

Employment Zoning Project

EARLY IMPLEMENTATION OF THE 2035 COMPREHENSIVE PLAN

RECOMMENDED DRAFT – AUGUST 2016



City Council Public Hearings
October 6 and 13, 2016



August 2016
www.portlandoregon.gov/bps/employmentzoning



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- **By U.S. Mail:** Portland City Council, 1221 SW 4th Ave, Room 130, Portland, OR 97204, Attn: Comprehensive Plan Implementation
- Through the Map App: www.portlandmaps.com/bps/mapapp, click on Zoning Map Changes and use the comment tab to provide your testimony
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Acknowledgments

Portland City Council

Charlie Hales, *Mayor*

Nick Fish, *Commissioner*

Amanda Fritz, *Commissioner*

Steve Novick, *Commissioner*

Dan Saltzman, *Commissioner*

Portland Planning and Sustainability Commission

Katherine Schultz (Chair); André Baugh (Vice Chair); Chris Smith (Vice Chair); Jeff Bachrach; Mike Houck; Gary Oxman; Katie Larsell; Michelle Rudd; Eli Spevak; Teresa St. Martin; Margaret Tallmadge

Bureau of Planning and Sustainability

Charlie Hales, Mayor, Commissioner-in-charge

Susan Anderson, Director

Joe Zehnder, Chief Planner

Project Staff

Eric Engstrom, Principal Planner

Tom Armstrong, Supervising Planner

Steve Kountz, Senior Economic Planner, Project Manager

Shannon Buono, Senior Planner

Nick Kobel, Community Service Aide

Sara Wright, Community Outreach and Involvement Representative

Arlene Amaya, Community Service Aide II

Tabitha Boschetti, Planning Assistant

Ellen Burr, Community Service Aide II

Jessica Conner, Community Service Aide II

Kristin Cooper, Senior Planner, Bureau of Development Services

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Section I: Introduction

The Employment Zoning Project is one of eight projects that implement Portland’s 2035 Comprehensive Plan, adopted by the Portland City Council on June 15, 2016. These “Early Implementation” projects are the final stage of the state-required periodic review of Portland’s Comprehensive Plan. Each project was considered through its own public process and timeline.

The Comprehensive Plan Early Implementation Package

On August 23, 2016, the Portland Planning and Sustainability Commission voted to consolidate its recommendations on all of the Early Implementation projects into one submittal to City Council. This submittal, the “Comprehensive Plan Early Implementation Package,” includes:

- Zoning Code changes
- Zoning Map changes
- A new Community Involvement Program
- Transportation System Plan – Stage 2

The Planning and Sustainability Commission’s recommendations for each individual Early Implementation project are summarized in separate reports. This report addresses the Employment Zoning Project only.

What is the Employment Zoning Project?

The Employment Zoning Project implements the land use changes adopted in the 2035 Comprehensive Plan to provide adequate growth capacity in Portland’s Industrial and Mixed Employment areas, where 42,000 new jobs are projected by 2035, while protecting neighborhood livability and watershed health. These land use changes address the City’s prosperity and equity goals.

The Economic Opportunities Analysis prepared for the plan update identified a 345-acre shortfall of existing capacity in these areas, equivalent to 20% of forecast demand. Most of the strategies proposed to fill this gap will be implemented gradually, such as development of new brownfield redevelopment tools and freight investments that encourage industrial land intensification. In contrast, this project and similar Task 5 zoning projects (e.g., Mixed Use Zones Project, Campus Institutional Zoning Project) will develop and apply more immediate zoning implementation of land use changes designated in the 2035 Comprehensive Plan.

The project will implement new directions for industrial and employment land uses adopted in Portland’s 2035 Comprehensive Plan. . Expected outcomes include code changes to Industrial (IH/IG) and General Employment (EG) zones and zoning map changes to be applied at new Mixed Employment (ME) and Industrial Sanctuary (IS) areas.



Current examples of major construction in Portland's industrial and employment areas include this half-million square foot warehouse near Portland International Airport and Daimler Trucks headquarters on Swan Island.

Project Summary

The number of people and jobs in Portland will continue to grow significantly over the next 20 years. The City of Portland is expected to accommodate approximately 141,000 new jobs between 2010 and 2035 — a 26-percent share of regional job growth. The 2035 Comprehensive Plan proposes a range of strategies to meet forecast market demand in Industrial and Mixed Employment areas, where 42,000 new jobs are projected. Most of these strategies will be implemented gradually; new brownfield redevelopment tools and freight investments that encourage industrial land intensification will be developed along with interrelated strategies to improve watershed health in what are largely the same geographies. In addition, this project and similar Early Implementation projects (e.g., Mixed Use Zones Project, Campus Institutional Zoning Update) will develop and apply more immediate zoning changes through the 2035 Comprehensive Plan.

Recommended Zoning Code amendments:

- Prohibit quasi-judicial conversion of prime industrial land
- Reduce non-industrial use allowances in Prime Industrial areas
- Reduce retail allowances and prohibit residential uses in General Employment zones
- Reduce outdoor activity allowances in General Employment zones
- Set rezoning standards for private golf courses in the airport area
- Expand the area allowing Industrial Office uses in the Central Eastside

Recommended Zoning Map amendments to General Employment and Industrial Sanctuaries:

- New EG zoning at development opportunity sites in East Portland (e.g., Rossi farm sites)
- New EG zoning at Industrial/residential transition areas (e.g., NW Vaughn, N Columbia)
- Land use changes from CG General Commercial to EG (e.g., SE 82nd, N. Hayden Meadows Dr.)
- Land use changes from EX Central Employment to EG (e.g., Central Gateway, Freeway Lands)
- New EG zoning to accommodate campus institutional capacity (McCormick and Baxter site)
- New IG zoning at part of Broadmoor Golf Course (Columbia Blvd. frontage) and NE Marine Dr.
- Correction of various split zoned properties
- New IG and EG zoning at properties being brought into Portland's Urban Services Area

Why is this important?

Equity and affordability — Industrial and mixed employment areas serve important equity and affordability roles in the community; they are a primary source of middle-wage jobs for the majority of the workforce that does not have a 4-year college degree. Industrial area growth balances the more polarized wage levels of low- and high-wage occupations found in the city's commercial areas. Job growth in Industrial and Mixed Employment areas supports Portland Plan and Comprehensive Plan objectives for social and economic diversity and reduction of racial and neighborhood income disparities.

Oregon's industrial center — As Oregon's largest industrial center and freight infrastructure hub, Portland has distinct economic development and job growth opportunities for the traded-sector (i.e., businesses that compete in markets outside the region). Industrial land uses near freight access support regional prosperity by bringing income into the region and lowering transport costs for Pacific Northwest producers and consumers.

Multiple goals — The recommended code and map changes in this project will address multiple goals, including neighborhood compatibility, habitat protection and enhancement, and improved access to public open space.

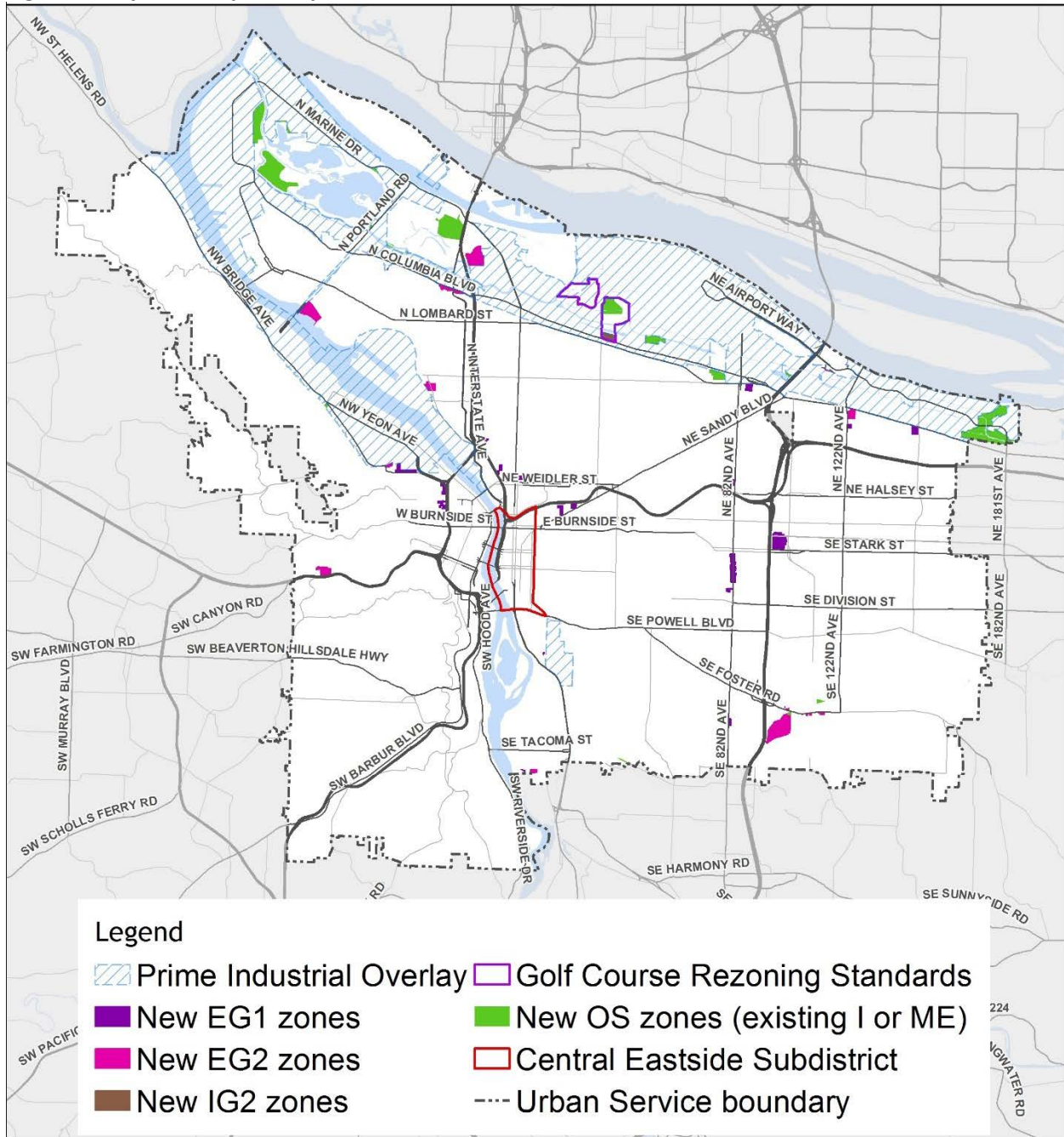
Growth management — This project will implement plan map and policy changes needed to meet growth-capacity shortfalls in the Portland Harbor, Columbia Corridor, Dispersed Employment areas, and Central City Industrial areas.

Where are new General Industrial and General Employment zones recommended?



The Prime Industrial Overlay Zone fosters long-term retention of freight-hub industrial districts that would be difficult to replace in the region, supporting growth in facilities like the Vigor shipyard shown here.

Figure 1. Citywide Project Map



August 10, 2016

City of Portland, Oregon ||
 Bureau of Planning and Sustainability ||
 Geographic Information Systems

The information on this map was derived from City of Portland GIS databases. Care was taken in the creation of this map but it is provided "as is". The City of Portland cannot accept any responsibility for error, omissions or positional accuracy.

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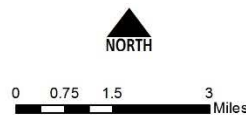


Figure 1 shows a citywide context map of the recommended Prime Industrial Overlay Zone, new General Employment and General Industrial Zones, and code change areas at private golf courses in the airport area and the Central Eastside.

What's in this report?

The *Employment Zoning Project Recommended Draft* consists of Zoning Code changes to Industrial and General Employment zones and recommended Zoning Map changes to be applied at new Mixed Employment and Industrial Sanctuary areas. The audience is the City Council and the general public, including stakeholders, inter-governmental partners, implementers, and interested others. Project stakeholders include property owners, businesses, employees, residents, neighbors, business district and neighborhood associations, underrepresented and underserved groups, environmental groups and other community groups. Implementers include the real estate industry, development review staff and others who use the Zoning Code.

This report consists of seven parts:

- **Section I** introduces the project and related background information.
- **Section II** describes how the recommended zoning changes relate to the Comprehensive Plan policies and map.
- **Section III** summarizes public and stakeholder involvement activities that have helped shape and inform this project. These activities are further explained in Appendix A.
- **Section IV** describes the analysis of recommended zoning concepts, including related policy directions, implementation issues, and rationale.
- **Section V** specifies the recommended code language, along with code commentary pages that clarify expected implementation.
- **Section VI** shows recommended map changes, including base zones to implement the new Mixed Employment and Industrial Sanctuary areas designated on the updated Comprehensive Plan Map and subdistricts where associated code changes apply.
- **Section VII** summarizes additional implementation tools, beyond zoning changes, recommended through the project.

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Section II: Relationship to Comprehensive Plan

Guiding principles of the Comprehensive Plan

The Comprehensive Plan sets five Guiding Principles, which encourage balanced, integrated multi-disciplinary approaches in plans and investments that must comply with the Plan. The Employment Zoning Project is consistent with the Guiding Principles because it promotes major benefits toward equity and prosperity, supportive benefits toward human health and resilience; and a balanced approach that integrates environmental health.

Economic prosperity. Support a low-carbon economy and foster employment growth, quality education and training, competitiveness, and equitably-distributed household prosperity.

Major benefit – The project implements land use policies and map changes that expand industrial and employment land supply to meet forecast job growth. Doing so supports equitably-distributed household prosperity by creating more opportunity for middle-wage jobs in industrial areas that counter-balance the job-polarization trends of low- and high-wage occupations in commercial areas. The project also supports economic competitiveness by fostering the retention and growth of traded-sector businesses that compete in markets outside of the region.

Human health. Avoid or minimize negative health impacts and improve opportunities for Portlanders to lead healthy, active lives.

Supportive benefit – Income level is a primary socioeconomic determinant of positive health outcomes. The project supports positive health outcomes by expanding self-sufficient wage opportunities for low- and middle-income households and stimulating region-wide prosperity through traded sector business retention and growth. Public health risks within industrial districts are managed by safety and environmental quality regulations, prohibition of household living in industrial zones, perimeter buffering, and technological improvements (such as emissions reduction). The project also proposes prohibition of household living in General Employment zones, which will limit the number of households living in close proximity to industrial areas.

Environmental health. Weave nature into the city and foster a healthy environment that sustains people, neighborhoods, and wildlife. Recognize the intrinsic value of nature and sustain the ecosystem services of Portland's air, water and land.

Balanced approach – Portland's industrial districts are concentrated along the rivers and are regionally significant locations for both environmental health and economic prosperity. This project implements parts of the integrated package of Industrial Land / Watershed Health (IL/WH) Strategies to improve both watershed health and industrial growth capacity adopted in the 2035 Comprehensive Plan. The project also proposes new development standards for ecologically beneficial design in future industrial zones at private golf courses in the airport area.

Equity. Promote equity and environmental justice by reducing disparities, minimizing burdens, extending community benefits, increasing the amount of affordable housing, affirmatively furthering

fair housing, proactively fighting displacement, and improving socio-economic opportunities for under-served and under-represented populations. Intentionally engage under-served and under-represented populations in decisions that affect them. Specifically recognize, address and prevent repetition of the injustices suffered by communities of color throughout Portland’s history.

Major benefit - The project implements land use policies and map changes that support expanding income self-sufficiency, reducing income disparities for people of color, and expanding family-wage jobs in East Portland. Industrial and mixed employment areas serve important equity and affordability roles as a primary source of middle-wage jobs for the majority of the workforce that does not have a 4-year college degree.

Resilience. *Reduce risk and improve the ability of individuals, communities, economic systems, and the natural and built environments to withstand, recover from, and adapt to changes from natural hazards, human-made disasters, climate change, and economic shifts.*

Supportive benefit – The project supports resilience to economic shifts by accommodating continued growth as a diverse economy. The recommended Prime Industrial overlay also supports resilience to climate change through energy-efficiency advantages of conserving industrial land around Portland’s multimodal freight infrastructure system.

Goals and policies specifically implemented in this project

A variety of Comprehensive Plan policies address industrial and employment areas. The recommended zoning changes in the project are implementing the following specific policies.

Overall project direction – This project is being completed within the early implementation phase of the Comprehensive Plan in order to provide adequate 20-year growth capacity in Portland’s Industrial and Mixed Employment areas, implementing Policy 6.13 and Statewide Planning Goal 9 *Economic Development*. Industrial and mixed employment areas also particularly advance the income self-sufficiency and traded-sector competitiveness objectives prioritized in the Portland Plan’s Economic Prosperity and Affordability Strategy, which correspond to Policies 6.28 and 6.21.

Policy 6.13 *Land supply.* Provide supplies of employment land that are sufficient to meet the long-term and short-term employment growth forecasts, adequate in terms of amounts and types of sites, available and practical for development and intended uses. Types of sites are distinguished primarily by employment geographies identified in the Economic Opportunities Analysis, although capacity needs for building types with similar site characteristics can be met in other employment geographies.

Policy 6.28 *Income self-sufficiency.* Expand access to self-sufficient wage levels and career ladders for low-income people by maintaining an adequate and viable supply of employment land and public facilities to support and expand opportunities in Portland for middle- and high-wage jobs that do not require a 4-year college degree.

Policy 6.21 *Traded sector competitiveness.* Align plans and investments with efforts to improve the city and regional business environment for traded sector and export growth.

Prime Industrial land retention – The project proposes a Prime Industrial overlay zone implementing Policy 6.39.

Policy 6.39 *Prime industrial land retention.* Protect the multimodal freight-hub industrial districts at the Portland Harbor, Columbia Corridor, and Brooklyn Yard as prime industrial land (see Figure 6-1 – Industrial and Employment Districts) that is prioritized for long-term retention.

