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# 192000

(Ordinance)

Adopt the Montgomery Park Area Plan including amendments to the Comprehensive Plan, Comprehensive Plan Map, Zoning Map, Zoning Code, Citywide Design Guidelines, and related amendments to the Guild's Lake Industrial Sanctuary and Northwest District plans (amend Code Title 33)

Passed

Amended by Council

The City of Portland ordains.

Section 1. The Council finds:

- In 2009, the Portland City Council adopted the Portland Streetcar System Concept Plan (Resolution 36732) which identified several possible future routes and recommended several for further study with the anticipated Comprehensive Plan Update.
- 2. The Portland City Council adopted the 2035 Comprehensive Plan on June 15, 2016, which became effective on May 24, 2018. The 2035 Comprehensive PlanTransportation System Plan included recommendations to include several streetcar lines in the unconstrained capital projects list for further evaluation, including potential future extensions to Montgomery Park in Northwest Portland, and the Hollywood District in Northeast Portland.
- 3. In fiscal year 2018-19 Portland City Council provided funding to the Bureau of Transportation and the Bureau of Planning and Sustainability to begin planning for a potential streetcar extension to Montgomery Park (FY 2018-19 Decision Package TR-5).
- 4. In 2018 Metro, as the region's metropolitan planning organization, applied to the Federal Transit Administration (FTA) for grants to support land use and Transit Oriented Development (TOD) planning for potential Montgomery Park and Hollywood streetcar corridors, and named the City of Portland Bureaus of Planning and Sustainability (BPS) and Transportation (PBOT) as entities that could conduct some of the proposed work.
- 5. In December of 2018 the Federal Transit Administration notified Metro of the grant award, and Metro requested that the City of Portland

# Introduced by

**Mayor Ted Wheeler** 

## City department

<u>Planning and Sustainability</u> (BPS)

#### **Contact**

#### **Barry Manning**

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**J** 503-823-7965

# Requested Agenda Type

Time Certain

#### **Date and Time Information**

**Requested Council Date** 

December 11, 2024

**Requested Start Time** 

10:30 am

Time Requested

15 minutes (1 of 3)

Changes City Code

- perform the work identified in the Montgomery Park to Hollywood (MP2H) Transit and Land Use Development Strategy grant.
- 6. In 2019, the Bureau of Planning and Sustainability in partnership with the Bureau of Transportation, and other supporting agencies, initiated the Montgomery Park to Hollywood Transit and Land Use Development Strategy process to study and evaluate land use, housing, economic development, transit and other issues along potential future streetcar alignments to the northwest and eastside study areas.
- 7. Between 2019 and 2023, Portland staff conducted engagement with a variety of community members in both the eastside and northwest study areas. The community engagement work included meetings with affected area neighborhood associations, business organizations and other groups, property interests and individuals. The project engaged with four community-based organizations to gather input and feedback from underrepresented communities in both the eastside and northwest study areas. The project recruited a Montgomery Park to Hollywood Northwest Project Working Group (Project Working Group) as a sounding board for land use and transportation issues in the northwest study area; this group met seven times. The project also engaged with the York Street Work Group on northwest area issues regarding commemoration of York, the enslaved member of the Corps of Discovery for whom NW York Street in the plan area is named, and potential public benefits. Finally, project staff and a consultant engaged community members on urban design character issues for the northwest area, including specific outreach to BIPOC community members.
- 8. In addition to attendance at meetings of organizations in the project area and affected by the project, and the engagement conducted by four community-based organizations and the York Street Work Group, staff conducted the following project public events: Montgomery Park to Hollywood Kickoff Open House (March 2020); Montgomery Park to Hollywood Urban Design Concept Virtual Open House and Survey (Summer 2020); Northwest Project Working Group (seven meetings; May 2020 to November 2021); Montgomery Park to Hollywood Northwest Plan Discussion Draft Open House (two meetings; February 2022); Montgomery Park Character Statement Workshop (June 2023); Montgomery Park Character Statement Focus Group (February 2024).
- 9. Between 2019 and 2023, Portland staff and a consultant team collected information on and conducted analysis of land use, economic, urban design and transportation issues in the Montgomery Park to Hollywood westside and eastside study areas; this work included development of an existing conditions report; development of land use alternative scenarios (NW), alignment evaluation (NE), and urban design concepts; analysis of development potential; transportation analysis; and evaluation of equitable development issues and potential for public benefits in the northwest area. The analysis, informed by community engagement described previously, led to recommendations for land use changes and transportation investments for the Montgomery Park to Hollywood northwest study area.

