as being used in areas where industrial development can occur, with nonindustrial uses limited to prevent land use conflicts and to preserve land for industry. Because the site is already developed with a substantial amount of Office space, more than 400,000 square feet, approximately 220,000 square feet of industrial-related uses, and 5,000 square feet of daycare use, it presents a mixed-use development that will likely remain on the site for the near future.

Policy 10.5 Corresponding Zones and Less Intense Zones
Corresponding zones are zones which best implement a Comprehensive Plan Map designation. Base zones must either be the zone corresponding to the designation, or be a zone less intense than the corresponding zone. When the Comprehensive Plan Map is amended legislatively and the underlying base zones are more intensive than allowed by the amended Plan Map, the zones are automatically changed to
corresponding zones. When the Comprehensive Plan Map is amended through a
quasi-judicial review and the underlying base zone is more intensive than allowed by
the amended Plan Map, the zone must be changed to a corresponding zone as part of
the review. In either situation, when the underlying base zone is less intensive than
the corresponding zone, the underlying zone may remain. Base zones that are
corresponding, less intense, and more intense for each designation are shown in Table 10.4-1.

Findings: The applicant is requesting a Comprehensive Plan Map amendment from the
Industrial Sanctuary designation to the Mixed Employment designation. The Mixed
Employment designation has two corresponding zones – General Employment 1 (EG1)
and General Employment 2 (EG2). As discussed in more detail in response to the Zoning
Map Amendment approval criteria, the applicant is requesting an EG2 designation for the
site. Because the EG2 zone corresponds to the Mixed Employment designation, this
policy is met.

Policy 10.7, Amendments to the Comprehensive Plan Map
Quasi-judicial amendments to the Comprehensive Plan Map will be reviewed by the
Hearings Officer prior to City Council action, using procedures stated in the zoning
code. For quasi-judicial amendments, the burden of proof for the amendment is on the
applicant. The applicant must show that the requested change is: (1) Consistent and
supportive of the appropriate Comprehensive Plan Goals and Policies, (2) Compatible
with the land use pattern established by the Comprehensive Plan Map, (3) Consistent
with the Statewide Land Use Planning Goals, and (4) Consistent with any adopted
applicable area plans adopted as part of the Comprehensive Plan.

Findings:
1) Consistent and supportive of the appropriate Comprehensive Plan Goals and
Policies.

The approval criteria contained in Zoning Code Section 33.810.050.A require the
applicant to demonstrate the requested amendment is equally or more supportive
of applicable goals and policies of the Comprehensive than the existing
designation. As detailed in the findings included herein, the applicant has
demonstrated, with conditions of approval, that this criterion is met.

2) Compatible with the land use pattern established by the Comprehensive Plan
Map.

The proposed designation better reflects and protects the established land use
pattern in the area. While the site is mapped with the Industrial Sanctuary
designation, it is largely developed with office and accessory surface parking. The
subject site is adjacent to industrial uses to the west (mapped with the Industrial
Sanctuary designation), residential uses to the southwest and south and east (located in High Density Single-Dwelling and Attached Residential designations), and parkland (mapped with the Open Space) designation to the north. Changing the designation from Industrial Sanctuary to Mixed Employment reflects the industrial nature of the area to the west, while recognizing that the site is developed with office uses. The Mixed Employment designation also provides an improved buffer between the industrial area to the west and the residential and open space areas to the north east and south.

3) **Consistent with the Statewide Land Use Planning Goals.**

The requested Comprehensive Plan Map amendment is consistent with the applicable Statewide Land Use Planning Goals, since the State Land Conservation and Development Commission (LCDC) has acknowledged the City's *Comprehensive Plan*, and the City goals mentioned in "LCDC and Comprehensive Plan Considerations" are comparable to the statewide planning goals, as follows: City Goal 1 is the equivalent of State Goal 2 (Land Use Planning); City Goal 2 addresses the issues of State Goal 14 (Urbanization); and City Goal 3 deals with local issues of the neighborhoods. Additionally, the following City and State goals are similar: City Goal 4 - State Goal 10 (Housing); City Goal 5 - State Goal 9 (Economic Development); City Goal 6 - State Goal 12 (Transportation); City Goal 7 - State Goal 13 (Energy Conservation); City Goal 8 - State Goals 5, 6, and 7 (Environmental Impacts); and City Goal 9 - State Goal 1 (Citizen Involvement). Furthermore, City Goal 10 addresses City plan amendments and rezoning, and City Goal 11 is similar to State Goal 11 (Public Facilities and Services).

4) **Consistent with any adopted applicable area plans adopted as part of the Comprehensive Plan.**

The site is located within the boundaries of the *Brooklyn Neighborhood Plan*. The HAND Land Use and Transportation Committee (Exhibit H.4) states that the HAND neighborhood plan (at least the "points" set forth in its response) must be addressed as part of this review. The Hearings Officer finds that the property subject to this application is within the Brooklyn Neighborhood boundary but only in close proximity to the Hosford-Abernethy neighborhood boundaries. The Hearings Officer finds that the *Brooklyn Neighborhood Plan* must be considered under this policy and that other plans, such as the *Hosford-Abernethy Neighborhood Plan* may be considered. The Hearings Officer reviewed the HAND response and find, overall, that the plan policies identified are supported by this application. In particular, many of the HAND neighborhood plan comments relate to current conditions and does not state how this application will create negative impacts (See for example, Exhibit H.4 comments relating to Policy 1: Parks, Policy 2: Housing, and Policy 3: Transportation).
As detailed below, on balance the proposed designation is equally or more supportive of the following applicable policies and/or objectives in the Brooklyn Neighborhood Plan than the existing designations on the subject site:

**Policy 1: Neighborhood Identity**

*Develop a strong neighborhood identity that creates a sense of place and belonging for residents of Brooklyn and unifies residential, commercial and industrial interests into a cooperative force for mutual improvement and advancement.*

The objective under this policy that most relevant to the requested land use review is Objective 1.2, which calls for promoting Brooklyn as a livable neighborhood with a strong sense of community. Fred Meyer has been an integral part of the neighborhood for the past 42 years. In recognition of its role as an involved member of this community, Fred Meyer established in 2000 a Good Neighbor Agreement (Exhibit G3), which includes as participating parties Brooklyn Action Corp, Creston-Kenilworth Neighborhood Association, Hosford-Abernethy Neighborhood Development, Reed Neighborhood Association, Richmond Neighborhood Association, Southeast Uplift Neighborhood Program, as well as other area interests. The purpose of the agreement is to maintain and increase communication, and ensure development of the site adds to the livability of the surrounding neighborhood. The signed Agreement indicates it will remain in effect until a majority of supporting members vote to dissolve the Agreement. This Agreement is directly supportive of Policy 1.