6.39.a. *Protect prime industrial lands from quasi-judicial Comprehensive Plan Map amendments that convert prime industrial land to non-industrial uses, and consider the potential for other map amendments to otherwise diminish the economic competitiveness or viability of prime industrial land.*

6.39.b. *Limit conversion of prime industrial land through land use plans, regulations, or public land acquisition for non-industrial uses, especially land that can be used by river-dependent and river-related industrial uses.*

6.39.c. *Limit regulatory impacts on the capacity, affordability, and viability of industrial uses in prime industrial area while ensuring environmental resources are also protected.*

6.39.d. *Strive to offset the reduction of development capacity as needed, with additional prime industrial capacity that includes consideration of comparable site characteristics. Offsets may include but are not limited to additional brownfield remediation, industrial use intensification, strategic investments, and other innovative tools and partnerships that increase industrial utilization of industrial land.*

6.39.e. *Protect prime industrial land from siting for parks, schools, and large-format retail sales.*

6.39.f. *Promote efficient use of freight hub infrastructure and prime industrial land by limiting non-industrial uses that do not need to be located in the prime industrial area.*

New Mixed Employment areas and land efficient employment zones – The project proposes zoning map and code amendments that provides for 20-year land supply needs in the Dispersed Employment Areas addressed by Policy 6.44. Recommended zoning map amendments implement new Mixed Employment areas designated on the Comprehensive Plan Map. Recommended code amendments improve land efficiency in EG General Employment zones by limiting large-format retail and residential uses that these small dispersed employment areas are not intended to accommodate.

Policy 6.44 ***Dispersed employment areas.** Provide small, dispersed employment areas for a flexible and affordable mix of office, creative services, small scale manufacturing, traded sector and distribution, and other small-format light industrial and commercial uses with access to nearby freeways or truck streets.*

Compatibility in residential settings – The project proposes more stringent limitations on exterior activities in EG1 General Employment zones to be more consistent with commercial zones. For example, recommended code changes would limit outdoor storage to no more than 20% of the site area and no longer allowing exterior display of industrial goods such as heavy equipment. These code changes are intended to improve residential compatibility of new Mixed Employment Areas, consistent with Policy 4.30.

Policy 4.30 ***Land use transitions.** Improve the interface between non-residential uses and residential uses in areas where commercial or employment uses are adjacent to residentially-zoned land.*

Golf course rezoning – The project proposes new development standards for ecologically beneficial design in future Industrial zones at private golf courses in the airport area, implementing Policy 6.51.

Policy 6.5 ***Golf course reuse and redevelopment.** Facilitate a mix of industrial, natural resource, and public open space uses on privately owned golf course sites in the Columbia Corridor that property owners make available for reuse.*

Central City industrial zoning – The project expands the area allowing Industrial Office uses in the Central Eastside Subdistrict, providing for 20-year land supply needs in Central City Industrial areas addressed by Policy 6.35.

Policy 6.35 ***Central City industrial districts.** Protect and facilitate the long-term success of Central City industrial districts, while supporting their evolution into places with a broad mix of businesses with high employment densities.*

Section III: Public and Stakeholder Involvement

What have we heard leading up to this project?

Portland Plan – This project and related Comprehensive Plan policies substantially implement the 5-year Action 68 *Industrial Growth Capacity* recommended in the Portland Plan (2012). The Industrial and Mixed Employment areas addressed in this project particularly advance the income self-sufficiency and traded-sector competitiveness objectives prioritized in the Portland Plan’s Economic Prosperity and Affordability Strategy. The Portland Plan was developed through extensive public involvement, including more than 20,000 comments and ideas for the plan.

Comprehensive Plan Policy – Industrial land policies were one of the most discussed topics in the Economic Development chapter of the Comprehensive Plan. These policies to support industrial land capacity were directly addressed by two Comprehensive Plan advisory committees. The Economic Development Policy Expert Group met from June 2012 through September 2013 to advise on draft policies and map changes. The Industrial Land / Watershed Health Working Group met from November 2012 through December 2013 to help develop an integrated package of strategies to advance watershed health and industrial growth capacities in the industrial districts. Tensions between economic development, environmental protection and neighborhood livability outcomes were a continuing theme, and the policies are intended to provide a balanced, integrated, multidisciplinary approach. Several presentations and discussions with business and community groups were also held addressing the Economic Opportunities Analysis and draft policies and map changes.

Comprehensive Plan Maps – Draft map changes for new Mixed Employment and Industrial areas were widely distributed electronically through the Map App and were shared with affected property owners, neighbors and interested parties at a number of public meetings. Draft map changes drew extensive comments. For example, many local residents opposed proposed map changes to Mixed Employment at the Rossi farms sites, instead favoring a single-family residential designation on these sites. Similarly, many testifiers opposed proposed map changes to Industrial at airport area golf course sites, favoring an Open Space designation there. Objections were also expressed in testimony on other proposed Mixed Employment areas, including at SE 82nd, Central Gateway, NW Vaughn, and NE Sandy. East Columbia and Linnton Neighborhood Associations also requested map changes to existing industrial zones. Favorable comments were also received from labor unions, business groups, and equity groups supporting proposed industrial and employment policies and map changes.

The Planning and Sustainability Commission considered these comments and recommended the draft map amendments, citing public interest tradeoffs, growth capacity needs, equity, and job growth objectives. Taking the recommended Comprehensive Plan map as a starting point, this project proposes code changes that respond to several of the concerns and comments heard in public meetings and expressed in public testimony. Examples include greater restrictions on outdoor activities in EG1 (General Employment) zones, new development standards for ecologically beneficial design of industrial

reuse at golf course sites, and eased restrictions on non-conforming existing uses in EG zones.

Public involvement activities in this project

Public involvement in the policy and map direction being implemented in this project took place primarily in the earlier phases of the Comprehensive Plan Update. The public outreach activities conducted in this project focused more on the implementation issues of draft zoning code and map amendments.

Public involvement in concept development for the project consisted primarily of four stakeholder focus groups, which were held in April and May 2015. These focus groups were not intended to discuss policy direction, but instead to identify implementation issues on a variety of preliminary draft code changes on land use and development standards in industrial and employment zones, generally filling gaps in previous outreach. The results of these focus groups are summarized in Appendix A. The focus groups highlighted the range of stakeholder perspectives and interests concerning the draft zoning changes.

A Discussion Draft of the zoning code and map changes was published in July 2015 and circulated to a wide range of affected groups, including neighborhood associations, business associations, environmental and recreation organizations, equity and community organizations, property owners of larger zone-change sites, real estate professionals, and intergovernmental partners. The Discussion Draft had an approximately 6-week public comment period ending on August 28th. Written comments were received from a mix of stakeholders and several revisions were incorporated into the Proposed Draft in response.

Inter-governmental coordination

An In-House Draft Report was circulated to inter-bureau partners in June 2015, and their comments have helped to shape and inform the Discussion Draft and Proposed Draft, particularly addressing code administration, environmental services, parks, and transportation. Additionally, the Bureau of Parks and Recreation, Bureau of Environmental Services and Metro staff have raised specific concerns about the draft reclassification of Parks and Open Areas as a limited use in the Prime Industrial overlay zone. These and other stakeholder concerns are summarized in Section 4 below.

Planning and Sustainability Commission (PSC) Review and Recommendations

The Planning and Sustainability Commission (PSC) held a public hearing to review the Employment Zoning Project on October 27, 2015. The PSC heard testimony by 36 people and received 48 letters and other written testimony. The PSC also held a public hearing on July 12, 2016, to review the Composite Zoning Map, including the map-amendment portion of the Employment Zoning Project, and heard testimony from six people about employment zoning map amendments.

Notices of the October 27, 2015, public hearing were sent to approximately 6,600 affected property owners and nearly 400 other interested parties. Immediately following this mail-out, BPS set up a helpline to answer questions about the proposed zoning map and code changes, receiving 125 calls from people who received these notices. Over the preceding months, BPS also convened meetings to discuss the proposed zoning changes with business associations, neighborhood associations, interagency partners, advisory committees, property owners, and other stakeholder representatives.

Code amendments

At work sessions on November 10 and December 8, 2015, the PSC deliberated and acted on the code-amendment portion of the project. Their discussion of the code amendments focused on the following nine issues:

- Environmental Overlay Zones Compatibility with Prime Industrial Overlay
- Parks and Open Areas Prohibition
- E-zone Update Timing
- Self-Service Storage
- Golf Course Landscaping Standards
- EG zone office uses at 3:1 FAR and Guild's Lake Industrial Sanctuary Plan District Limits
- Residential Non-Conforming Uses in EG Zones
- Industrial Office
- Air Quality

The PSC confirmed all of the code changes in the Proposed Draft with two revisions:

- 1) make nature preserves an allowed use in the Prime Industrial overlay zone;
- 2) remove various Metro-owned and submerged properties near Smith and Bybee Lakes from the Prime Industrial overlay zone, while retaining sites owned the railroads and the Port of Portland.

Map amendments

The PSC continued their October 27, 2015, public hearing on the map-change portion of the project to coincide with their July 12, 2016, public hearing on the citywide Composite Zoning Map. The PSC discussed the following nine map-change issues and made tentative map recommendations at their work sessions on December 8, 2015 and August 2, 2016.

- ESCO on NW Vaughn
- Montgomery Park on NW Vaughn
- Freeway Land site at SE Foster and I-205
- EX conversion to EG sites
- PECO site on SE 17th Ave
- Broadmoor golf course
- Metro Greenspaces requests on Port land
- Linnton Prime Industrial Overlay
- N Hayden Island Drive Boat Ramp
- EG to EX on NW Roosevelt

The PSC confirmed all of the zoning map changes in the Proposed Draft and addendum (described in BPS memo, September 30, 2015), making two revisions:

- 1) change OS to IG2 on the 15-acre IS Industrial Sanctuary portion of Broadmoor Golf Course; and
- 2) combine the map change to EG1 along NW Vaughn (ESCO sites and others) with a text change to the Guilds Lake Plan District that retains current limits on office density, addressing transportation capacity constraints.

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Section IV: Concept Analysis

Prime industrial land retention

Policy direction to be implemented (Policy 6.39): *Protect prime industrial land from conversion to non-industrial uses through quasi-judicial Comprehensive Plan Map amendments.*

Code change concept: Designate Prime Industrial Land as a new overlay zone where quasi-judicial comprehensive plan map changes will be prohibited.

Implementation issues raised:

- Effective control of conversion trends – Approximately 400 acres of industrial land conversion has occurred in Portland’s prime industrial districts through comprehensive plan map amendments since 1990. Those land use changes occurred through both legislative and quasi-judicial projects (mostly the former). A common theme of public comments addressing industrial growth-capacity has been that we should start with land retention, because Portland has limited options for expansion of industrial districts and because other options to add capacity through more brownfield redevelopment and more intensive industrial development are expected to require major public investments. The estimated 20-year growth capacity in the Economic Opportunities Analysis has not accounted for allowing the continuation of this conversion trend of Prime Industrial areas through plan map changes and greenspace acquisition. Continuing conversion of prime industrial land would also undermine efficient use of freight-hub infrastructure that characterizes the recommended Prime Industrial overlay.
- State and regional compliance – Designation and protection of prime industrial land implements direction set in Statewide Planning Goal 9 (Economic Development), along with the generally equivalent regional direction in Metro’s Title 4 to protect Regionally Significant Industrial Areas (RSIAs). The Goal 9 Administrative Rule defines Prime Industrial Land as land suited for traded-sector and supportive industries and possessing characteristics that are difficult or impossible to replicate in the region. The recommended Prime Industrial Overlay map is intended to match the RSIA map, and BPS will ask Metro to update the Title 4 RSIA map upon completion of the Comprehensive Plan Update.
- Flexibility for site opportunities and market change – Real estate industry representatives suggested a more granular approach with flexibility for small map changes on constrained sites and at advantageous locations for more intensive development. Options to add flexibility could moderate detrimental impacts on the industrial district through size limitations (e.g., less than 5 acres) and by limiting map changes to Mixed Employment designations only. On the other hand, Portland’s industrial zones already allow site flexibility for limited commercial development, while reserving these areas primarily for industrial building types that reflect development trends and forecast demand. Also,

proposed brownfield and land intensification incentives are expected to facilitate industrial development on constrained and underutilized sites.

Rationale for recommended change:

1. Prohibition of quasi-judicial plan map amendments would set a clear land use direction to restrict future conversion of prime industrial land.
2. Even small, incremental map amendments would be inconsistent with policy direction to maximize use of the multi-modal freight hub infrastructure in this area, which is the primary basis of the Prime Industrial designation.
3. Forecast 20-year demand for small sites at every size interval (even less than one acre) exceeds the current supply of vacant and underutilized land at those sizes in Portland.

Prime Industrial land efficiency

Policy direction to be implemented (Policies 6.39.e and 6.39.f): *Protect prime industrial land from siting for parks, schools, and large-format retail sales. Promote efficient use of freight hub infrastructure and prime industrial land by limiting non-industrial uses that do not need to be located in the prime industrial area.*

Code change concepts: Prohibit or limit land-intensive non-industrial uses in order to improve land efficiency in prime industrial overlay zones (I-overlay):

- Change Parks and Open Areas from an allowed use to a limited use in the prime industrial overlay.
 - Adjust the Prime Industrial overlay boundary to exclude all existing parks in the City parks inventory, including undeveloped parks and parks without designated use types.
 - Allow trails and allow parks and open areas not larger than two acres, accommodating small-scale needs for boat launches, trailheads, and parks serving employees and residents in the prime industrial overlay.
 - Allow off-site mitigation for natural resource impacts, including mitigation related to the Portland Harbor Superfund cleanup.
 - Allow stormwater facilities as defined by BES as “basic utilities.”
 - Allow nature preserves, such as natural areas protected from development.
 - Prohibit other parks and open areas larger than two acres. Larger parks and open areas would require a Comprehensive Plan map amendment to Open Space.
 - Clarify expectations through intergovernmental agreements for how to implement this code change in property acquisition processes and development permitting (see Section 7 of this report).
- Prohibit major-event entertainment, outdoor recreation larger than 20,000 square feet, and self-service storage in the I-overlay.



Typical land use patterns in the Prime Industrial overlay zones consist of large-scale industry served by a mix of railroad, harbor, airport, or truck infrastructure, such as in the Northwest Industrial District shown here.

Implementation issues raised:

- Regional restriction on new parks in industrial areas – Metro’s Title 4 rules for Regionally Significant Industrial Areas, which apply to over 90% of Portland’s designated Industrial Sanctuary land, prohibit the siting of parks intended to serve people who do not reside or work in the industrial area and public assembly facilities larger than 20,000 square feet. Metro staff commented that this Title 4 prohibition applies to developed parks and not to undeveloped natural areas. In Portland, “park and open areas” are currently an allowed use in Industrial zones and all other zones. The zoning code does not distinguish between parks used as developed recreational space or natural area as separate primary uses, which can be difficult to do on a site-by-site basis. Most of Portland’s city parkland is managed as natural area.
- Industrial conversion trend to open space – The Comprehensive Plan map is proposing amendments on over 600 acres of land from Industrial Sanctuary or Mixed Employment to Open Space, acknowledging sites that have been acquired by public agencies and are now managed as protected open space—primarily natural areas. While most of that converted land consists of large, undevelopable wetland areas (e.g., Four Corners), much of it is also brownfield or other developable land (e.g., St. Johns Landfill, Thomas Cully Park, and portions of other public open space sites), where prior land use decisions have determined that these sites should be managed as open space.

- Parkland service level needs – Portland Parks and Recreation (PP&R) staff recommended that Parks and Open Areas be allowed in Prime Industrial areas where deemed necessary to meet service needs by the Parks Director, consistent with Policy 8.88 to provide for adequate parkland to meet citywide needs. However, such an exemption would be specifically inconsistent with Metro’s Title 4 and with Comprehensive Plan Policy 6.39.d on parks in Prime Industrial areas (included in Section 2 of this report).
- Map change option for new parks and open areas – Under the recommended prohibition for parks and open areas larger than two acres, a pathway is still in place to add needed parkland through a legislative comprehensive plan map amendment. In addition to parkland considerations, a comprehensive plan map amendment would also be required to consider Goal 9 industrial land needs and obtain a regional amendment of the Title 4 map to remove the RSIA designation. The policies and recommended zoning regulations are designed to set up a public decision-making process to make a determination as to the best use of the City’s limited Prime Industrial Land resources, rather than just allow conversion to non-industrial uses with a finding by the Parks Director.
- Natural areas acquired as basic utilities for stormwater management – Portland Bureau of Environmental Services (BES) staff recommended allowing for natural areas that are acquired as stormwater facilities and serve stormwater management functions. BES acquisitions of stormwater facilities in the last five years have been minimal, and conservation easements in riparian areas are expected to be more widely used as an alternative to open space acquisition. Moreover, BES consultations with BPS at the time of acquisition could be initiated to clarify associated prime industrial capacity at the site and explore options to divide and sell upland portions of the site as development parcels that are not needed as stormwater infrastructure.
- Other natural areas – Comments were submitted by Metro, BES, PP&R, East Multnomah Soil & Water Conservation District, Urban Forestry Commission, Portland Audubon Society, Columbia Slough Watershed Council, and others requesting that natural areas be allowed in the Prime Industrial overlay zone to protect important natural resources in these districts.
- Land use enforcement when no development is proposed – Land use limitations are typically enforced through development applications, so it is unclear how to limit natural areas as a land use where development might not occur. Generally, acquisition of a site as open space is the point at which it would no longer be available for industrial use, but land sales are not reviewed for land use compliance. To support effective administration of land use requirements, development of formal inter-agency coordination procedures are recommended to address open space acquisition of prime industrial land (see Section 7 of this report). The purposes of coordination at the time of acquisition decisions are to inform the acquisition agency of zoning requirements, encourage any resulting loss of prime industrial land capacity to be offset, and to move that cost into the property acquisition decision.
- Allow off-site mitigation – Wide agreement was expressed among project focus groups that the recommended open area restrictions should not preclude site acquisition for off-site mitigation of natural resource impacts in prime industrial areas. Off-site mitigation allowances are

expected to improve the efficient use of industrial zoning capacity, as well as accommodate protection of larger habitat sites along with on-site natural resource conservation at industrial sites along continuous habitat corridors.