- 10. Informed by community input, analysis, and City policies, the Bureau of Planning and Sustainability and the Bureau of Transportation, in collaboration with other bureaus, developed the *Montgomery Park to Hollywood Northwest Plan Discussion Draft*, which wasreleased for public review and comment in December 2021.
- 11. Informed by further community input, analysis, and City policies, the Bureau of Planning and Sustainability released the *Montgomery Park Area Plan Proposed Draft*, an outcome of the *Montgomery Park to Hollywood* process and follow-up to the *Montgomery Park to Hollywood Northwest Plan Discussion Draft*, on April 15, 2024, for review by the Portland Planning Commission and Portland Design Commission at a joint public hearing on May 21, 2024.
- 12. On April 15, 2024, a notice of the May 21, 2024, public hearing on the *Montgomery Park Area Plan Proposed Draft* was sent to the project's mailing list, individuals and organizations who requested such notice, the regional transit agency, Metro, Multnomah County, the Oregon Department of Transportation, all recognized organizations within the subject area, all recognized organizations, counties and municipalities within 1000 feet of the subject area, affected bureaus, special service districts, school districts, and other interested parties.
- 13. On April 15, 2024, notice of the *Montgomery Park Area Plan Proposed Draft* was provided to the Department of Land Conservation and Development in compliance with the post-acknowledgement review process required by OAR 660-18-0020.
- 14. On April 15, 2024, notices of the *Montgomery Park Area Plan Proposed Draft* and the joint Planning and Design commissions hearing were sent to all property owners potentially affected by proposed zoning map and code changes, as required by ORS 227.186. Property owners were sent a separate notice for each property potentially affected by the proposal.
- 15. The Planning Commission and Design Commission held a joint public hearing 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, and Design Commission work sessions on June 6, June 20, and July 18. The Planning Commission voted during their meeting on July 9, 2024, to forward to City Council their *Montgomery Park Area Plan Recommended Draft*. The Design Commissionvoted during their meeting on July 18, 2024, to forward to City Council their *Montgomery Park Area Character Statement Recommended Draft*.
- 16. On August 20, 2024, information about the *Montgomery Park Area Plan* was sent to leadership of the Confederated Tribes of Grand Ronde, the Confederated Tribes of Warm Springs, the Confederated Tribes of Siletz Indians, the Confederated Tribes of the Umatilla Indian Reservation, and the Confederated Tribes and Bands of the Yakama Nation.
- 17. On October 14, 2024, BPS published the *Montgomery Park Area Plan Recommended Draft*, attached as Exhibit B. The plan, which is the recommendation of the Planning Commission and Design Commission, includes the following elements:
  - a. Volume 1, Recommended Plan.
  - b. Volume 2, Regulatory Tools.

- c. Volume 3, Transportation Plan.
- d. Volume 4, Amendments to Guild's Lake Industrial Sanctuary Plan and Northwest District Plan.
- e. Volume 5, Appendix.
- 18. A public notice of the November 13, 2024, Portland City Council public hearing on the *Montgomery Park Area Plan Recommended Draft* was sent on October 22, 2024, to those who testified to the Planning Commission and Design Commission or requested such notice.
- 19. The *Montgomery Park Area Plan* Findings of Fact Report, attached as Exhibit A, includes additional findings demonstrating consistency with the Oregon Statewide Planning Goals, Metro Urban Growth Management Functional Plan, and the City of Portland *2035 Comprehensive Plan*.