Additionally, the requested amendment proposes mapping a Design ("d") overlay zone on the subject site. With the "d" overlay, development on the site will be subject to a formal design review process that will ensure compatibility with the surrounding area, and involve public input. Under the current designation, there is no requirement for design review, with development subject only to the base zone development standards.

**Policy 2: Neighborhood Livability and Safety**

*Nurture and sustain a vibrant, safe, diverse and stable community by fostering cooperation and commitment among Brooklyn’s residential, commercial and industrial inhabitants.*

While none of the stated objectives under this policy are relevant to the requested review, the wording of the policy itself is pertinent to the situation of Fred Meyer as a commercial/industrial use, existing side by side with residential and industrial uses. Again, the cited Good Neighbor Agreement is directly intended to promote cooperation and commitment among these diverse neighborhood interests, and therefore, is directly supportive of the policy.
Policy 4: Housing
Preserve, protect and improve existing housing stock while providing the opportunity for new housing for people of all ages and income levels.

The objective under this policy that is most relevant to the requested review is Objective 4.5, which states, “Preserve the residentially-zoned housing along SE 25th and SE 26th Avenue in order to retain existing residences and prevent further encroachment of industrial uses.” The requested amendment is to change the Comprehensive Plan Map (and Zoning Map) designation on the site from Industrial to Mixed (General) Employment. While both the existing and proposed designations allow a variety of industrial uses, the proposed designation prohibits the most (potentially) noxious industrial uses, such as waste-related uses. This restriction is appropriate given the subject site’s proximity to existing residential and park uses. The proposed Mixed (General) Employment designation provides a greater array of employment opportunities on the site, which better reflects the existing uses on the site, and which will provide a more appropriate buffer between industrial designation and uses to the west, and the residential and open space uses to the north, south and east. Conditions of approval on the requested Employment designation on the site, which will limit the amount of office floor area and retail space on the site, and allow institutional uses only if approved through a Conditional Use review process, will better ensure that there will be no significant increased traffic impacts on adjacent areas.

Policy 5: Land Use
Maintain and solidify the residential character of Brooklyn, while promoting a supportive relationship among the residential, commercial and industrial interests of the neighborhood.

Only Objective 5.1 of this policy, which is intended to encourage effective buffers such as setbacks and landscaping between commercial or industrial uses and residential uses is applicable to the requested review.

The applicant has requested removal of the Buffer ("b") overlay along the SE 26th Avenue frontage of the property. The Buffer overlay is intended to provide a visual screen between potentially incompatible uses, and to limit vehicle access through the Buffer overlay. The visual screening aspects of the Buffer overlay would be addressed by development standards of the proposed EG2 zoning, and by the application of a Design overlay zone on the property. Development under the proposed EG2 zone requires a minimum building setback of 25 feet from street lot lines, with a landscaped buffer (ranging in depth from five to 10 feet) required between any exterior storage area, display area or parking area and the street lot line. (This compares to a zero foot building setback in the existing IG1 zone on the site, and a 20 foot deep landscaped setback with the existing Buffer
overlay zone.) With the Design overlay, development will be reviewed for its compatibility with the surrounding area.

For the subject site, the existing Buffer overlay has never served the purpose of limiting vehicle access through the “b” overlay. This is because there are already existing curbcuts along the SE 26th Avenue which allow access to and from the site. As such, removing the Buffer overlay will have little impact on vehicle access to and from the site along SE 26th Avenue.

**Policy 7: Transportation**

*Encourage a transportation system that is energy-efficient, safe, and pedestrian-and bicycle-friendly while it minimizes traffic impacts on the residential neighborhood and on business operations.*

The most relevant objective under this policy is Objective 7A.1, which calls for discouraging commuter and truck traffic on residential streets. Written comments received from an area resident (Exhibit F.1) the Creston-Kenilworth Neighborhood Association (Exhibit F.2) and the HAND Land Use and Transportation Committee (Exhibit H.4) all raise the issue of cut-through traffic on area residential streets. The applicant’s traffic consultant acknowledges this activity, in their study of SE 25th Avenue (Exhibit A.4). The recommended conditions of approval are intended to ensure that if the requested map amendment is approved that the situation is not exacerbated. These conditions include a cap on the amount of office floor area, and a requirement for a Conditional Use for uses that normally would be allowed by right under the proposed designation but prohibited under the existing designation. The purpose for the Conditional Use review is expressly to consider transportation impacts associated with the uses.

**Policy 8: Business and Industry**

*Improve the neighborhood as a location for business and industry while preserving and enhancing it as a place to live.*

This policy includes a variety of objectives. One objective is in part intended to encourage commercial uses that are compatible with the residential neighborhood. A change in the map designation from Industrial Sanctuary to Mixed Employment (with corresponding change in zone from IGI to EG2) reduces the type of noxious industrial uses that could locate on the site. The existing juxtaposition of industrial zoning side by side with single-dwelling residential and open space zoning only encourages the potential for incompatible uses to locate close to one another. The proposed Mixed Employment designation encourages a more appropriate character of development in the area, and serve as a more appropriate buffer between the industrial areas to the west and open space and residential uses to the north, south and east.
This policy also included an objective to encourage businesses to attain a higher standard of appearance. The proposal to map a Design overlay zone on the site is intended to do exactly that.

Policy 8 also includes an objective that seeks to maintain channels of communication between businesses and residents. The Fred Meyer Good Neighbor Agreement, to which a variety of neighborhood and business interests are signatories, is largely intended to ensure that communication between Fred Meyer and the surrounding neighborhood is maintained. This agreement will not be changed as a result of the requested map amendment.

