

## Portland Planning and Sustainability Commission

Tuesday, April 28, 2015

3:00 p.m.

Meeting Minutes

**Commissioners Present:** Andre' Baugh, Karen Gray, Don Hanson, Mike Houck (arrived 4:45 p.m.), Gary Oxman, Michelle Rudd (arrived 3:30 p.m.), Katherine Schultz, Howard Shapiro, Chris Smith, Teresa St Martin (arrived p.m.)

**Commissioner Members Absent:** Maggie Tallmadge

**City Staff Presenting:** Joe Zehnder, Nicholas Starin, Morgan Tracy, Sandra Wood, Tom Armstrong

**Other Presenters:** Nancy Bennett, Multnomah County; Doug Oblatz, County Consultant; Kristin Cooper, BDS

*Chair Baugh* called the meeting to order at 3:01 p.m. and gave an overview of the agenda.

### Directors Report

Joe Zehnder

- The Scenic Resources Inventory is out for public review until May 31. This update is to make sure that all Central City scenic resources are included in the inventory. We encourage PSC members to review the draft and provide input as well.
- Which would like to be part of discussion of next steps with the David Douglas School District about site identification? As you know, BPS staff is working with DDSD to assist them in identifying potential school sites to help address their over-enrollment situation. You'll recall that for the short term, the PSC has supported staff's proposal to down-zone residential areas within the district to relieve some of the immediate pressures on enrollment. If you are interested in participating in upcoming conversations with DDSD staff about site identification, please let Julie O know.
  - *Commissioner Hanson* mentioned he'd be interested but will check with staff about time requirements.
- T6/Pembina now slated to be at Council on June 10 at 2 p.m. time certain.
- A reminder that staff has arranged for two additional Q&A / pre-work session times for PSC members to ask questions about the Comp Plan. They are scheduled for Wednesday, May 6 and Thursday, May 21 (3:30-5 p.m. for both).

### Consent Agenda

- Consideration of minutes from the April 7, 2015 and April 14, 2015 PSC meetings.

*Commissioner Shapiro* moved to approve the Consent Agenda. *Commissioner Schultz* seconded.

The Consent Agenda was approved with an aye vote.

(Y7 – Baugh, Gray, Hanson, Oxman, Schultz, Shapiro, Smith)

### Documents and Presentations:

- [April 28 meeting documents folder](#)
- [April 28 testimony folder](#)

## **Multnomah County Health Building**

Hearing and Recommendation: Nicholas Starin; Nancy Bennett, Multnomah County; Doug Oblatz, Consultant

*Chair Baugh* recused himself from this agenda item. *Commissioner Schultz* chaired the meeting for this agenda item.

*Commissioner Oxman* noted he worked for Multnomah County Health for many years and still has some contacts with staff and does volunteer work, but he does not have a conflict of interest for this project.

Nicholas introduced the project and guests. This is a limited scope legislative project to raise heights to accommodate the development of the new County Health Department Headquarters in Old Town / Chinatown (OTCT).

Nancy Bennett noted the health department's large mission and extensive work in the community. The headquarters development is due to the urgent need to meet the increasing demands of the department and to help consolidate the many administrative functions.

Doug Oblatz noted the project is in an evolutionary phase, originally as a six-story building to now a larger one to allow for the consolidation of all functions of the department. The proposed site is adjacent to Bud Clark Commons. It will help increase the neighborhood's vitality and increase densities in the very accessible location. They have received lots of input from key stakeholders and have tried to make sure to keep faith with the original objectives of the project.

*Commissioner Hanson* asked about where the department is moving from.

- Two main offices, downtown at 5<sup>th</sup> and Stark and the Lincoln Building.

*Commissioner Shapiro* asked if there is expected to be interaction and back-and-forth with Bud Clark Commons.

- This is not planned as a function, but it could be an adjunct to serve Bud Clark Commons.

Nicholas provided background about the site. It's currently zoned CXd, limited 6 to 1 FAR and eligible for additional 3 to 1 FAR height bonus.