#### NOW, THEREFORE, the Council directs:

- A. Adopt Exhibit A (*Montgomery Park Area Plan* Findings of Fact Report) as additional findings.
- B. Adopt the *Montgomery Park Area Plan As-Amended Draft,* Exhibit B, Volume 1, as legislative intent and further findings, and the Action Chart on pages 80-82 as Non-Binding City Policy.
- C. Amend the Comprehensive Plan Map as shown on the map entitled "As-Amended Comprehensive Plan Map" in Volume 1, page 70 of <u>Exhibit B</u> (Montgomery Park Area Plan As-Amended Draft).
- D. Amend the Comprehensive Plan Map to revise the Northwest Town Center Boundary, as shown in Volume 1, page 74, of Exhibit B (Montgomery Park Area Plan As-Amended Draft).
- E. Amend the Comprehensive Plan Industrial and Employment Districts Map, Figure 6.1,as shown in Volume 1, page 73, of Exhibit <u>B</u> (Montgomery Park Area Plan As-Amended Draft).
- F. Amend the official Zoning Map to apply base zones and apply and remove overlay zones as shown on the map entitled "As-Amended Zoning Map" in <u>Volume 1, page 72</u>, of Exhibit B (Montgomery Park Area Plan As-Amended Draft).
- G. Amend Title 33, Planning and <u>Zoning</u>, as shown in Volume 2, Sections II and III, of Exhibit B (*Montgomery Park Area Plan As-Amended Draft*).
- H. Amend the Citywide Design Guidelines, to amend the table of contents and add the Montgomery Park Character Statement, as shown in Volume 2, Section V, of Exhibit B (*Montgomery Park Area Plan As-Amended Draft*)
- I. Adopt the commentary in the Proposed Amendments section of Volume 2, Exhibit B (*Montgomery Park Area Plan As-Amended Draft*) as legislative intent and further findings.
- J. Adopt the Montgomery Park Area Transportation Plan, Exhibit B, Volume 3 (*Montgomery Park Area Plan As-Amended Draft*) as Non-Binding

City Policy and to provide legislative intent.

- K. Amend the Guild's Lake Industrial Sanctuary Plan and the Northwest District Plan as shown in Exhibit B, Volume 4 (*Montgomery Park Area Plan As-Amended Draft*), and adopt the Context and Intent and Commentary in Volume 4 as legislative intent.
- L. Adopt the *Montgomery Park Area Plan, As-Amended Draft,* Exhibit B, Volume 5: Appendix, as supporting and background documents.
- M. Direct the Bureau of Transportation to include recommendations from Exhibit B, Volume 3, Transportation Plan (*Montgomery Park Area Plan As-Amended Draft*) with the next update to the *Transportation System Plan*.
- N. Direct the Portland Housing Bureau to notify the Portland Bureau of Planning and Sustainability when, for the first 200 units of regulated affordable housing within Subdistrict D of the York Plan District, there is a recorded regulatory agreement.
- O. Direct the Portland Bureau of Planning and Sustainability to confirm whether, within seven years of the effective date of this Ordinance and pursuant to Directive N, a Certificate of Occupancy has been issued for at least 200 regulated affordable housing units within Subdistrict D of the York District.
- P. Direct the Portland Bureau of Planning and Sustainability to replace Portland Zoning Code section 33.597.230, Floor Area and Height Bonus Options, and Table 597-1, Summary of Maximum and Bonus FAR and Height, as shown in Volume 2, Section IV, of Exhibit B (*Montgomery Park Area Plan As-Amended Draft*) within 60 days of determining that a Certificate of Occupancy has been issued for at least 200 regulated affordable housing units within Subdistrict D of the York Plan District within seven years of the effective date of this Ordinance as contemplated inDirective O.

Section 2. This ordinance shall be in full force and effect on June 1, 2025, in anticipation of approval of Title 4 map amendments by the Metro Council in early 2025. Metro Council's actions are effective 90 days after adoption.