- Limit prime industrial land conversion by requiring capacity offsets? – The Discussion Draft of this project included preliminary draft code changes that classified new natural areas (excluding stormwater facilities and off-site mitigation) as a limited/conditional use, requiring that any resulting loss of prime industrial development capacity be offset with equivalent capacity gains. Capacity could be calculated by the Buildable Lands Inventory (BLI) methodology. That draft concept to offset lost capacity also included a fee option for a fund to cleanup medium/high cost brownfields where it is otherwise unlikely to occur, estimated at \$8 per square foot. The fee could also be used for freight investments that support industrial land intensification. However, this offset and pricing mechanism to address capacity losses introduced code complexities and challenges, including implementation at the development permitting stage rather than at acquisition, codifying BLI results, adding a fee-in-lieu option for programs that do not yet exist, and others. Instead, the recommended code includes a prohibition of new park and open areas larger than two acres (except for stormwater facilities and off-site mitigation). Large new natural areas could be established in prime industrial areas through a comprehensive plan map amendment (described above), if approved by City Council, rather than by offsetting capacity losses through a development permitting process. For example, the North Reach River Plan identified a combination of optimal sites prioritized for natural resource restoration and industrial development. Either code option (capacity offset or prohibition) could potentially be applied to implement the Comprehensive Plan policy on prime industrial land retention.
- Self-service storage – Some property owners and others objected to prohibiting self-service storage in this overlay zone. Their concerns included current development proposals for self-storage facilities, definitional questions (such as whether the use includes RV or boat storage), and desired flexibility for occasional self-service storage uses at existing facilities. “Self-service storage” is categorized as a commercial use in the Zoning Code, and it is distinguished by having separate storage areas designed to allow private access by the tenant for storing or removing personal property. Typical examples are mini storage units for rent, where customers come to the site for loading and access. In contrast, towing and vehicle storage (including RV and boat storage) would be allowed in the Prime Industrial overlay zone as “industrial service” uses, which generally do not meet the qualifier of separate storage areas designed for private access. Transfer and storage facilities are another exception that would be allowed in the overlay zone, where there are no individual storage areas or where employees are the primary movers of goods to be stored. The recommended restriction on self-service storage in this overlay zone implements new policy direction to limit non-industrial uses that do not need to be located in prime industrial areas. The overlay is intended to promote efficient use of the freight hub infrastructure in these districts and protect their limited growth capacity for forecast industrial job growth.
- Should industrial-office uses be more widely allowed? – Real estate industry representatives recommended that industrial use allowances should better accommodate potential market changes, including emerging synergies of industrial and related office uses. For example,

Industrial Office uses are allowed in an expanding area of the Central Eastside. Overall, Portland's mix of industrial and mixed employment zones appears to be responsive to the range of industrial and related commercial land demand within the city's diverse industrial areas, including demand for marine-related industry, heavy industry, and large-scale warehouses, small-scale industry, flex space, industrial office space, and office-oriented business parks, as analyzed in the Portland Economic Opportunities Analysis.

Rationale for recommended change:

1. The recommended code changes make Prime Industrial areas more land-efficient to accommodate intended uses and forecast growth, through limiting land-intensive non-industrial uses that do not need to locate in these industrial districts.
2. The recommended code changes are anticipated parts of the integrated Industrial Land / Watershed Health strategies proposed in the 2035 Comprehensive Plan and Economic Opportunities Analysis.
3. The recommended limitation of Parks and Open Areas implements regional growth management rules in Regionally Significant Industrial Areas, which are equivalent to designated Prime Industrial Land.
4. In addition to code changes, follow-up efforts are expected to develop more formal inter-agency coordination procedures to address open space acquisition of prime industrial land.

Land-efficient employment zones

Policy direction to be implemented (Policy 6.44): *Provide small, dispersed employment areas for a flexible and affordable mix of office, creative services, small scale manufacturing, traded sector, and distribution, and other small-format light industrial and commercial uses with access to nearby freeways or truck streets.*

Code change concepts in EG zones:

- Change housing from a conditional use to a prohibited use.
- Reduce the retail allowance from 60,000 to 20,000 square feet per site.
- Increase the floor area ratio (FAR) allowance for office development from 1:1 to 3:1.
- Allow expansion of non-conforming houses in EG zones up to 500 square feet without a non-conforming situation review.



Office parks and flex space as shown here are typical building types in dispersed employment areas. Land uses in these areas differ from larger industrial districts and neighborhood commercial corridors.

Implementation issues raised:

- Substantial housing development in EG zones – Despite existing conditional use limitations, approximately 400 housing units have been developed on 110 sites in EG zones since 1997. This trend is inconsistent with the description of General Employment zones in the zoning code, which calls for a wide range of employment opportunities without potential conflict from interspersed residential uses.
- Substantial retail development in EG zones – Recent large-scale retail development in the Cascade Station and Hayden Meadows areas of the Columbia Corridor (both designated Mixed Employment on the Comprehensive Plan map) have been pointed out as prominent examples of conversion to non-industrial use in Prime Industrial districts. These retail areas primarily serve markets outside of the surrounding industrial districts.
- Existing non-conforming residential uses – Concentrated areas of existing housing were removed from Mixed Employment areas on the Comprehensive Plan Map and changed to Residential or Mixed Use designations. However, some dispersed residential sites were retained in Mixed Employment areas. New Mixed Employment areas in Gateway and along SE 82nd Avenue also include several existing residential sites. To reduce the regulatory burden of “non-conforming use” status, recommended code changes would allow expansion up to 500 square feet without a non-conforming situation review.
- Impacts on housing affordability – Neighborhood and equity representatives questioned the effect of restricting housing in EG zones on housing affordability. Portland’s existing and recommended residential and mixed-use zones provide a substantial surplus of housing development capacity relative to forecast demand, while demand for Mixed Employment areas exceed their existing development capacity. Moreover, affordability is substantially affected by both changing income distribution and housing markets, and Dispersed Employment Areas are a source of middle-wage jobs in neighborhoods that expand affordability.

- Accommodation of existing large-format retail – Much of the map change area to Mixed Employment along Hayden Meadows Drive is developed as large-format retail, exceeding the recommended 20,000 square feet limitation. And there are other dispersed examples of large format retail businesses in existing and recommended EG zones. These existing large-format retail businesses would be “conforming land uses” under the recommended conditional use allowance for retail exceeding 20,000 square feet. Their further expansion would be reviewed as a conditional use and consider impacts on freight system capacity and nearby industrial uses.

Rationale for recommended change:

1. The recommended code changes make EG zones more land-efficient to accommodate intended uses and forecast growth, through limiting large-format retail and residential uses that are not intended to be provided in these small, dispersed employment areas.
2. The recommended code changes are anticipated parts of the industrial-land capacity strategies proposed in the 2035 Comprehensive Plan.

Compatibility in residential settings

Policy direction to be implemented (Policy 4.30): *Improve the interface between non-residential uses and residential uses in areas where commercial or employment uses are adjacent to residentially-zoned land.*

Code change concept: Require industrial-related activities to be concentrated indoors in EG1 zones to be consistent with Commercial Employment zones (currently called “General Commercial”).

- Limit outdoor storage to no more than 20% of the site area.
- Prohibit exterior display of industrial goods, such as heavy equipment for sale or rent.

Implementation issues raised:

- Residential compatibility of Dispersed Employment Areas – Common reactions of neighborhood associations and residents to the new Mixed Employment areas included skepticism or opposition. Neighborhood compatibility impacts of Mixed Employment areas in residential settings are primarily limited through mapping, in that these areas typically buffer more intensive uses (such as freeways and industrial districts) and/or are relatively small areas (typically less than 20 acres). Landscape buffers and building height setbacks are also currently required in EG and I zones abutting R zones.
- Impacts from outdoor activities – The recommended code changes apply more stringent regulation of exterior activities in EG1 zones to match the requirements in existing CG General Commercial zones. This change would no longer allow exterior display activities in industrial categories, but commercial exterior activities that are typical of general commercial areas in a residential setting would continue to be allowed. This change would also limit exterior storage to 20% of lot area.
- Why just EG1 zones? – Limiting the change to EG1 would minimize displacement of existing industrial service uses that have outdoor activity, which are common in EG2 zones. In contrast,

industrial service uses with outdoor storage and display areas are rare in existing EG1 zones that currently apply to only about 60 acres citywide. The small-lot patterns of EG1 areas can be more vulnerable to off-site impacts of exterior activities. The change would also improve residential compatibility at the new ME Mixed Employment areas at SE 82nd, Central Gateway, and Rossi farms, where EG1 zoning is recommended.

- Incompatible uses in EG1 zones – The recommended changes would require most industrial activities to occur indoors in EG1 zones. As a result, new industrial service uses with extensive outdoor activity, such as auto wrecking yards and heavy equipment rental, would be effectively precluded from locating in EG1 zones. These changes are expected to make the character of EG1 zones more compatible in a residential setting and more attractive for office development and higher employment density.
- Noise regulations – Neighborhood association representatives pointed out that EG and I areas are currently treated the same in city noise regulations, allowing up to 75dB. A potential follow-up effort could consider adjustment of noise regulations in EG1 zones.



The combination of low buildings, lack of outdoor storage, and masonry walls with landscaping can provide a relatively effective buffer along zoning boundaries between residential and industrial uses.

Rationale for recommended change:

1. Recommended code changes are intended to provide a balanced approach that improves neighborhood compatibility and accommodates job growth at Dispersed Employment Areas.
2. In contrast to most of the existing EG zones that function as a buffer between Residential zones and freeways or Industrial zones, most of the recommended new EG1 areas are standalone locations rather than transition areas. Recommended EG1 code changes raise the compatibility standards for exterior activities in these EG1 areas to generally match Commercial Employment zones.

Golf course rezoning standards

Policy direction to be implemented (Policy 6.51): *Facilitate a mix of industrial, natural resource, and public open space uses on privately owned golf course sites in the Columbia Corridor that property owners make available for reuse.*

Code change concept: Add requirements to the PDX Airport Plan District addressing the privately owned Riverside and Broadmoor golf course sites. Limit industrial rezoning to IG2 only, which requires a minimum landscaped area and is subject to Title 11 Tree Preservation Standards. Apply development standards for ecologically beneficial design in IG2 zones at these golf course sites, including the following:

- Require a minimum 20% landscaped area (rather than the 15% standard in IG2 zones);
- Require that 75% of required landscaped area use native plants;
- Allow ecoroofs to be counted toward the 20% minimum landscaped area as an incentive for ecoroof development;
- Eliminate the standard allowance that one-third of the required landscaped area can be met by hardscape for active or passive recreation use;
- Require that at least 1/3 of required trees be native conifers for their year-round stormwater benefits;
- Require planting of a 25-foot buffer area abutting the open space and residential zones;
- Restrict exterior lighting to limit light pollution and avoid impacting habitat areas.

Implementation issues raised:

- Divergent perspectives on golf course rezoning – Several neighborhood and environmental representatives have opposed the potential loss of open space at private golf course sites. Other neighborhood and equity representatives supported rezoning criteria to leverage community benefits with new development. Business association and real estate industry representatives objected to singling out industrial rezoning for additional requirements that constrain middle-income job growth and shift industrial growth capacity to the edge of the region. Riverside Golf Club representatives objected to the Comprehensive Plan map change and rezoning at the site, emphasizing their priority for continued use and success of the site as a golf course.
- Public benefits of the map change – Public objectives for the map changes are identified in the Comprehensive Plan, including new development capacity to meet forecast industrial job growth, natural resource benefit through additional protection and enhancement, and expanded public access to open space through a trail or park. The Comprehensive Plan also proposes a combination of map changes from Open Space to Industrial and from Industrial to Open Space. Map designations at the Broadmoor and Riverside sites propose 215 acres as Open Space and 112 acres as industrial.
- Legal and fairness limitations on reuse criteria – A preliminary code concept was considered that would add rezoning criteria to partly mitigate for the loss of open space functions. Criteria could require designation of a conservation easement, trail, or ecological site design. However, such

reuse criteria would be inconsistent with current code requirements that zoning map changes which implement the comprehensive plan map will be approved if adequate public services are available to the zone-change site. As such, requiring property owners to mitigate for a zone change that implements the Comprehensive Plan map raises fairness considerations. Also, since rezoning requirements would be limited to the site of the zone change, it is unlikely that rezoning criteria could call for additional natural resource protection, enhancement, and public access on the OS-designated portions of the golf course sites. Additionally, federal case law requires that open space dedication and exactions must meet legal tests for a nexus to specific public purpose and that requirements be roughly proportional to expected development impacts.

- Ecologically beneficial design standards – Comprehensive Plan policies call for incorporating natural and ecosystem services into the design of buildings and development sites for all land use types and public infrastructure. In addition, the golf courses are parts of the newly mapped urban habitat corridors. Policies also call for improvement of the regulatory business climate and maintaining market competitiveness of city employment land with respect to cumulative regulatory impacts. The recommended development standards are intended to provide substantial ecological benefit through development design in these habitat corridor sites while maintaining location competitiveness and financial feasibility for development. The Parks Bureau recommended that ecoroofs should be an option, not a requirement, at larger sites like golf courses, where it may not make functional or financial sense. BES recommended consideration for developing a program to promote green building and site design in industrial areas through technical assistances and/or incentives.
- Golf course representatives and the Port of Portland objected that the development standards are onerous and singled out these two sites. These recommended code changes are intended to promote eco-industrial development on sites that transition from open-space zoning to industrial use.



Wide swales, native landscaping, and downward-shining exterior lighting can improve stormwater and habitat functions, like shown here on industrial sites near PDX Airport.

Rationale for recommended change:

1. The recommended code change concept implements Comprehensive Plan policy and map direction at these golf course sites. These sites are an integral part of the industrial-land capacity strategies proposed in the updated Comprehensive Plan.
2. The recommended code change concept is intended to provide a balanced approach that supports industrial growth and watershed health.

Central City industrial zoning

Policy direction to be implemented (Policy 6.35): *Protect and facilitate the long-term success of Central City industrial districts, while supporting their evolution into places with a broad mix of businesses with high employment densities.*

Code change concept: Expand the area allowing Industrial Office uses in the Central Eastside Subdistrict to all IG1 (General Industrial) zones. Adjust the size limitations on retail and services and traditional office uses to no more than 5,000 square feet on sites up to 40,000 square feet in size and no more than 12.5 percent of the site area on sites larger than 40,000 square feet.

Implementation issues raised:

- Job-growth potential – The Employment Opportunity Subarea (EOS) of the Central City Plan District has been very successful at increasing employment densities, especially those in industrial office space, while not resulting in displacement of existing industrial operations. During the “Great Recession” between 2007 and 2010 over 1,000 new jobs were created in the EOS that contributed to the district’s 7% annual employment growth. More recent analyses shows continued growth in the district between 2010 and 2013, when approximately 150 industrial, 1,000 industrial office, 270 traditional office, and 240 retail and food services jobs were added.
- Central City Industrial growth capacity – The Economic Opportunities Analysis projects that the Central City Industrial areas (Central Eastside and Lower Albina) will need to accommodate 10,600 new jobs by 2035. However, the existing development capacity of vacant and underutilized land under the current (previous) Comprehensive Plan meets only 72% of that forecast growth. The recommended code change to expand the area allowing industrial-office uses will accommodate this shortfall and provide adequate 20-year growth capacity in the Central City Industrial areas.
- Industrial office definition – The Bureau of Development Services recommended strengthening the definitions of both Industrial Office and Traditional Office, if the subarea allowing industrial offices is expanded. This issue has been discussed in the SE Quadrant Plan process. Refinements to these definitions is included in the Proposed Draft of the Central City Plan Update, along with design standards for industrial office development.

Rationale for recommended change:

1. The recommended map/code change concept is recommended in the Southeast Quadrant Plan of the Central City Plan Update.
2. These map/code changes are an integral part of growth-capacity strategies proposed in updated Comprehensive Plan for the Central City Industrial area.
3. The recommended code change concept is intended to provide a balanced approach that supports continued job growth and industrial retention.

North Cully Plan District

No code change is recommended to amend the North Cully Plan District in this project at this time. A preliminary code concept proposed amending the plan district to facilitate development of brownfield and vacant land (approximately 50 acres) in this Mixed Employment designated area. Optional concepts included either removing requirements for Type III review of development or sunsetting the 1992 plan district in lieu of updated zoning, land division, and public service requirements adopted in the meantime that implement plan district objectives. Comments from the Cully neighborhood and equity representatives recommended retaining the North Cully Plan District as an existing mechanism to leverage community benefits that support equity objectives.

A citywide project is under consideration to explore requiring community benefits agreements that address displacement and equity considerations. If such a citywide approach is developed, reconsideration of the option to amend or sunset the North Cully Plan District is recommended at that time, in order to facilitate development of vacant and underutilized land in this area and its associated job growth.

Rezoning at new Mixed Employment and Industrial areas

Comprehensive plan map amendments to be implemented:

New ME Mixed Employment Areas

- Development opportunity sites in East Portland (e.g., Rossi farm sites)
- Industrial/residential transition areas (e.g., NW Vaughn, N Columbia at Denver)
- Land use change from General Commercial (e.g., 11 blocks of SE 82nd, N. Hayden Meadows Dr.)
- Land use change from Central Employment (e.g., Central Gateway, Freeway Lands, SE Ochoco)
- Land use change to accommodate campus institutional capacity (McCormick and Baxter site)

New IS Industrial Sanctuary Areas

- Portion of Broadmoor Golf Course (Columbia Blvd. frontage) and NE Marine Dr. site
- Correction of various split zoned properties

Map change concepts:

- Apply zoning map changes to General Employment 1 or 2 (EG1 or EG2) at each of these new Mixed Employment sites. EG1 generally applies to small-site, grid-block areas and EG2 applies to larger site areas.
- Apply zoning map changes to General Industrial 1 or 2 (IG1 or IG2) at each of these new Industrial Sanctuary sites, consistent with adjacent zoning.
- Apply IG and EG zoning at unincorporated Clackamas County properties being brought into Portland's Urban Services Area, generally consistent with current county zoning.
- Retain IG1 zoning along NW Vaughn (ESCO sites and others) until transportation capacity is further evaluated.