BPS is proposing to amend the height maximum to 150 feet. This includes two changes to the zoning map:

- Increase the base height to 105 feet.
- Make the site eligible for bonus height that could be earned through the use of bonus FAR or transfer of FAR. 15 feet of bonus height could be earned for each 1:1 FAR earned through bonuses or transfers, up to a maximum of 45 additional feet.

Staff is reviewing all Central City bonuses in the CC2035 Plan. But this work is not yet complete. The site is subject to design review.

The location is also close to Union Station Clock Tower, a scenic resource. Because of the proximity, staff analyzed potential impacts on the scenic resource (slide 5). The impacts were found to be minor, and no views are blocked or partially blocked by the proposed building.

In general we have heard support for this project, in some cases qualified support. Some of what we have heard include concerns about three main items:

- The precedent this kind of height adjustment to accommodate a single property is setting.

- Desire for mitigation of the impacts from construction, particularly as it affects Bud Clark Commons.
- Questions about which particular bonuses will be used and the anticipated community benefits achieved.

Staff requests that the PSC recommends that City Council:

- Adopt the Multnomah County Health Department Project *Proposed Draft*, dated April 1, 2015.
- Amend the Zoning Code, as shown in the *Proposed Draft* to:
  - Increase the maximum base height on Block U from 75 ft. to 105 ft. and
  - Make Block U eligible for up to 45 ft. of bonus height.

## Discussion

*Commissioner Gray* asked about the OTCT support letter. If the base zone is raised to 105 feet with a possibility of bonuses for 45 feet, did the neighbors realize this could be 150 feet?

- Helen Yin will speak for the neighborhood group.

In terms of precedent-setting, does this set the 150 feet for more than just this block and for the rest of the area?

- The proposal changes the height on just the one block.
- On the bonus question, the reason we did the bonus approach so we could be consistent with the PSC's direction for the West Quad Plan which recommends that any additional height will require the use of a bonus.

Were there any negative comments from The Pearl?

- Their basic concern was the precedent issue. They are supportive of the HQ in the area, but they prefer having it on a block where the zoning capacity was already there.

*Commissioner Shapiro* noted the building would be quite large for the area. What about Home Forward's concerns about the building?

- We've had a series of meetings with Home Forward and Transition Projects, who have provided joint testimony. We are looking at issues that we are prepared to talk about a Good Neighbor agreement with them for the construction phase. We have a design in development, but we will have to start the process and reengage the community as we get further in the process.
- People have been enthusiastic about having the HQ there.

*Commissioner St Martin* asked about the land being owned by the Portland Housing Bureau now. What about affordable housing?

- We have an opportunity to use the affordable housing bonus here.

*Commissioner Hanson* asked about PDC's proposal for the post office site. How does this project relate to the potential new look of the area? This is interesting timing that could open the post office site.

- That project is in very early stages of ideas. As we look at the post office site, we will want to look at the existing entitlements. It has a similar proximity to Union Station and a view along NW Johnson of the Clock Tower will need to be considered as the development is planned for the Post Office site.

*Commissioner Oxman* noted the question of precedent. This project has been in the works at least three years, and what's on the table now seems to be a reassessment of the developer's needs, which requires the height change. Does this set precedence for the PSC to make zoning and map changes?

- Typically we like to consider height changes in an area plan so there is more context. This is a legislative process, so there's nothing wrong with proceeding with it. In our Central City, you can't get a variance on height (you can in other neighborhoods).

*Commissioner Smith* just noted this could have been teed-up as part of the West Quadrant Plan. Why wasn't the timing in synch so we could have looked at it as part of the project?

- Part of the issue was changes in leadership at the county, and changes in the idea for the building and consolidating county services.
- What motivated staff to look at this was the consistency of creating this major source of employment proximate to OTCT, which is consistent with what we've been looking for in that area.

*Commissioner Smith* asked about this being spot zoning and that being illegal.

- We've consulted with the City Attorney, and spot zoning is not considered illegal as it was before. It has gone through much process, and it will continue to do so through City Council hearing.
- This is proximate to blocks where height limits are higher, too, so it's not "so spotty" anyway.

