

**PLANNING COMMISSION
WEDNESDAY, SEPTEMBER 11, 2013
6:00 P.M.**

**Wilsonville City Hall
29799 SW Town Center Loop East
Wilsonville, Oregon**

**Approved
November 13, 2013**

Minutes

I. CALL TO ORDER - ROLL CALL

Chair Altman called the meeting to order at 6:00 p.m. Those present:

Planning Commission: Ben Altman, Eric Postma, Ray Phelps, Peter Hurley, and Phyllis Millan. Marta McGuire and Al Levit arrived shortly after Roll Call. City Councilor Julie Fitzgerald was absent.

City Staff: Chris Neamtzu, Barbara Jacobson, Kerry Rappold, Katie Mangle, Daniel Pauly, and Mike Ward

II. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

III. CITIZEN'S INPUT - This is an opportunity for visitors to address the Planning Commission on items not on the agenda. There was none.

IV. CITY COUNCIL LIAISON REPORT

A. City Council Update

V. CONSIDERATION OF THE MINUTES

A. The August 14, 2013 Planning Commission minutes were unanimously approved as presented.

VI. WORK SESSIONS

A. Goal 10 Housing Needs Analysis (Mangle)

Katie Mangle, Long Range Planning Manager, introduced ECONorthwest consultants Bob Parker and Beth Goodman, whom had done a lot of the technical work on the project, which was designed to demonstrate that Wilsonville complied with statewide Planning Goal 10 or identify strategies needed to ensure the City's compliance, as well as help strategize for planning the Frog Pond area. Tonight, the focus would shift from the analysis aspect of the project toward the policy and strategy aspects. Staff and the consultants wanted to be sure the Planning Commission was comfortable with all of the recommendations so far, before the joint session with City Council on October 7, where a lot of the same issues would be discussed.

Mr. Parker and Ms. Goodman presented the results of the Goal 10 Housing Needs Analysis via PowerPoint, noting that the City of Wilsonville had enough land to accommodate new housing based on Metro's forecast, and that the City was compliant with Goal 10, so no substantial changes are needed to the City's planning program. He reviewed and provided context about the policy considerations related to the Goal 10 Analysis, which were presented in Attachment A.

Discussion and feedback regarding the consultants' questions regarding these policy considerations was as follows with responses to questions from the Commission as noted:

- Planning for Frog Pond. Density was discussed at the previous meeting. What additional considerations, issues or further direction did the Commission have for Staff or the consultants that were important to consider when going through concept planning for Frog Pond.

- Staff would find out what densities were zoned for the property on other side of Boeckman Rd south of Frog Pond. Concern had been expressed by some people that had one of the developments going in behind their property at a higher density. There were at least two different densities there.
 - The zoning in Wilsonville was somewhat difficult because Staff could say how a property was zoned, but it would not necessarily be exactly what was built after the SROZs, etc. were factored in.
- Providing the lot sizes related to the various densities or per buildable acre, net and gross, would be helpful. Having a visual of the gross net would provide context of what the 90 percent that are single family detached homes could look like, and how big of a lot the houses would be put on.
 - Five units per gross acre would equate to about 6 units per net acre, which was a 7200 sq ft lot, if it was all single-family homes; however, other factors would also be involved.
 - Taking a tour and walking various sites to get a feel for them, and then learning the density and actual lot sizes would provide a better feel for density and what it looked like.
 - Such things would be done once the Frog Pond concept planning began, again, due to the many other factors to consider. It was important to remember it was not just the numbers, although right now, it was about the numbers because this estate structure of the study was being done. For example, Brenchley Estates and The Village at Main had approximately the same density, yet they looked very different.
 - In Wilsonville, it was difficult to figure out the net and gross acres in some existing developments because of the PDR process. In addition, the City does not really have a zone that permits development in the 5 to 8 du/ac range; it was one of the gaps in the density range, so it was particularly difficult to illustrate in Wilsonville.
 - The fact that not a lot of housing in the 5 to 8 du/ac was available should perhaps, be noted and that such housing lots of that size might make a difference.
 - Density was difficult to conceptualize. If gross and net acres could not be associated with a neighborhood the Commissioners had seen, they did not have a sense of the density.
 - Providing the public an idea of how the density in Frog Pond might compare to other Wilsonville neighborhoods would be easier for transparency; they could get an idea of lot and home sizes.
 - The concept planning process allowed people to envision what they wanted. Concept planning was not just about laying out density on the site; it prompted thinking about circulation, how an area would fit in or be integrated with the surrounding neighborhoods, and what it would look and feel like. Tours were a good idea to get a handle on what is in the community now and what appeals to people.
 - One problem with tours was only the front was being seen, not the back of the lots (i.e. pie-shaped lots). A limited context, however, was still better than no context.
- One conundrum was the open spaces required of developers that the homeowners must pay for; Villebois being the extreme example. Lots might be 7200 sq ft, but in Wilsonville, a certain amount of open space was also required that skewed the look of the development.
 - Right now, the Villebois zone and PDR zone both had significant open space requirements, and the zoning for Frog Pond was unknown.
- At this point, assumptions were being discussed looking at a giant snapshot of the city; the Commission was not fixing a 90 percent ratio for Frog Pond. It was incumbent upon the Planning Commission and City Council to be disciplined in the future to try to create something in the Comprehensive Plan context that looked like the 90 percent ratio. No decision was being made, only an assumption that someday the decision could look something like that.
 - Ms. Mangle clarified that right now, assumptions were being made to put into a model that must be run to demonstrate compliance with the State. The City wants to learn as much as possible from that modeling exercise to inform the Frog Pond planning, and that information was setting a certain course. The guidance provided by the Commission and the assumptions made now were not fixed and were not necessarily what would happen in Frog Pond.
 - The Commission and Council could say, "That's really what we want to do, and we need to make sure that's where we end up." However, in a year additional information could cause the

Commission and Council to make adjustments as the planning progressed. Either would be entirely valid.

