

## Portland Planning and Sustainability Commission Meeting

Tuesday, October 27, 2015

5:00 p.m.

### Meeting Minutes

**Commissioners Present:** Jeff Bachrach, Mike Houck, Michelle Rudd, Katherine Schultz, Howard Shapiro, Chris Smith, Teresa St Martin

**Commissioners Absent:** André Baugh, Gary Oxman, Maggie Tallmadge, [1 open position]

**City Staff Presenting:** Susan Anderson, Tom Armstrong, Steve Kountz

*Vice Chair Schultz* called the meeting to order at 5:02 p.m. and gave an overview of the agenda.

### Items of Interest from Commissioners

- *Vice Chair Schultz:* Happy birthday to Julie O. Thank you for your work.
- *Commissioner Shapiro:* I've been a member and Chair of the Community Involvement Committee since its inception and am ready to pass the baton to another PSC member. Does the Chair have to be a member of the PSC? What is the mandate for this group going forward? Staff will look into this and provide an update for PSC members.

### Director's Report

Susan Anderson

- Commissioners have received two documents that outline the eight Task 5 (early implementation) Comp Plan projects. These will go for a vote at Council later in 2016.
- Many of you were involved working on what became the Fossil Fuel export policy. The Mayor will be taking this to Council next week on Wednesday, November 4.
- Update on the Comp Plan work sessions at Council: PSC members have attended different work sessions. This Thursday we have the Economic/Environmental discussion followed by the Transportation and Map discussions in November. Julie will send a list of the work sessions and the dates for Council hearings as well. These sessions have been very productive and informative thus far.
- Portland was recently recognized by the C40 organization for our work on climate change. We are honorary members of the group. Three cities have the best CAPs in the world: Vancouver BC, Seoul and Portland. Portland was chosen particularly our focus on equity and our quality technical work.

### Consent Agenda

- Consideration of Minutes from the October 13, 2015 PSC meeting.

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

The Consent Agenda was approved with an aye vote.

(Y7 – Bachrach, Houck, Rudd, Schultz, Shapiro, Smith, St Martin)

## Documents and Presentations for today's meeting

### **Task 5 – Employment Zoning Project**

Hearing: Tom Armstrong, Steve Kountz

Tom and Steve provided an overview of the project and a recap about testimony we've received thus far.

#### **Testimony**

1. Raihana Ansary, PBA: We believe this proposal is a step in the right direction for meeting the needs of the city. The project is critical to not losing prime industrial land that provides middle-income jobs. We have regained jobs in low- and high-income levels but not the middle-income jobs lost in the recession. Communities of color and East Portlanders rely on these jobs more extensively than others, so it is an equity issue too. The amendments need to be made as staff has proposed. (*see written testimony*)
2. Joe Rossi: Owns Rossi Farm in Outer East Portland. All zoning around the property is low-density R7. We don't want a designation that makes an employment zone use; we'd rather see future flexibility when the farmland becomes developed. Light industrial would mean lots of people and traffic, but we'd rather see walking commercial neighborhood to better enhance the community. Also have schools within walking distance, so we'd again like to see more walkability and safety for those reasons too. (*see written testimony; map image*)
3. David Rossman, Claverack LLC: 135<sup>th</sup> and Whitaker Way. Please don't add "I" overlay to this property. There is nothing in the notice that said why these changes were proposed aside from needing to update the Comp Plan. So why is this change important for Portlanders? It will result in diminished property value, and we don't support this overlay proposal. (*see written testimony*)
4. Laurie Wall for Kevin Flanigan: We strongly object to the proposed rezoning of our property at 3255 N Hayden Island Dr (Schnooner Creek Boatworks) because it will limit our plans, for which we already have detailed drawings and support. Hayden Island has limited development opportunities. We support the industrial land sanctuary, but not on this specific site. This is one of the best beaches in Portland. It's the only property that can access water out of the current, directly across from Vancouver Waterfront. We want to allow more outdoor recreation and increase access to launching and boating opportunities. (*see written testimony*)
5. Christe White, ESCO: We support the project in and rezoning NW Portland to Mixed Employment. This strengthens industrial and synergistic uses. NWDA challenges ESCO's inclusion in this zone, which we understand will be part of the CC2035 Plan to be resolved at Council. We want this change because our corporate headquarters are there with the foundry. In the short-term, the foundry will likely go away, which will make the HQ building non-conforming.