### Testimony

1. George Devendorf, Transition Projects: We are supportive of the project, with some concerns about the construction and design phases. Overall this is a positive benefit for the neighborhood. We were engaged in a similar process a few years ago with development of Bud Clark Commons. Regarding design, we are looking forward to having the health department as a new neighbor, but we'll lose our morning sunlight. Bud Clark Commons has a day center for homeless in the city with a courtyard that abuts the portion of the lot this project would fill, so we would want to see about having the courtyard maintain its sunlight opportunity. *See written testimony.*
2. Helen Ying, OTCTCA: We are in support of the proposal with some conditions as outlined in our letter. The County has noted they will address our concerns. We understand there is a chance of having the building be 150 feet, so there are some concerns with that. The neighborhood would rather as minimal a height as possible. We'd also hope BPS, PDC and the PSC would consider parking; height and mass; and additional social services in the neighborhood. *See written testimony.*

*Commissioner Schultz* closed testimony.

### Discussion

*Commissioner Shapiro* hopes the design of the building will be compatible with Bud Clark Commons.

*Commissioner Schultz* asked about input to the County and if they have been working with the groups on their concerns.

- They are going to work on a Good Neighbor agreement.

### Motion

*Commissioner Shapiro* moved to recommend that City Council:

- Adopt the Multnomah County Health Department Project *Proposed Draft*, dated April 1, 2015.
- Amend the Zoning Code, as shown in the *Proposed Draft* to:
  - Increase the maximum base height on Block U from 75 ft. to 105 ft. and
  - Make Block U eligible for up to 45 ft. of bonus height.

*Commissioner Hanson* seconded.

The motion passed.

(Y7 – Gray, Hanson, Oxman, Shapiro, Smith, St Martin, Schultz)

## **RICAP 7**

Hearing and Recommendation: Morgan Tracy; Kristin Cooper, BDS

Morgan highlighted the work and proposals within RICAP 7 including public outreach (slide 2). The public discussion draft, published January 5, provided 7 weeks for public review. We sent notice to over 700 people and met with a many organizations and individuals during that time.

RICAP 7 covers 47 items in three areas of amendments categories:

- 4 Minor policy items
- 38 Clarification items
- 5 items where no changes are proposed

Kristin and Morgan walked through the minor policy item proposals.

Staff answered clarifying questions about item #2, the Pre-application Conference, and #5, Measuring of Shed Roof Height.

Of the 38 clarification items in the package, Morgan highlighted items 35 and 36, about tree size thresholds in rights-of-way in the scenic corridor (slide 11).

Staff recommends that the PSC approve RICAP 7 with:

- Amend the Proposed Draft per April 28, 2015 Memo;
- Recommend that City Council adopt the Proposed Draft, as amended; and
- Amend the Zoning Code as shown in the Draft, as amended.

## **Discussion**

*Commissioner Smith* asked about household living standards.

- BPS is proposing to undertake a project to look at development standards for single-family housing, which this could include.

## **Testimony**

1. Jaimes Valdez, NW Seed: We look at soft costs for solar including reducing barriers that aren't related to the panel costs themselves. For item #30, I want to thank to staff for clarifying design standards that had previously restricted solar panel mounting on flat roofs. There are still some concerns with the language that looks to screen solar equipment from view and with setbacks. We encourage the PSC to look at what that intent means in terms of promoting solar in the built environment. For the community design standards portion of the staff recommendations, we'd like to remove the setback and screen language to consider this perspective.
2. Katie Martin, OSEIA/Neil Kelly: We are also supportive of #30 but ask staff to address the setback and screening requirements. You should consider easing these requirements to allow more solar to be installed and maximize the benefits. *See written testimony.*
3. Randy Feldhaus, Imagine Energy: Thank you for the adjustment in Item #30. This helps decrease soiling and increases solar opportunity. The state solar code addresses setbacks, which we support, so we don't feel there needs to be an additional change for the City. Would like to see that the height restriction be just the.
4. Pat Schellerup, OSEI: We represent over 40 solar installation companies in the state.

The screening and setback requirements previously mentioned are the concerns we have. The state requirements should be used within Portland instead of having a separate set of rules.

*Chair Baugh* closed testimony.

## **Discussion**

*Commissioner St Martin* asked about the proposal to hide solar panels behind screens.