- These assumptions being made would not set any numbers in stone for Frog Pond, only a general indication. Housing type ratios and densities for Frog Pond would be an ongoing conversation about which everyone would have to pay attention.
- If that 90 percent ratio of single family detached, relative to multifamily housing, was what the community actually wanted, it would take a lot of work to get there and the City would have to be disciplined to achieve what the community wanted.
- Planning development in Town Center. Should the City be planning for more or less housing in Town Center? What is the vision for Town Center, as far as type of housing, ground floor retail, etc?
 - There was an opportunity for higher density, but the concern was whether the market was there or not. To a certain degree, the Marathon project at the Fred Meyer site with residential and retail was a test. What was the status of the project and how was it being marketed?
 - The retail was slow; no occupants had been received yet on the retail side. When checked a month ago, the dwelling units were more than 50 percent rented. A large surge was seen in the summer months with a couple units per week being leased at that point. That residential development had only been renting for three or four months, not a long time.
 - Mr. Parker described why residential over commercial developments might be having some difficulty. A number of case studies had been done around the Northwest on these types of developments. While enticing from a planning perspective, there was a lot of struggle leasing the space in some jurisdictions. It is important that the ground level space be configured correctly, with the right space depths, etc. Some jurisdictions had professional offices and other things on the ground floor.
 - If the objective was to generate street level activity, were there other ways to equally and efficiently achieve that objective? Retail is clearly a frontrunner in that kind of outcome, but other things could be integrated that might yield similar results. Having public buildings downtown, like City Hall, are fairly substantial investments that could have impacts in some instances.
 - It might be useful to get a better grip on what the market for retail was in Town Center and the factors that might enhance that market. While more housing in Town Center could feed the market, often not enough housing was put in to support the amount of retail that was built. Some places, like Eugene, OR, struggled with that, basically nothing was happening because the zoning was so restrictive that the market could not do anything.
 - In Tualatin, the offices around the Commons were a nice try, but did not work. Maybe two were occupied on the ground level, after many years.
 - In Town Center, there seemed to be an opportunity to have adjacency, rather than vertical design. The walking environment could be enhanced to provide the opportunity for more people downtown and still have retail without trying to design everything in the same building.
- This should not be such a difficult issue in the Town Center because people were already shopping there, and adding housing above the retail should enhance the development, not make it any worse. The Fred Meyer area was isolated and out of the way, and it was not working in Villebois because there were not enough people there.
 - The difference was the requirement. Some areas had required that the first floor be commercial, rather than allowing it. If commercial was allowed and it happened, that was one thing, but requiring first floor commercial with residential, restricted the market from doing what it might want to do otherwise. It also created challenges when designing buildings. There was no need for such a requirement in the Town Center because commercial already exists; why put commercial under residential instead of having residential adjacent within walking distance?
 - Mr. Parker added part of the problem with vertically integrated mixed use was that it changed the configuration of the retail spaces, which may or may not be conducive to the market conditions. The types of uses currently in Town Center tended to be clustered shops, some of which were larger and some were smaller. With vertically integrated mixed use, primarily smaller spaces were being considered, such as boutique shops, but not a lot of medical offices, which tend to site in areas that could build-to-suit, essentially. The mix of uses and how they would function in Town Center now and in the future was an important consideration.

- The inventory identified 13 acres of vacant or redevelopable land. The truly vacant parcels were indicated on the Buildable Lands Inventory Map, and also identified for the Commission on Slide 9. The parcel across the street from City Hall was one of the four vacant parcels in Town Center. These vacant parcels were assumed to be mixed-use housing developments. Redevelopment of the parking lots was not being relied upon in the model.
- The current Development Code required that the majority of the first floor be in retail use to put housing in the commercial zone.
 - Recalling the Economic Opportunities Analysis for Goal 9, which addressed commercial and industrial lands, the Commission had a lot of discussion about redevelopment in Town Center. The potential capacity on the Frye's site, for example, was fairly significant, particularly when considering vertical configuration. Staff used Goal 10 rules on the vacant land. There were not a lot of redevelopable scenarios in Town Center because it was fairly new. The detailed planning work regarding Town Center has not been done. The City started working with the interns from PSU on a vision for Town Center and a lot of progress had been made, but that was still an outstanding piece of work. Any general overarching recommendations on policy from the Commission for Town Center could be helpful to document in the study.
 - During that Town Center conversation, it was illustrated how the entire Portland downtown, from the waterfront to the park blocks, fit into Town Center, a 100-acre area that had a lot of potential.
- In regards to multi-use, residential-over-commercial, was there more success if the developer went with a higher price point, in terms of construction size, quality, etc., like in the Pearl District, instead of a notch above Section 8, or were there too many economic factors to determine whether that would make it?
 - Mr. Parker said he was reluctant to generalize on that, but in thinking about the market dynamics, the Pearl District had a lot of public investment from BDC to make it work, and it seemed to be a reasonable transition and investment for the community. In general, higher-end units would attract households with higher incomes and therefore more disposable income that would theoretically support more of the types of uses desired. In a place like Town Center, the question was, "where is the tipping point?"
 - It was not uncommon for communities like Wilsonville to desire to get some higher end, condominium products, such as \$300,000 or \$400,000 units. The challenge was whether the city offered those things that would attract people to move downtown or into Town Center. Also, what was the depth of that market, so more analysis would be required.
 - It all came back to the issue of what was desired in Town Center and what the 20 year-plus planning horizon looked like because in 20 years, some buildings in Town Center would become functionally obsolete and there would likely be pressure to redevelop. The challenge in places like this was that land value ultimately drives rental or sales price points that can be challenging for the prevailing rents to support in the community. He noted that was a generalization, because the analysis had not been done yet; however it had been seen in many places like Wilsonville.
- Leaning toward a higher density range in Town Center was one recommendation. There was a great opportunity to develop Town Center with more of a vision for a downtown versus the loop that currently existed. If there was going to be high density anywhere, it made sense to concentrate it in Town Center and close to transportation options.
- While mixed use had market constraints, it was something that required a vision. Although Villebois was not quite there yet, the mixed use would be awesome when it came to fruition. Although patience was needed, having access to commercial elements right below housing would create an amazing place and amazing livability.
- Redeveloping Town Center in more of a grid pattern or using other creative approaches over time had been discussed. Although such redevelopment might be long-term, housing would have a huge impact on how Town Center would be redeveloped, such as how the east and west sides could be better connected, and how Town Center could be more walkable using pedestrian and bike pathways, etc.
- Wilsonville was scattering development for housing to the periphery, which would increase traffic. The environmental issues had not really been addressed, which was another goal that would have to be

dealt with sooner or later. Having a higher density in Town Center was one way to balance some of that provided it was connected.

- If Town Center was redeveloped, a more efficient way would be needed to get to WES, especially for pedestrians. Being 20 minutes from Beaverton provided more opportunities. It was clear why Town Center would be higher density for a variety of reasons.
- Commissioner Postma stated that while higher density made sense, but it could become too high or too fixed, which was a concern. About two months ago, when City Council addressed a question from the public, Council unanimously agreed that Wilsonville was due for a correction away from multi-family and toward a lower density, in order to offset the large number of apartments. He was leery of assuming that even higher numbers were needed right now than those already being discussed. Although correcting the existing imbalance would not work mathematically, the Commission should not give up and accept that Wilsonville would have a 60:40 apartment to single-family ratio or worse from this point forward. It was a correction he believed needed to happen and one that he also heard from Council.
 - Wilsonville would never reach the level of communities with 50:50 ratios, which was unfortunate, but to look at this solely with the intent of trying to tip the balance took away a lot of options.
 - While the Commission had to be disciplined with regard to increasing density, it was also important to keep the big picture in mind. If higher density was put downtown, there could be lower density on the periphery. It was about balance and resource efficiency in terms of utilizing the infrastructure that exists within Town Center. A 4,000 sq ft single-family home would not make sense in the middle of Town Center. It made sense to support local businesses and provide those who need public transportation easier access to get to their jobs. The density discussion had to be kept in context, and all of the benefits and implications as far as housing choices and community demographics had to be considered.
 - Commissioner Postma responded that he agreed, but favored lower density numbers, especially considering the mandate heard from City Council. While the Commission could not draw a line and say, "no more multi-family," if higher density numbers were allowed in one area, they could not blindly assume that the required discipline would continue in the future so that the density numbers would not be pushed higher and higher. The problem was that a developer had every incentive to try to push higher density and the number of housing units. It was incumbent upon the Commission to be disciplined and make sure that a system was not created whereby the bar was set with the understanding that people would push the bar just a bit higher. Therefore, he leaned toward lower density numbers, regardless.
- The City needed to look at ways to get to a lower density on the perimeter. The issue regarding higher density in the middle versus on the perimeter of town was something the City should be prepared to argue about with Metro. In discussions with Metro two years ago, the indication was that it could probably be done, but more recently, it was understood that Wilsonville would be held to a higher net density within the future urban areas. This needed to be challenged to say that the entire city should be looked at for meeting the housing goals, not the last 20 or 30 acres that were brought in to make up for something. While that would create more opportunities for other things to happen, the City also needed to look long-term, 50 or 100 years from now, and consider where the city center might actually be.
- A suggestion was made to have a table that identifying the existing housing mix of the whole community, not broken down by area. The table would detail the number of single-family, multi-family, and attached homes, and project what was expected in Villebois, and then add in what these assumptions would generate at different densities to see how it would mathematically affect the housing mix. Perhaps the balance could be tipped, although probably not dramatically. It would be interesting to at least have a sense of that, otherwise the Commission would continue debating about what they wanted; some facts were needed to inform the discussion.
 - Previous planning documents suggested that some of these issues had been ongoing, which was not that surprising.
- Town Center was included as part of the Housing Analysis discussion because it was included as part of the available buildable lands where residential could be built.