Section 5 of this report shows maps of the recommended zone changes, along with the surrounding context of proposed Comprehensive Plan map designations and truck route access. Several of the code

changes recommended in this section are intended to address implementation issues of applying these map changes.

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Section V: Zoning Code Changes

Zoning code amendments recommended by the Planning and Sustainability Commission have been incorporated into a consolidated document titled, Early Implementation of the 2035 Comprehensive Plan: Recommended Zoning Code Amendments—August 2016.

Code changes recommended to implement the Employment Zoning Project can be found in the above referenced document in the following sections:

33.140 Employment and Industrial Zone Primary Uses	page 205
33.140.245 Exterior Display, Storage and Work Activities	page 208
33.236.030 Houseboats	page 281
33.258.050 Nonconforming use	page 285
33.475 Prime Industrial Overlay Zone	page 353
33.475.050 Parks And Open Areas	page 354
33.510.113 Central City Plan District, Retail Sales And Service and Office Uses in the IG1 Zone...	page 359
33.510 Central City Plan District, Maps	page 363
33.526 Gateway Plan District	page 377
33.560 North Cully Plan District	page 401
33.565 Portland International Airport Plan District	page 403
33.583 St. Johns Plan District	page 421
33.815.130 Conditional uses, Residential Uses in the EG1 and EG2 Zones	page 447
33.910 Definitions, Off-site mitigation	page 505
33.920.460 General Parks and Open Areas Uses	page 509

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Section VI: Zoning Map Changes

This section of the report shows draft map changes under consideration, including the base zones to implement the new Mixed Employment and Industrial Sanctuary areas designated on the updated Comprehensive Plan Map and subdistricts where associated code changes apply (Central Eastside and Lower Columbia Slough). The Planning and Sustainability Commission (PSC) extended their October 27, 2015, public hearing on the map-change portion of the project to coincide with the upcoming public hearing on the citywide Composite Zoning Map Project on May 24, 2016. The PSC did discuss eight map-change issues at their November 10 and December 8, 2015, work sessions and tentatively confirmed all of the zoning map changes in the Proposed Draft and addendum with revisions at Broadmoor Golf Course and along NW Vaughn, as described in below in Section 6.

Recommended zoning map amendments to General Employment and Industrial Sanctuary (Figures 1 – 18)

- New EG zoning at development opportunity sites in East Portland (e.g., Rossi farm sites)
- New EG zoning at Industrial/residential transition areas (e.g., NW Vaughn, N Columbia)
- Land use changes from CG General Commercial to EG (e.g., SE 82nd, N. Hayden Meadows Dr.)
- Land use changes from EX Central Employment to EG (e.g., Central Gateway, Freeway Lands)
- New EG zoning to accommodate campus institutional capacity (McCormick and Baxter site)
- New IG zoning at part of Broadmoor Golf Course (Columbia Blvd. frontage) and NE Marine Dr. site
- Correction of various split zoned properties
- New IG and EG zoning at properties being brought into Portland's Urban Services Area
- New EG zoning on ME areas added by City Council to the Comprehensive Plan Map in May 2016 (SW Westgate, SE Sandy at 22nd and 27th, and others).

The Central Eastside Subdistrict is shown in Figure 12, where code changes are recommended to allow Industrial Office uses in all IG1 General Industrial zones.

The Riverside and Broadmoor golf course sites are shown in Figure 13, where the 2035 Comprehensive Plan designates new Industrial areas. This project proposes new development standards for ecologically beneficial design in IG2 General Industrial zones at these sites, which are located in the Lower Columbia Slough Subdistrict of the Portland International Airport Plan District.

For final map change boundaries, including overlay zones and minor boundary adjustments recommended by the Planning and Sustainability Commission at their August 23, 2016 meeting, please refer to the Recommended Zoning [Map\[A1\]](#), which may be viewed at www.portlandmaps.com/bps/mapapp/ (select the Zoning Map Changes).

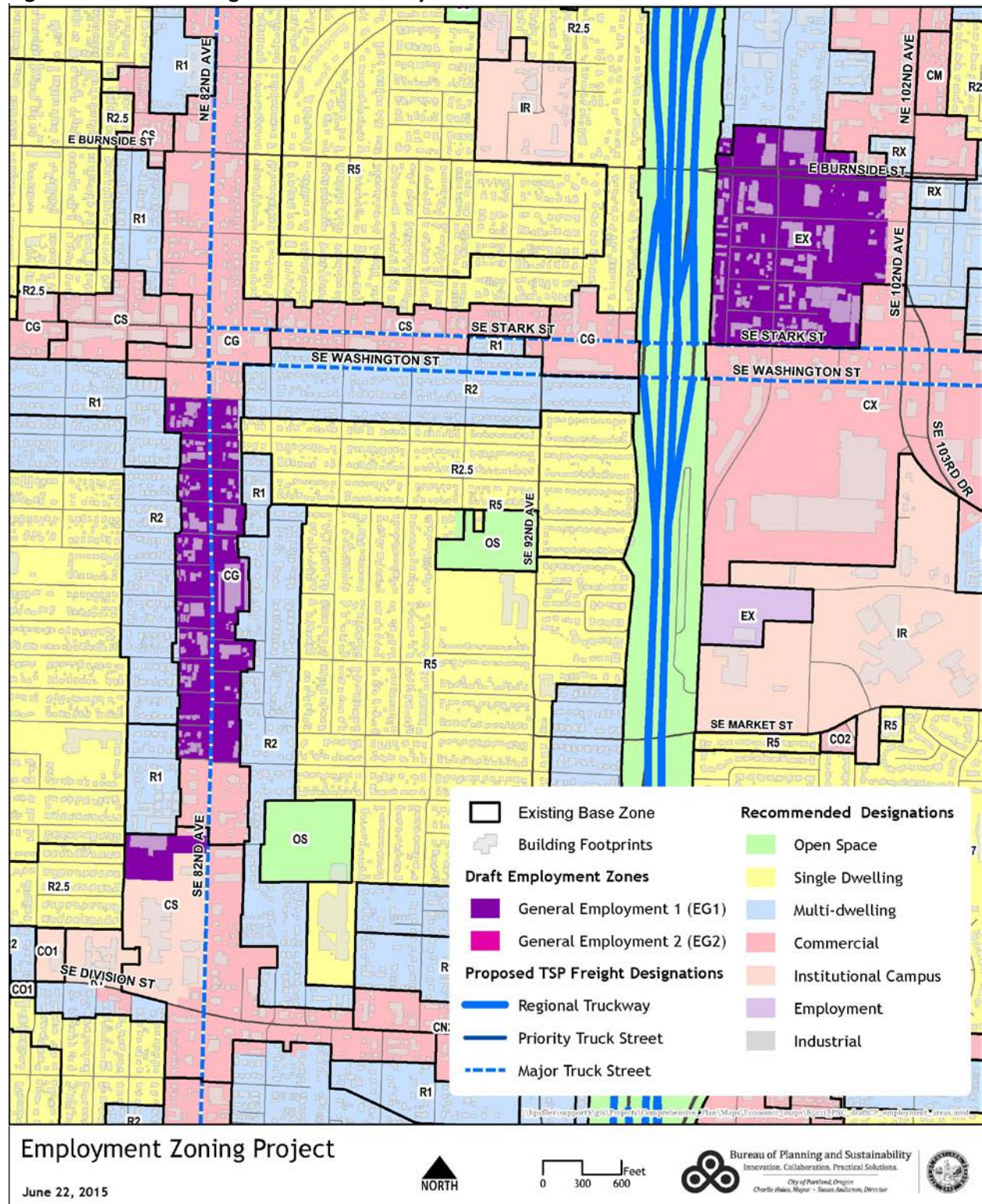


EG1 General Employment zoning is recommended along 11 blocks of 82nd Avenue, including sites shown here. Rezoning would accommodate low-rise office infill and redevelopment on underdeveloped sites.



EG1 General Employment zoning is also recommended in Central Gateway, including sites shown here.

Figure 2. New EG Zoning at Central Gateway and SE 82nd area sites





EG2 General Employment zoning is recommended at the Kmart/Sears site at NE 122nd and Sandy.



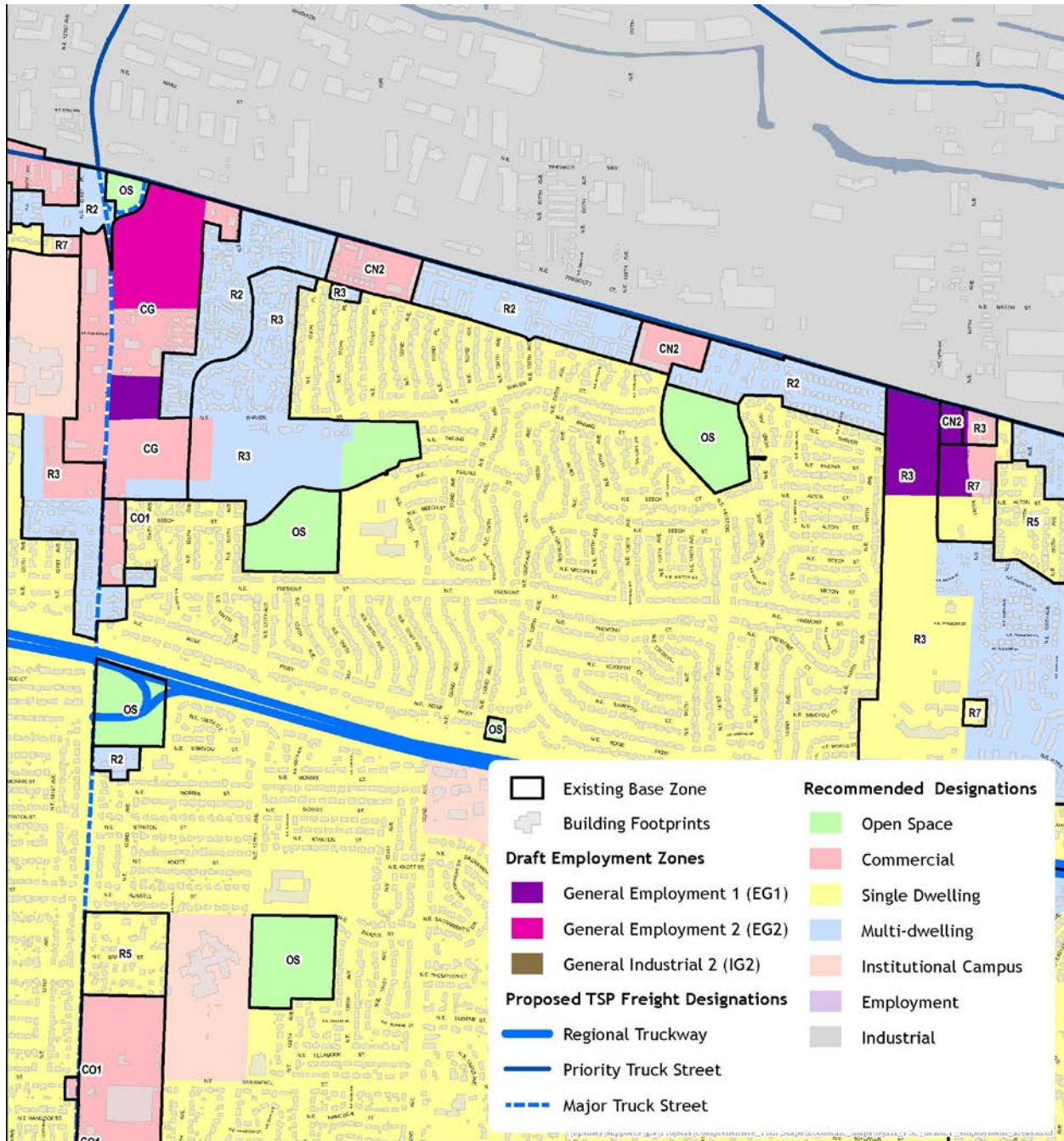
EG1 General Employment zoning is recommended at NE 147th and Sandy, including Rossi/Giusto farms.



EG1 General Employment zoning is recommended at NE Shaver at 122nd, Rossi/Giusto farms.

Figure 3. New EG Zoning at NE Sandy Blvd. area sites (Rossi and Kmart)

Note PSC revisions to this map: The Planning and Sustainability Commission (PSC) recommended applying EG1 zoning at the Post Office site and Commercial Mixed Use CM2 zoning at the Rossi Farm site at NE Shaver at 122nd, consistent with the adopted Comprehensive Plan map designations that were revised by City Council.



Employment Zoning Project

August 10, 2016



0 500 1,000 Feet



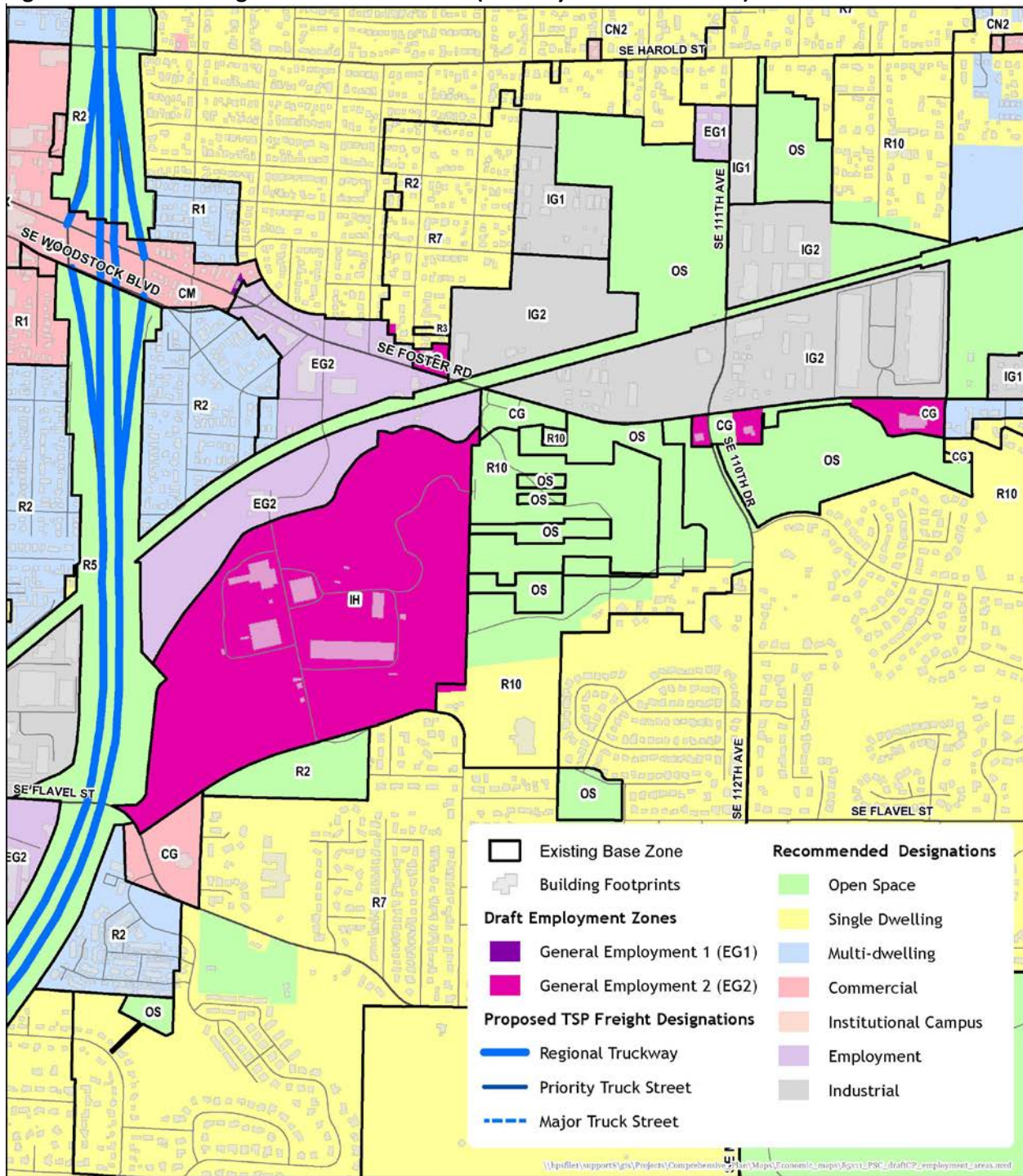
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EG2 General Employment zoning is recommended at the Freeway Land site near SE Foster and I-205 shown here.