*Commissioner Smith:* Weren't transportation impacts reviewed in the LUBA remand of the NWDA project? If your clients are going to have increased density, shouldn't they be paying into that fund?

We should be able to review the 2003 report, get updated information, and then compare our proposal versus the current zoning, understand traffic impacts, and impose equitable changes. The objection is that the study isn't done.

Staff can bring further explanation prior to the November 10 work session.

6. Darith Lim: 12150 NE Airport Way. This property is EG2 currently, and we've owned it since 2006. It's too small to rezone to IG2 and not economically profitable to do so. We have small restaurants, Kaiser to the east and small medical buildings in proximity. We don't believe our property is in industrial area, so rezoning is in contradiction and we want to remain in EG2. *(see written testimony)*
7. Jampa Lathsang: Property at 3804 NE 148<sup>th</sup>. This is a 3.5 acre parcel, but it is unique because it's divided into 2 different parcels on one lot. One part is currently EG2 and the other is Mixed Use Dispersed. Would like to have Mixed Use Dispersed for both parcels. That was how it showed in an earlier draft, but now it's showing EG1, which is not what we want.
8. Marc Fazio, Bill Naito Co: We do not approved of changes from EX to EG at the Montgomery Park site. Please leave the EX zone in tact so we can supplement the 3000 jobs there and the land there can become a mixed-use development and have the flexibility to do so. *(see written testimony)*
9. Laura Hall, CMI: CMI moved to SE Portland when eastside was in a downward spiral. We leased offices and warehouses originally. We have helped to revitalize the neighborhood. If we can't grow our office space, we will be forced to leave the city after many thousands of dollars invested. *(see written testimony)*
10. John Olivier, SKB: Property SE 17<sup>th</sup> south of Holgate down to McLaughlin, which is currently vacant land. We would like to retain flexibility to help create middle-income jobs so would like to be removed from prime industrial overlay because people seeking property in this area are more nimble, maker-users as opposed to standard industrial. This is not an idea location for traditional heavy manufacturing.

*Commissioner Smith:* Regarding the maker jobs, what is the income range and job density for these?

There is a company, Connective DX, that does design and industrial office-like category. They were looking to buy one of the properties but couldn't get the flexibility for 60 jobs in the \$40-80k range they had proposed.

11. Jim Morton, Edy, Morton & Edy: Properties at 1305-1307 MLK, which is 36,000 square feet and on the national historic registry. IG1 to EX is a fine proposal. I had started this process half-way in 2003 but would have required removing 200 foot loading dock on SE 3<sup>rd</sup>, rendering it non-usable by current tenants for industrial purposes. We would like assurances that a zoning change won't require us to remove the loading dock so the building remains usable to current and future tenants.
12. Eric Bergstrom: 2.5 acres and NE 202<sup>nd</sup> and Sandy Blvd. There is a moratorium on public storage spaces, which is what we want to develop this land to be. Other close-by storage areas are least 95 percent occupied. Please don't include this in the industrial overlay to allow for flexibility in our development.
13. Miles von Bergen: As technology and transportation have improved in the Central Eastside, big warehouse buildings have become functionally inefficient for traditional industrial. It would be better to divide up a building, but there are limitations on what types of employment can be there if it's not traditional industrial. *(see written testimony)*
14. Sally Beck: Owns 9009 NE Levy Rd., a horse property. The Industrial Sanctuary overlay proposed here, but in 2011 we had an environmental overlay imposed. Now we have this additional overlay, so I'm concerned with buffer zone and conditional use permit granted over 30 years

ago. The overlays seem incongruous.