Policy 10: East of Seventeenth Avenue
Maintain and promote the area East of Seventeenth as an industrial, manufacturing and distribution center while minimizing impacts on residentially-zoned areas.

The subject site is at the eastern edge of a smaller, but regionally significant, employment area, and serves more as a buffer between the industrial uses to the west of the site and the nearby residential areas. The proposed designation will preserve mixed employment opportunities on the site, with limits on the size of commercial uses that will retain the industrial-setting of the area east of SE 17th Avenue and west of SE 26th Avenue.

Policy 10.8 Zone Changes
Base zone changes within a Comprehensive Plan Map designation must be to the corresponding zone stated in the designation. When a designation has more than one corresponding zone, the most appropriate zone will be applied based on the purpose of the zone and the zoning and general land uses of surrounding lands. Zone changes must be granted when it is found that public services are presently capable of supporting the uses allowed by the zone, or can be made capable prior to issuing a certificate of occupancy. The adequacy of services is based on the proposed use and development. If a specific use and development proposal is not submitted, services must be able to support the range of uses and development allowed by the zone. For the purposes of this requirement, services include water supply, sanitary sewage disposal, stormwater disposal, transportation capabilities, and police and fire protection.

Findings: As discussed in Part B of this report, which includes findings for the requested Zoning Map amendment, the applicant has demonstrated that the requested EG2 Zoning Map designation corresponds to the proposed Mixed Employment Comprehensive Plan Map designation, and that with conditions of approval public services are presently capable of supporting uses allowed in the EG2 zone. As such, the proposal is supportive of this policy.
Policy 10.13 Design Review

Develop recommendations for Council consideration for additional areas where design review would be appropriate and prepare design review standards for both existing and proposed areas.

Findings: The applicant is proposing mapping a Design ("d") overlay on the Fred Meyer site. As such, alterations to existing development, and any new development would be subject to the City's Design Review process. The applicant's request for the "d" overlay comes from the Fred Meyer Good Neighbor Agreement, which states that should Fred Meyer seeks a zone change from Industrial to Employment the site will be subject to formal Design Review. Given the unique nature of the site, in terms of the uses, scale of (existing and potential proposed) development, and the site's proximity to single-dwelling and open space uses, the Design overlay designation is appropriate.

Goal 11 Public Facilities
(11 A) Provide a timely, orderly and efficient arrangement of public facilities and services that support existing and planned land use patterns and densities.

Policy 11.2 Orderly Land Development
Urban development should occur only where urban public facilities and services exist or can be reasonably made available.

Findings: The proposed Comprehensive Plan Map amendment has been reviewed by the City service bureaus, and with the exception of Portland Transportation, these bureaus have expressed no concern with the amendment request (Exhibits E1-E8). To minimize impacts on existing transportation infrastructure, Portland Transportation has proposed conditions of approval that limit the intensity of development, and types of uses that are allowed outright on the site (Exhibit E8). With the conditions of approval, Portland Transportation finds that the transportation system is capable of accommodating the proposal.

Goal 12 Urban Design
Enhance Portland as a livable city, attractive in its setting and dynamic in its urban character by preserving its history and building a sustainable legacy of quality private developments and public improvements for future generations.

Findings: The requested Mixed Employment designation (and corresponding EG2 zone) better meets this policy than the existing Industrial Sanctuary (and corresponding IG1) designation. The existing IG1 zone has no limit on the maximum amount of floor area developed on the site, nor any height limit. There are no minimum setbacks from street lot lines, with no minimum site landscaping requirements (aside from screening for parking, and exterior storage, display and work areas). The depth of required landscaping in the EG2 that screens exterior storage, display and work activity areas from the street...
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and adjoining properties is at least double that required by the existing IG1 zone. Together, the additional standards required in the proposed designation result in a more attractive development that better fits into a neighborhood that includes open space and single-dwelling residential uses.

The applicant's request to map the Design overlay zone on the site ensures that the proposed designation better meets Goal 12 than the existing designation. With the Design overlay zone, alterations to existing development and any new development on the site will be subject to Design Review.

Summary
Based on these findings, the requested Comprehensive Plan Map amendment to Mixed Employment is on balance equally or more supportive of the applicable Comprehensive Plan goals and policies as is the existing Industrial Sanctuary designation. This criterion is met.

2. When the requested amendment is:
   • From a residential Comprehensive Plan Map designation to a commercial, employment, industrial, or institutional campus Comprehensive Plan Map designation; or
   • From the urban commercial Comprehensive Plan Map designation with CM zoning to another commercial, employment, industrial, or institutional campus Comprehensive Plan Map designation;

   the requested change will not result in a net loss of potential housing units. The number of potential housing units lost may not be greater than the potential housing units gained.

   Findings: Because the existing Comprehensive Plan Map designation is neither residential nor Urban Commercial with a CM zone, this criterion is not applicable.

3. When the request is for a site within the Guild’s Lake Industrial Sanctuary plan district and involves a change from the Industrial Sanctuary designation to any other designation, in order to prevent the displacement of industrial uses and preserve land primarily for industrial uses, the following criteria must also be met:
   a. The uses allowed by the proposed designation will not have significant adverse effects on industrial uses in the plan district or compromise the district’s overall industrial character;
   b. The transportation system is capable of safely supporting the uses allowed by the proposed designation in addition to the existing uses in the plan district. Evaluation factors include street capacity and level of service, truck circulation, access to arterials, transit availability, on-street parking impacts,
site access requirements, neighborhood impacts, and pedestrian and bicycle circulation and safety;

c. The uses allowed by the proposed designation will not significantly interfere with industrial use of the transportation system in the plan district, including truck, rail, and marine facilities; and

d. The proposed designation will preserve the physical continuity of the area designated as Industrial Sanctuary within the plan district and not result in a discontinuous zoning pattern.

Findings: Because the site is not within the Guild’s Lake Industrial Sanctuary plan district, this criterion is not applicable.