Figure 4. New EG Zoning at SE Foster area sites (Freeway Lands and others)



Employment Zoning Project

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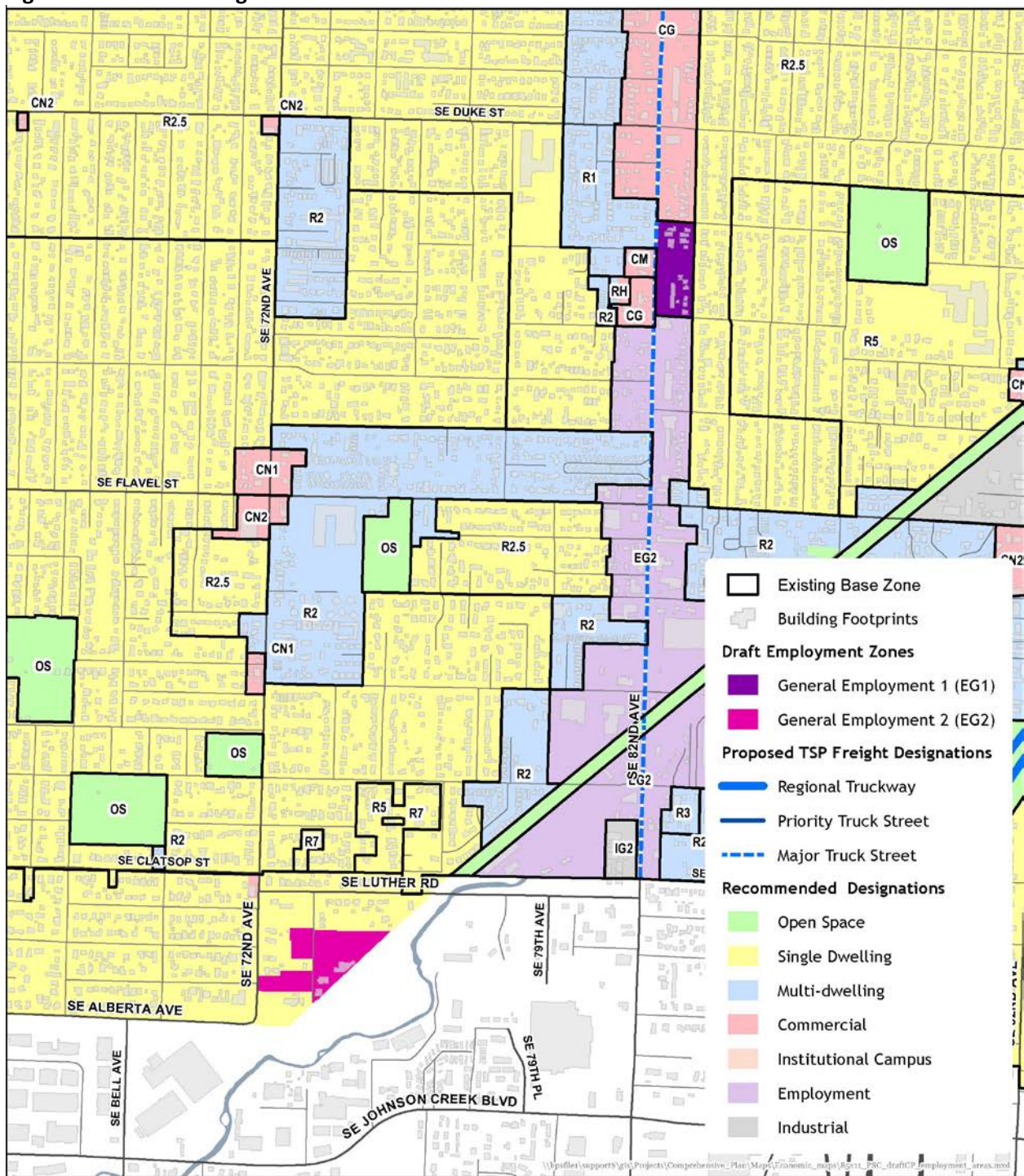


EG1 General Employment zoning is recommended along SE 82nd at Bybee shown here, extending existing EG zoning northward.



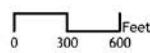
EG2 General Employment zoning is recommended at Urban Service Area sites at SE 72nd and Luther shown here.

Figure 5. New EG Zoning at SE 82nd and Urban Service Area Sites



Employment Zoning Project

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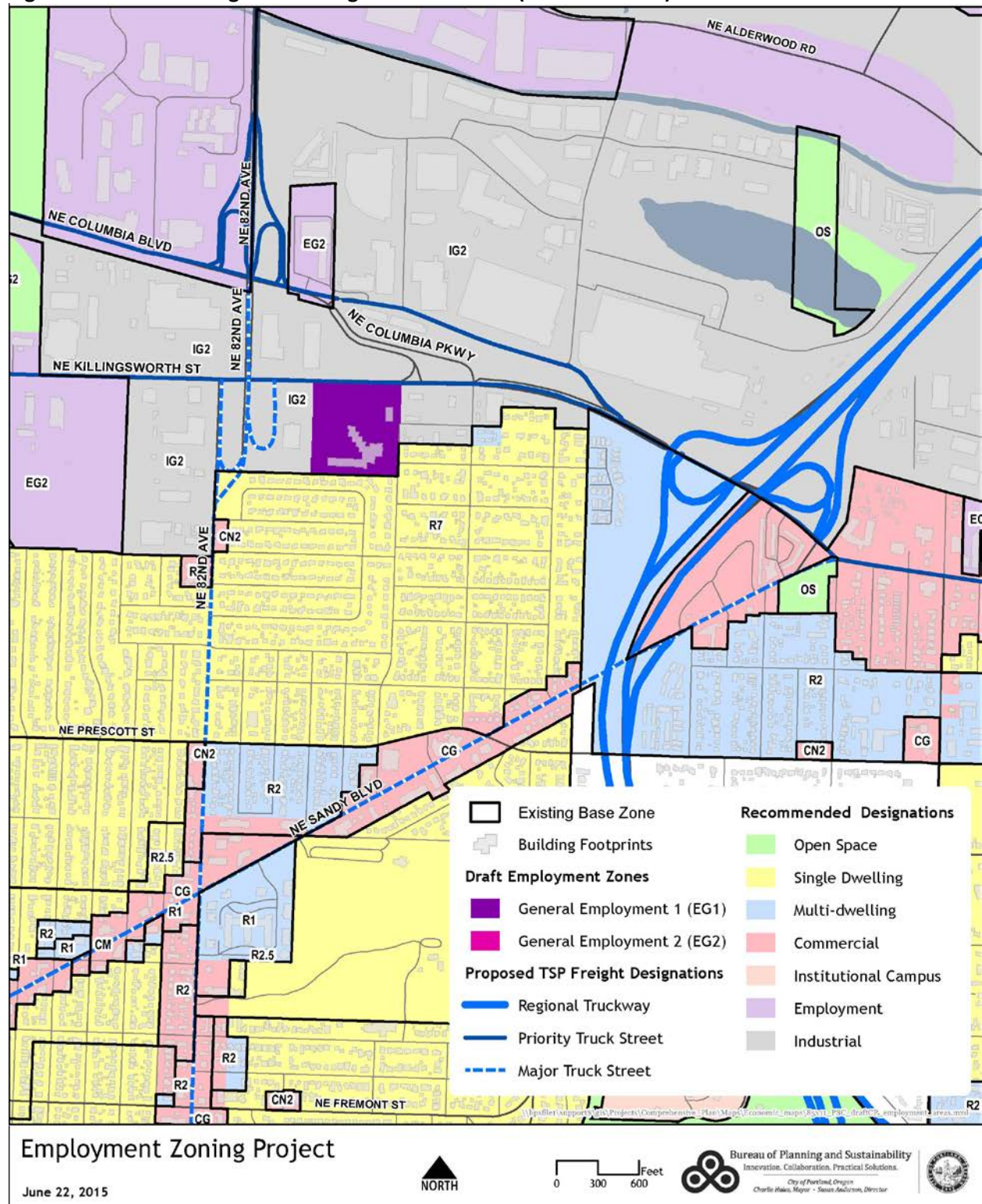
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EG1 General Employment zoning is recommended at Helensview High School on NE Killingsworth.

Figure 6. New EG Zoning at NE Killingsworth area site (Helensview HS)





EG1 General Employment zoning is recommended at NE Halsey and 79th shown here.

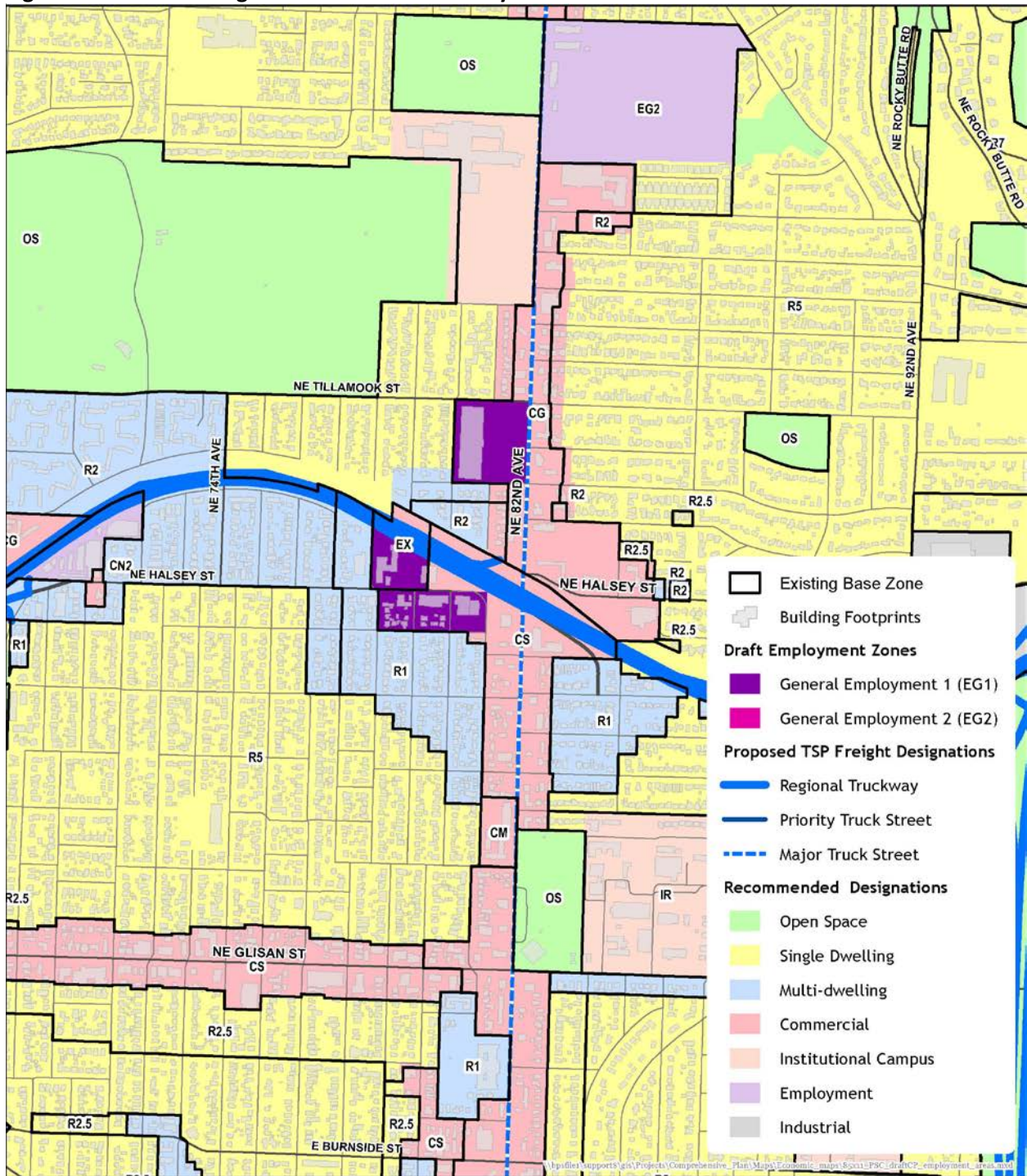


EG1 General Employment zoning is recommended at NE 80th and Clackamas shown here.



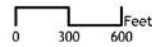
EG1 General Employment zoning is recommended at NE 82nd near I-84.

Figure 7. New EG Zoning at NE 82nd and NE Halsey area sites



Employment Zoning Project

June 22, 2015



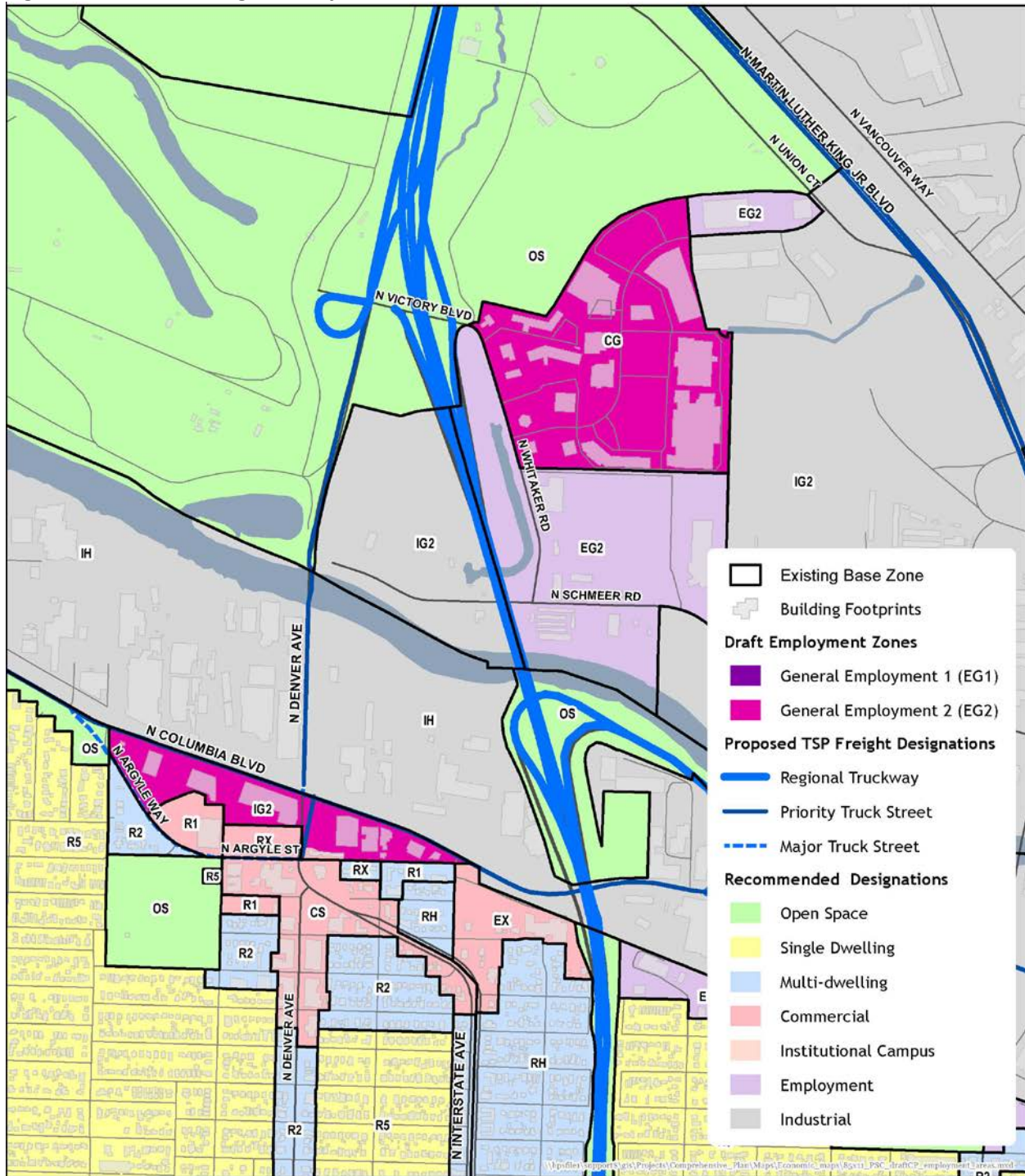
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EG2 General Employment zoning is recommended along N Hayden Meadows Dr. including the sites shown here.

Figure 8. New EG Zoning at N Hayden Meadows and N Columbia sites



Employment Zoning Project

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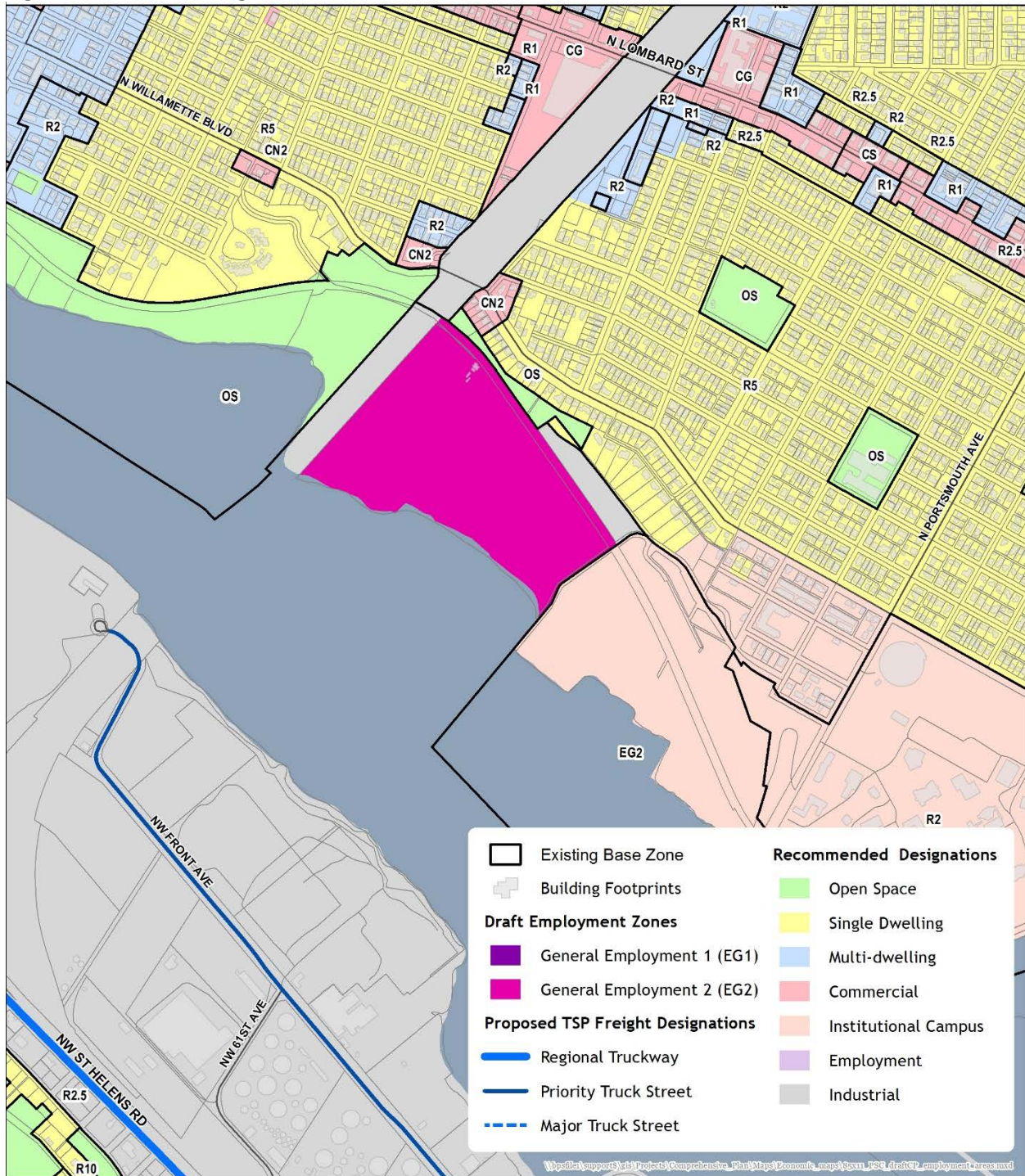
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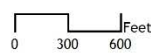
EG2 General Employment zoning is recommended here (see blue outline) at the former McCormick & Baxter site to accommodate future University of Portland expansion.

