

Portland Planning Commission

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August 27, 2024

Dear Mayor Wheeler and City Commissioners,

The Portland Planning Commission is pleased to forward the Montgomery Park Area Plan Recommended Draft for your review and consideration for adoption. At the July 9, 2024, meeting, the Planning Commission voted 6-2 to approve the Proposed Plan with amendments and recommends that Council adopt the Recommended Draft as follows:

- **Volume 1: Recommended Plan.** Adopt the plan and amend the Comprehensive Plan map designations, the Zoning Map, Comprehensive Plan Figure 6-1: Industrial and Employment Districts; and the NW District Town Center boundary, as shown.
- **Volume 2: Regulatory Tools.** Adopt and amend the Portland Zoning Code as described herein, including adding the Vaughn-Nicolai Plan District (33.590), and amending the Guild's Lake Industrial Sanctuary Plan District (33.531) and Northwest Plan District (33.562).
- **Volume 3: Transportation Plan.** Adopt Transportation Plan elements as proposed.
- **Volume 4: Amendments to NW District and Guild's Lake Industrial Sanctuary Plans.** Adopt and amend the maps and texts of the existing Guild's Lake and Northwest District area plans as described to address areas of geographic overlap with the Montgomery Park Area Plan.
- **Volume 5: Appendix.** Include the Appendix as background documents.

The Montgomery Park Area Plan (MPAP) is a joint effort by the Bureau of Planning and Sustainability (BPS) and the Bureau of Transportation (PBOT) that advances a coordinated land use and transportation planning approach in an area of Northwest Portland that is at a pivotal moment of transition. The MPAP, which covers the area between NW Vaughn and Nicolai streets between Highway 30 and NW Wardway, lays the foundation for a new transit-oriented mixed-use employment district, served by a future extension of the Portland Streetcar, in a high-opportunity area between the Northwest District and the Guild's Lake Industrial Area. The Plan area, which includes the historic Montgomery Park and American Can buildings, and the vacant 18+ acre former ESCO Steel site, is currently planned for traditional industrial and employment uses.

The MPAP creates the opportunity for both employment and housing in a transit-oriented setting. It also creates the opportunity for public benefits such as middle-wage jobs, affordable housing beyond standard inclusionary requirements, and public open space, through an approach that leverages the



value of public policy changes and transit and infrastructure investments. The Plan's value capture strategy is achieved through an innovative approach that pairs traditional planning tools under the purview of the Planning Commission (such as Comprehensive Plan map and Zoning map and code changes) with a forthcoming Public Benefits Agreement (a negotiated agreement between private entities and the City) over which the Commission does not have purview. The intent of this approach is to anchor the public benefits sought through both regulatory and non-regulatory tools.

The Planning Commission held a joint public hearing with the Design Commission on the Montgomery Park Area Plan Proposed Draft on May 21, 2024. This was followed by Planning Commission work sessions on June 11, June 25, and July 9, in which key topics were examined in greater detail and amendments, based on public testimony, were considered. While the Commission majority supported the plan as amended, there was rigorous discussion about key economic policy issues and equity issues, and a desire to convey some key points for City Council consideration regarding the public benefits agreement. These are outlined below.

Key Elements of the Montgomery Park Area Plan

The MPAP Recommended Draft includes elements designed to facilitate change in the area, over time, to create a transit-oriented mixed-use area. These include the following:

Comprehensive Plan and Zoning Map Changes

The plan recommends changes from existing Industrial Sanctuary and Mixed Employment Comprehensive Plan land use and zoning designations to Central Employment and Mixed Employment designations. These changes allow employment but introduce allowances for a broader array of uses, including housing, and more development intensity. The plan would also apply the Design (d) overlay zone to Central Employment zoned areas and create a related Montgomery Park Character Statement, for which the Portland Design Commission will forward their recommendations via a separate letter.

Equitable Development Approach

The plan included outreach to underserved communities to understand issues of primary concern and aspirations for the area. The Plan includes elements designed to achieve more equitable development and better balance the public and private benefits that could result from the proposed public policy actions such as changes in land use and zoning designations and investments in transportation infrastructure, including the potential extension of the Portland Streetcar to serve this area. The plan seeks to achieve the following public benefits:

- **Jobs and Employment.** Create ongoing opportunities for employment in the plan area, including an emphasis on creation of middle-wage jobs.
- **Housing and Affordable Housing.** Create opportunities for housing, including affordable housing at a higher level or in a nearer timeframe than may be achieved by the standard regulatory framework.
- **Commercial Space.** Create opportunity for wealth building and community-serving uses by requiring creation of affordable commercial space in some forms of new development.



- **Public Open Space.** Create opportunity for a public park or open area that will serve future residents and workers in the area.

The plan employs both regulatory and non-regulatory means to achieve these goals. A non-regulatory Public Benefits Agreement is expected to be developed in tandem with the regulatory elements to support the public benefits outcomes. The tenets of this forthcoming agreement were detailed in a Draft Public Benefits Terms Sheet published with the Proposed Draft. While the term sheet was not subject to Planning Commission review and amendment, it served to inform the Commission about the benefits sought and the approach to achieving them. The Commission has recommendations for Council regarding the benefits agreement – see the Considerations for Council section below.

