

Tuesday, October 13, 2015  
12:30 p.m.  
Meeting Minutes

**Commissioners Present:** Jeff Bachrach, André Baugh, Mike Houck, Gary Oxman (arrived 12:48 p.m.), Michelle Rudd, Katherine Schultz (arrived 12:38 p.m.), Howard Shapiro, Chris Smith, Teresa St Martin, Maggie Tallmadge

**Commissioners Absent:** [1 open position]

**City Staff Presenting:** Joe Zehnder, Tom Armstrong, Steve Kountz; Mike Abbaté, Brett Horner (PP&R); Mike Jordan, Marie Walkiewicz (BES)

*Chair Baugh* called the meeting to order at 12:32 p.m. and gave an overview of the agenda.

### Items of Interest from Commissioners

- *Commissioner St Martin:* We had the second meeting of the Residential Infill Project SAC last week. We are continuing to work on the group's charter and goals.
- *Chair Baugh:* *Commissioner Schultz* is unable to sit on the Airport Futures Committee, so we still need a PSC member to join that committee.  
Joe: This is a standing committee that formed after the airport zoning project. One of the things that came out of the process was to continue working with the community and keeping a flow of information.  
  
*Commissioner Houck* and *Commissioner St Martin* may be interested. Staff will send information to them.

### Consent Agenda

- Consideration of Minutes from the September 22, 2015 PSC meeting.
- R/W #7961 – NE Sandy Blvd between NE 12<sup>th</sup> Ave and NE 14<sup>th</sup> Ave

*Commissioner Smith* moved to approve the Consent Agenda. *Commissioner Houck* seconded.

The Consent Agenda was approved with an aye vote.  
(Y8 – Bachrach, Baugh, Houck, Rudd, Shapiro, Smith, St Martin, Tallmadge)

### Documents and Presentations for today's meeting

#### Task 5 – Employment Zoning Project

Briefing: Tom Armstrong, Steve Kountz; Brett Horner (PP&R); Marie Walkiewicz (BES)

#### Presentation

Tom introduced this as the first Task 5 project of the Comprehensive Plan package. Each of the 7 projects is on a staggered timeline and will come to the PSC in the next 9 months. The PSC will make its recommendation on each of the Task 5 projects, but they will go to Council early next summer as a full package.

The employment zones project looks to protect the capacity we have for industrial and middle-wage jobs in the City. We are proposing some zoning map changes in employment and industrial areas. Mixed (dispersed) employment areas are also included in the proposal as well as Central City industrial areas.

The Comp Plan addresses the growth capacity for expected new jobs in these areas. We are expecting 42,000 jobs out of 142,000 citywide in these geographies over the next 20 year. 1800 acres of land supply are needed for the employment zoned jobs, and we have about 1300 right now. The proposed Comprehensive Plan policies and map changes add up to about a 600 acre gain in capacity.

Portland's economy has been losing middle-wage jobs since about 2000, which means less upward mobility for low-income workers and a middle class that is shrinking as a portion of job distribution. Industrial jobs also have a role of reducing disparities in the city.

The Comp Plan industrial land strategy includes increases in industrial development capacity through brownfield redevelopment and more freight investments. This early implementation project will implement industrial land retention and protection of prime industrial land as well as map changes. Other items will be done throughout the course of the next 20 years of the plan.

In this project, code changes include:

- Prime industrial land retention and protection (fulfills State Goal 9 and Metro Title 4 requirements)
- Land efficiency of EG zones
- Neighborhood compatibility of EG zones
- Golf course rezoning standards
- Industrial office uses in Central Eastside

#### **Prime Industrial Land Overlay Zone**

We are looking to prohibit quasi-judicial Comp Plan conversions.

*Commissioner Rudd:* There has been lots of conversion. Haven't most been legislative?

- Yes.  
What about limited quasi-judicial changes if, for example, someone found replacement land for what they are proposing?
- We did hear comments about finer-grain changes, but the proposal doesn't include this.

We adjusted the map of the prime industrial land overlay zone, particularly in Linnton. The neighborhood wanted continued flexibility for looking at a mix of uses in the future, particularly along NW Front Ave - these area will continue to have an Industrial Sanctuary designation and Industrial zoning, just not included in the Prime Industrial overlay zone. The plywood site is still included in prime industrial aside from a small parcel at the entrance where the community center is now. Staff will show a detailed map at the next PSC meeting to highlight these areas.

Park and Open Area limitations in Prime Industrial Areas. These provisions are to implement Metro Title 4 requirements that prohibits location of new parks that serve people who don't live/work in these areas. The Discussion Draft originally proposed a conditional use process for park and open space areas larger than 2 acres. We heard objections to this, and Metro said this wouldn't comply with Title 4. We also heard that there was ambiguity in this policy and code language, and that it would be difficult to implement. The Proposed Draft provides a simpler approach. Stormwater facilities are an allowed use as a public facility. If there is a need or opportunity for a large park in the prime industrial area, then a comprehensive plan amendment would be needed to change the designation to open space.