PART B BASE ZONE MAP AMENDMENT

33.855.050 Approval Criteria for Base Zone Changes

An amendment to the base zone designation on the Official Zoning Maps will be approved if the review body finds that the applicant has shown that all of the following approval criteria are met:

A. Compliance with the Comprehensive Plan Map. The zone change is to a corresponding zone of the Comprehensive Plan Map.

1. When the Comprehensive Plan Map designation has more than one corresponding zone, it must be shown that the proposed zone is the most appropriate, taking into consideration the purposes of each zone and the zoning pattern of surrounding land.

Findings: The applicant proposes a Comprehensive Plan Map designation of Mixed Employment, which has two corresponding zones: General Employment 1 (EG1) and General Employment 2 (EG2). The EG1 and EG2 zones are described in Zoning Code Section 33.140.030.A1 and A2, respectively, as follows:

EG1 areas generally have smaller lots and a grid block pattern. The area is mostly developed, with sites having high building coverages and buildings which are usually close to the street. EG1 zoned lands will tend to be on strips or small areas.

EG2 areas have larger lots and an irregular or large block pattern. The area is less developed, with sites having medium and low building coverages and buildings which are usually set back from the street. EG2 zoned lands will generally be on larger areas than those zoned EG1.

Because the subject site is large in area, in excess of 28 acres, with its size breaking the grid block pattern of the surrounding area, the EG2 zone best reflects the characteristics of the site. Lots in the surrounding non-residential area are not intensively developed, and
typically have a relatively low building coverage with large paved open areas. As indicated in the description above, the EG1 zone is intended to be mapped on strips or small areas, characteristics that are inconsistent with those found at the subject site.

As for being consistent with the zoning pattern in the immediate area, the surrounding area is characterized by a mixture of zones and a resulting mixture of uses. The area to the west and southwest of the site is in a General Industrial 1 (IG1) zone, with development consisting largely of light industrial uses, as well as the Brooklyn rail yard. The properties immediately south of the site, fronting SE Gladstone Street, are in a General Employment 2 (EG2) zone, with the area just south of these properties located in a Single-Dwelling (R5) zone. The area southeast and east of the site is also located in the Single-Dwelling zones (R2.5 and R5), with the area north of the site in an Open Space (OS) zone. While the only General Employment zoning near the site is EG1, this is mapped on small lots ranging in size from approximately 4,000 square feet to 10,000 square feet.

The Creston-Kenilworth Neighborhood Association questioned whether the EG1 zone would not be the better zone, as it would encourage a more urban development pattern that would compliment the surrounding area. This urban form with development built close to the street may be desired for some types of uses that may be compatible with adjacent single-dwelling residential areas. However, the EG1 zone is still an industrially-oriented zone with a wide array of allowed industrial uses that may not be appropriately located close to the street and across from residential uses. The EG2 zone provides better protection for the surrounding residential uses given the variety of industrial uses that could be built on the site. For proposed development that may be appropriate to place close to the street, this can be accomplished through implementation of the Community Design Guidelines. An intent of the Community Design Guidelines is to promote design that is contextual with the desired character of the surrounding area. As such, the EG2 zone provides better assurance than the EG1 zone that the array of possible industrial development on the site does not adversely impact the adjacent residential neighborhood, while the Design overlay (and implementation of the Community Design Guidelines) allows development that would positively contribute to the desired urban form that the Creston-Kenilworth Neighborhood Association seeks.

Based on these findings, the EG2 zone, with the Design overlay zone, is the most appropriate of the two corresponding zones of the Urban Commercial designation, and this criterion is met.

2. Where R zoned lands have a C, E, or I designation with a Buffer overlay, the zone change will only be approved if it is for the expansion of a use from abutting nonresidential land. Zone changes for new uses that are not expansions are prohibited.

Findings: As the subject site is not mapped with a residential zone, this criterion is not applicable.
3. When the zone change request is from a higher-density residential zone to a lower-density residential zone, or from the CM zone to the CS zone, then the approval criterion in 33.810.050 A.2 must be met.

Findings: The proposal does not involve a request from a higher density residential zone to a lower density residential zone, or from a CM zone to a CS zone. As such, this criterion is not applicable.

B. Adequate public services. Public services for water supply, transportation system facilities and capacity, and police and fire protection are capable of supporting the uses allowed by the zone or will be capable by the time development is complete, and proposed sanitary waste disposal and stormwater disposal systems are or will be made acceptable to the Bureau of Environmental Services.

1. Adequacy of services applies only to the specific zone change site.

2. Adequacy of services is based on the projected service demands of the site and the ability of the public services to accommodate those demands. Service demands may be determined based on a specific use or development proposal, if submitted. If a specific proposal is not submitted, determination is based on City service bureau demand projections for that zone or area which are then applied to the size of the site. Adequacy of services is determined by the service bureaus, who apply the demand numbers to the actual and proposed services to the site and surrounding area.

Findings: As indicated below, the Bureaus of Police, Fire, Environmental Services, BDS Site Development, and Water have responded that adequate existing services are available for the anticipated level of use(s) that may occur under the proposed zoning designation, with no conditions of approval required. Portland Transportation and Oregon Department of Transportation have responded that with conditions of approval, the transportation system is capable of supporting the uses allowed by the proposed zone.

Police Bureau (Exhibit E.1)
The Police Bureau responded they are capable of serving the proposal, and express no objections or concerns at this time.

Fire Bureau/Fire Prevention Division (Exhibit E.2)
The Fire Bureau reviewed the proposal for Access and Water issues and has no objections or conditions of approval associated with the requested land use review.

Bureau of Environmental Services (Exhibit E.3)
The Bureau of Environmental Services (BES) notes there are existing public sanitary and combination sewers on and surrounding this site. There is an existing 60" public combination sewer crossing through the northern portion of this site, and an existing 8"
public sanitary sewer located on the site near the western property boundary (at the center of the site). The stormwater runoff generated from the proposed development must meet the requirements of the City of Portland’s Stormwater Management Manual current at the time of building plan review.

BES modeling has assessed the requested land use review, and determined that the proposed change in zoning appears to have no impact on existing BES facilities at this time. Development of the property would be subject to the BES’ standards and requirements during the building plan review process. BES has no recommendations that are required to be included as conditions of approval for the requested land use review.