15. Ronald Beck: The issue with our property at 9009 NE Levy Rd. was resolved on January 21, 2011 in the Gunderson vs Portland LUBA decision. It is not compatible to be both environmental and industrial overlay.
16. Jeff Valdes: Capacity Commercial Group has been given the leasing assignment for The Iron Fireman, the former PECO manufacturing facility. The 200,000+ square foot building is not technically on the market yet, but we are taking it in front of people to see where the market stands. We have forwarded information to every major commercial real estate firm. Tenant profiles include light assembly, food manufacturing, distilleries, etc with lots of interest. Tenants want buildings of character. The MAX Orange Line is now right in front of the building, connecting it to all parts of the city. *(see written testimony)*
17. Bob Sallinger, Audubon: Supports a much more rigorous conversion of land to industrial. We need to be careful and make sure zoning is not too restrictive to best serve the needs of our city. We should update environmental and industrial land zoning simultaneously. If not, we should exempt natural resource lands until this is done. Allow upland parks and natural areas over 2 acres in size. We don't support conversion of golf courses to industrial land. This project seems to be driven by the fact that we're trapped in Goal 9 mandate that was put in place almost 50 years ago that doesn't make sense any more. Ask the state for an exception to make sure we're using the land in the best way for our community. *(see written testimony)*
18. Rose Fredrickson: residential farm property that's unique in North Portland. Opposed proposed "I" overlay. *(see written testimony)*
19. Scott Krieger, Broadmoor Golf Course: Golf courses along the Columbia Corridor are different, going from NE 140<sup>th</sup> and Glisan out to West Delta Park. We intend to operate as a golf course, but we know it won't be economically viable for all the courses to be this in the future, so we are looking at flexibility for the future. We support IG2 now for the proposed portion. We would like to have standards such as landscaping included for golf courses that convert to industrial. *(see written testimony)*
20. Jeanne Harrison, NWDA transportation committee and planning committee: We have major transportation concerns for upping to a 3:1 FAR, which potentially triples development from the current 1:1 FAR. Our past compromise was to make the designation with provisions that don't allow more than 1:1 FAR with a .8 bonus with a payment into the transportation fund. If the employment zone change on page 91 goes forward (ESCO property), mitigations would go away. Don't change what we have today, which was a hard-fought process. *(see written testimony)*
21. Greg Theisen, NWDA planning committee: We have concerns for further erosion of prime industrial land, which we know is already inadequate to meet future expected demands. In addition to the ESCO properties on Vaughn, we understand there are others proposed to EG zoning if this project is adopted. *(see written testimony)*

*Commissioner Smith:* With this project, the 3:1 FAR potential and ESCO's request to move land behind to EG as well are the two concerns. We didn't see the ESCO request during our Comp Plan discussions. Do we know what is the impact on the intersection at NW Vaughn is and what it means for the neighborhood?

A large part is owned by Conway. Their Master Plan allows for adding residential and retail uses. We need improvements at NW 23<sup>rd</sup> and Vaughn to allow freeway-leaving traffic to better access. This wasn't consulted when the ESCO planning process started and wasn't anticipated in the transportation analysis, so we don't know the effects of what congestion will look like

with these potential developments. We need additional analysis, more specific than what is being done in the Comp Plan process.

22. Mary Peveto, Neighbors for Clean Air: I'm here to flag a missing element, which is health and livability concerns for communities that abut industrial zones. No environmental overlay addresses hyper-local impacts for communities along the industrial zones. We've heard about air quality problems, but there is no mechanism to address air quality concerns in zoning. But DEQ often says these are zoning issues. We are disheartened to see that zoning won't address air quality issues.
23. Kym Harris: 135<sup>th</sup> and Whitaker Way. My primary concerns is prohibition for self-service storage. I've talked with staff about proposed changes and talked about hypothetical tenants, but the responses didn't alleviate my concerns. (*see written testimony*)
24. Mo Tran Dinh: I own a 100 year old house, currently R1 and proposed to EG, which is a concern. If we take non-conforming position, how does this affect home insurance? We don't want to sell the home, and we have no plans to build. But if the house burns down, under the new proposal, it sounds like we wouldn't be able to rebuild as-is.