We are also proposing a BPS consultation process with BES, Parks, and Metro at time of land acquisition to provide information about the buildable lands inventory (BLI) and potential impacts on jobs and development capacity in these areas. In some cases, we might be able to sub-divide parcels to keep the developable portion as industrial land.

## **EG Zones land efficiency**

The proposal is to:

- Reclassify retail exceeding 20,000 sf as conditional use
- Prohibit new residential uses

*Commissioner Schultz: Does the City have a program to buy-up the houses in the industrial areas?*

We don't have a program to address houses that are currently in the EG Zones. There isn't a City program to buy the houses; we've left this to the private market. We have re-designated recent developments (about 400 units) on the Comp Plan map to the appropriate residential zone. But, there may be a zoning map "clean up" phase. We've already seen new conditional use applications in EG Zones, for example. When the new rules become effective, we'll have to do a legislative map change to recognize these recent developments and change the map to residential, rather than have them be non-conforming.

*Commissioner Houck: Was there explicit policy about acquisition of houses in the EG Zones?*

- We looked at the scattered nature of these houses, and we decided to focus on brownfield clean-up rather than chase small willing sellers (would only have been about 20-30 acres total).

## **Neighborhood compatibility in the EG1 Zone**

The proposal is to:

- Changes to outdoor storage and use allowances to make it similar to the current CG zones.
- EG1 zone is applied to smaller lot zone in a grid-block pattern, mostly in buffer zones.

There are already buffer zone standards in place, but these will help with some of the more stand-alone areas that are not in buffer zones.

For businesses on Columbia Blvd, have these businesses voice concerns about this regarding their equipment (cranes)?

- Along Columbia Blvd, this is an Industrial Zone, so the EG1 proposal doesn't apply here. We didn't find examples of this in EG1 zones.

## **Golf Course Rezoning Standards:**

We are not proposing new industrial zoning, but we are proposing ecological design standards that would apply if the areas ever redeveloped as industrial. We have heard objections about map changes from Audubon and other environmental groups. But on the other side, Cully residents (with the Colwood zone change) had local community benefits. This proposal is only looking at new design standards.

## **Expanding Industrial Office Uses in the Central Eastside:**

There are new allowances proposed as per the CC2035 SE Quadrant Plan to allow industrial office in all IG1 zones in the Central Eastside. This will extend allowances for retail and services and other traditional offices larger than 5000 square feet. Proportional percentage for sites larger than a block.

- These changes are being done early (before other Central City code update) as part of this Employment Zones project because we need to show the capacity gains as part of the Periodic Review task to show we are meeting the shortfall identified in the EOA, so that portion of the project is being taken forward here.
- Industrial Office and Traditional Office definitions are being cleaned up, and the CC2035 process will address these potential changes.

## **Zoning Map Changes**

The proposed Zoning Map changes are generally a handful of small sites. One decision to make is should they be EG1 (smaller grid-block sites) or EG2 (bigger sites)?

We sent about 6000 notices to property owners who may be affected by changes. Initial concerns about property values. Most people are relatively satisfied with the proposed map changes. Along 82<sup>nd</sup> and central Gateway have the most changes. Underutilized sites in these areas, so more development/redevelopment opportunity.

In Gateway, there was EG zoning until about 10 years ago, which was changed to EX, but the proposal moves it back to EG, which is proposed to encourage more middle-income job growth here. There is general support to increase job growth, but there are concerns about gentrification or reduction of land value. We are not seeing much effect on property values, but there will be some market changes. This area could be a receiver site for businesses that get priced out of the Central Eastside. It has good highway access and adequate land. We are trying to bring more Central Eastside-type employment (light industrial, heavy commercial) to this job market.

*Commissioner Schultz:* Regarding notifications of zoning changes, property owners received something in the mail about applicable or possible Comp Plan map changes. Now in the zoning code process, have you sent something to those properties where we decided not to change zoning?

- We haven't sent out these notices to people had proposed changes that we then decided not to change.

*Commissioner Schultz:* Property has been changing hands, so how do we get the updates out to people about changes (and non-changes)?

- For the Comp Plan map changes, property owners are receiving notice for the City Council process. There is a small subset that won't have a corresponding zoning change, but they may have received other notices about code changes that would affect them. IG outside prime industrial overlay is probably not getting noticed, but we can look at identifying how many people this effects.
- Staff will look into this before the hearing.

*Commissioner Houck:* We had conversation regarding use of the term "gentrification". It is a two-sided coin. The real concern here is displacement – the negative consequences, not the increase in land and property value.