Section 3. In the event that the Metro Council does not approve Title 4 map changes by March 1, 2025, the Bureau of Planning and Sustainability is directed to return to City Council before June 1, 2025, to extend the effective date of this ordinance.

Section 4. If any section, subsection, sentence, clause, phrase, diagram, or drawing contained in this ordinance, or the map, report, inventory, analysis, or document it adopts or amends, is held to be deficient, invalid, or unconstitutional, that shall not affect the validity of the remaining portions. The Council declares that it would have adopted the map, report, inventory, analysis, or document each section, subsection, sentence, clause, phrase, diagram, and drawing thereof, regardless of if any one or more sections,

subsections, sentences, clauses, phrases, diagrams, or drawings contained in this Ordinance, may be found to be deficient, invalid, or unconstitutional.

# Links to Exhibit B: Montgomery Park Area Plan - As Amended Draft

- Volume 1 (https://efiles.portlandoregon.gov/record/17080146)
- Volume 2 (https://efiles.portlandoregon.gov/record/17080147)
- Volume 3 (https://efiles.portlandoregon.gov/record/17080148)
- Volume 4 (https://efiles.portlandoregon.gov/record/17080149)
- Volume 5 (https://efiles.portlandoregon.gov/record/17080150)

### **Exhibits and Attachments**

- Approved Amendments Memo 1.68 MB
- Ordinance As Amended (Strikethrough / Underline Version) 159.66 KB
- **Exhibit A As Amended** 2.85 MB
- Montgomery Park Area Plan Exhibits List As Amended 63.67 KB

An ordinance when passed by the Council shall be signed by the Auditor. It shall be carefully filed and preserved in the custody of the Auditor (City Charter Chapter 2 Article 1 Section 2-122)

Passed as amended by Council December 11, 2024

Auditor of the City of Portland Simone Rede

# **Impact Statement**

# Purpose of Proposed Legislation and Background Information

The Montgomery Park Area Plan (MPAP) establishes a new transit-oriented, mixed-use district in Northwest Portland west of Highway 30 between NW Vaughn and NW Nicolai streets. The Plan seeks to transition the area from a partially underutilized industrial and employment-focused district into a mixed-use employment district that will support both job growth and housing development. To achieve this outcome, the MPAP includes a suite of proposed land use changes to promote equitable and transit-oriented development and complement the planned extension of the Portland Streetcar. The land use changes include amendments to Portland's Comprehensive Plan Map, Zoning Map, Zoning Code, and design guidance for future projects. The plan area is expected to be served by a future onemile extension of the Portland Streetcar.

The Montgomery Park Area Plan is an outcome of the Montgomery Park to Hollywood Transit and Land Use Development Strategy (MP2H) undertaken from 2019-2023. The study – a collaboration between the Bureau of Planning and Sustainability (BPS) and the Portland Bureau of Transportation (PBOT),

funded in part by a Federal Transit Administration (FTA) grant administered by Metro – evaluated opportunities to create an equitable development plan for transit-oriented districts in Northwest Portland and Northeast Portland. Work in the Northeast was a preliminary evaluation of opportunities and has concluded. Work in the Northwest resulted in the Montgomery Park Area Plan (MPAP).

# Key Plan Objectives

- Create a new equitably developed, mixed-use, transit-oriented neighborhood in this high opportunity area.
- Provide opportunities for new housing, with requirements for affordable housing beyond the inclusionary housing provisions.
- Retain existing and create new opportunities for middle-wage jobs.
- Create opportunities for affordable commercial spaces to serve a variety of households and provide wealth-building opportunity.
- Provide broader access to amenities, including access to nature and recreation.
- Build low-carbon transportation options supported by land use allowances for intensive mixed use development.
- Encourage and support opportunities for green, climate-resilient and responsive development.