The proposal doesn't affect the property unless you are going to change the structure.

25. Cindy Rinella: 231 SE Alder, a produce distribution company. We originally had ample parking and little foot traffic, but this area is becoming more difficult for semis to dock and unload. It's become very unsafe. I like the mix of shops now, but I don't know why we're considering going back to industrial. We are considering moving our operation to Milwaukie or somewhere where there is better space for trucks and warehousing. I like the variety in the changes, but it's becoming more difficult to operate our business in the Central Eastside.
26. Tom Lindley: NE 63<sup>rd</sup> and Columbia, which is a property surrounded by industrial, but a nice neighborhood community with wildlife all around. It needs to stay this way and not change. We don't want the livability issues we've seen at 47<sup>th</sup> and Buffalo. Don't change to IG2 here.
27. Peter Stachelrodt: 63<sup>rd</sup> and Bryant. Zoning change sounds harmless, but IG2 is the only zone change that can be requested in this area. We'll get another 47<sup>th</sup> street if the zoning changes are implemented, which is not a good neighborhood change. This is a special place along the slough with farmers who want to keep it this way.
28. Westin Glass: 3147 NE Holland Ct. is a quiet little neighborhood near the Buffalo Slough. No good can come from rezoning this as prime industrial. This would ruin quality of life and property values of what is currently single-family homes that we don't want lost. Rezoning of golf course could destroy wildlife habitat, so we need golf course criteria needs to include buffer zones and environmental consideration. Take us out of the industrial overlay proposal.
29. Pat Wagner: Linnton resident. Most people don't know about this project. Housing is currently allowed as conditional use in EG zones as long as it doesn't impact nearby industries. But changing to employment zoning bans housing, and it borders on being immoral. Lower housing rents can be found in industrial areas and above shops, which is allowed today. I also question BPS' work with the regional employment shed number, which is off by over 2000 people.
30. Tom Bouillion, Port of Portland: Support prime industrial overlay proposed to maintain middle-income employment needs. Include buffer zones particularly at residential and rail track crossings. The proposed golf course changes seem off, but consider reducing Open Space zoning here and require landscaping to be consistent with other properties. Regarding the Metro testimony around Rivergate, we can't support removal of prime industrial here in part because

we haven't had time to review their comments. (*see written testimony*)

31. Shannon Benson: 6000 NE Bryant St. purchased in 1974. I love this property. It's a hidden paradise in the city. Protect wildlife habitat, which is habitat we're losing. Industry that has moved in has surrounded us. I'm against the industrial zoning change.
32. Aleeya Kim: A small business owner on NW St Helens Rd. Housing elimination from prime industrial overlay just makes the housing crisis worse, so I don't support the prime industrial overlay zone here.
33. Edward Jones, Linnton NA Land Use Chair: We have gotten 3 parcels in Linnton excluded from the industrial overlay. But less alert or less knowledgeable property owners in the city may not have had this opportunity to work with staff to do the same. I endorse Bob Sallinger's comments about smart zoning decisions, not being heavy-handed to just make a number of acres. Think about the best use for each property, and don't just make up numbers to reach a potentially irrational goal.
34. Heidi Stachelrudt: 63<sup>rd</sup> and Columbia. This is proposed for the prime industrial overlay, but this is currently farm land. There is a more urgent need to sustain small inner-city farm areas. Striving to model a community that thrives with industrial neighbors while actively farming.
35. Stephanie & Ken Park, Parkland Properties LLC: SE 92<sup>nd</sup> and Powell Blvd. We obtained these properties about 18 years ago and we were told these were able to have unlimited height on our properties, and we thought that would remain. We recently found out that it is currently CG with a limited height. We had been saving these properties to build a multi-functional high-rise building with a medical research center here, but now we've found out we can't. Please review current/previous zoning. We request CM3.