- Another issue to consider was how tall high-rise buildings should be if they are wanted. If the objective was for Town Center to increase by 200 to 270 dwelling units, what building height would be required?
 - The current height restriction was 35 ft to the middle height of the roofline. However, it was a waivable standard given good design, but high-rise building would definitely not be allowed.
 - Generally, the numbers assumed three to five-story buildings, though five-stories would be a stretch at this point. There could potentially be 200 to 270 dwelling units in three- to five-story buildings on three or four different sites.
 - The Zoning Code currently allowed for a lot of housing in Town Center on land that was currently parking lots or buildings, not just the four vacant lots identified. If the City wanted to encourage more housing in Town Center, as some Commissioners were articulating, there were a few ways to nudge it in that direction, instead of passively allowing that housing through some of the mixed-use restrictions, etc.
 - Changes in the Town Center would largely involve private property owners leading the charge, in terms of amending the Town Center Master Plan. The City was not starting a planning process for Town Center, but the City clearly had a role to play with the Zoning Code, and there might be some areas where the City could encourage more to be done.
- Commissioner Phelps questioned why Town Center was being discussed. It was not a viable option because it would not really contribute much to the need for 2769 dwelling units. All those units would fit there, but only if the City allowed for much taller buildings. If multi-family was concentrated in the Town Center area with single-detached homes in the outlying portions of town, things would change. However, if 200 to 270 units was the outcome of three to five buildings, it was not really viable.
 - Mr. Parker explained one reason this issue was raised was because the amount of housing being assumed in the study for Town Center was minimal. However, it could get teed up for the Commission's work program in the future if the Commission began considering what Town Center should be and how it related to the housing study.
- Market information would be helpful because 200 to 230 units would not attract too much attention from developers because of cost. Information was needed about where the threshold for the market would be to actually entice someone to do something in Town Center.
 - Mr. Parker responded that right now, it was probably exceeded by land values or the Commission would probably be seeing something come before them at some point in the future. In other words, development in Town Center did not pencil out under the current planning system.
 - High-rise buildings have never been encouraged in Wilsonville, so nobody was willing to waste their time trying to pencil something when they know the answer would be "no." The threshold question was whether the City was willing to have higher buildings to take care of some of the multi-family needs, so that the outlying areas were not as compact.
 - Mr. Parker noted the restrictions in Town Center did not encourage high-rise development, which did not seem to be desired in that area. An even worse outcome would be to get a bunch of garden apartments because, presumably, that was not what the Commission desired.
 - If anything, high-rise condominiums were desired to bring some money into Town Center. The Commission needed to consider where to invest its energy and consider any incentives that could be helpful. Right now, it was very unlikely that anything would happen given the current regulations as well as the expectations and history regarding what was expected in a town center. The other side of that involved careful thought and putting together a plan, which the Commission started a couple years ago, about what they really desired in a Town Center. It was the difference between allowing and incenting to really make it happen.
- Legislative Action on Policy Changes. The consultants noted three housekeeping Code amendments to be compliant with statewide planning. What legislative changes would the Commission recommend to provide the flexibility needed to accommodate the housing types desired?
 - The restriction on first floor retail in the Town Center was something that could be considered.
 - Building height, particularly in the Town Center, needed to be updated because historically, the 35-ft height limit was adopted because that was as far as the fire district could reach. The Code provided for a waiver if the developer could prove that the fire district had adequate access.

- Ms. Mangle clarified that this list of policy changes was supposed to be oriented toward complying with Goal 10. Other issues needed to be addressed, such as how density is calculated, but those were not needed to comply with Goal 10. There might be other items to address, but in terms of complying with Goal 10, there were not a lot of big policy changes.
- Monitoring Development Activities would give the City better information to inform [Metro's UGB expansion process](#). The City did a good job of monitoring building permit activity, but the story could be told a little differently and on a more ongoing basis. Some jurisdictions do annual reports on development activity that come to the Planning Commission and Council. If the number of variables were limited, it would be manageable for Staff. The report would provide information about some of the policy choices being made and some of the questions that arose in discussions throughout the project.
 - The reports currently being received noted how many permits were issued, the assessed value and total permit value, which did not mean anything as far as what was being accomplished; so, further guidance about what would be included when reporting such activities would be useful.
 - Mr. Parker suggested breaking the issued permits out by location, or map them, and look at the density of the developments, at least on a net scale, as well as track the rate of development year-over-year, to see how many permits were being issued for new dwellings, etc. It was fairly straightforward work that had been started for this project, and would be fairly simple for Staff to continue.
- Additional Review of Comprehensive Plan. Data in one Comprehensive Plan policy regarding the housing elements was found to be outdated, and the consultants made a number of comments about the substantial list of implementation measures, some of which were out of date. The Commission might want an additional review of those implementation measures and Comprehensive Plan to consider whether to continue with the existing direction and potentially take a different strategy. More information would be provided at a future meeting.
- The Timeline on Page 2 of 19 of the summary memo was corrected to state, "Early ~~2013~~ 2014".

The Commission provided feedback about what that the consultants should emphasize at the joint work session with City Council in October as follows:

- It was suggested that Mr. Parker emphasize his broad-brush stroke insight about how much of the residential over commercial did not pan out.
 - Even with the amount of public money poured into such developments along MAX, it still has not worked 25 years later. It looked cool for planners and having housing above the old storekeeper was a romantic notion, but it did not pan out in the 21st century.
- The policy changes the Commission discussed should be emphasized, which was what the Commission wanted to engage the City Council with.
 - Density should be focused on relative to the strategy the City moved forward with; that direction needed to be reaffirmed by Council in terms of their expectations.

Mr. Neamtzu encouraged the Commission to be thinking about the Open House in November which would be held on the regular Planning Commission meeting night in the Committee for Citizen Involvement (CCI) venue. The questions regarding Town Center could be posed to the broader community to draw out some of their ideas and thoughts. He encouraged the project team to think of how to engage that type of discussion.

Chair Altman suggested also getting feedback from both the Council and the community on the issue of higher densities on the fringe, as opposed to the center of town. If the public was okay with it, that was a whole other issue, but it was not how the original plan was laid out.