The plan proposal supports multiple policies promoting compact, transit-oriented development, housing development, affordable housing, employment and middle-wage job creation, climate resilience, and equity and equitable access to opportunity. The plan proposes to change land use designations on roughly 34 acres designated for industrial use to facilitate this broader mix of allowed uses and promote public benefits such as affordable housing beyond standard inclusionary housing requirement, requirements for middle wage jobs, affordable commercial space (opportunity), and development of a new public open space. The plan limits the area of industrial land change, and the amount of change falls within adopted limits, but this policy balancing approach does not fully address all industrial land policies adopted by the City.

The plan also includes a Transportation Plan (Volume 3) that calls for a one-mile extension of the Portland Streetcar to serve the plan area, and also details other transportation system policy changes, and identifies other system improvements. The cost of these improvements is not fully known at this time but is expected to be funded through private and public partnerships and a variety of funding sources.

# **Financial and Budgetary Impacts**

This ordinance does not amend the budget or create new ongoing programs. It does not change the City's financial obligations and appropriations. Adoption of the MPAP Zoning Code and Map amendments will result in minimal short-term and minimal long-term financial impacts to the City. Portland Permitting & Development (PP&D), the Housing Bureau (PHB), and Prosper Portland may be impacted by a small amount of increased staff time

costs associated with implementing the amended Zoning Code regulations in the limited portion of the city where the regulations will apply. Other bureaus may be similarly impacted.

The MPAP Zoning Code amendments will primarily apply within the plan area (aka, York plan district), which includes approximately 80 acres, or less than 0.09 percent of the city's land area. The amendments include greater allowances for land uses and development and provide new design-related standards to promote pedestrian- and transit-oriented development. The amendments also include a development bonus structure that is intended to foster the construction of affordable housing units, as well as to promote employment. The most significant change that will be provided by the MPAP Zoning Map amendments is a rezoning of approximately 30 acres from Industrial and General Employment zoning to Central Employment, which is anticipated to result in construction of multi-dwelling, mixed-use and employment-oriented development over time. The Zoning Map amendments will also broaden application of the Design Overlay zone, which will require development to meet objective design standards or to alternatively be approved through a discretionary design review process.

## Impacts on Portland Permitting & Development

Because this ordinance changes aspects of the Zoning Code, it impacts PP&D in terms of staff time spent working with permit applicants, reviewing submittals, and inspecting development. In the short-term, staff will need some training on changes to the Zoning Code regulations related to the MPAP amendments. The MPAP includes new approaches to non-residential space requirements and bonuses that may require additional staff monitoring and oversight by both PP&D and BPS. Some zoning provisions will require additional PP&D coordination with BPS. Follow up discussions at team meetings to ensure consistency and answer questions about how to apply the new regulations to specific situations will likely need to take place. In addition, the MPAP applies the Design overlay zone more broadly which will increase the number of developments that are subject to Design Standards, or in some cases Design Review. However, impacts on overall PP&D staff time are anticipated to be relatively minor because of the small area of the city where the plan's regulations will apply, approximately 80 acres, and are intended to be covered by application fees.

## Impacts on the Portland Housing Bureau

The Housing Bureau will be involved in administering affordable housing development bonuses that will apply in the MPAP area due to the broader application of mixed use employment zoning. These affordable housing development bonuses include bonuses for inclusionary housing, and the additional affordable housing bonus. It is not anticipated that the plan amendments will bring a substantial increase in Housing Bureau staff time associated with implementing these affordable housing bonuses, as Housing Bureau staff are already involved in administering inclusionary housing and the affordable housing bonus provisions in the multi-dwelling and commercial/mixed use zones, and the amount of additional land area where such housing regulations will apply as a result of the amendments is less than 80 acres. A zoning provision that incentivizes affordable housing may

also necessitate a modification to Title 30 and point to proposed section 33.597.135.C.3.b.2 of Title 33; this would be similar to 30.01.170 that works with 33.825.025.A.