Figure 9. New EG Zoning at McCormick and Baxter site



Employment Zoning Project

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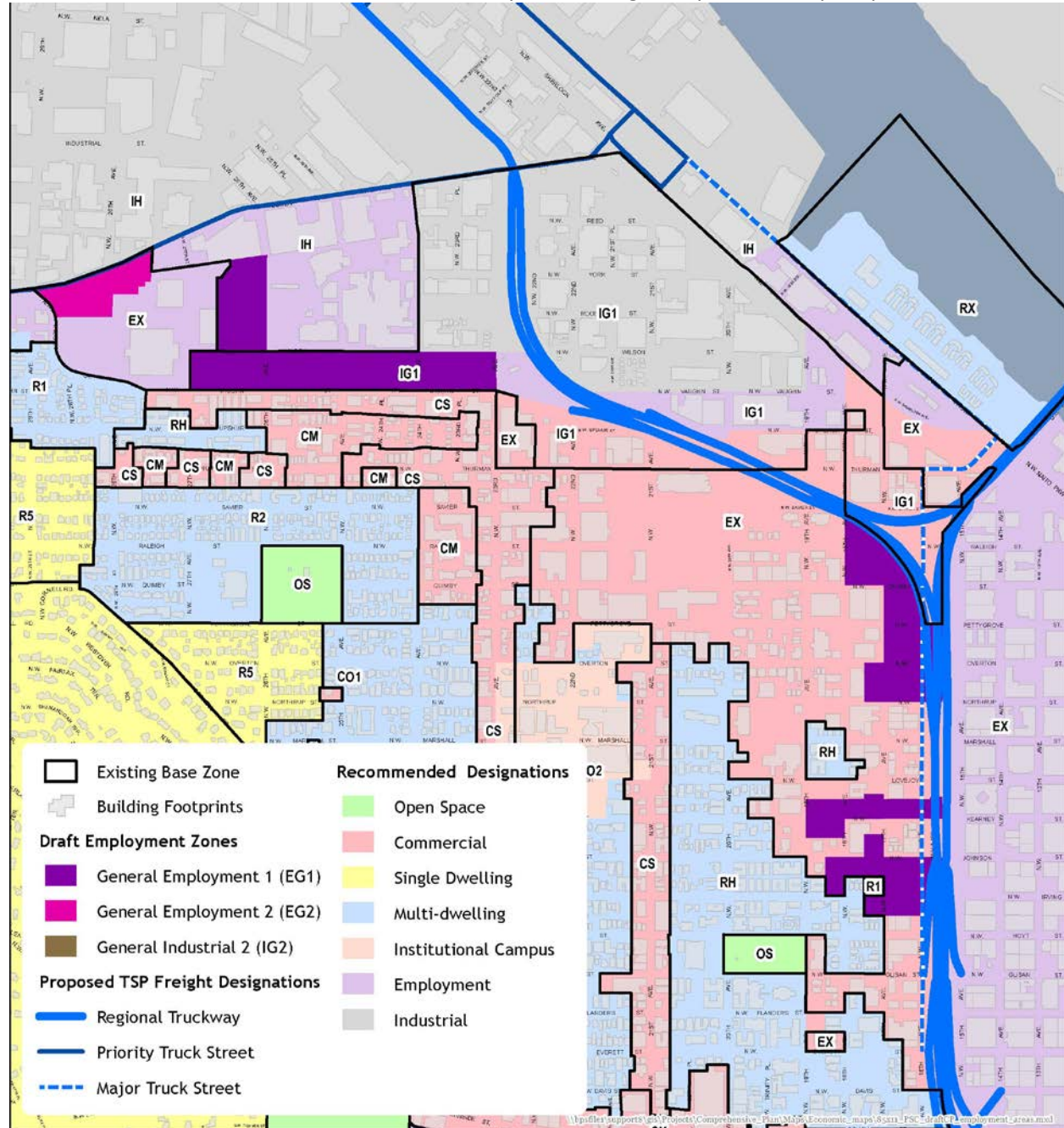
EG1 General Employment zoning is recommended along NW Vaughn, including the ESCO headquarters here.



EG2 General Employment zoning is recommended at the Montgomery Park office building.

Figure 10. New EG Zoning at NW Vaughn area sites

Note PSC revisions to this map: The Planning and Sustainability Commission (PSC) recommended retaining EX zoning at Montgomery Park, consistent with the adopted EX designation on the Comprehensive Plan Map that was revised by City Council. The PSC also recommended combining the map change to EG1 along NW Vaughn (ESCO sites and others) with a text change to the Guilds Lake Plan District that retains current limits on office density, addressing transportation capacity constraints.



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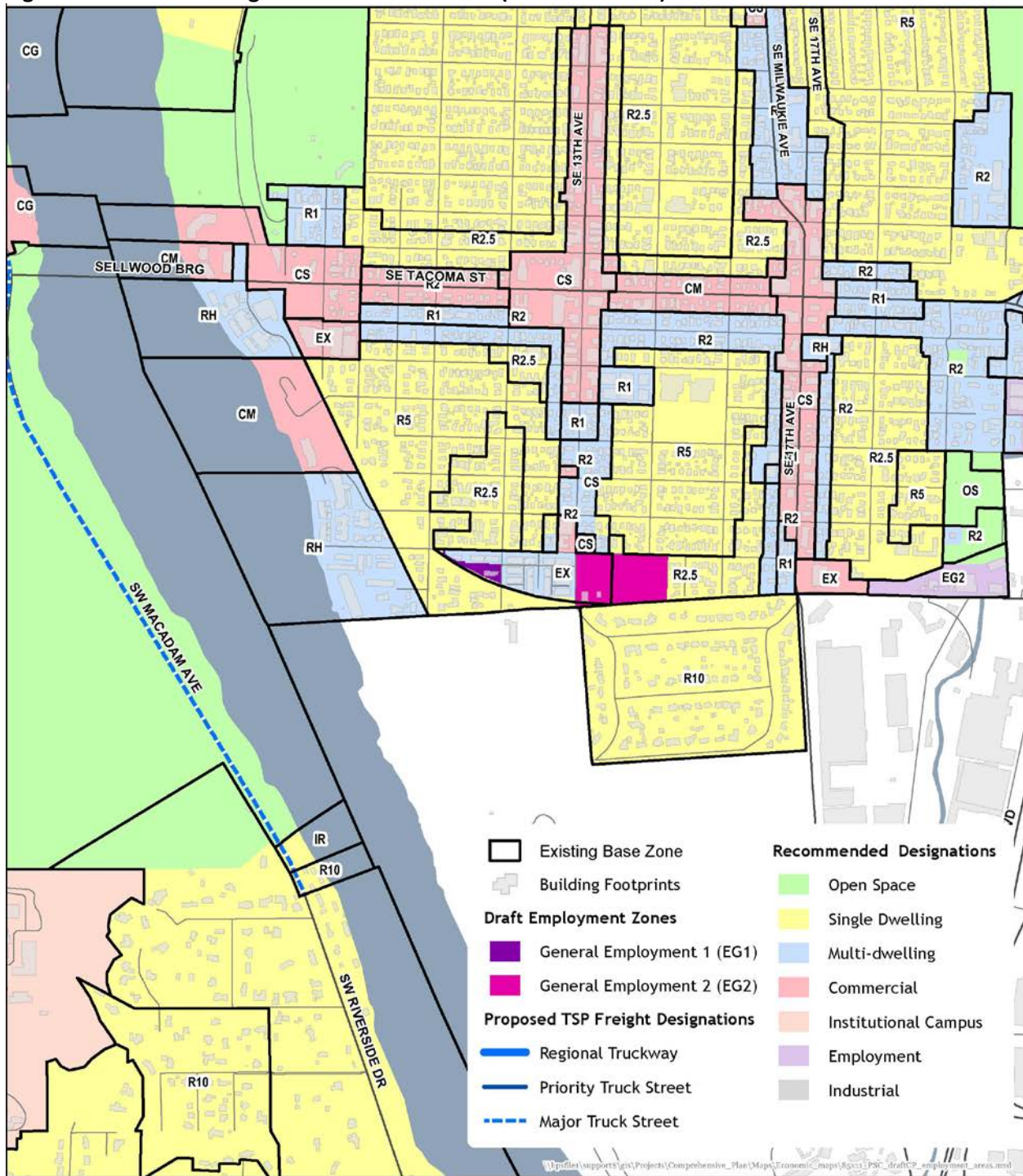


EG1 General Employment zoning is recommended at the office building near SE Ochoco shown here.



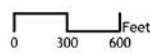
EG2 General Employment zoning is recommended at the PGE substation along SE Linn.

Figure 11. New EG Zoning at SE Ochoco area sites (PGE and others)



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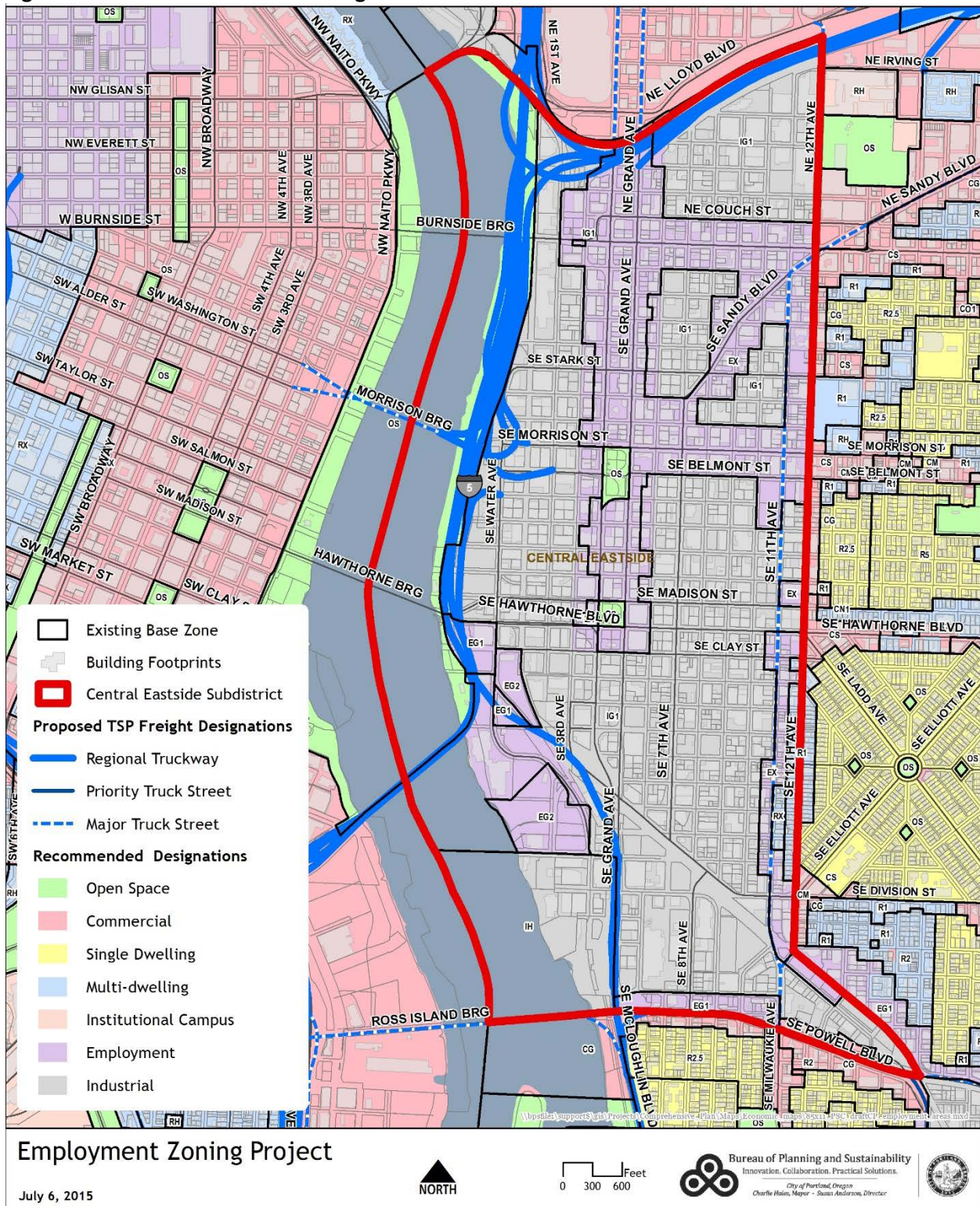
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Code changes to allow Industrial Office uses are recommended in all IG1 zones in the Central Eastside, including the new construction sites at SE 3rd and Clay shown here.

Figure 12. Recommended Code Changes in Central Eastside Subdistrict





Development standards for ecologically beneficial design are recommended for future IG2 zoning at the privately-owned Broadmoor (top) and Riverside golf courses shown here.

Figure 13. New IG Zoning and Recommended Code Changes at Riverside and Broadmoor golf course sites