Ms. Mangle reminded the Commission that the joint work session with City Council was on October 7, at about 6:00 p.m.

VII. PUBLIC HEARING

A. LP13-0005 - Villebois Village Master Plan amendment relating to the Future Study Area (Polygon NW, applicant) (Pauly) This item was continued from the August 14, 2013 meeting.
The Planning Commission action is in the form of a recommendation to the City Council.

The following exhibits were entered into the record:

- Attachment U: Email testimony from Janell Beals regarding the LEC and Attachment N dated September 5 and September 11, 2013, respectively.
- Attachment V: Email dated September 11, 2013 from Planning Director Chris Neamtzu responding to questions from Commissioner McGuire that included potential changes to policy language.

Chair Altman reopened the continued hearing for LP13-0005 at 7:13 p.m. and reviewed highlights from the initial hearing. He noted that as requested by the Planning Commission, Staff had made revisions to the Staff report and resolution.

Daniel Pauly, Associate Planner, presented the revisions made to the Staff report with these comments:

- The Applicant's list of proposed changes was used to create a summary of the changes as well as a detailed list of the specific changes to the related text and figures, which were shown on Pages 3 through 10 of 48. The changes also included those to various items from the DKS memorandum on traffic and circulation, as well as general editorial and miscellaneous changes.
- The Applicant also prepared a red line version of the Villebois Village Master Plan (Attachment N) that included all of the existing Master Plan, showing the changes, and highlighting those changes on the figures.
- Additional discussion about the nature and location of the parks, and how they related to and complied with the Village Master Plan.
- Attachment D had been updated to provide a current and proposed version of each figure to better clarify what had and had not changed in each figure.

Barbara Jacobson, Assistant City Attorney, noted red line copies of the Staff report and resolution were also included in the packet that indicate the exact changes.

Commissioner McGuire asked for the approximate lot sizes were on the medium, standard, and large lots.

- Mr. Pauly believed the smallest size for a medium lot, which had some requirements for lot width, etc., was about 2,900 sq ft; standard lots are 2,900-something up to 4,500 sq ft, and larges were about 5,400 sq ft or so stepping up.

Commissioner Levit:

- Asked whether the increase of 145 units from 2010, noted in the second bullet on Page 4 of 124, and prior increases were included.
 - Mr. Pauly responded that the 2645 total units included the approximate number put into the Future Study Area, as well as the refinements that had been approved by DRB since 2010.
- Noting Page 6 of 124, he confirmed there were 47 miles of trails and pathways, which included all sidewalks and anything that could be walked on that was not shared with vehicles.
- Noted that his prior comment about showing the existing entrance into the Grahams Oaks Nature Area was still not reflected, for example, on Attachment D Figure 5. The entrance was near Grenoble St where the crosswalk and linear green exist.
 - Mr. Pauly explained that the linear green was the connection.
- Stated it was hard to read the Current and Proposed conditions in Figure 9B.
 - Mr. Pauly replied both Staff and the consultant have had difficulty finding a clean copy of Figure 9B to include. He clarified that Proposed Figure 9B added Street Section T, a residential median for the main entrance on Grahams Ferry. The Proposed figure had been cleaned up, but the old Figure 9B was still somewhat hard to read.
- Noted the existing language in Item 8 on Page 99 of 124 needed to be cleaned up because Villebois Dr and Ravenna Lp actually parallel each other; they do not cross. If the bicycle boulevard was to be on Villebois Dr, it had to be Barber St and a different street, not Ravenna Lp.

- Mr. Pauly responded that Staff would look at it.

Commissioner McGuire:

- Asked if the Commission could make a recommendation to change the color of the proposed land use. For example, changing a medium lot to a standard lot. Did they have to accept the color as is, or did the Commission have to accept or reject the proposal.
 - Chris Neamtzu, Planning Director, answered that ideally, findings would be made about why something would be acceptable or not acceptable. Staff tried to apply the criteria to the proposal which could be found in the record and Staff reports, and if something would lead the Commission to that recommendation, that would be an ideal path.
 - Chair Altman noted the Commission was setting the land use category.
 - Mr. Pauly believed the current language proposed a land use pattern similar to the other edges of Villebois.
- Noted that Figure 5 in Attachment D was not completely current, because more green spaces had been added through the refinement and DRB process near Barber St that were not reflected, so it was a bit misleading.
- Asked if the large and standard lots located along Grahams Ferry Rd had previously been estate lots that were refined during the Arbor Villebois planning process.
 - Mr. Pauly answered yes, some of those lots had originally been estates. In the original Master Plan, there were a couple estate lots at the end of San Remo, but that was refined at the SAP level and then later master plans reflected that change.
- Confirmed that portions of the red section near Tooze Rd (Figure 1) had previously been the school site. She asked if an amendment process took place to redo that land use pattern after the school was moved, and if that would be the currently adopted land use pattern.
 - Mr. Neamtzu replied yes, the school was moved there, and then moved to and constructed at the current Lowrie site. The land use pattern in the original plan was reapplied to the area where the school was removed. The original plan did not have a school there, so about 10 acres of land was planned, but the land use was reapplied to the 10 acre area, not changed, when the school moved. The school moved four times, but the area reverted back to the original land plan identified in the original Master Plan.
- Believed that because this was a master planned development and a substantial amount of people bought into the Master Plan, knowing the amenities, general land use pattern, housing types and parks that would be offered, the community should have a large say in how it was developed, balanced with the market. Knowing the area was designated as a Future Study Area, there should have been a larger stakeholder engagement process to provide more time for community participation and input into what the area looked like. Based on community input the Commission has received to date, it seemed the community generally wanted the land at a lower density with larger lots and more park spaces.
- Recognized the proposal had been revised, but upon further review, she believed the Future Study Area should be primarily standard, large and estate lots, with no medium category, in order to balance the site with the rest of Villebois. There were many more smaller houses with no yards, and more houses of a larger scale with more yard space were needed to balance the supply and provide a variety of products; 2,900 sq ft was not that big and did not provide much yard space.
- Said she had reiterated her point in her emails about the shared common spaces, and recognized Staff had gone through and looked. She still felt that a shared common space was missing. At the same time, she would rather have standard, large and estate lots with no medium category to set the precedent during the refinement process for the DRB to look back and see what was proposed and provide that additional guidance to them. If the subject proposal went to the DRB as is, she imagined the DRB would use the fact that there were a lot of medium family lots, as well the proposed number of units within the table, as their guidance for the development.
- Wanted to ensure the site was developed consistent with the Master Plan, which is really balanced and supports the interest of the Villebois residents. She liked the additional policy language Staff proposed in the email, Exhibit B, but would rather see it changed to standard- to estate-sized lots, with the medium category eliminated.