#### Impacts on Prosper Portland

For Prosper Portland, the MPAP amendments are not anticipated to have a significant impact on staff time, as the role for Prosper Portland staff in addressing regulatory zoning matters will be in administering the Affordable Commercial Space requirement. This will apply to developments in the 80-acre study area adding at least 10,000 square feet of commercial space in Retail Sales and Service or Office uses; this threshold may be met by some projects in the area. Projects subject to the Affordable Commercial Space requirement will need to meet affordability requirements and rules in the Affordable Commercial Space Program administered by Prosper Portland.

## Impacts on Portland Bureau of Transportation

The MPAP regulatory amendments are not anticipated to have an impact on Portland Bureau of Transportation resources or staffing. The Transportation Plan (Volume 3) identifies a suite of future improvements and policy changes that support the land use changes; these are expected to be adopted into the Transportation System Plan at a later date and implemented over time as resources are identified.

#### Impacts on Portland Parks and Recreation

The MPAP regulatory amendments are not anticipated to have a significant impact on Portland Parks and Recreation resources or staffing. Additional staffing or resources may be required over time as implementation occurs.

#### Impacts on Portland Bureau of Environmental Services

The MPAP regulatory amendments are not anticipated to have a significant impact on Portland Bureau of Environmental Services resources or staffing. Additional staffing or resources may be required over time as implementation occurs.

#### Impacts on Portland Water Bureau

The MPAP regulatory amendments are not anticipated to have a significant impact on Portland Water Bureau resources or staffing. Additional staffing or resources may be required over time as implementation occurs.

# **Economic and Real Estate Development Impacts**

The proposed MPAP amendments were developed over the course of 2019-2023 and were initiated as part of the Montgomery Park to Hollywood (MP2H) planning process. The proposed Comprehensive Plan and Zoning designations and many of the zoning code provisions were shared in 2021 with a MP2H Northwest Project Working Group, which included members of the adjacent neighborhood and industrial business association in Northwest Portland, property owners, and representatives of four community based organizations representing underserved communities in the MP2H study area. This led to release of a Montgomery Park to Hollywood Northwest Plan Discussion Draft in late 2021 that was available for public review and

comment until April 2022. This draft, which proposed changes to the long-range Comprehensive Plan for the plan area but did not propose immediate implementation by zoning map changes, was also shared with technical advisors from city bureaus and agencies for feedback. Over the course of the next 18 months additional discussions occurred with property owners, neighborhood and business interests, equity-focused groups and bureau representatives that resulted in changes to the plan. Significant changes included proposing to implement the plan with regulatory tools such as zoning map and code changes, and a separate public benefits agreement to achieve other desired public benefits.

The MPAP Proposed Draft was released in April 2024 for public review and consideration by the Planning Commission and Design Commission. Feedback included concern from some about the changes to industrial land supply and potential for middle-wage jobs supported by industrial land, the desire for additional equity-focused engagement and community benefits, concerns about the design of and need for streetcar transit investments, and the desire for stronger commitments to public benefits such as public open space/parks, affordable housing, and others. After reviewing and amending the Proposed Plan elements, the two commissions recommended the amended plan to City Council for consideration.

The resulting MPAP is an area plan that expands the allowances for development in an 80-acre district in Northwest Portland. It is expected that over time, the changes will result in the creation of a transit oriented mixeduse district that includes a significant employment component, but also allows housing, and encourages affordable housing beyond what might otherwise be achieved. The plan regulatory framework also includes requirements for affordable commercial space when larger amounts of retail or office uses are developed. The district is planned to be served by streetcar transit, which will augment other travel modes, and connect the area to housing and job opportunities in the Central City and beyond. The action creates the opportunity to attract investment to create a mixed-use employment district that could, because of the large sites and ownership patterns, potentially attract entities that desire a multi-acre campus-like mixed-use employment setting. This is a typology that exists in some peer cities and jurisdictions within the Portland region and is in somewhat limited supply in Portland.