- The issue we wanted to address is that, in the design overlay zone, the way the language is currently, the panels would have to lay flat on a flat roof. We used a similar premise to the historic and mechanical equipment exemptions are applied. The benefits of this negative aesthetic impact is that it creates more certainty for the applicants and staff in the review process. See slides 15-16.

*Chair Baugh* asked about the 3 foot setback.

- This is a safety and maintenance component, which would apply citywide. Some design standards don't align exactly with safety codes (they are more restrictive).

*Commissioner Schultz* is in support of the way that staff has written this item. I'm not against the look of a solar panel, but we try to inset all equipment. This cleans this up and keeps it out of the sightline.

*Commissioner Gray* noted that this is only for design review areas. I'm trying to understand what the context is.

- The design overlay areas are limited (e.g. Central City, Gateway). Also, this just applies to houses with flat roofs, and you always can go through design review for individual requests. It makes the code more permissive than it currently is.

## **Motion**

*Commissioner Smith* moved to

- Amend the Proposed Draft per April 28, 2015 Memo.
- Recommend that City Council adopt the Proposed Draft, as amended.
- Amend the Zoning Code as shown in the Draft, as amended.

*Commissioner Shapiro* seconded.

The motion passed.

(Y9 – Gray, Hanson, Oxman, Rudd, Schultz, Shapiro, Smith, St Martin, Baugh)

## **RICAP 8 Work Plan**

Hearing and Recommendation: Morgan Tracy, Sandra Wood; Kristin Cooper, BDS

Sandra provided context for this project and highlighted the many code projects that we have underway right now (slide 2).

Morgan illuminated the process for how projects get onto a RICAP work plan.

RICAPs are a bit different from other legislative code projects because:

- They are not topic or area specific (but may have bundles of issues that may relate to an area or topic)
- More significantly, they are limited in scope – to address mainly technical issues, and some minor policy matters

- In your current world of the comp plan update, RICAPs offer a slight reprieve in that they are not part of the new Comp Plan implementation (but this fact also affects our workplan selection, as we don't want to be working in areas that may be significantly rewritten by the Task 5 projects.

The miscellaneous items in RICAPs are packaged into one-year cycles for efficiency and greater economies of scale.

Staff begins the workplan selection by ranking items in the database. This ranking looks at:

- Who is affected: what groups and how many people?
- How widespread an issue is (one zone? Citywide?).
- How problematic the issue is.
- The potential for improving the regulation without adding undue complexity.

This year's (RICAP 8) workplan includes 37 items. Included in this package are several zoning code items that reflect BES and PBOT issues and concerns. The reduced number of technical items reflects our progress after a three-year backlog, and we have offset the workload with a review of an increased number of minor policy issues.

Policy issues are bundled as:

- Land Divisions
- PLA/Lot Confirmation
- Radio Frequency (cell facilities)
- Miscellaneous

The 25 remaining technical items do not affect adopted policy and do not require significant additional resources. The other 15 items relate back to the zoning code.

### Testimony

No testimony was provided for this project.

*Chair Baugh* closed testimony.

### Discussion

*Commissioner Gray* asked about the testimony letter regarding AT&T's support for Item #4.

- The FCC adopted rules that specify particular thresholds local jurisdictions have when proposals come. Local governments have a short review timeframe and generally, if there aren't substantial changes proposed to the sites, the jurisdiction must approve the proposals. We worked on this in RICAP 6, but we have these final tweaks to catch back up to the FCC.

### Motion

*Commissioner Schultz* moved to approve the RICAP 8 Proposed Workplan dated April 2015.  
*Commissioner Shapiro* seconded.

The motion passed.

(Y9 – Gray, Hanson, Oxman, Rudd, Schultz, Shapiro, Smith, St Martin, Baugh)

### Economic Opportunities Analysis (EOA)

Hearing and Recommendation: Tom Armstrong

Tom provided background about the EOA. The EOA is part of Part 2 of the Comprehensive Plan update. We went through this process in 2012, but the EOA was appealed to LCDC. With updates in the forecasts, we elected to pull the report back for revisions, which is what is before the PSC today. This is part of the whole package of the Comp Plan update.