The HAND Land Use and Transportation Committee response (Exhibit H.4) states that the application “does not show any ‘on-site’ water detention structures. Such mitigation measures, if anticipated, should be submitted and shown.” The Hearings Officer disagrees with this HAND comment because no specific development is proposed under this application. Upon development or redevelopment of the subject site the applicant will be required to meet the City of Portland’s Stormwater Management Manual and that may, but not necessarily, will include ‘on-site’ water detention structures.

Bureau of Development Services/Site Development Section (Exhibit E.4)
Site Development understands there are no new projects associated with this request at this time. Any new development will be subject to Stormwater Management Manual requirements, as follows:

- Stormwater Destination/Disposal Hierarchy: The hierarchy is found on pages 1-18 and 1-19 of the Stormwater Management Manual. To summarize, the applicant must, in order, address the possibility of using on-site infiltration with a surface infiltration facility, on-site infiltration with a public infiltration sump, private drywell or soakage trench, off-site flow to a drainageway, river or storm-only pipe, and off-site flow to a combined sewer. Stormwater calculations may be required. Findings must be made to demonstrate that the proposed stormwater disposal meets the hierarchy requirements. Site Development finds that infiltration of stormwater is acceptable at this location.

Any new development must comply with the means of stormwater disposal identified in this review at the time of building plan review and construction. Site Development has no recommendations that are required to be included as conditions of approval for the requested land use review. Comments regarding the HAND stormwater response found in the BES section above are incorporated herein.

Bureau of Water Works (Exhibit E.6)
The Bureau of Water Works has no concerns with the requested land use review.

Portland Transportation/Development Review (Exhibit E.8)
Portland Transportation provided the following comments:

Adequacy of services is based on the projected service demands of the site and the ability of the public services to accommodate those demands. Service demands may be determined based on a specific use or development proposal, if submitted. If a specific proposal is not submitted, determination is based on City service bureau demand projections for that zone or area which are then applied to the size of the site. Adequacy of services is determined by the service bureaus, who apply the demand numbers to the actual and proposed services to the site and surrounding area.

The site fronts on three public streets that are currently improved with curbs and sidewalks. A Transportation Impact Analysis (TIA) was prepared by Kittelson & Associates, Inc, dated March 2006 (Exhibit A3). Acceptable level-of-service for intersections that are under City of Portland authority is LOS “D” or better. Southeast Powell Boulevard is a State Route. As such, ODOT performance standards apply to the intersections on SE Powell Boulevard. A volume-to-capacity (v/c) ratio of 0.99 or lower is considered acceptable.

All intersections in the study area are expected to operate at LOS “D” or better at City intersections, and v/c of 0.99 or less under the proposed EG2 zoning, with the exception of SE Powell Boulevard/21st Avenue and SE Powell Boulevard/22nd Avenue. The study recommends mitigation at both intersections that will achieve ODOT performance standards. ODOT has indicated the mitigation concepts appear to be feasible, subject to review/approval by the State Traffic Engineer (see ODOT comments, below).

As noted above in response to Goal 6, Portland Transportation recommends establishing a cap of 618,100 square feet of Office space and 10,000 square feet of Retail Sales and Service space. With these caps, mitigation at the intersections of SE Powell Boulevard/21st Avenue and SE Powell Boulevard/22nd Avenue would not be necessary.

A review of other uses allowed in the EG2 zone include medical/dental office and institutional uses, such as schools, colleges, medical centers, religious institutions, and daycare. The number of vehicle trips generated by a medical/mental office is significantly higher (more than two times) than the number of vehicle trips generated by a general office use. Institutional uses also have the potential to generate more trips than general office uses, and have other impacts associated with them. Neither of these scenarios were evaluated in the TIA. As such, Portland Transportation (and ODOT) recommend that prior to approval of any medical/dental office or institutional use on this site, an evaluation of the transportation system be required.

The Hearings Officer notes the HAND response disagrees with the above-referenced comments by PDOT. Generally, the HAND comments relate to existing conditions which will not change if this application is approved. The Hearings Officer finds that many of the HAND comments will need to be addressed upon further development or
redevelopment; but concerns such as the existing daycare being sited the "farthest distance from any alternative modes of transportation and the "existing industrial bridge...is not ADA accessible" (Exhibit H.4) are not relevant to this application.

**Oregon Department of Transportation (Exhibit E.9)**

Oregon Department of Transportation (ODOT) reviewed the proposal as the subject site is in the vicinity of SE Powell Boulevard, a State highway facility under the jurisdiction of ODOT. ODOT can support a finding that the amendment request has no significant impact if the City applies the following conditions of approval:

1) a. Development Option 1: General office space on the site shall be limited to 618,000 square feet, and retail limited to 10,000 square feet if the transportation improvements in paragraphs 3 and 4, below, are not implemented; or,

b. Development Option 2: General office space on the site shall be limited to 715,000 square feet, and retail limited to 10,000 square feet if the transportation improvements in paragraphs 3 and 4, below, are implemented;

2) A Conditional Use permit shall be required to allow a medical office, dental office, and/or college to locate on the site;

3) If using Development Option 2, above, the applicant is required to install in accordance with ODOT standards a southbound receiving lane, a northbound left-turn lane, and a shared northbound through/right-turn lane on the southern approach to the SE Powell Boulevard/SE 21st Avenue intersection;

4) If using Development Option 2, above, pending ODOT approval to the unmarked crosswalk modification at the SE Powell Boulevard/SE 22nd Avenue intersection, the applicant is required to install a raised curb median on the two-way left-turn lane that restricts the northern approach at the SE Powell Boulevard/SE 22nd Avenue intersection to a right-in/right-out only, and the southern approach to a left-in/right-in/right-out only;

5) The applicant may be required to modify wheelchair ramps along the sidewalks of SE Powell Boulevard and SE 22nd Avenue to accommodate the relocation of unmarked crosswalk(s) due to the installation of a raised curb median at the SE Powell Boulevard/SE 22nd Avenue intersection;

6) All work on ODOT right-of-way requires an ODOT miscellaneous permit from ODOT's District.

[Note: Because of the recommended condition that will cap Office use at 618,100 square feet, and Retail Sales and Service at 10,000 square feet, the street improvements noted by ODOT will not be required. A condition of approval will require Conditional Use review for institutional uses, and for medical and dental offices.]
Summary
Based on the responses from the service bureaus, and with the identified conditions of approval, this criterion is met.