One of the ongoing concerns for some relates to the change in industrial land supply. The MPAP will change about 30 acres of industrial zoning to employment designations that allow a broad mix of uses. The MPAP addresses this issue in several ways. First, the change has been found to be within the requirements for maintaining a supply of industrial and employment land in Portland's adopted Economic Opportunities Analysis (EOA). While industrial land supply has been addressed, the MPAP also proactively addresses the need to support job growth and household income goals. The MPAP does this by applying Employment land use and zoning designations (Central Employment – EX; Mixed Employment – EG1) in the area that support a broad array of light industrial, employment and commercial uses, as well as housing. The MPAP not only allows non-

residential uses including employment, but it also requires non-residential space in new development and includes bonuses and incentives for development of employment uses. These regulatory requirements are supplemented by a public benefits agreement that establishes a middle-wage jobs target of 400 net new middle wage jobs on-site within ten years; this target is in excess of the estimated number of new middle wage jobs that would be anticipated by uses allowed under the existing industrial and employment designations in the plan area.

Further displacement of businesses is minimized by maintaining most industrial and employment uses as conforming and part of the desired mix of uses in the area. Household displacement risk is thought to be low; there are eight existing nonconforming houses in the plan area currently, and these are primarily owner-occupied. The proposed zoning will make these residential uses conforming, which may make financing options less burdensome and facilitate reinvestment.

# **Community Impacts and Community Involvement**

The MPAP amendments are a long-range plan that will affect an area in NW Portland. The plan area is located primarily between NW Vaughn and NW Nicolai streets between Highway US 30 and NW Wardway. The area of change overlaps two areas: the Guild's Lake Industrial District area and the Northwest District neighborhood. The plan area is currently designated as an industrial and employment area; the amendments will change land use designations and zoning to allow a broader array of employment and commercial uses, as well as housing, to create a mixed-use area. The area is currently occupied by a variety of businesses in a range of sizes and buildings, ranging from the large Montgomery Park office building to smaller industrial users (print shop, manufacturing and fabrication, brewery, construction contractors/offices) in low-rise buildings. The former ESCO Steel site is a large (18+ acre) site that is largely vacant at this time. The area also includes 8 single dwelling homes. The area supports over 1,000 jobs currently; the residential population of the plan area is very small.

The planning process engaged a wide array of stakeholders between 2020-2024, including neighborhood associations (NWDA); business groups (NIBA, CCA, NW Business Assn.); Non-Profits (Friendly House); and organizations (York Street Work Group; NW Active Streets; Friends of Streetcar; others). Staff considered a wide array of perspectives and needs in developing the plan and strove to balance multiple competing objectives for employment and job growth, housing and affordable housing development, creating a climate resilient environment, and providing for public benefits such as public open space and affordable commercial space, and opportunities to commemorate contributions of York and historic linkages to previous communities. To achieve this, the plan utilizes employment base zoning (EX and EG1), and additional requirements for nonresidential floor area, to provide space for jobs as the area redevelops. The proposal also creates bonuses and incentives for affordable housing. In addition, the plan creates opportunity for affordable commercial spaces and public open space and

requires landscaping and other types of green features in new development to address climate reliance. The plan design elements call for referencing York, as well as other communities that have occupied the area in the past.

The main concerns about the proposal focus on:

- Industrial Land. The transition of this area from an industrial district
  into a mixed-use employment district. Some have argued that this is not
  appropriate given the city's tight industrial land supply. Staff analysis
  has shown that the change falls within limits established by the adopted
  Economic Opportunities Analysis (EOA). Further, the plan requires
  development of nonresidential space that can support employment
  uses. In addition, a related public benefits agreement sets a target for
  new middle-wage job creation, and penalties for non-compliance.
- Public Benefits. The public benefits that are sought and will accrue to the city and community compared with the economic benefit that may accrue to private property owners due to land use policy changes and infrastructure investment. The plan calls for several valuable benefits including affordable housing sooner or in greater quantity than otherwise required; a public park or open space; commemoration of York; and creation of middle wage jobs. Initial estimates of the land value generated by policy changes and potentially available for public benefits were produced in 2020 based on pre-pandemic economic conditions in Portland; the economics of real estate development in Portland have changed significantly since 2020, and more recent analysis shows that increased costs and changes in financial markets have changed the development environment and therefore have altered expectations about such benefits.
- Engagement and Equity. A concern about sufficient engagement around and consideration of equity-oriented issues. This includes concerns about a perceived lack of engagement of some communities in the development of the plan, as well as the related public benefits agreement.