Chair Altman:

- Stated that this property had been dangling out there as a study area with a lot of expectations around it, but in his opinion, it was distinctly different than the all of the land Villebois is built on, in that over half is open space already, setting it apart as a distinct neighborhood in itself. They were trying to make it a part of the rest of the program, but it was distinct enough that it was not the same. Similar or compatible was not "the same as," and he believed that should be added considered. He also noted that the category being applied was not necessarily the map (Figure 1), but Category 2, which included all four lot types: medium, standard, large, and estate. He asked for the Commission's input on Commissioner McGuire's comments about removing the medium lot category.
 - Barbara Jacobson, Assistant City Attorney, stated the application before the Commission was the four lot types. The Commission had to decide whether to recommend the lot types or not. The Commission could not amend the application and approve only three lot types. The Commission's purview was to recommend to City Council whether or not this was an acceptable plan from their perspective. If the Commission voted against the proposed plan, which included the four lot types, it would then be up to the Applicant and City Council to determine what the next steps would be.
- Reiterated that the designation being applied was the Category 2, detached single-family, which included four types of lot patterns. While Proposed Figure 1 was a recommendation or proposal by the Applicant for the particular distribution of the four lot types. He understood the Commission was not specifically adopting that, as much as adopting the Category 2, and then the refinement process fills in the blanks in terms of the actual lots.
 - Mr. Pauly answered that was correct, adding at that point, everyone would have much more concrete information and criteria to really make an informed decision on the appropriate amount of lots.

Commissioner McGuire asked, if that were the case, why weren't all the lots the same color. She understood the discussion, but still believed a precedent was being set by adopting this plan, regardless. She would be fine if the color was changed to the standard color, and asked if that could be done or did it have to be done as proposed.

- Mr. Pauly responded Staff had a strong feeling that if approved, the Applicant would submit a similar lotting pattern for DRB review. In that case, the proposal was better than something nobody would ever see again. He believed it was a moot point and not worth Staff's or the consultant's time to change the colors because it did not set a precedent from the resolutions or from the findings.

Chair Altman said he understood that the colors on the map were not as specific as the Category 2, which allowed and basically designated the area for single-family detached homes.

- Mr. Pauly said it was an idea that, preliminarily, the Applicant had put together, but the Commission had already said that a certain mix or number of lots would not be approved.

Commissioner McGuire:

- Responded that the number of units was stated in the plan, which ~~what~~ was very confusing. She understood the plan was preliminary and would be refined, but putting a Master Plan into the record with certain colors and a total number of units was setting a precedent.
 - Ms. Jacobson noted that language had been changed in the Staff report as suggested by Commissioner Postma last time.
- Noted the second bulleted item on Page 4 of 48 had not changed; it still had the same language regarding the number of units.
 - Mr. Pauly responded the Master Plan has an exact number that is adjustable by 10% through the SAP process. Whether 50 lots or 200 lots were put on the property, the number still had the same meaning.
 - Some nuances are involved when working with an existing Master Plan with a level of detail, and they would not amend the Master Plan to remove those details. However, it had been clear on the record that they were not setting a precedent for DRB, but allowing them to review all the pertinent details on traffic, etc., and all the different criteria to make an

informed decision and determination, which was the purview of the DRB, not the Planning Commission.

- Stated she understood, but reiterated that the Commission was setting the land use pattern.

Commissioner Levit confirmed that neither the Proposed Figure 1 nor Current Figure 1 were accurate representations of Villebois as it exists. The streets were different, and the housing layout and lot sizes were different. Although Figure 1 had not been updated, it had not forced the development to go in that direction, and so he did not know that this proposal would be any different; it was more a conceptual plan than any detail. That said, how would DRB know the Commission's intentions when deliberating without the history of the Commission's discussion?

- Mr. Neamtzu replied findings are written to the Master Plan itself; therefore, the linkage would be through the policies and implementation measures in the Master Plan that would be referenced as part of SAP refinements and zone changes, so there would be linkage through subsequent DRB processes. However, it was not the entire record of this hearing.

Chair Altman said he did not see that as being any different than other PDR zones where this complicated review process did not exist. With PDR zones, there was a designation on a map for a certain allowed density, which was the same thing being done here but there were just more colors to pick from, and the Commission was picking the one group of four colors that would be applied to this property, and it would move forward to specific development with that as the boundary. It was no different than the property down the street that was designated PDR 5, which is six to seven units per acre in the Code, that density is implemented, as well as the lot sizes and etc. that are allowed. In his opinion, it was the same thing. The Commission was not going any deeper than that because that was not the Commission's role.

Commissioner Postma agreed it was not their role, but was sensitive to the fact that, at some point in time, they were still pushing a snowball down the hill and it would begin to gather some momentum no matter what. He was sensitive to the fact that they were talking about an application, and unfortunately, it was the Commission's role to either accept or reject it. The Applicant was present and listening, and it was important to remember that this was what they were looking for, and that any number of those present could testify before the DRB. He hoped to hear if the Applicant tried submit a plan that did not look very similar to the current one and then he hoped to be sitting next to some of his fellow Commissioners testifying to the DRB, saying, "That was not what they had talked about, and while you are not bound by it, we should stick with what we've been talking about through the entirety of this process." Unfortunately, that was the Commission's only role.

- Mr. Neamtzu noted something that had not been discussed was Staff's communication with the Applicant about the potential for a Street of Dreams at the site, which he believed would be helpful for the Applicant to talk about. He understood Staff to say that estate-size lots were not being precluded. In fact, Staff had real conversations with the homebuilders association about putting a Street of Dreams at the site, which would require that estate-sized lot, so again it was Category 2. There had been real conversations about a certain percentage of these homes being tremendous. There were questions about whether it would happen, but the stage was being set for that to potentially happen; it was not being precluded with the application. He was not sure the Commission was aware of that conversation or background, or whether it had been in the application materials.

Chair Altman recalled hearing that, but did not believe it was relevant because the Commission was not dealing with that level of decision.

- Mr. Neamtzu stated his point was that it did not preclude the estate-size lots from happening in a subsequent DRB application. This site plan also showed a lot of encroachments into the resource areas, and Staff has to take an incredibly high-level, focused, detailed review of those impacts and would make strong recommendations to the DRB regarding those impacts.
- The DRB had tremendous discretion in granting percentages of encroachments. In a number of places, it stated the encroachments were illustrative, but again, the review at this point was at the 40,000 ft level, setting the stage for the future conversations. He understood Commissioner McGuire was not being comfortable with that. Staff had struggled to lay this out in the best way possible, but they had a lot of questions. If there were too many homes on the site; if there were transportation problems; if level of

service could not be satisfied on local streets; or resources were degraded, Staff could not grant approval for a higher number that did not meet those Development Code criteria, and there would have to move to a lesser number of lots. Those would be really long conversations with a lot of passion and emotion surrounding them. But because Staff did not have that, they could not evaluate that, but they had to start somewhere, and they had to start the conversations somewhere. The proposal would start moving through screens of information to start telling Staff whether the proposal met the infrastructure, traffic, safety and natural resource encroachment tests, which were things the DRB dealt with all the time and were very good at addressing. The DRB took Staff's recommendations very seriously, which were strong recommendations.

Commissioner McGuire reiterated that she understood what was being said. She wanted to see the area developed, but believed that if the community was responsible for developing it, there would be more green spaces and only medium, standard and large-size lots. She understood it was driven by the developer and Staff was doing a lot of work to bring the plan forward, but the community should be taken into consideration.

- She asked if an alternative application could have been just those three lot categories or if someone could have proposed a Master Plan amendment limiting the number of land use categories to those three. She believed this proposal was being taken as the absolute, with no other alternative, but there was still that potential, although this was the proposal before the Commission.