There are 4 main reports of the EOA:

1. Recent Trends and Market Factors
2. Employment Growth Forecast (Demand)
3. Land Development Capacity (Supply)
4. Proposed Comp Plan Analysis

Based on today's hearing and input at the May 12 Comp Plan work session, staff will make final revisions and adjustments to create the recommended draft EOA. The PSC will not vote on the EOA today so we can wrap up the policy discussion about the EOA and economic policies.

What has changed since the January 2015 EOA version:

- Draft SE Quadrant Plan proposals add 123 acres of development capacity.
- Proposed TSP projects have been factored into the BLI constraint analysis.
- Boundary adjustment at Terminal 6 to shift into the Harbor Access Lands geography.

We add projections for job demand figures, traded sector facilities and employment land demand, which all combine to almost 3000 acres of demand for employment land, which we balance with the Buildable Lands Inventory (BLI).

The BLI map (slide 11) shows sites but not necessarily the constraints to see the real development capacity. We have surplus capacity across the city, particularly in the Central City and Neighborhood Commercial Districts.

In the Industrial areas, overall there is a slight 100 acre surplus, but there is a small 33 acre shortfall in the Harbor Access Lands that we need to be proactive to help meet. This comes from four main strategies:

- Industrial land retention
- Brownfield redevelopment
- Industrial land intensification
- Airport golf courses

*Commissioner Houck:* During the Industrial Land / Watershed Health PEG discussions, we took a field tour. A question was that it's great that we have industrial land retention, but we know there have been massive changes from industrial to commercial land in the past. We could convert those back to industrial potentially. Was that looked at?

- We looked at some areas, particularly around Cascade Station and other areas such as PIR and didn't find anything that was ripe for that type of "going back the other way." But if someone wants to do that, we could be supportive of accommodating that type of change.

*Commissioner Schultz* asked about industrial land intensification. What was the analysis?

- Freight is the most direct thing that shows up in the Comp Plan and the TSP. We also included regulatory climate policies. We also looked at development trends in 2000-2008 and how much of the development was occurring on existing built sites. East of the airport, that development was close to 26-28 percent on already-built sites. We settled on the 15 percent recommendation as a conservative estimate.

There are probably other ways we can look at this, and it's part of a continuing conversation.

*Commissioner Rudd:* If EOA is appealed by LCDC, what happens?

- In general, it gives deference to the local government about if we've made a



reasonable assumption (e.g. the question of converting Open Space golf courses to Industrial). The Goal 9 reference isn't well-defined about what a "reasonable assumption" is.

*Commissioner Houck* noted that some of the written testimony we received for this hearing asserted that there was an over-statement of constraints on vacant industrial land.

- Audubon spoke about the regulatory constraints and e-zones. The way the constraints all overlap (e-zone, brownfields, transportation infrastructure), if we just remove one constraint, it won't result in a huge swing to increase a huge amount of capacity.

*Commissioner Oxman*: Could there be geographically-focused strategies to see about getting specific areas of land "back in play"?

- We've looked at this for big opportunity sites, but it's hard to do this in the Comp Plan. We know of some sites, but we haven't gone so far at this level of detail to unfold and assume all of this.

Harbor access lands are our most difficult challenge, which are in the river-related industrial areas. We are not counting West Hayden Island in the BLI. The draft Comp Plan Policy 6.41 provides guidance for future annexation. This policy also serves to help the City maintain compliance with Metro plans, which direct the City to eventually annex WHI for a mix of open space and marine terminal development. The City needs to adopt a Comprehensive Plan that is in alignment with the Metro regional plan, and the proposed policy helps us communicate a "not now, maybe later" approach. We are not counting on WHI land to meet industrial land needs through 2035, but we acknowledge that under the Metro plan annexation may be considered at a later time. The Commission or Council may choose to remove this policy, but we believe that such removal may create conflict with Metro.

In the draft EOA, we've selected a low cargo forecast. But even with this combination, we have a small 38 acre shortfall in the harbor access lands. This is off-set in other industrial districts that have surplus capacity.