Zoning Code Amendments

In addition to the future public benefits agreement, the plan is implemented through regulatory measures that work independently and with the agreement to achieve plan objectives. These include Zoning Code amendments, including creating a new plan district that supports employment uses, housing, and other features that will create a vibrant and livable, transit-oriented district.

Streetcar Transit and Transportation

The plan anticipates a proposed extension of Portland Streetcar to serve the area and also recommends a suite of multimodal transportation improvements and transportation policy changes to support transit-oriented and climate-resilient growth over time.

Key Considerations of the Planning Commission

The Commission rigorously discussed and deliberated on a few key issues, outlined below.

Industrial Land Supply and Economic Opportunities Analysis

The plan recommends changes to land use designations on land designated as “prime” industrial land. However, the plan limits the area of change to industrial land supply from what was evaluated in the original study area by focusing change in the area west of Highway 30, where opportunity for transit-oriented development is most feasible. This approach resulted in the retention of a significant amount of industrial acreage. Additionally, the future land use designations in the area of change will retain an employment focus, but will also allow a broader array of uses, including housing in the Central Employment designation and corresponding EX zone. The Commission considered the implications of the changes on the city’s supply of industrial land, and debated whether the proposed plan would be more appropriately considered after conclusion of the ongoing Economic Opportunities Analysis (EOA), a required planning update that will assess adequacy of land supply to accommodate future job growth forecasts. The Commission ultimately decided against waiting until the conclusion of the EOA based on the uncertain timing of that process, the relatively small amount of industrial land being converted, and the pressing need for new housing and employment opportunities in the city.

Public Benefits

The plan includes a suite of public benefits that would be achieved through regulatory tools such as zoning map and code changes, for which the Commission has purview, and non-regulatory tools such as a public benefits agreement, which is not in the Commission’s purview and will be considered by



City Council. The public benefits are derived largely through policy actions and public and private investments that are made possible via the plan. The Commission reflected on the level of community engagement appropriate in the development of the public benefits terms sheet, which will lead to a public benefits agreement, and sought ways to strengthen this by further engaging community groups leading up to Council's consideration of the plan. The Commission advised BPS staff to publish the benefits agreement 30 days prior to Council consideration.

Equity and Racial Equity

The Commission discussed the recommendations in the July 2019 *Preliminary Racial Equity Analysis of NW Streetcar Expansion and Related Land Use Changes* that was prepared prior to the start of the planning work. The Planning Commission is committed to correcting for past racist and inequitable planning practices, including past displacement of groups from the Montgomery Park area. The equity analysis addressed equity issues such as the potential implications of industrial land supply changes as it relates to provision of middle wage job opportunities for underserved communities, and the impact of new development on the potential displacement of vulnerable communities. The Commission considered whether the approach and actions proposed in the plan sufficiently addressed the guidance and recommendations in the *Preliminary Racial Equity Analysis*. Generally, the Commission sought to further emphasize racial equity in process and outcomes, and has further recommendations on this topic, as noted below.

Considerations for City Council

The Commission wishes to convey the following to City Council for consideration prior to adoption:

- The Public Benefits Agreement should include the perspectives of community, and where appropriate specifically include the York Street Work Group as a key community partner in reviewing and contributing to elements of the agreement related to the commemoration of York.
- The *Preliminary Racial Equity Analysis* should be used as a reference in understanding and assessing the goals and outcomes of the plan and Public Benefits Agreement. In addition, Comprehensive Plan policies 5.17: Land Banking, and 6.13: Land Supply, should be considered.
- City staff should engage the Portland Government Relations office and Tribal Liaison to ensure information about the plan and how to provide testimony is available to interested governments.
- City agencies should strive to find intersections between community aspirations noted in the York Urban Village Concept, specifically regarding placemaking, public realm, and commemoration of York, and the plan as it is implemented. City agencies should partner and coordinate with the community beyond the adoption of the plan to explore and integrate the community vision.
- The Bureau of Planning and Sustainability should explore, in future work programs, development of a "Public Health Overlay" or similar tool that may be considered and applied in future planning efforts where conflicts between potential housing, open space or other sensitive uses and industrial or other conflicting uses could occur.

Recommendation and Conclusion

The Planning Commission recommends that the Portland City council adopt Volumes 1 through 5 of the Montgomery Park Area Plan. The Recommended Plan offers the opportunity to transform the



subject area within Northwest Portland into a dense, transit-oriented, mixed-use and mixed-income district that offers opportunity for more jobs and housing and serves a broad range of households more equitably. The plan also provides the opportunity for public benefits that would otherwise not be achieved with the current land use and transportation approaches.

Finally, the Planning Commission would like to thank all those who contributed to the Plan, including community-based organizations such as the York Street Work Group, neighborhood and business associations, the project working group, and the many other community members and groups who participated in the planning process or provided testimony.

Thank you for the opportunity to participate in the review of this project and for considering our recommendations.

Sincerely,



Mary-Rain O'Meara
Chair