C. When the requested zone is IR, Institutional Residential. In addition to the criteria listed in subsections A. and B. of this Section, a site being rezoned to IR, Institutional Residential must be under the control of an institution that is a participant in an approved impact mitigation plan or conditional use master plan that includes the site. A site will be considered under an institution's control when it is owned by the institution or when the institution holds a lease for use of the site that covers the next 20 years or more.

Findings: As the proposal does not involve mapping an IR zone, this criterion is not applicable.

PART C OTHER ZONING MAP AMENDMENTS

33.855.060 Approval Criteria for Other Changes
In addition to the base zones and Comprehensive Plan designations, the Official Zoning Maps also show overlay zones, plan districts, and other items such as special setback lines, recreational trails, scenic viewpoints, and historic resources. Amendments to all of these except historic resources and the creation of plan districts are reviewed against the approval criteria stated in this section. Historic resources are reviewed as stated in Chapter 33.846, Historic Reviews. The creation of a new plan district is subject to the approval criteria stated in 33.500.050. An amendment will be approved (either quasi-judicial or legislative) if the review body finds that all of the following approval criteria are met:

A. Where a designation is proposed to be added, the designation must be shown to be needed to address a specific situation. When a designation is proposed to be removed, it must be shown that the reason for applying the designation no longer exists or has been addressed through other means;

Findings: The applicant is requesting to add the Design ("d") overlay zone on the Fred Meyer portion of the site, and remove the Buffer ("b") overlay zone where it is mapped along the site’s SE 26th Avenue frontage (see Exhibits B1 and B2).

Addition of Design Overlay Zone
In 2000, a Good Neighbor Agreement was formed between Fred Meyer and neighborhood and business association interests that are in vicinity of the subject site (Exhibit G3). In addition to Fred Meyer, parties that have signed the Agreement include the Brooklyn Action Corp, Creston-Kenilworth Neighborhood Association, Hosford-Abernethy Neighborhood Development, Reed Neighborhood Association, Richmond Neighborhood Association, Southeast Uplift Neighborhood Program, Greater Brooklyn Business Association, Cleveland High School, Portland Parks and Recreation, and Portland Office of Transportation. The purpose of the Agreement is to increase
communication, ensure that development on the site adds to the livability of the surrounding neighborhood and Powell Park, ensure that building designs compliment the neighborhood and promote an "urban campus" feel, and to address transportation/parking issues associated with the site. More particular to issues of design, the Agreement obligates Fred Meyer to involve the parties to the Agreement in the review and development of major new development on the site, and evaluate such elements as architectural style, height, placement of entrances and loading docks, and location of trash and recycling areas. As part of this obligation, the Agreement states that if Fred Meyer seeks a zone change on the site from Industrial to Employment, Fred Meter will agree to subject development on the site to the City’s formal Design Review process.

In addition to fulfilling the obligations of the Good Neighbor Agreement, it also is appropriate to map the Design overlay zone on the Fred Meyer site given its unique characteristics and location. The site is 28.14 acres in size, and located side by side with a neighborhood to the north, east and south that consists largely of single-dwelling development on smaller lots. This surrounding area is also characterized by smaller blocks that are formed by a grid street system, with blocks typically in the range 450 feet by 200 feet. By comparison, the Fred Meyer site (somewhat irregularly shaped) measures approximately 1,370 feet by 940 feet. Additionally, the use and development of the site is unique for the area, characterized largely by multi-story office buildings located closer to the center of the site. The Design Review process is a means of better ensuring that future development on this unique site is compatible with the character of the surrounding neighborhood.

Removal of Buffer ("b") Overlay Zone
The Buffer overlay zone was placed on this property given the juxtaposition of an industrially zoned site across the street from a single-dwelling residentially zoned blockfront. Generally, the Buffer overlay zone is intended to provide a visual screen between potentially incompatible uses when the base zone standards do not provide adequate separation. The visual screen is achieved by requiring increased setbacks and landscaping. The Buffer overlay zone also limits impacts of incompatible uses located across from residential zones by limiting vehicle access through the Buffer setback.

As identified below, the existing and proposed situation on the subject site essentially negate the need for the Buffer overlay:

1) With the existing Industrial designation, buildings may be built to the street lot line, with exterior improvement areas (e.g., exterior display, storage and work activities) within five feet of the street lot line. With the proposed EG2 zoning, buildings are required to be set back at least 25 feet from the street lot line, with exterior improvement areas set back between 10 and 25 feet from street lot lines. As indicated in the purpose statement for the Buffer overlay zone, the zone is mapped “when the base zone standards do not provide adequate separation” (Zoning Code Section
33.410.010). Replacing the existing IG1 base zone with the EG2 zone ensures that adequate separation is provided between uses.

2) Topographic changes along the SE 26th Avenue frontage results in much of the Fred Meyer site being at a lower grade than the adjacent street and residential uses. This topographic change, combined with the landscaping that would be required by the EG2 base zone and Parking and Loading standards of Chapter 33.266, will provide a visual screen between development on the site and residential uses on the east side of SE 26th Avenue.

3) Portland Transportation reviewed the request to remove the Buffer overlay, and notes the site already has several vehicle access points through the Buffer overlay onto SE 26th Avenue (which pre-date the mapping of the Buffer overlay). Approximately 34 percent of Fred Meyer vehicle trips in the PM peak hour are using two of these access points on SE 26th Avenue. As such, removal of the Buffer overlay is not expected to significantly change the number of vehicles using SE 26th Avenue. Additionally, SE 26th Avenue is classified as a Neighborhood Collector, which is typically more appropriate for vehicle access than surrounding local service streets. Also, the types of vehicles generated by an Employment zone developed with Office uses typically have a “softer” impact on a nearby residential area than large amounts of heavy trucks that are typically generated by an Industrial site of this size. Therefore, Portland Transportation does not have any objections to the removal of the Buffer overlay.

Based on these findings, the criterion is met for the addition of the Design overlay zone and removal of the Buffer overlay zone.