Chair Altman understood something would have to be amended way back in time, in terms of the Master Planning, in order to change Category 2 to eliminate one of the lot size categories, and he did not believe that was an option.

Commissioner McGuire understood that with the conceptual plan, all four categories must be included.

Chair Altman:

- Replied, that is right; the Commission was adopting a category of land with single-family detached units that included an option of four different styles of lots and the background of the overall Master Plan. That category had been established a long time ago and the Commission was not in a position today to modify it.
 - Using the analogy of another zone, he explained the Commission would not have the option of designating a property 6 to 9 units per acre, because that category was not available in the Code or Comprehensive Plan. Therefore, the Commission was applying an available category and limiting the development to single-family detached and the four types of lots. The process beyond the refinement process would determine exactly how that configuration would look.
 - Mr. Pauly added Staff knew how the SAP South Pattern Book defined a medium lot, but at this point, this proposed amendment was not actually defining or adopting what a medium lot was for this SAP Area. At the DRB, with additional information, a separate pattern book could be used that might require a medium lot to be, for example, 3,500 sq ft. Designating medium lots did not necessarily mean the lots would be a certain size.
- Asked if policy direction or a recommendation from the Commission to Council could be outlined under Areas of Special Concern, similar to specific design concerns noted in the past, to somehow frame within Category 2 the concern of acknowledging neighborhood input and the need to look toward larger lots. He was seeking a way to get this discussion passed forward, as done previously under Area of Special Concerns. The Commission could not answer all the questions, so concerns were listed to be addressed in the future.

Commissioner McGuire:

- Noted Staff's proposed policy language shown in blue on Page 2 of Attachment V could be added, and asked if it could state, "The residential land uses in the Future Study Area will be limited to single-family lots in the ~~medium standard~~ to estate" sizes.
 - Mr. Pauly replied that findings were needed because the current findings in the Staff report would not support that change. The staff report was looking at the sizes being similar to other edges of Villebois.

- Replied that she disagreed with the findings then.
 - Ms. Jacobson stated this was what was being proposed by the Applicant and their proposal included the whole range in that designation. The Commission could either vote to recommend it or vote against it. The entire record would be before the City Council, so Commissioner McGuire's statements and concerns would be seen. It was ultimately the Council's decision. When Commissioner McGuire cast her vote, she could articulate her concerns some more, if she believed it would be helpful.

Chair Altman:

- Asked if additional language could be forwarded as guidance on how to determine the lot sizes when the development moved forward to refinements. As he understood Mr. Pauly, the lot sizes were not specifically set in any one of the four categories.
 - Commissioner McGuire believed they would look at SAP South.
 - Mr. Pauly stated the lot sizes would likely be very similar to other SAPs.
- Asked if there were findings that described what the community had been communicating and the Commission's concerns about the refinement process and the ultimate result possibly being 90% medium-size lots and no estate lots, which it could.
 - Mr. Pauly replied Staff had addressed that by using a similar pattern described in the Staff report as having the large and standard on the edges with a mix on the next interior ring, similar to other areas on the edges of Villebois. For example, the developer could not build a bunch of medium lots along Grahams Ferry Rd. That new language was in Attachment V and taken directly from one of the 'Whereas' of the resolution. It was also reflected on Page 3 of the Staff report in the summary of changes regarding land use.

Commissioner McGuire understood Staff was suggesting that the medium lots stay where currently indicated by color.

- Mr. Pauly stated from a Staff standpoint, that was supported by the record and what currently exists in Villebois; it was a reasonable request by the Applicant.

Commissioner Postma confirmed that Attachment V was not currently incorporated in the Staff report. Mr. Pauly added it could be incorporated as an option, but Staff did not necessarily believe it was necessary.

Mr. Pauly entered the following additional exhibits into the record:

- Attachment U: Email testimony from Janell Beals regarding the LEC and Attachment N dated September 5 and September 11, 2013, respectively.
- Attachment V: Email dated September 11, 2013 from Planning Director Chris Neamtzu responding to questions from Commissioner McGuire that included potential language changes.

Commissioner McGuire asked if the Commission was going to allow public testimony.

Chair Altman said he wanted to ensure the Commission had a clear understanding before complicating it any further.

Commissioner McGuire said she understood it from the Staff's perspective and believed the findings were adequate. However, from a community perspective, she believed it related directly to tonight's conversation about the Goal 10 Housing Analysis. In stepping back and looking at the land use pattern map, the guiding tenant of the Villebois Master Plan came into play in terms of the balance and diversity of housing options and types. She was concerned there was an opportunity to provide more of that housing diversity and balance with larger land use pattern designations, which was really important, which was interesting come from her, as more of an advocate of higher density housing. She reiterated her belief that it was important to represent what the community wants and what they had bought into, having invested their money into a planned community.

Commissioner Phelps noted Page 4 of 124, Item 3 Parks, Trails and Open Space continued to show that over half the site, approximately 23 of the 43 acres, was preserved for open space. He asked if the Applicant was proposing that the City pay for all of that open space or would the Applicant pay for it.

- Mr. Pauly replied the Applicant would pay for it. He noted that whatever number of houses there were would pay HOA fees to maintain 23 acres of open space. The more houses there were, the less cost per house. It would be a month-to-month cost.

Chair Altman confirmed there were no more questions of Staff.

Ms. Jacobson reminded that last time, the Commission agreed to continue the hearing and keep it open for more testimony from both the public and the Applicant. Before closing the hearing, both sides and those neutral to the proposed amendments needed the opportunity to speak.

Chair Altman recalled that the Commission had continued the hearing and had not closed it.

- Ms. Jacobson believed that was where the Commission had been heading because they wanted time to make a decision, but Commissioner McGuire had asked that the hearing be kept open.

Commissioner McGuire stated if it was advertised as a public hearing, she believed the Commission had to give the public and the Applicant an opportunity to speak.

Commissioner Postma added the Commission could vote to do that, if they felt it was needed.

The Commission agreed that they had already voted to allow more public testimony.

Chair Altman called for testimony from the Applicant.

Fred Gast, Polygon Northwest, 109 E 13th Street, Vancouver, WA 98660, thanked the Commission for taking time to hear the Applicant's proposal and thanked Staff for working diligently since the last session. He noted the Applicant was supportive of the Staff report and the adjustments that had been made.

- He reiterated that the Applicant's responsibility was to balance many different competing interests and/or forces. They looked to the market quite a bit, as well as community input. They held and had taken input at a number of meetings, including City Council meetings, board and design review meetings, Commission meetings, and community meetings. The Applicant tried to take all of those different things and create a plan that was fair and represented a balance between the different interests.
- This was a unique property, and the Applicant believed they had created a plan that they intended to build as shown. It was their intention to do the land uses as arranged.
 - The numbers were remarkable; the site was designated for urban compact development, which was the notion of Villebois. Although this site was a piece of Villebois, it was a very unique piece, which is why the Applicant felt comfortable maintaining that diversity standard, but under the lower density development with single-family lots. There were no smalls, no townhomes and no cottages, which were typically associated with Villebois. The Applicant focused all of their efforts on the large lots. Frankly, he believed there was stronger demand in the marketplace today for that style of home.
 - That said, the site was being developed on a gross basis of less than three homes per acre. When the Commission deliberated on other properties, they were talking about having six, seven, eight, or ten homes per acre; this site would have quite a bit lower density than was even being contemplated for future expansions.
- A lot of the site was open space, which was one of its benefits. It had a great natural landscape that the Applicant wanted to take advantage of by building one more neighborhood section of Villebois. However, it was a balanced approach that was still keeping within the appropriate tenure of Villebois.
- He thanked the Planning Commission and Staff again, adding he would be glad to answer any questions.