There will be a hearing at the PSC at the next meeting on October 27. The attached staff memo includes additional clean-up map changes, mostly for split zone properties and unincorporated Clackamas County pockets as well as two small marina sites north of the airport.

Through the early code concepts regarding the Metro Title 4 prohibition on parks, we had lots of conversations with PP&R and BES. There continues to be some concern, so bureau directors are here today to discuss.

Mike Abbate, PP&R: I appreciate BPS staff's work, and we've been working together for a number of months. Regarding the 600 acres of industrial land lost to parks – there is a recognition in code changes that certain parks will be recognized as parks. We have not converted 600 acres to parks.

PP&R does have 3 remaining concerns:

1. Parks and Open Space should remain a permitted use. Parks has long been permitted in every zone; one land use should not trump another. A 2 acre park is exempt but may not be adequate to serve the people around it. Lots of parcels are larger than this, and we don't typically want to divide sites.

I also want to address the discussion that there is open space and there are developed parks. We don't have a binary parks system here. Most parks have both developed portions and natural portions. So if we have an exemption to create a 2 acre developed park, what happens when we have a 10 acre parcel that we want to do a split?

Parks don't just serve residents; they serve employers too. Our SDC system recognizes this.

2. We need clarity that natural areas are exempt from these proposed changes. We will also ask Metro clarify the Title 4 language. BPS should make it clear in the overlay proposal as well.
3. We should encourage asking Metro to remove the 10 acre limit on park size.

*Commissioner Houck:* The CLF Equity Atlas maps show access to parks. East Portland is routinely described as being park-deficient. If there were ever an example of where an “equity lens” should be applied it should be in this area. We don’t want to preclude parks in these areas with these proposals.

- Cully is a good example of Thomas Cully park being developed.
- Lents/Foster has the same tension between industrial land and needs in local neighborhoods.

Mike Jordan, BES: Most issues from BES’ perspective have been alleviated, thanks to working closely with BPS staff.

1. One major thing is that we consider stormwater facilities are essential infrastructure and should be allowed everywhere in the city. This is good that those are recognized as allowed uses.
2. It is often difficult to know when we’re acquiring land for which specific use (or multiple uses) it will be for. We need to acknowledge this ambiguity.
3. We are often trying to balance two goods, not a good versus bad. This is difficult to manage the tension. But it’s been about 18 years since the conservation and environmental zones in central and western parts of the slough have been updated. It’s time to do that, which is part of rationally balancing the tension between environment and jobs. We encourage a re-examination of conservation and environmental zones get in front of Council soon as well.

*Commissioner Houck:* I could not be more strongly in support of Mr. Jordan’s comments. We have made significant mistakes, including zoning Columbia Corridor for industrial uses without doing environmental assessments prior. We have all paid the price for that mistake 25 years ago. In fact, a former president of the Portland Planning Commission testified before us during WHI hearings and remarked that we had made a mistake while she was on the Commission in relation to lack of environmental zoning in the Columbia Corridor. I’m really supportive to today’s proposal with the exception of coming back to try to address environmental issues later. We have the NRI and have the information; we have to make an integrated policy decision at this point.

*Commissioner Shapiro:* We have to work with both, not one or the other, to make the best use for the common good. I hope the PSC will often hear from department heads about working together so we’re not siloed and we can present to Council a more comprehensive view.

*Commissioner St Martin:* In terms of the balancing, has PP&R looked at other types of urban parks?

- As we become more dense, we do need to look at being more flexible. We’ve talked with developers about parks within their developments, on top of buildings, etc.
- The Portland Plan goal of people within a half mile of a park is already outdated. The number of people each park serves is important.
- As the population grows, intensity on natural areas continues to grow.

*Commissioner Bachrach:* What is the park acquisition goal over the next 20 years?

- In 2001, the City adopted the Parks 2020 Vision. In terms of acquisition of natural areas, we’ve met this goal. But the neighborhood parks standard and access to trails we have not met. The Metro Greenspaces measure and funding has allowed us to purchase land, but this funding sunsets in spring 2016. With the lack of available land, we had to change our SDC policy this year.
- A few years ago, figures showed we needed another 42 developed parks (about 2-3 acres each). This doesn’t include natural areas though. In this overlay zone, connectivity is very important; we can’t have it chopped up to serve the same functions. We are trying to connect the whole area along the slough with natural areas.
- *Commissioner Schultz:* Have you just taken this and overlaid it on what’s being suggested as industrial overlay?

- We can provide where the gaps are, but we don't have specifics of identifying particular plots/acres.
- The BLI included future increases of environmental zones (acres) supply.
- One of the barriers we've had with e-zone changes in industrial zones is not having an updated EOA, which you've now confirmed and is part of the package at Council. Once we submit this to the state, it should be adequate.