B. The addition or removal is consistent with the purpose and adoption criteria of the regulation and any applicable goals and policies of the Comprehensive Plan and any area plans; and

Findings:

Addition of Design Overlay Zone
The Design overlay zone is intended in part to ensure that certain types of development will be compatible with the neighborhood and enhance the area (Zoning Code Section 33.420.010). Additionally, objectives included under Goal 12 (Urban Design) of the Comprehensive Plan seek to give form to the City and extend the intimate and human scale that typifies Portland. Goal 12 also advocates preserving and enhancing the character of Portland’s neighborhoods by encouraging the development of attractive and unique characteristics which aid each neighborhood in achieving its individual identity. This objective is echoed in the Brooklyn Neighborhood Plan, which under Policy 8 (Business and Industry), encourages businesses in the neighborhood to meet high standards of appearance. Mapping the Design overlay on a site that is unique in its character, size and location within the neighborhood is consistent with these purposes,
goals and objectives stated in the Zoning Code, Comprehensive Plan and neighborhood plan.

Removal of Buffer Overlay Zone
As indicated in the purpose statement for the Buffer overlay zone (Zoning Code Section 33.410.010), the intent of the overlay is to require additional buffering between nonresidential and residential zones when the base zone standards do not provide adequate separation. This is achieved largely by increased setback and landscape standards, and vehicle access limitations. The intent of the Buffer overlay is reiterated in Goal 5 (Economic Development) of the Comprehensive Plan in advocating “when industrial lands abut residential zoned lands, and there is no natural boundary, apply special buffer overlay zone provisions to ensure development is compatible.” The Brooklyn Neighborhood Plan also calls for buffering between incompatible uses (Policy 5, Land Use; and Policy 8, Business and Industrial. With the topographic site conditions identified above that place the Fred Meyer site below the grade of the street, and with the requested change in zone from Industrial to Employment (and the increased setbacks that come with the new zone), the request to remove the Buffer overlay is consistent with the purposes, goals and policies of the Zoning Code, Comprehensive Plan and neighborhood plan.

C. In the Marquam Hill plan district, relocation of a scenic viewpoint must be shown to result in a net benefit to the public, taking into consideration such factors as public access, the quality of the view, the breadth of the view, and the public amenities that are or will be available.

Findings: As the subject site is not in the Marquam Hill plan district, this criterion is not applicable.

DEVELOPMENT STANDARDS
Unless specifically required in the approval criteria listed above, this proposal does not have to meet the development standards in order to be approved during this review process. The plans submitted for a building or zoning permit must demonstrate that all development standards of Title 33 can be met, or have received an Adjustment or Modification via a land use review prior to the approval of a building or zoning permit.

III. CONCLUSIONS
The applicants are seeking a Comprehensive Plan Map amendment from Industrial Sanctuary to Mixed Employment, and a Zoning Map amendment from IG1 (General Industrial 1) with a Buffer overlay zone to EG2 (General Employment 2) with a Design overlay zone (for the Fred Meyer portion of the site).

The Hearings Officer, based upon the written record of this case, testimony received at the hearing and BDS staff recommendation, reviewed the Comprehensive Plan Map request against
the goals and policies of the Comprehensive Plan, and on balance finds the requested designation to be equally or more supportive of the Plan than the existing designation with several conditions of approval. The recommended conditions of approval are intended to address potential transportation impacts associated with the requested amendment, and to ensure compliance with Title 4 of the Urban Growth Management Functional Plan.

With regards to the requested Zoning Map amendment, BDS finds the EG2 zone the most appropriate of the two corresponding zones under the Mixed Employment Comprehensive Plan Map designation, given the site characteristics and surrounding conditions. With the condition of approvals recommended by Portland Transportation and Oregon Department of Transportation, adequate services are available to serve uses allowed under the proposed zone. The applicant has demonstrated that the reason for applying the Buffer overlay zone no longer exists, and that there is a need to map the Design overlay zone.

Opposition testimony, for the most part, focused upon traffic issues created by both the current and possible uses of the subject property. The Hearings Officer found that the traffic analysis provided by applicant, the professional review by Portland Transportation and ODOT, with the suggested conditions, support the applicant’s proposed change. The Hearings Officer also found many of the traffic concerns expressed by opponents (such as speed bumps, turn-circles and turn restrictions) are not directly relevant to the approval criteria and policies discussed in this recommendation. The Hearings Officer suggested, at the hearing, that the opponents work directly as individuals or through their recognized neighborhood associations with Portland Transportation to address these concerns.

IV. RECOMMENDATION

Approval of a Comprehensive Plan Map Amendment from Industrial Sanctuary to Mixed Employment;

and

Approval of a Zoning Map Amendment from General Industrial 1 (IG1) with a Buffer overlay zone, to General Employment 2 (EG2) for the Fred Meyer and Allende site, legally described as SECTION 11 1S 1E, TL 100, 16.52 ACRES; SECTION 11 1S 1E, TL 4300, 5.37 ACRES; SECTION 11 1S 1E, TL 100, 2.09 ACRES; SECTION 11 1S 1E, TL 200, 0.65 ACRES; SECTION 11 1S 1E, TL 6700, 2.00 ACRES; SECTION 12 1S 1E, TL 16300, 0.26 ACRES; SECTION 12 1S 1E, TL 2700, 1.54 ACRES;

and

Approval of a Zoning Map Amendment to map a Design overlay zone on the Fred Meyer site, legally described as SECTION 11 1S 1E, TL 100, 16.52 ACRES; SECTION 11 1S 1E, TL 4300, 5.37 ACRES; SECTION 11 1S 1E, TL 100, 2.09 ACRES; SECTION 11 1S 1E, TL 200, 0.65
ACRES; SECTION 11 1S 1E, TL 6700, 2.00 ACRES; SECTION 12 1S 1E, TL 2700, 1.54 ACRES;

and

with approvals subject to the following conditions:

A. The requested Comprehensive Plan Map/Zoning Map amendment will not go into effect until amendments to Metro’s Title 4 map have been completed that remove the site from the Regionally Significant Industrial Areas.

B. The maximum amount of floor area in the Office use category allowed on the site shall be limited to 618,100 square feet. This limitation includes headquarter office space. The maximum amount of floor area in the Retail Sales and Service use category allowed on the site shall be limited to 10,000 square feet. This condition relates only to the Fred Meyer ownership portion of the application and not to the Allende property.