*Commissioner Smith* noted the low cargo forecast. I want to reframe the question: we have limited waterfront land, but if we assume it's constrained, do we need to think about policies that allocate this to the highest and best uses? Jobs per acre may not be the best measure. Value added is potentially another measure. Have we systematically used this to evaluate how harbor lands are used?

- This analysis can be part of our work in the future. The Port is probably more qualified to talk about this, what the trends are and what is needed to support the economy. It is a mix of commodity flows.
- *Commissioner Shapiro* supports this proactive thinking.

*Commissioner Schultz*: Regarding businesses located along the river, do we have policy that speaks to encouraging relocation of these businesses? If not, should we?

- We don't have a specific policy to focus river-related industries on the waterfront, but we can discuss this on May 12.

### Testimony

1. Don Baack, SWTrails: We need to include trails in the overlay to see where they are. We have 20 mph speed limits on greenways, but this is not being applied to streets where there aren't sidewalks. We should require the City to retain and maintain our existing trails. The City should maintain and build partnerships with non-profits. *See written testimony.*
2. Raihana Ansary, Portland Business Alliance: The PBA is concerned about a number of the assumptions including the proposal to project and only accommodate a low marine

cargo forecast. Traded sector goods are still the backbone of Portland's jobs. The EOA assumes 60 percent of brownfields will redevelop over the next 20 years, but this is dependent on state regulations and costs associated with redevelopment. Golf courses are not a great fit to be considered industrial land, and owners of courses have not confirmed an interest to sell. We urge staff to look at market realities. *See written testimony.*

*Commissioner Hanson* asked about the cargo assumption being low. If we modify that, where do we put the industrial land to accommodate that expanded growth?

We recognize we're land locked. The question should be what we envision for our city over the next 20 years. Don't we want good middle-income jobs, tax revenues and other benefits?

*Commissioner Rudd* asked if we're being honest with our numbers. We need to get on the same page.

*Commissioner Smith* asked about cargo growth being about 3 percent historically. How much is exported from this region versus what's transported through the state? [The Port can address this.]

*Commissioner Houck*: This is a foundational question that we've been dancing around. I was just at a Parks SDC hearing. PP&R has said they can't buy enough land to meet future needs of the city; there is only so much land out there. They are looking at how to make existing park land more usable by more people. We are in the same situation with industrial lands, and we should look at intensification and deal with this, just as parks is doing with park land.

3. Jeremy "Byron" Tennant, Northeast Coalition of Neighborhoods: We'd urge greater than 70 percent of existing brownfields be redeveloped and prevention of further contamination of brownfield sites. We have a big concern that increased freight traffic will increase diesel pollution. We urge a more inclusive process to get answers about the freight projections including about the Comp Plan Map App shows strategic freight investments having effects on the Woodlawn Neighborhood; widening of MLK; 11<sup>th</sup> and 13<sup>th</sup> overcrossings; Argyle Dr. We should be asking for an exemption to Goal 9. *See written testimony.*

Staff would be glad to meet and talk about these questions and discuss what the dialog has been or should have been.

4. Ellen Wax, Working Waterfront Coalition: The low cargo growth forecast is not supported by market trends. The EOA doesn't fully recognize the importance of cargo businesses. We need to reflect the current and historic realities. *See written testimony.*
5. Bob Sallinger, Audubon: In general, this version of the EOA is a big improvement. Intensification over acreage. But it is still an exercise in putting off the inevitable of asking for a Goal 9 exemption. We are focusing on taking pieces of golf courses, not big pieces of land. The current Comp Plan protects golf courses as Open Space. I appreciate the question about if we're creating jobs and economic development on these sites. We are often a throughput, so we're not doing the follow-up work to reap the benefits locally of our industrial land. We're supposed to have innovative land use planning, but Goal 9 has become a restriction on how we think e.g. not thinking about inter-port coordination and relating to the bigger metro landscape with more industrial lands. I like the Parks approach; they are still looking for acres, but we aren't being

held to an artificial number. *See written testimony.*

*Commissioner Hanson* asked about Goal 9. If you do an exception, can you do a partial exception to calibrate the land availability we have?