*Chair Baugh:* Are park natural areas exempt from Metro Title 4?

- This is part of what we want Metro to clarify. Regarding employment, we are pushed and pulled (employment/middle-wage jobs and locating). We want to preserve land, but we have a parks issue here too. How do you propose we look at the employment land and parks/open space balance? We will continued to be pushed by this.
- Mike Jordan: This question will only get more difficult since we are land-locked. You have to make some decisions right now. Don't wait 30 more years. The big deal is course-correction and think about the evolving city. Incremental change is lots easier to work through.
- Mike Abbate: Park intensity and changes over time is a good question. This is a standard we're all grappling with. I think industrial developers have to wrestle with this too. We want jobs, and the more jobs per acre can help with the question of highest and best use, similar to intensifying park use.

*Commissioner Tallmadge:* We received an intensity analysis before. Can we review that again to see what this overlay looks like to help see this laid out? In terms of regulations, we keep talking that we have reached a number of goals with incentives. But what are regulations that should be put in place if incentives are going away?

*Commissioner Bachrach:* I assume the concern is about buying lots of industrial land for parks use. But on the other hand, perhaps a modest amount of outright permitted use could be allowed?

- Mike Abbate: We have thought about this... some sort of cap about how much industrial land we'd lose. PP&R could suggest this (not right today), but we could come up with something.
- Tom: What's been alluded to is that we run up against Metro Title 4. When we look at stormwater facilities and wet natural areas, we have allowed those as facilities. We are left with the middle ground of upland natural areas – how do we account for this? That is still a question. We need to have a serious discussion about balancing the values, which is what happens in a Comp Plan amendment, which is the reality of being a land-locked city.

Is allowing acquisition of 2-acre parks avoid the Title 4 problem?

- Tom: Our interpretation is that with the Goal 9 diminimus exception is consistent here, and that says 2 acres. When we get to bigger parks, we have a problem with writing this into code.

*Commissioner Rudd:* Regarding the 2 acres, you can come to the counter to get a permit. But there needs to be a broader discussion about the trade-off. I prefer having this as a base, then we get a larger policy question with larger parcels. If we have a big facility that drives lots of people to it, then there is a freight discussion as well.

*Commissioner Schultz:* If you put a trail through a natural area, is it now a developed park?

- There is an exception for trails, trailheads and boat-launch facilities, which we've put into code. Siting/location of these components is a question though.

Joe: The Comp Plan change reflects on what all the rest of our policies say about jobs. It's up to the jurisdiction about how we're going to create job growth. We believe middle-wage jobs are industrial. But if we find that we can't accommodate the expected growth in these areas, we have to decide where we expect the jobs to go. And then need to look at job-related things beyond the Comp Plan scope. By doing it how we're proposing, we're trying to be responsive to doing updates more frequently. We've built in a process to not close the door but to hold ourselves accountable to do changes transparently.

*Commissioner Schultz:* For properties that become legal non-conforming uses, how do property owners know this?

- We have already updated the map to address residential in EG zones. There is a series of steps for proving a non-conforming use status exists.

Are we thinking about smarter, easier ways for people to track and prove their uses were legal at one time or another? Can we tie it to Portland Maps?

- Non-conforming is not part of a title report; it is incumbent on a buyer to know what the property is zoned, uses, etc.

*Chair Baugh:* Regarding natural areas and Metro's Title 4, can we just write the definition in how we define it then if they don't like it, they will tell us?

- Metro says natural areas are not prohibited by Title 4. We have worked through a process where the staff proposal is to prohibit upland natural areas; this is the gray area. We are proposing this, which is more restrictive than Metro.
- If an uplands natural area is purchased for a stormwater or water quality facility, it is an allowed use. As BES is considering a purchase, they can consult with BPS about where the real value is and if there is a developable parcel we could preserve. This part isn't part of the code, but we are suggesting something like an IGA for this consultation and discussion process.

In calculating industrial capacity, we anticipated needing 150 new environmental acres. Existing parks wouldn't be counted, so they are taken out of the supply. We are not estimating new parks in this area, but we do find 25 additional natural resource mitigation acres in capacity along Portland Harbor. Staff will provide a document/chart about these figures.

Council will hear lots of testimony about the golf courses. This is 120 acres of capacity that we could be short if they take it off and put them back to open space.

If Council makes changes to the Recommended Comp Plan, we'll have to look at them and their decision. The PSC will still be talking about Task 5 projects when Council votes, so we could bring back a set of choices based on City Council decisions before the Task 5 package goes to Council. If they are minor, we can have an amendment package that Council can adopt together. So part of it is the timing and part of it is the magnitude of change.

## **Adjourn**

*Chair Baugh* adjourned the meeting at 2:50 p.m.