C. Proposals on the site that include uses in any of the following use categories are allowed only if approved as a Conditional Use:

1) Schools;
2) Colleges;
3) Medical Centers;
4) Religious Institutions;
5) Daycare (does not include existing daycare in at its present location and in its present size); and
6) Medical/Dental Offices.

Proposals that involve uses in any one or combination of these uses, up to 60,000 square feet, will be processed as a Type II Conditional Use; proposals that involve uses in any one or combination of these uses, that are in excess of 60,000 square feet, will be processed as a Type III Conditional Use;

The Conditional Use approval criteria will be as follows:

1) The proposed use is in conformance with the street designations of the Transportation Element of the Comprehensive Plan; and

2) The transportation system is capable of supporting the proposed use in addition to the existing uses in the area. Evaluation factors include street capacity, level of service, and other performance measures; access to arterials; connectivity; transit availability; on-street parking impacts; access restrictions; neighborhood impacts; impacts on pedestrian, bicycle, and transit circulation; safety for all modes; and adequate transportation demand management strategies.
D. Land divisions and other development reviews (including building permits but excluding tenant improvements to existing buildings) shall be reviewed for general compliance with the shadow street/pedestrian/bicycle access plan (Exhibit C.2). The Portland Office of Transportation will address this plan under the authority of Title 17 (Public Improvements) as part of future land divisions or other development reviews.

Gregory J. Frank, Hearings Officer

Date

Application Determined Complete: January 11, 2006
Report to Hearings Officer: March 24, 2006
Recommendation Mailed: April 19, 2006

City Council Hearing. The City Code requires the City Council to hold a public hearing on this case and you will have the opportunity to testify. The hearing will be scheduled by the City Auditor upon receipt of the Hearings Officer’s Recommendation. You will be notified of the time and date of the hearing before City Council. If you wish to speak at the Council hearing, you are encouraged to submit written materials upon which your testimony will be based, to the City Auditor.

If you have any questions contact the Bureau of Development Services representative listed in this Recommendation (823-7700).

Recording the final decision. If this Land Use Review is approved, the final decision must be recorded by the Multnomah County Recorder before the approved use is permitted, any building or zoning permits are issued, or any changes to the Comprehensive Plan Map or Zoning Map are made.

The applicant, builder, or a representative may record the final decision as follows:

- By Mail: Send the two recording sheets (sent in separate mailing) and the final Land Use Review decision with a check made payable to the Multnomah County Recorder to: Multnomah County Recorder, P.O. Box 5007, Portland, OR 97208. The recording fee is identified on the recording sheet. Please include a self-addressed, stamped envelope.
In Person: Bring the two recording sheets (sent in separate mailing) and final Land Use Review decision with a check made payable to the Multnomah County Recorder to the County Recorder's office located at 501 SE Hawthorne Boulevard, #158, Portland, OR 97214. The recording fee is identified on the recording sheet.

For further information on recording, please call the County Recorder at (503) 988-3034.

Expiration of this approval. This decision expires three years from the date it is recorded unless:

• A building permit has been issued, or
• The approved activity has begun, or
• In situations involving only the creation of lots, the land division has been recorded.

Applying for your permits. A building permit, occupancy permit, or development permit must be obtained before carrying out this project. At the time they apply for a permit, permittees must demonstrate compliance with:

• All conditions imposed here.
• All applicable development standards, unless specifically exempted as part of this land use review.
• All requirements of the Building Code.
• All provisions of the Municipal Code of the City of Portland, and all other applicable ordinances, provisions and regulations of the City.
EXHIBITS
NOT ATTACHED UNLESS INDICATED

A. Applicant’s Statement
   1. Written statement addressing approval criteria
   2. Transportation Impact Analysis, dated December 2005
   3. Transportation Impact Analysis, dated March 2006
   4. E-mail from Joe Bessman (Kittelson & Associates), received March 16, 2006, including:
      • Letter addressing impacts on SE 25th Avenue;
      • Excerpts from 1999 report highlighting growth assumptions used in updated TIA; and
      • Manual driveway counts.
   5 E-mail from Bob Currey Wilson, dated February 28, 2006, including:
      • Background Description of proposal; and
      • HAND questions and answers
   6. Alternate Transportation Study and Recommendations, dated January 1997

B. Zoning Maps
   1. Existing Zoning (attached)
   2. Proposed Zoning (attached)

C. Plans & Drawings
   1. Existing conditions site plan (attached)
   2. Street/Pedestrian/Bicycle Access Plan (attached)

D. Notification information
   1. Request for Response
   2. Posting Letter Sent to Applicant
   3. Notice to be Posted
   5. Applicant’s Statement Certifying Posting, dated March 3, 2006
   6. Mailing List for Mailed Notice, for hearing date of March 1, 2006
   7. Mailed Notice, for hearing date of March 1, 2006
   8. Mailing List for Mailed Notice, for hearing date of April 5, 2006
   9. Mailed Notice, for hearing date of April 5, 2006
   10. DLCD Notice of Proposed Amendment

E. Agency Responses
   1. Police Bureau
   2. Fire Bureau/Fire Prevention Division
   3. Bureau of Environmental Services
   4. Bureau of Development Services/Site Development Review Section
   5. Bureau of Development Services/Life Safety Plans Examiner
   6. Bureau of Water Works
   7. Portland Parks & Recreation/Urban Forestry Division
   8. Portland Bureau of Transportation Engineering and Development Review
   9. Oregon Department of Transportation

F. Correspondence
Recommendation of the Hearings Officer
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1. Letter from Tom McGuire, dated March 16, 2006

G. Other
1. Original LUR Application
2. Site History Research
3. Fred Meyer Good Neighbor Agreement
4. Title 4 (text and map) from Metro Urban Growth Management Functional Plan
5. Pre-Application Conference Summary Notes

H. Received in the Hearings Office:
1. BDS Staff Report
2. Moyle e-mail
3. Kuhn memorandum
4. Dufay / HAND response
MAIN OFFICE CAMPUS
EXIST. CONDITIONS PLAN

CASE NO. 05-10400
EXHIBIT C-1

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