Commissioner Postma asked if the Applicant had received a copy of Attachment V and how they felt about the revisions that specifically provided limitations to single-family lots in the medium to estate land use category.

- Mr. Gast replied the Applicant had provided comment to the revisions proposed by Staff and had no objections.

Commissioner McGuire asked if the Applicant would object to added language that encouraged the standard to large lot sizes.

- Mr. Gast answered yes, he would object. The Applicant had made an adjustment from what was typically seen in Villebois development applications, which were small lots, towns and other facets. They were focusing their efforts into the larger category, which provided a lot of opportunity and flexibility to respond to the marketplace, as well as the Applicant's objective to get larger lots in Villebois and other parts of the city. The proposed amendments gave the Applicant all the tools necessary to respond to the marketplace without further limiting the normal diversity standard found in Villebois.

Chair Altman called for public testimony in favor of, opposed, and neutral to the proposed Master Plan amendments.

Andy James, 11976 SW Lausanne St, Wilsonville, OR 97070, stated the red line changes were extensive, and he really appreciated Staff for making the revisions to the Staff report. He believed that he now had a much greater understanding of the refinement process.

- Last time he had commented about the streets facing the Significant Resource Overlay Zone (SROZ), as opposed to houses facing the SROZ. As stated, this was a unique area and part of the uniqueness was that it was surrounded by forest, so having the streets border the forest area would allow community residents to enjoy the forest. He was not sure if that was a part of the Planning Commission process or DRB process, but wanted to reiterate that point.
- Secondly, he had signed up to receive emails about this issue, as had others. He asked if they would automatically be informed about DRB topics related to the area as the DRB process went forward or would they subsequently have to find out about it, sign up, and proceed accordingly.

Mr. Neamtzu replied that Staff would be happy to add him to all the mailing lists. Any interested parties and anyone who participated in this process would be included in all subsequent mailing lists, in addition to those within a 250-ft radius that are required to be notified as part of the quasi-judicial process.

Mr. Pauly noted that Staff would be happy to include anyone on the emailing list who had signed the petition, but their contact information was needed.

Mr. James stated he would help get the word out and confirmed that those wanting to be on the mailing list could direct emails to Mr. Pauly.

Commissioner McGuire asked Mr. James what he thought about the revised changes and if he believed the proposal was now adequate.

- Mr. James responded that was one area he definitely wanted to see some change was the streets bordering the SROZ, but he was not certain if that was to be addressed at the Commission level or not.
 - Proposed Figure 5 Parks and Open Space Plan was displayed. He explained that Normandy Ln currently borders the south part of Villebois as well as the Graham Oaks Natural Area. That pattern was also repeated in that area where trails go through the forested section so the streets border the SROZ, allowing the community access, which was one of the selling points within the Villebois community.
 - However, in the Future Study Area, the proposed street layout incorporated some of that in the north section, but along the southwest and southeast sides, it was flipped so the houses bordered the SROZ. If someone wanted to walk and enjoy the forest along the streets, they would only see garages, cars, and the tops of the trees.
- Mr. Pauly believed more analysis was needed, though that was certainly a desirable design tenet. As Mr. Gast stated, a lot of things were being balanced. If an added street removed natural areas, was that truly desirable? Ensuring that the right balance was being struck was appropriate for the DRB to review. Street alignments could be adjusted through the refinement process.

- Mr. Neamtzu added it was not as if the site plan ignored that tenet, which was shown in a number of locations. The entire north property line was a single-loaded street along the SROZ, as was the area along the east side where a single-loaded street completed the eastern loop with SROZ across that street.

Chair Altman asked if there was a specific guide in the SAP that would direct that refinement.

- Mr. Pauly replied it did specifically say as a criterion that streets should be oriented a certain way. There was a general idea, especially concerning parks and open space, to push amenities as much as practical to the edges to provide that additional level of experience with the natural area. Having that experience from the sidewalks along the streets was also desirable.
 - As he had originally reviewed the Applicant's proposal, and considering Mr. James' comments from the last meeting, there were a lot of streets that did that, and Staff would need to carefully determine if it was practical to do so on the other streets. There were questions about SROZ and tree impacts in some areas, especially in the very south of the project that might totally change the lot pattern there anyway.
 - Mr. Neamtzu added it would be fair for the Applicant to talk about their street grid design if the Commission was interested in hearing that as well.

Chair Altman commented that issues are brought to the Commission for discussion, but there was a gap in terms of how issues get out to the refinement process, and the Commission seemed to keep struggling with that piece. If there was no basic guide within the overall Master Plan that discussed preferences for single-loaded streets along natural areas, he did not see the Commission adding it in this particular case. That feature had occurred in specific areas, but not in every case. If that was the general framework, he was comfortable with that approach, but he was looking for ways to connect back to pass on guidance.

Commissioner McGuire asked if it could be added as an implementation measure for consideration, as a catalyst for discussion.

Chair Altman replied it would something to add under the open space discussion in Attachment V.

Ms. Jacobson added another place to address the matter thoroughly was at the DRB. She encouraged citizens to make the same comments heard tonight, which may not be directly within the Commission's decision-making authority, to the DRB. Even though those testifying were on the mailing list, it was really important for them to present the same testimony to the DRB, because that Board would make the final decision on that. It was good to get such comments on the record now, because then both the Planning Commission and City Council would hear it.

Mr. Pauly noted that as discussed before, the earlier the issues were raised provided the design team and Staff more time to discuss the issues and see if additional opportunities were available.

Mr. James [regarding his comment about being reaffirmed he wanted to be put on the mailing list, adding now that he understood the refinement process, he would bring a lot of his concerns to the DRB level.

Commissioner Levit asked Mr. Gast about the time frame for developing the property, assuming everything was approved through City Council.

- Mr. Gast replied the time frame was largely determined by when the City Council meeting was held and that process. The Applicant would process their application within 30 to 45 days of getting the City Council's decision. The earliest construction timeline would be summer of 2014.

Ms. Jacobson asked Mr. Gast if he had any comment for the Commissioners regarding the street grid.

- Mr. Gast replied that his comment would be deeper than just the street grid. The Applicant had stated in both presentations at the previous hearing and this evening that they would listen. The Applicant did take things into consideration and had demonstrated that even on this proposal with modifications that had been made. He never foreclosed taking these considerations further in the site plan, although the Applicant had done a great job of balancing to date. That was not to say that the Applicant did not listen

and did not make adjustments to the plan, which they have demonstrated on this application and others they have processed in the city. Whether it was a street grid, open space, park orientation or land uses, all of those things would be considered and the Applicant's team would work on it. The Applicant understood very clearly the direction of the Villebois neighborhood and the group, and while they could not always agree on everything, the Applicant certainly looked to find the places where they could come up with the best possible community and plan. He expressed appreciation for the process and the interaction.

Chair Altman closed the public hearing at 8:18 p.m. and called for Commission discussion.