Staff will follow up with what is proposed for these sites.

36. Chris Wall, Moody Holdings: 54<sup>th</sup> and Columbia Blvd. is surrounded by junk yards, drug houses and a school. Potential tenants wouldn't move into a newly build facility that we proposed building because it wasn't worth headaches with the City. We're working to put in a storage facility to improve the area, but our only tenant currently is a haunted house. It's a benefit but would be prohibited with the new overlay. Own the portion of Whittaker Pond. Please rethink things that tie our hands as developers and land owners.

*Vice Chair Schultz* closed the hearing for the code amendments relating to the Employment Zones project. Written testimony will remain open until Friday, November 6 at 5 p.m.

### **Written Testimony Received**

#### **Discussion**

*Commissioner Rudd:* Can staff pull the discussion in the EIS for the Orange Line about anticipated impacts on uses in an industrial area? It's noted that language about stormwater facilities are defined by BES, but we have a definition in Title 33. Which definition are we using?

*Commissioner Shapiro:* I need more clarity on the ESCO versus Conway conflict to understand how these tenants and NWDA are working (or not) together. Regarding the conflicting overlays, can we understand how to mitigate this and make these two overlays work together? Linnton has persevered over the years, and I wonder about the excluded pockets and if others have had a fair chance to express their concerns.

*Commissioner Bachrach:* I understand the Prime Industrial Overlay is based on the Comp Plan Policy 6.39. What's the PSC's role when property owners say their properties don't fit this definition? How do we begin to parse the issue?

- During the Comp Plan hearings, we did look at different areas and considered if they should be different types of zones as part of the Comp Plan map. Based on the PSC recommended map, we are trying to implement that map by protecting industrial sanctuaries close to rail and Port. We've looked at the pockets and said they may be industrial, but they shouldn't be prime industrial for a variety of reason (keeping them industrial though). If it's a question about some of the residential areas versus industrial, that is a question for City Council in considering the Comp Plan map.

*Commissioner Smith:* How will we see the property requests to review when making our recommendation?

- Staff will send a "what we heard with more details" memo prior to the November 10 PSC work session on the project.

We have conflicting public policy regarding freight access and investment in the Orange Line with employment-oriented development where the maker-type jobs might be more appropriate. Also, for disclosure, I was the NWDA Chair that brought the intersection issue to LUBA.

*Commissioner St Martin:* We heard lots about people who want to have storage facilities on their land. What is the rationale for this not being included in the prime industrial overlay?

*Commissioner Rudd:* Could we consider accessory housing uses on employment lands such as for workforce housing? I'm all for preserving industrial land, but this might be a consideration.

- From a zoning capacity, we have lots of housing capacity in other zones; we're tight on jobs capacity. The goal is to preserve and protect capacity that we have, and we have almost twice the residential capacity in mixed-use and other zones. It's also a question of being on the edge of residential/commercial/industrial and issues that we see. If we site workforce housing here, we might see the same conflicts in the middle of employment areas.

*Commissioner Smith:* How do we bring environmental and employment zoning in a more coherent process?

*Vice Chair Schultz:* I'm also struggling with the delay of environmental zoning. What about air quality issues? Where we're changing EX to EG, are you concerned about changes in property values and/or density? I just need some more background about this.

### **Next Steps**

Staff will provide updates and responses to the PSC. Then we have the work session and recommendation for the Employment Zones Project at the next PSC meeting on November 10. This work session is a little about the map, but it's mostly about the code provisions.

Comments about the Comp Plan Map should be directed to City Council for their hearings. The PSC hearing for the proposed Zoning Map amendments is continued to February 23, 2016, the tentative hearing date for the all the Zoning Map amendments.

### **Adjourn**

*Vice Chair Schultz* adjourned the meeting at 7:15 p.m.