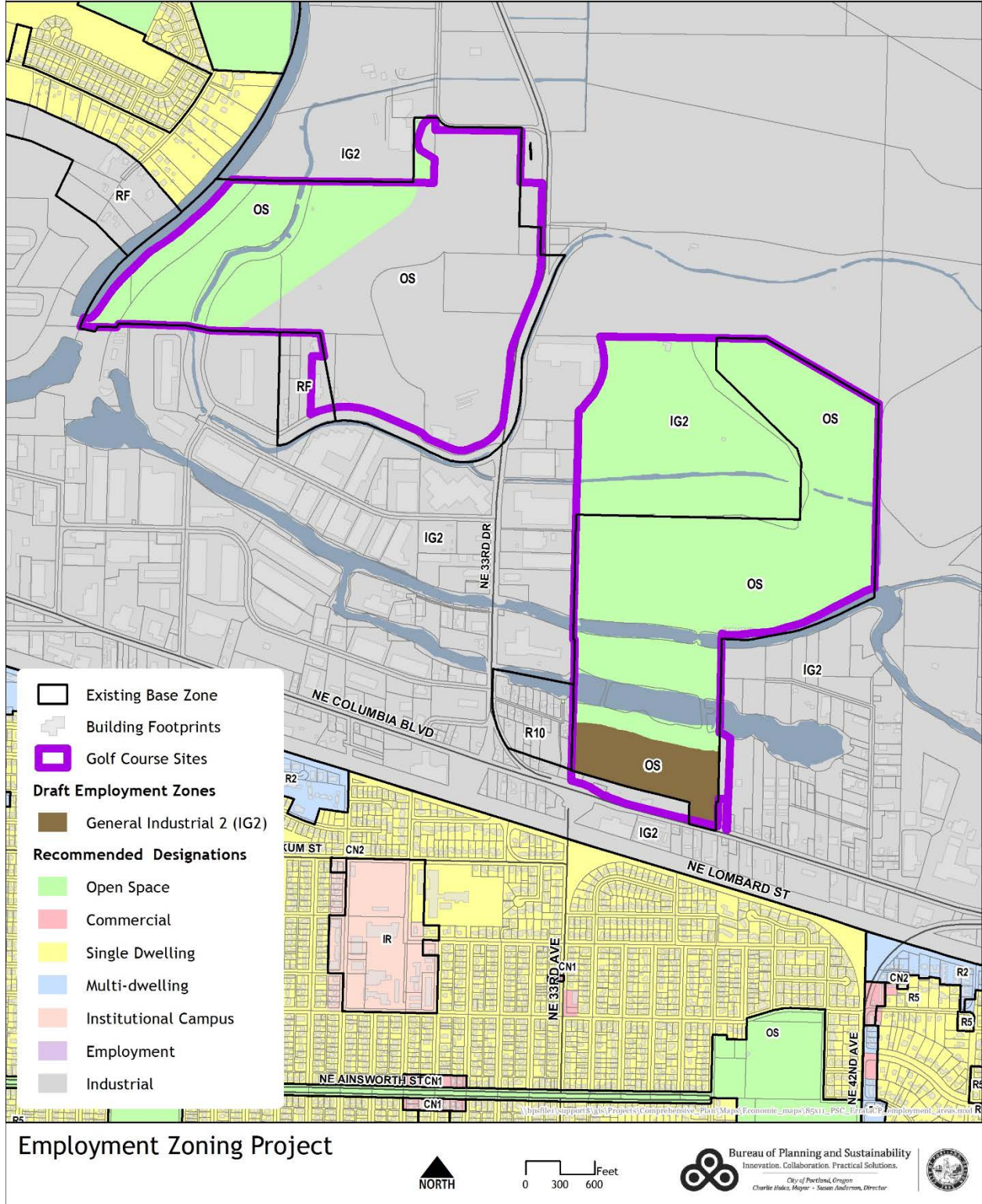


Figure 14. New IG Zoning at NE Marine Drive Marina Site

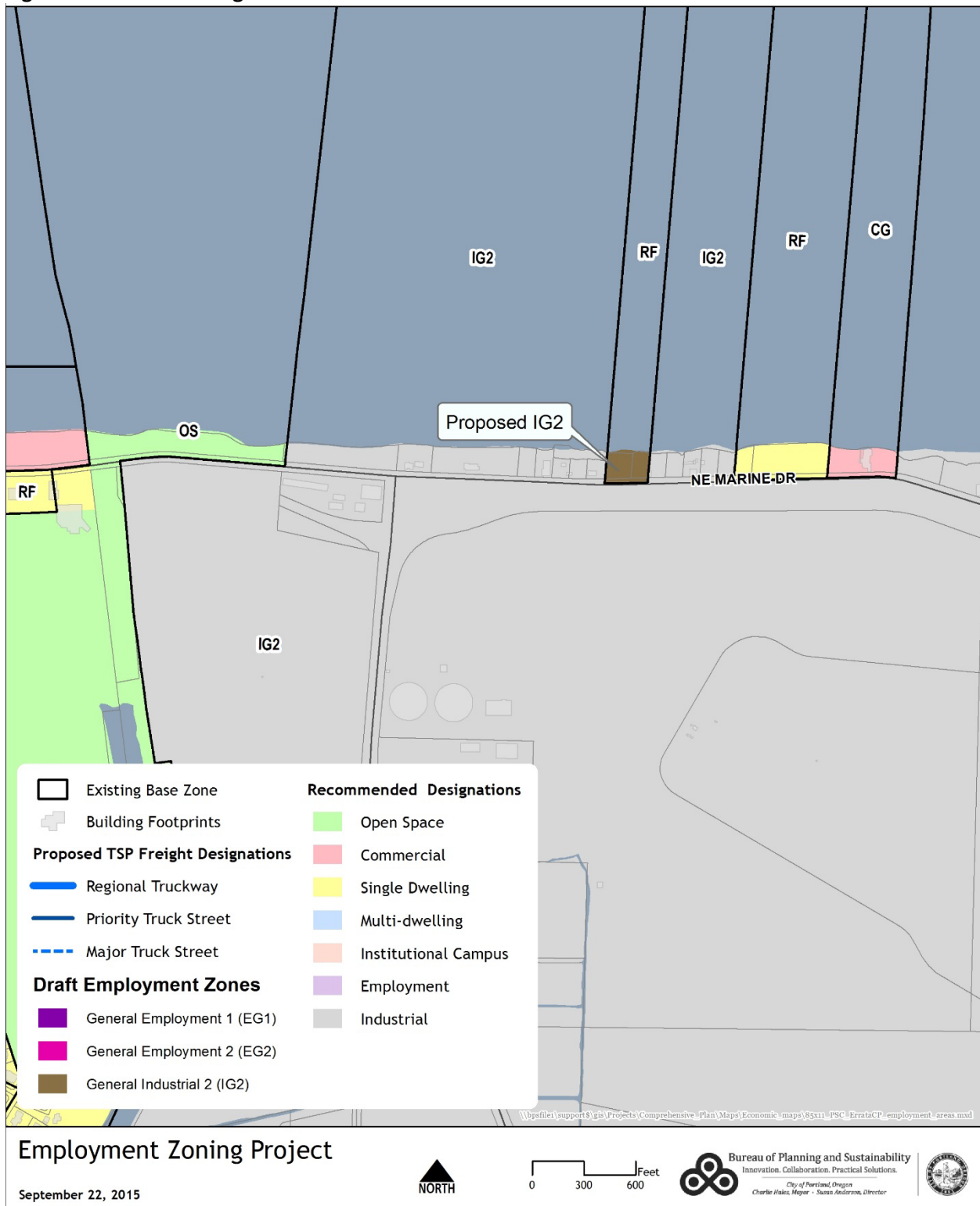
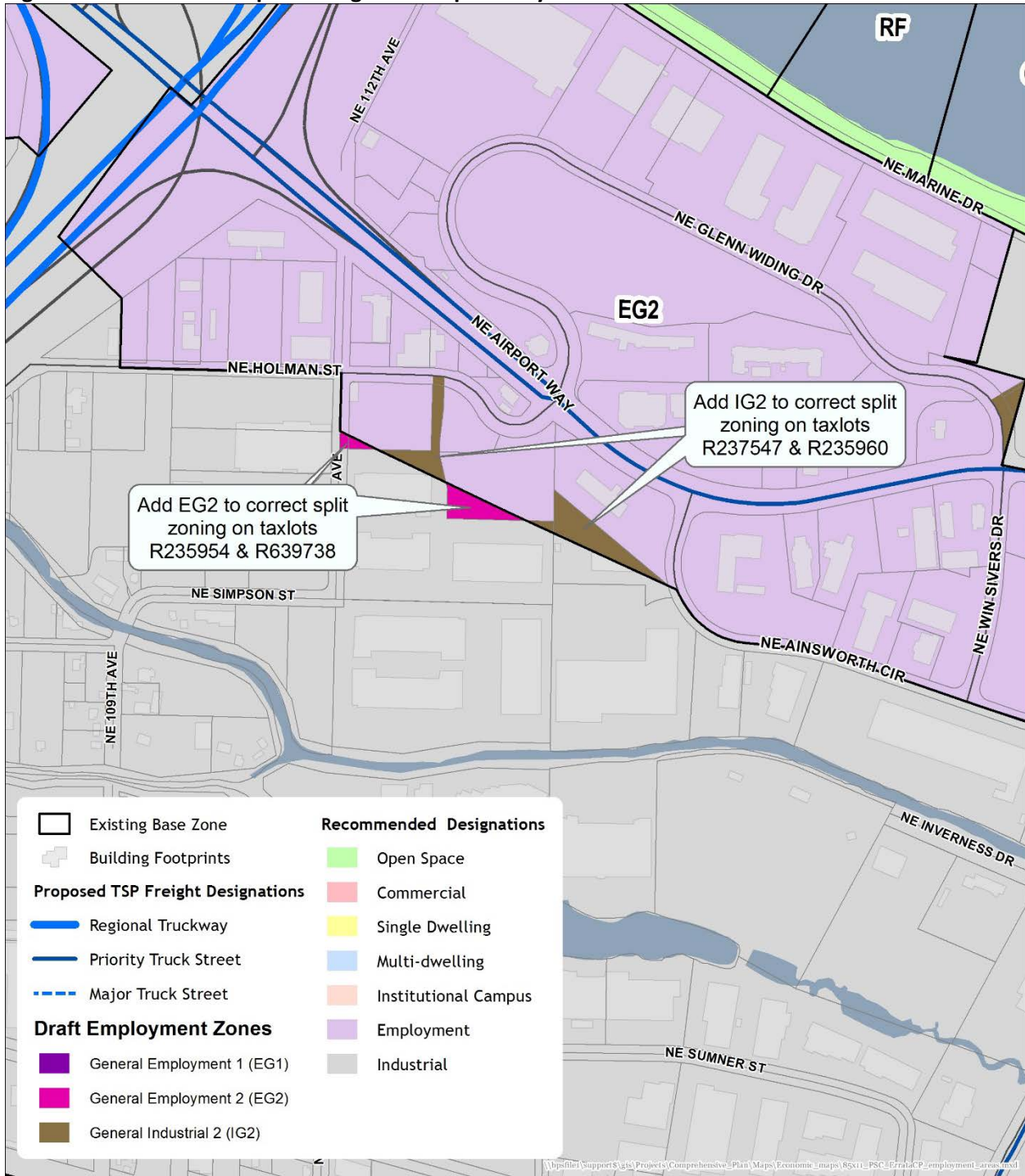
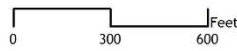


Figure 15. Correction of Split Zoning in NE Airport Way Area



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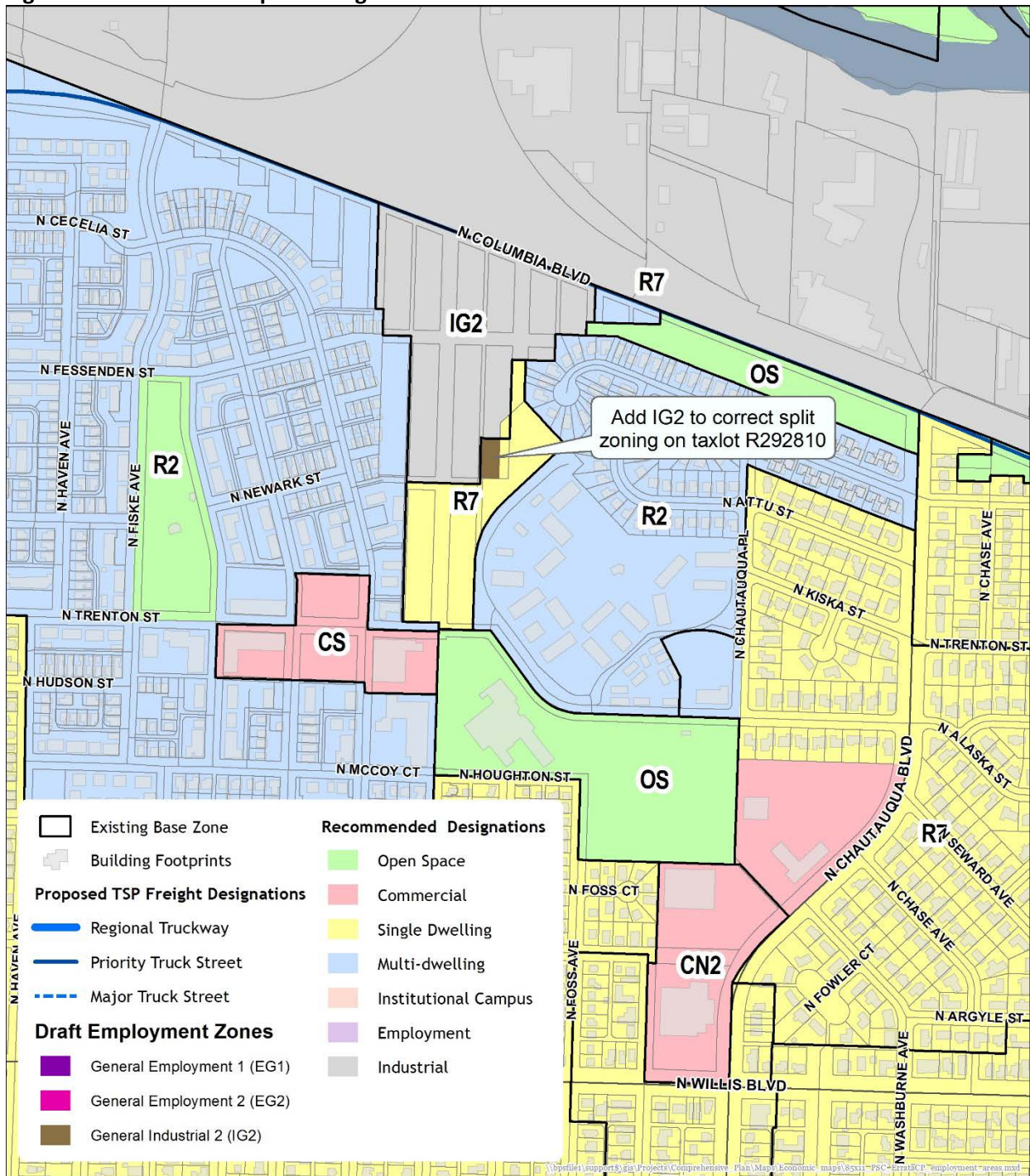


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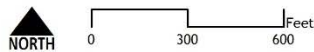


Figure 16. Correction of Split Zoning in Union Pacific Peninsula Junction area



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Figure 17. Correction of Split Zoning in Hayden Meadows area

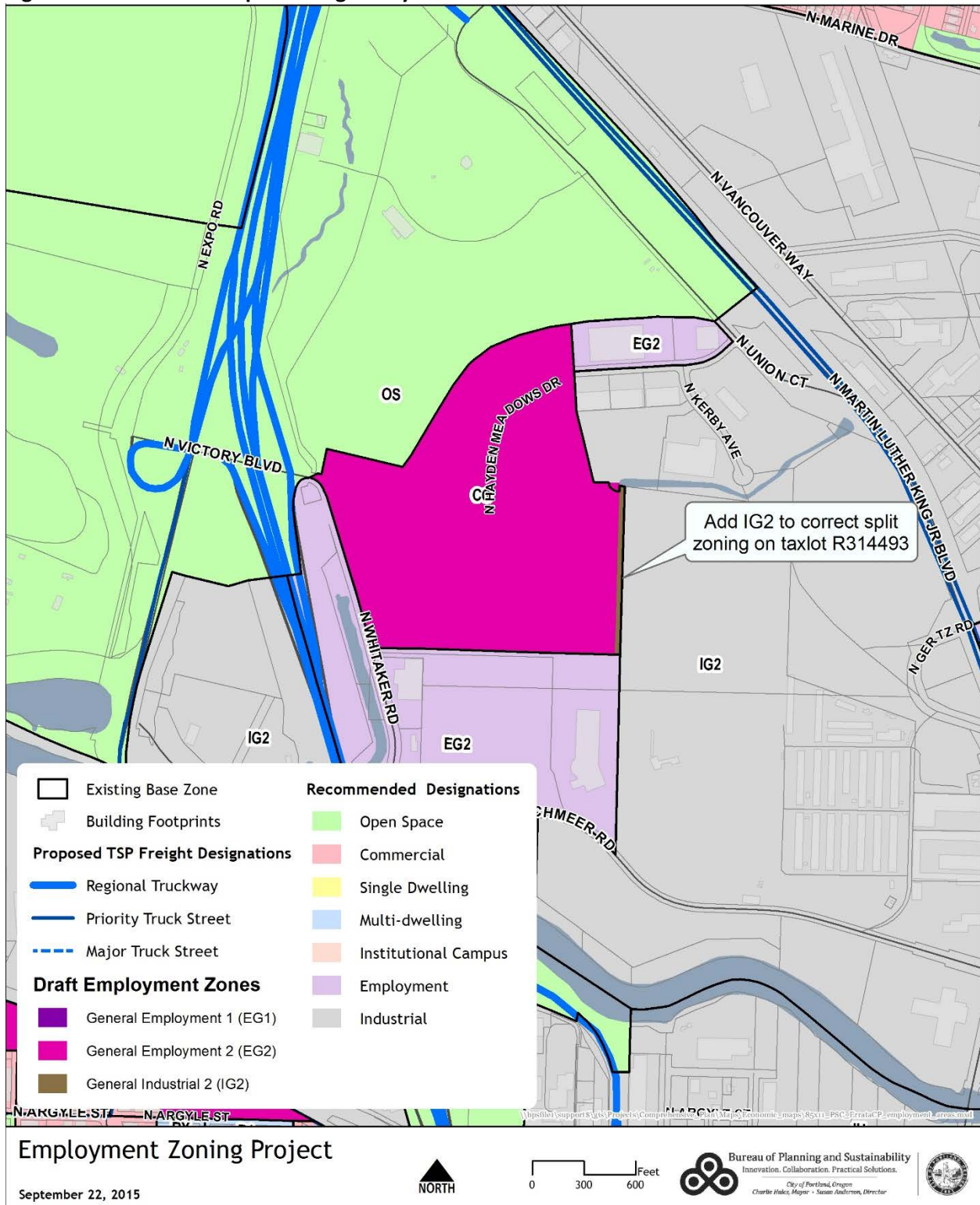
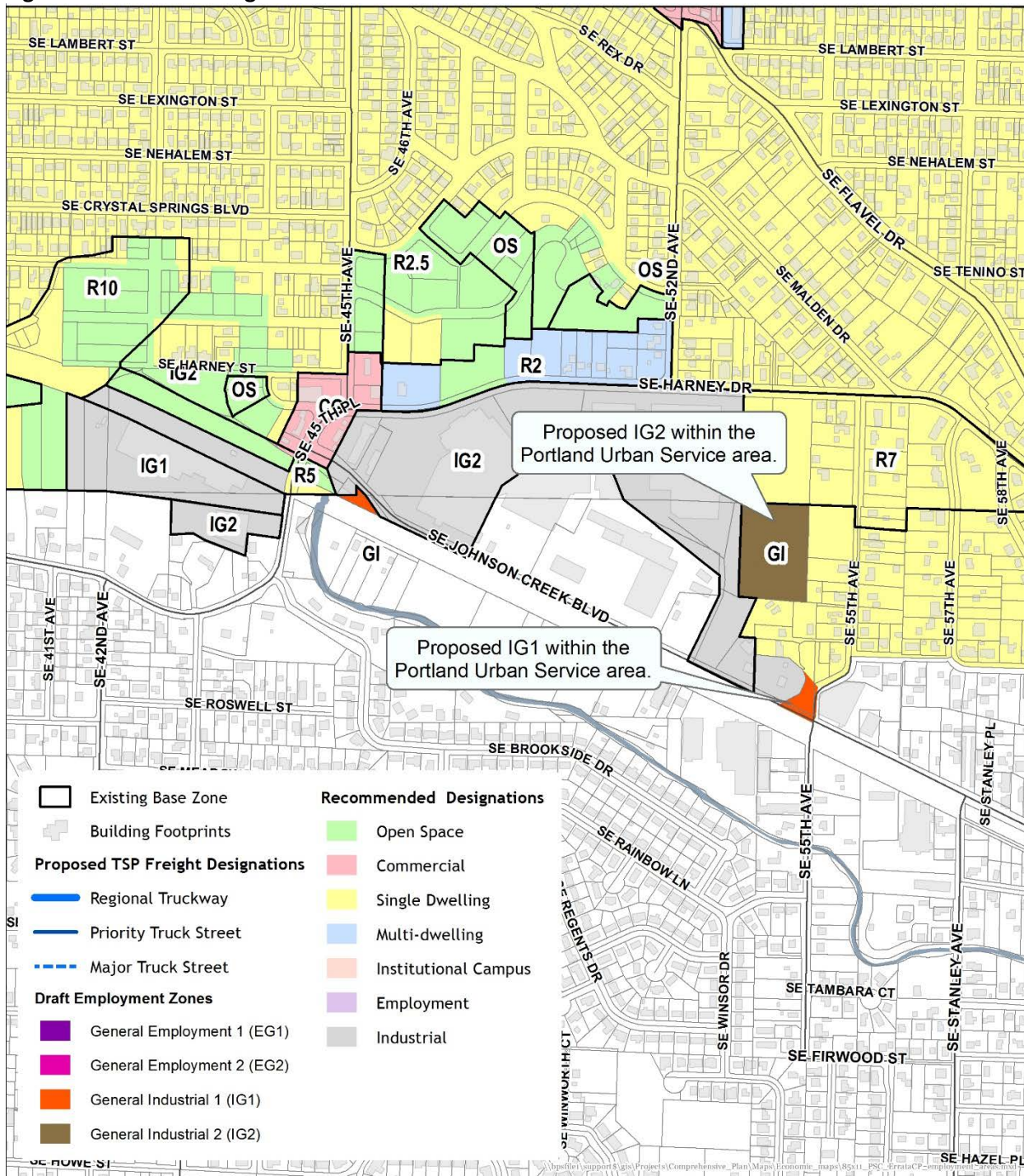
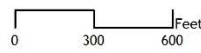


Figure 18. New IG Zoning at Urban Services Area sites



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Section VII: Other Implementation Tools

This section summarizes additional implementation tools recommended in this project, beyond the adoption of zoning changes, to formalize public acquisition consultation procedures for Parks and Open Area uses in the recommended Prime Industrial overlay zones.