6. Greg Theisen, Port of Portland: The Port thanks staff for working on the EOA and trying to work through issues with the working group. The Port supports an EOA that is responsive to Goal 9, based on the harbor's economic forecast and significance. But the low cargo forecast is disconnected from the current level of investment in the harbor. We look forward to continuing to work with the City on creating an acceptable EOA. *See written testimony.*

*Commissioner Smith* asked if the Port does analysis of economic efficiency in terms of value added versus employment. Regarding historical economic growth, how much is pass-through versus goods created in the region then shipped? What is the value added back to the regional or state economy?

There is disconnect between marine shipping (big ships) that move big bulky goods, which is a fundamental nature of moving goods on the marine side. Lots of what's exported on the container side is still lower value products. We are always looking to maximize.

*Commissioner Shapiro* was compelled by this testimony. We're at a crossroads. It's an opportunity to use the land we're talking about in creative ways and get it to be most valuable as a river resource.

*Commissioner Hanson* appreciates the Port testimony with the handout about other ports. Do you talk with the other ports and have dialog, or are these serious competitors?

We're somewhere in-between; we have similar goals and challenges, and we talk. But we do also compete.

*Commissioner Rudd:* The channel deepening was an investment for both sides of the river. We value habitat but still have the jobs concern: people have to travel to jobs, and there are impacts to that as well.

*Commissioner Houck:* Regarding jobs and industrial development, we have a regional economy. I don't feel confident on making a recommendation about projected commodity growth being 1.3 or 3 percent. Before we make any decisions, I want to hear a bit more about staff's methodology. *Commissioner Gray* also asked for clarification on the 1.3 and 3 percent projected growth discrepancy.

*Commissioner Schultz* noted there are lots of shoe companies here and others that are relocating here. Pass-through businesses also highlight Portland as an export location, so if we start pulling back, how does that effect the numbers?

*Chair Baugh* asked about the Port's strategic plan, which says one of the impediments to the Port's growth is the City. There needs to be an agreement about growth, and it seems that the projection is part of the impediment. What is the real impact to the Port of saying it's a low cargo forecast?

If we accept the low number, what does that translate to? If we're striving for something that we need to put lots of effort into, it drives us to get there. A low goal means less opportunities for cooperation, how we market the Port, and possibly how

much land we have to develop. The more activity there is in the harbor, the more attention and funds, and the more likely and the sooner the harbor will get cleaned up. It's also relative to achieving the brownfield goals.

*Commissioner Houck* noted the terminology is critical. Staff has arrived at a 1.3 percent growth as a projection, not a goal. This is a really important distinction.

Bob: I interpret this as a projection. A higher projection pushes back on environmental protection and other environmental regulations; this is our concern about a high projection.

Ellen: I think of this as a projection, but I'm concerned about the impacts of future plans if we set a low cargo forecast.

7. Martha Johnston, East Columbia Neighborhood Association: Thank you to the PSC for all your volunteer work. This is a surprise for us – we'd like to allow time for review of these EOA documents since we just found out about this yesterday. On the list of EOA outreach committees, we didn't see a neighborhood association representative. Our area is affected, but we can't adequately reply since we didn't have time to review it as a committee. *See written testimony.*
8. Barbara Kerr: I'm concerned about a 20-acre parcel on NE Levy Rd. This land should not be designated as Industrial Sanctuary, nor should it be counted as industrial land. Intensive agriculture could co-exist if this were environmentally protected. *See written testimony.*
9. Justin Callaway: Concern about noise in the North neighborhoods. Trucking yards were developed without neighborhood involvement, and they are out of compliance. It's not livable. The Noise Officer doesn't help at all. *See written testimony (card).*

*Commissioner Houck* noted that City staff are professionals, and we need to respect them. I don't want to hear staff being attacked by anyone.

*Chair Baugh* closed testimony.

### **Discussion**

Are there specific technical assumptions that we can clarify? From what you've heard, are there larger policy or map issues we can work through on May 12?

*Commissioner Shapiro* asked about the balance of industrial versus environmental land. We need to be able to accommodate both of these interests.

*Commissioner Smith* is worried that we're having the wrong debate. We are trying to avoid a Goal 9 exception versus looking at what the best forecast for the city is. We have limited land, and we need to have a discussion about the best way to use it.