Those likely to testify include most who testified during the Planning and Design Commission public hearing process, many of whom have been engaged in the process for a longer time. They include:

- Neighborhood interests: Northwest District Association (NWDA); other individuals
- Industrial Land interests: Northwest Industrial Business Association (NIBA); Columbia Corridor Association (CCA); Working Waterfront Coalition (WWC)
- Equity-Focused interests: York Work Group; Portland Harbor Community Coalition (PHCC)
- Property interests: 1535 LLC (owners of former ESCO Steel site);
   Montgomery Park PDX LLC (owners of Montgomery Park and American Can Company site); other property interests
- Transit/TOD interests: Northwest Active Streets (NWAS); Portland Streetcar Inc. (PSI); Friends of Portland Streetcar
- Others: 1000 Friends of Oregon

## 100% Renewable Goal

The Montgomery Park Area Plan includes land use actions and transportation plans that, when implemented, will lead to a transit-oriented district that reduces reliance on non-renewable energy sources. The plan will result in dense development that makes efficient use of land, while requiring "green features" such as landscaping, large trees or ecoroofs that reduce heat and the need for cooling. The area will be served by an "off-wire" extension of Portland Streetcar, which is an all-electric high capacity transportation mode.

# **Financial and Budget Analysis**

This action authorizes adoption of the Montgomery Park Area Plan (MPAP). While adoption of the plan does not have currently estimable costs associated, BPS notes implementation changes in zoning code may require additional staff time in impacted bureaus, including PHB, Prosper Portland, PBOT, Parks, BES, and Water. The bureau notes that increased staff time and associated cost is expected to be minimal.

# **Document History**

Agenda	Council action
November 13, 2024 Time Certain City Council	Continued  Motion to change the district plan name from Vaughn- Nicolai to York: Moved by Rubio and seconded by Ryan.  Vote not called.
	Motion to move Amendments 1-2 and 4-8, including amendments in response to change in public benefits agreement participants: Moved by Wheeler and seconded by Rubio. Vote not called.
	Oral record is closed. Written record will close December 3, 2024 at 5:00 p.m. Continued to December 4, 2024 at 10:25 a.m. time certain
December 4, 2024 Time Certain City Council	Passed to second reading as amended Motion to change the district plan name from Vaughn- Nicolai to York: Moved by Rubio and seconded by Ryan. (Aye (4) - Mapps, Ryan, Gonzalez, Wheeler; Absent (1) - Rubio)
	Motion to amend Amendment 9 to reflect the Code changes: Moved by Wheeler and seconded by Mapps. (Aye (4) - Mapps, Ryan, Gonzalez, Wheeler; Absent (1) - Rubio)

Agenda	Council action
	Motion to move Amendments 2-9, including amendments in response to change in public benefits agreement participants: Moved by Wheeler and seconded by Rubio. (Aye (4) - Mapps, Ryan, Gonzalez, Wheeler; Absent (1) - Rubio)
	Motion to vote on the package as amended to replace the documents with the as amended Montgomery Park Area Plan ordinance, Exhibit A and Exhibit B: Moved by Wheeler and seconded by Mapps. (Aye (4) - Mapps, Ryan, Gonzalez, Wheeler; Absent (1) - Rubio)
	Passed to second reading as amended December 11, 2024 at 10:30 a.m. time certain
December 11, 2024 Time Certain City Council	Passed As Amended
	Aye (5): Mingus Mapps, Carmen Rubio, Dan Ryan, Rene Gonzalez, Ted Wheeler