Public acquisition procedures for Parks and Open Areas in Prime Industrial overlay zones

Land use limitations are typically applied through development applications, so it is less clear how to regulate Parks and Open Areas as a land use where development would occur years later or might not occur. Generally, acquisition of a site for such a use is the point at which it would no longer be available for industrial use, but land sales are not reviewed for land use compliance. To support effective implementation of industrial retention policies, development of formal inter-agency coordination procedures are recommended to address open space acquisition in the Prime Industrial zoning overlay. These procedures could be formalized in inter-governmental agreements or memorandums of understanding.

The purposes of consultation and coordination with BPS at the time of acquisition decisions are to inform the acquisition agency of zoning limitations, options for legislative map amendments, and the estimated resulting loss of prime industrial development capacity of the site based on the Buildable Land Inventory methodology. Acquisition agencies would be encouraged to consider prime industrial land retention and options to offset resulting prime industrial development capacity losses. Consultation at the time of acquisition would facilitate consideration of zoning compliance in the property acquisition decision.

BPS staff will coordinate with Metro, Portland Parks and Recreation, and the Bureau of Environmental Service to develop and formalize relevant acquisition procedures and an implementation tool prior to the effective date of the recommended Prime Industrial overlay zone.

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Appendix A: Stakeholder Focus Groups

Public involvement in concept development for the Employment Zoning Project consisted primarily of four stakeholder focus groups, which were held in April and May 2015. The purpose of the focus groups was to help identify and understand potential implementation issues of preliminary code concepts being considered in this project. Given the short timeframe of the project, the focus groups also helped to expeditiously reach out to a broad range of additional stakeholders affected by code implementation issues, building on prior public involvement activities in the Comprehensive Plan Update. Their perspectives and interests diverge on some topics involved in the project and overlap on others.

An In-House Draft was also circulated to inter-bureau partners to help identify and understand implementation issues addressing code administration, environmental services, parks, and transportation. Public involvement addressing the Central Eastside code change proposals was conducted separately through the Southeast Quadrant Plan process of the Central City Plan Update.

Who participated?

Figure 19. Focus group participants

STAKEHOLDER	DATE	ATTENDEES
Industrial/commercial real estate brokers and developers	Thursday, April 30, 2015	Joe Mollusky, Port of Portland Eric Sporre, PacTrust Don Ossey, Capacity Commercial Todd Johnson, Mackenzie Brad Malsin, Beam Development Peter Finley Fry, CEIC Bob Thompson, Mackenzie Tom Dechenne, NBS Realtors
Adjacent neighborhood associations	Monday, May 04, 2015	Peter Maris, Montavilla Neighborhood Assoc. Cora Potter, Lents Neighborhood Assoc. Arlene Kimura, Hazelwood Nghbd. Assoc. David Sweet, Cully Assoc. of Neighborhoods Martha Johnston, E. Columbia Nghbd. Assoc.
Business associations in industrial/employment areas	Wednesday, May 06, 2015	Katie Meyer, Parkrose Bus. Assoc. Pia Welch, Portland Freight Committee Marion Haynes, PBA Corky Collier, CCA Don Howard, 82 nd Ave of Roses Bus. Assoc. Ellen Wax, Working Waterfront Coalition Heather Hoell, Venture Portland Sarah Angell, SIBA Harold Hutchinson, NINA
Equity groups representing underserved populations	Tuesday, May 12, 2015	Nicole Knudsen, SEIU Local 49 Judith Mowry, OEHR Matthew Tschabold, Housing Bureau Polo Catalani, ONI Tony DeFalco, Living Cully

Figure 19 lists the participants of the four focus groups conducted. Ten to twelve participants were invited to each focus group meeting, although not everyone attended. One focus group consisted of representatives of business and industrial district associations whose members occupy Industrial and Mixed Employment areas being addressed. A second focus group involved representatives of neighborhood associations with boundaries that encompass the new Mixed Employment areas or that overlap the recommended Prime Industrial overlays. A third group consisted of equity representatives, including labor unions, service providers, and community organizations. Underserved and underrepresented groups, particularly workers, often participate less in land use processes. A fourth group consisted of real estate industry representatives, including brokers, developers, and development representatives. The real estate industry generally implements zoning requirements, represents property owners, and has expertise in development markets.

What discussion questions were asked?

The focus groups discussed the following five topic areas relevant to the proposal. Background materials describing preliminary code concepts were emailed to participants about one to two weeks before the focus group meetings.

- A. Prime industrial land retention
- B. Land-efficient I Industrial zones
- C. Land-efficient EG General Employment zones
- D. Residential compatibility of EG zones
- E. Golf course rezoning criteria.

Each focus group responded to two questions for each of the five topics:

1. **What issues do we need to think more about** for this code change to be appropriate and effective? Examples might be special circumstances or locations, unforeseen impacts, fairness considerations, or other concerns. And if you have suggestions to resolve these issues, what are they?
2. **Who in particular should we try to involve** in this project in order to better understand and resolve these issues?

What we heard

For each zoning change topic area, the results of the focus groups are summarized below. Figure 20 summarizes the themes of issues raised in the focus groups.

Prime industrial land retention

Participants in the real estate industry focus group emphasized that not all sites are equal. They generally objected that prohibiting quasi-judicial map changes may not be flexible enough for a dynamic marketplace. A suggestion was made to relook at the edges of Prime Industrial areas and consider removing sites that may be too constrained or less suitable for typical industrial uses. Some participants added that landowners and business owners should be able to successfully contest map designations in areas that yield less-than-optimal market conditions or on sites that have a layout or configuration that

Figure 20. Summary themes of focus group comments by topic area

TOPIC	REAL ESTATE	NEIGHBORHOOD ASSOC.	BUSINESS ASSOC.	EQUITY
Prime Industrial Land Retention	<ul style="list-style-type: none"> ▸ Take a more granular approach with flexibility for small map changes. ▸ Edges of Prime Industrial Areas may need to be adjusted for sites too constrained for industrial use. 		<ul style="list-style-type: none"> ▸ Prioritize freight mobility as well as land use, such as by locating and designing trails to prevent adverse impacts on freight mobility. 	<ul style="list-style-type: none"> ▸ Reframe proposals to emphasize equity benefits to disadvantaged groups rather than business needs or growth capacity.
Land-Efficient I-Zones	<ul style="list-style-type: none"> ▸ Focus restrictions on specific undesirable uses. ▸ Recognize dynamic synergies of industrial and commercial uses to better respond to market changes. ▸ Explore options to allow mitigation banks for off-site landscaped areas. 	<ul style="list-style-type: none"> ▸ Open area restrictions should allow for new trails and mitigation areas. ▸ Some places, such as Columbia Blvd., could be more attractive to infill through street trees and design aesthetics. 	<ul style="list-style-type: none"> ▸ Differing views in the group included whether open area buffers should be allowed in I zones, shifted to R zones, or both. 	<ul style="list-style-type: none"> ▸ Prioritize job growth and leverage equity benefits. ▸ Consider community benefits agreement requirements for infrastructure investments. ▸ Involve and help educate DCL partners: Urban League, NAYA, Latino Network, CIO and APANO.
Land-Efficient EG-Zones	<ul style="list-style-type: none"> ▸ Make retail over 20,000 sf a conditional use. ▸ Yes, prohibit residential uses in these zones. 	<ul style="list-style-type: none"> ▸ Allow a percentage expansion for existing retail to accommodate sites with room to expand. 	<ul style="list-style-type: none"> ▸ Make retail over 20,000 sf a conditional use. ▸ Yes, prohibit residential uses in EG zones. 	<ul style="list-style-type: none"> ▸ Examine impacts on land for affordable housing. ▸ Retain N Cully Plan District to leverage equity benefits.
Residential Compatibility of EG Zones	<ul style="list-style-type: none"> ▸ Ensure infrequent needs for outdoor storage and display can be allowed with a permit. 	<ul style="list-style-type: none"> ▸ Reduce noise allowance from 75dB in EG1. 	<ul style="list-style-type: none"> ▸ Don't add compatibility rules that push industry out of EG-zones, since the I-zones don't have surplus land available. 	<ul style="list-style-type: none"> ▸ Ensure environmental justice, e.g., through good neighbor agreements.
Golf Course Rezoning Criteria	<ul style="list-style-type: none"> ▸ Concerned about offering job lands to open space, which is plentiful elsewhere in the city and outside the UGB. 	<ul style="list-style-type: none"> ▸ Differing views include support of rezoning criteria for a Colwood-like outcome and objection to loss of open space. 	<ul style="list-style-type: none"> ▸ Why does comp plan add more new OS than I land in Prime Industrial areas? Prioritize jobs there, not open space. 	<ul style="list-style-type: none"> ▸ Leverage shifts in land uses to increase access to equity for disadvantaged groups.

makes it infeasible for industrial development. One example cited was the Brooklyn Yard industrial area, which is in an inner neighborhood setting where a new light rail line is under construction. Industrial edge areas in urban locations may become less functional for industry over time.

The equity focus group took a higher-level approach to addressing the proposed changes generally. Some participants expressed frustration that the proposals gave too much attention to business needs and growth-capacity shortfalls. Reframing the proposals was urged, in order to emphasize equity benefits to disadvantaged groups, particularly low-income populations and populations of color. Attendees encouraged City staff to explore tools that would leverage equity benefits, such as contracting to minority- and women-owned businesses, local-source hiring, and community benefits agreements. Another issue cited is that some people know so much about these topics and most people so little. More focused outreach to engage and inform people of color was suggested, particularly the Diversity and Civic Leadership Program (DCL) Partners, including the Urban League, NAYA, Latino Network, CIO and APANO. Involvement of 1000 Friends of Oregon and environmental groups was also suggested.

Concern was expressed during the business association focus group that the conversion trends are disturbing. Participants also asked whether the Prime Industrial Land designation, which prioritizes land use direction based on freight infrastructure, can also be used to prioritize freight mobility in transportation decisions. We need to move products in and out of these areas, it was emphasized. Consideration was suggested to require locating and designing trails and bike lanes in Prime Industrial Areas to avoid adverse impacts on freight mobility and safety. There were also contending viewpoints on this topic. Some participants noted the increasing legitimacy of bicycle delivery via cargo bicycles and that these delivery modes should be able to safely operate in industrial areas. Confusion was expressed about applying the term “multimodal” to both freight modes and active transportation modes.

The neighborhood association focus group did not discuss prime industrial land retention.

Land-efficient Industrial-zones

Equity focus group participants made the point that the proposed land use limitations have distributional implications for residents and workers. A suggestion was made that conditional use requirements for secondary uses could stipulate the provision of affordable housing or facilities for community organizations. Community benefits agreements for infrastructure investments in industrial areas were also suggested to help ensure benefits to nearby neighborhoods. Framing the approach to land-efficient industrial zones was also suggested to prioritize job density targets. This idea was also discussed by the business association group, including concerns that industrial businesses vary widely in job density and that higher job-density commercial areas tend to have a less equitable income distribution.

The real estate focus group discussed the need to foster a “dynamic market” within industrial zones. As discussed, a dynamic market means more than just shifting industries. The synergies of industrial and commercial uses are also changing. Industrial business owners may prefer to locate near commercial businesses that are their customers or vendors. The Central Eastside Industrial District was mentioned as an example of the mix of uses that create synergies across markets, which contributes to Portland’s attractiveness for the creative community. Participants encouraged policy makers to consider the nature, size and scale of supportive businesses. To do so, one suggestion was to focus use restrictions on specific, undesirable uses.

The business associations group also discussed taking a more granular approach to link employment goals and land use. They agreed that a mix of uses can be a good thing. A broad-stroke approach was described as being less effective for filtering incompatible uses from supportive uses. Participants noted that the proposed change to remove self-service storage as an allowable use is a step in the right direction to pursuing this approach.

Discussion on limiting Parks and Open Areas in Prime Industrial areas

Responding to the proposed limitations on Parks and Open Areas, neighborhood association focus group participants voiced concern that the proposed restrictions should not limit new trails nor mitigation areas. Participants also expressed enthusiasm for community gardens and would like to see more of them. This focus group also diverged from some of the points made by the real estate and business association groups, noting that well-maintained green features in industrial areas and along their frontages perform an important aesthetic function in attracting businesses to those locations. For example, Columbia Blvd. would be more attractive for infill development, it was suggested, with more street trees and aesthetic design standards.

Participants in the real estate and the business association focus groups also generally recommended allowing off-site mitigation areas, as an option for leveraging development through open space. Off-site mitigation was discussed as a more flexible approach to site design, which in turn would facilitate more efficient use of industrial land.

The business association group also discussed allowing wider buffers along R-zones as exempted Parks and Open Areas in Prime Industrial overlay zones and whether the buffer should be concentrated in the R-zone, the I-zone, or both. Some individuals pointed out the value of buffers, supporting an exemption from the proposed Parks and Open Areas limitation. Others noted that the burden of creating landscape buffering falls disproportionately on industrial developers and business owners, requesting that it should apply on both sides of residential/industrial zone boundaries, such as when housing development occurs next to industrial facilities. And some attendees noted that Portland has a shortfall of industrial land and surplus residential capacity, so the buffer should be concentrated on residential land.

Land-efficient General Employment zones

Real estate focus group participants suggested that retail developments larger than 20,000 square feet should be a conditional use in EG zones, rather than prohibiting them. Examples were pointed out where the conditional use process has worked well for screening commercial uses that serve industrial area market needs. Participants generally supported the proposal to prohibit residential uses in EG zones. Reasons discussed included the surplus of residential capacity available citywide and the potential for continuing conversion of EG land in residential settings. Others suggested that this restriction could vary with scale, saying it may be okay in some circumstances but can't be allowed to become too large.

The business association group participants also expressed support for making retail uses larger than 20,000 square feet a conditional use and for prohibiting housing in industrial lands.

Neighborhood association group attendees expressed concern that the proposed retail limitation of

20,000 square foot will be difficult for larger existing retail facilities on sites with expansion room. As discussed, this issue depends partly on how sites are defined. Participants suggested a creative option for accommodating expansion of large, non-conforming retail stores: permit their expansion up to a fixed percentage of the existing building area, such as 20 percent.

A suggestion was made in the equity focus group to keep the North Cully Plan District in effect, as an opportunity to negotiate community benefits agreements. Thomas Cully Park development was noted as an example of how this has worked in the plan district, and community members are currently trying to negotiate community benefits in the Comcast development proposal. Participants expressed general support for mechanisms to leverage community benefits. Some also asked that the impacts on land for affordable housing be examined, including consideration for conditional use exceptions to the housing prohibition if affordable housing is provided.

Residential compatibility of EG-zones

The neighborhood association group discussed that sound levels are regulated by zone in the noise code, allowing up to 75 dB in I and EG zones. Participants commented that noise from incompatible uses there is a constant problem. Attendees suggested reducing the noise allowance from 75 dB in EG1, in order to improve residential compatibility. Participants also suggested additional landscaping, street trees, and design requirements, particularly along 82nd Avenue in order to help make it more attractive to residents, pedestrians and businesses alike.

Equity focus group participants emphasized concerns for environmental justice; consider who's living near industrial and employment zones. With historically marginalized groups and underserved populations often living near sites with pollution, noise and other nuisances, they felt the City should better equip these communities with mechanisms for mitigating those burdens. Good neighbor agreements were suggested as another opportunity to leverage equity benefits.

Business association focus group participants cautioned against adding compatibility rules that would push industry out of EG areas. Participants pointed out that the larger industrial districts lack extra room to accommodate industry displacement from EG zones in the long run. Some non-industrial business operations, it was pointed out, also create moderate nuisances for neighbors.

Real estate focus group participants suggested allowing infrequent needs for outdoor storage through a permit in EG-zones. One example offered was a winery, which must utilize outdoor space twice a year at a site that abuts a residential area.

Golf course rezoning criteria

Participants in both the real estate development and business association focus groups voiced concern about conflicting policy direction in this proposed change. On one hand, policies aim to protect and expand industrial capacity to promote job growth. On the other hand, these proposed restrictions will make these new industrial areas more challenging to develop. Some participants questioned why golf course rezoning criteria should be applied at all, since most of the golf course area is designated as Open Space, and other zone changes don't have to meet similar requirements. Some also inquired why most of the new open-space designated land on the proposed Comprehensive Plan Map was coming out of prime industrial areas. Participants urged consideration of resulting sprawl from future Urban Growth Boundary expansion and loss of middle-wage job capacity.

Differing views were voice in the neighborhood association focus group. Some attendees saw the conversion of any of the golf course land to industrial use as a net loss in open space, which should be preserved to protect habitat. However, others were pleased with the results of Colwood golf course reuse, including a new city park and additional natural area. They supported requirements that would result in similar community benefits with rezoning.