*Commissioner Gray* asked about the golf courses and their interest in selling property. There was 123 acres in this combined land.

- Riverside has indicated they don't have interest to sell right now, but this is a 20 year plan. Out of the 123 acres we attribute to airport golf courses, 48 are in Colwood, 15 in Broadmoor, and the balance is at Riverside. We are looking at the opportunities in the long term and how things change over time; declining golf participation could provide this opportunity. We don't intend to rezone the land, this proposal just makes an easier path to convert when they want to.

*Commissioner Houck* indicated he agrees with *Commissioner Smith* but stated that we should go into that conversation with eyes wide open and have a very clear understanding of the implications of asking for a Goal 9 exception.

*Commissioner St Martin*: Is it not possible to go with the plan we have now then work on the Goal 9 issue over the next 10 years to have that brought into reasonable compliance?

*Commissioner Smith*: I like the idea of a “calibrated” exception as *Commissioner Hanson* suggested.

*Commissioner Hanson*: We could evaluate some of the areas to see what would be a candidate site and what wouldn’t be. We could pick and choose more carefully this way. But at the same time, we could go down two tracks as *Commissioner St Martin* noted.

*Commissioner Rudd*: If we’re going down two tracks, what does that mean for the plans we have going forward? If we want equity and increase middle-wage jobs, I’m not sure what that looks like.

*Chair Baugh*: What is the economic impact of the shift of jobs from marine to the back side?

- We aren’t shifting them to, say, a neighborhood, so the jobs don’t change.

What is the cascading effect from a low end cargo projection? If we have a higher projection, can we state that it’s not new land we’re looking at but it’s specifically intensification and redevelopment of brownfields.

- Even with the low end and 60 percent brownfield development, the demand is still more than what we can accommodate. Low to medium gets us to look at intensification or new areas; it drives that choice.
- We can look at what levels of intensification and value-added throughput we’d need to achieve in the existing harbor to get to that higher level. We can do this today; choosing a low forecast doesn’t prohibit this.

*Commissioner Houck* noted no matter the projection, it’s the same need to deal with the brownfields. The low commodity flow doesn’t impact if we go after the brownfield sites or not.

*Commissioner Schultz* commented that projections strive to be at least somewhat accurate. I want to start with the question of if the low end is realistic. Does it make sense to start at a middle-level projection? We need to find the correct projection.

*Commissioner Rudd*: What happens when we get to the implementation stage? Is there a limit to intensification if we choose the low projection?

We have a way to frame these questions. One of the things that is behind the logic of picking the low range is that it is based on a forecast of a variety of commodities. A big piece is having the facilities to be able to handle this. The mid-range forecast makes the argument for a unit-train rail loop. So we have a physical constraint for our projection as well. There is still a demand for the intense utilization of the harbor land and to clean up brownfields. We do have a regional economy, but we can’t, say, go to Wilsonville to find harbor lands. We will bring back information about the implications of what not getting to our goals are. We do need to keep investing, and more volume does help to justify that.

*Chair Baugh*: Connecting the EOA to investments – how do we tie all that together to make this work?

- The forecast does have a range in it that we can look at.

*Commissioner Hanson* is optimistic about industries using their land more efficiently. This is similar to the UGB squeeze. Wherever we end up on this, I hope our message is that Portland is

open for business, all types of business.

*Commissioner Houck* seconded *Commissioner Hanson's* comment. During Metro's Region 2040 growth management discussion, the City and Metro argued that we had to "break a sweat" to avoid green field development and UGB expansion by being more aggressive with infill and intensification of development. We have the same issue here. What are we going to do in the region to avoid green field development? West Hayden Island is a green field. What are we doing as a City to maintain the UGB but not at expense of quality of life inside and environmental quality of the city and the region? Intensification of use is hugely important in the Goal 9 discussion.

**Wrap-Up**

Staff will return on May 12 for the Comp Plan work session to follow-up on these economic elements and questions.

**Adjourn**

*Chair Baugh* adjourned the meeting 6:45 p.m.

Submitted by Julie Ocken