Commissioner Postma believed there was no harm and some potential good in the revisions included in Attachment V. He proposed revising the language on Page 2 of the resolution, the paragraph starting with "NOW, THEREFORE," the third line down, he proposed the language could be revised to read, "...recommendations contained therein and **the revisions proposed in Attachment V...**" to memorialize the potential addition to the Staff report within the resolution.

Commissioner Phelps stated he was inclined to move the resolution forward with a recommendation that the City Council approve it.

Commissioner Levit agreed.

Commissioner Postma also agreed, adding he believed it was important for the Commission to keep an eye on the process themselves. As previously stated, it was extremely important that the public continue to be involved in the process. Much more would happen and a lot more refinement would take place. If those present had any inclination as to whether they liked the current plan or not, there would be more opportunities for input as the plan was refined even further, and the Commission wanted and needed the public to speak into that process. It would be important that the public comments and concerns discussed at this hearing were translated into the next step of the process. Having sat on DRB himself for a long time, as had other Commissioners, such input was invaluable if the public wanted to ensure the City adhered to the process and held everybody accountable for the way the city looked.

- He noted that the resolution stated there had been an adequate process with the community and there was a difference between adequate and ideal. He believed that perhaps, the City had reached the adequate standard, but not the ideal standard, and needed to endeavor to be better about hitting these processes early. Getting to this point seemed to have been somewhat of a "whirlwind tour".
- He was not sure if the process was as indicative as it should be for community involvement. What was intended to be a two-month process and turned into a three-month process was too fast to get community involvement on such a project, when citizen input was expected in the middle of summer.
- He encouraged the City to strive to be a bit better to being open to what the community had to say.
- He had a little reservation about the resolution's language that said the process with the community had been adequate. While he believed the process had been adequate, Staff, the Applicant and all applicants needed to strive for better to ensure they were involving the community in the processes as soon as possible so citizens could truly weigh in. Otherwise, he was generally favorable to the proposal.

Commissioner McGuire stated she would not support the proposal for some of the reasons Commissioner Postma had just mentioned. Primarily, she did not believe the criteria regarding citizen involvement had been met. Secondly, she felt the process had been rushed and that there had been constant confusion at the public hearing, where the Commission was still questioning what was actually being voted on. She did not believe that was good process. She also had issues with designation in a Master Plan that was said to be a Future Study Area, and then having done it in a three-month process.

- While she recognized there were things happening behind the scenes, she believed it was critically important, especially when there was a willing audience, to allow community participation. Even at the Commission level, having another work session, instead of a public hearing venue, to work through the amendments would have been beneficial and would have provided an opportunity for the public to come

discuss it and clarify the process. Many people had been disengaged because it was confusing, and continually having to tell people, "Not now, come back later" was really hard.

- She appreciated that Polygon had a neighborhood meeting and presented their more detailed proposal, but that was even more confusing for the public because they heard the proposal and then came to the public hearing to provide feedback, but were told they could not comment on the proposal. It did not sit right with her and she was not comfortable making this decision without having adequate process. Had there been adequate process, a lot of her questions could have been resolved, and perhaps she would be more in support of the proposal.

Commissioner Hurley said he had to remind himself when going through the process at what level the Planning Commission took action. He understood and echoed Commissioner McGuire's frustration, but for the level at which the Commission was working, he was comfortable with where the Commission was responsible and where this is.

Commissioner Millan stated it had been a bit of a confusing process, especially being new on the Planning Commission. She was not sure what she was making a decision on for at least two of the sessions.

- She had a lot of significant, extreme concerns about the SROZ overlay. The SROZ was a wonderful natural habitat, nationally recognized by the Audubon Society as a "burning hotspot." What happened with the SROZ was extremely important. She believed the process and what was being adopted was taking a Future Study Area into the Villebois Master Plan. That made sense. Whether she agreed with everything or not, again, some of those decisions would be made during the refinement process. She was comfortable going forward.

Chair Altman said he was in the same boat as everyone else. He was comfortable with the process that the Commission ultimately reached. This was his first time going through the "Villebois maze" and he found it to be an amazingly complicated mess, in his opinion. On the other hand, the overall development had come out pretty well, therefore he had hope that it would all work out.

- The most frustrating and confusing part for the Commission as well as those residents who wanted to participate was not being clear and upfront about the Commission's specific role. Perhaps, the Applicant had not even understood that, in terms of how it was presented in the neighborhood meetings, etc. It would have been very helpful if everyone had understood the steps of the process and the narrow window the Commission had to operate within, in terms of including the proposed amendments in the Master Plan. The Commission was not addressing a design development piece.
- He was comfortable with the general framework and the package the Commission had come up with and he agreed that Attachment V needed to be incorporated or referenced into the resolution, if the Commission was going to move it forward.

Commissioner Postma asked if Staff had any additional refinements to propose to the resolution.

Ms. Jacobson stated she liked Commissioner Postma's idea. She had narrowed it down a bit because Attachment V had a lot of answers to other questions. She read the entire last paragraph of the resolution as she believed the Commission envisioned, stating, "NOW, THEREFORE, BE IT RESOLVED that the Wilsonville Planning Commission does hereby adopt the amended Planning Staff Report as presented at the September 11, 2013 public hearing, including the findings and recommendations contained therein and, *including the proposed revisions contained on Attachment V, which amend the language to the text of the Master Plan on page 10 and to Policy 2 on page 14 of the Master Plan*, does hereby recommend to the Wilsonville City Council that the Wilsonville City Council approve and adopt the proposed Villebois Village Master Plan amendment as described on pages 3-10 of the staff report as approved on September 11, 2013 by the Planning Commission; and".

Commissioner Postma moved to adopt Resolution No. LP13-0005, recommending to City Council the approval of LP13-0005 with the amendments to the Resolution as read into the record by Assistant City Attorney Barbara Jacobson, and the addition of Attachments V and U.

(Note: added language in bolded, italicized text)

The third paragraph on Page 2 of Resolution LP13-0005 was amended to state:

“NOW, THEREFORE, BE IT RESOLVED that the Wilsonville Planning Commission does hereby adopt the amended Planning Staff Report as presented at the September 11, 2013 public hearing, including the findings and recommendations contained therein and, **including the proposed revisions contained on Attachment V, which amend the language to the text of the Master Plan on page 10 and to Policy 2 on page 14 of the Master Plan**, does hereby recommend to the Wilsonville City Council that the Wilsonville City Council approve and adopt the proposed Villebois Village Master Plan amendment as described on pages 3-10 of the staff report as approved on September 11, 2013 by the Planning Commission; and”

Commissioner Phelps seconded the motion, which passed 6 to 0 to 1 with Commissioner McGuire opposed.

A. UR13-0001 - Creation of a 5-Parcel Tax Increment Finance (TIF) Zone (Retherford) *The Planning Commission action is in the form of a recommendation to the City Council.*

Chair Altman called the public hearing to order for UR13-0001 at 8:30 pm.

Kirstin Retherford, Economic Development Manager, confirmed that the draft plan regarding the addition of a sixth property had been distributed to the Commission. Xerox agreed to include a portion of its property just yesterday. The report with all the financial analysis for the Xerox property was not yet available, but the draft plan was what was subject to the Commission's review. She noted the additional materials distributed to the Commission, entering Exhibit 6 into the record as noted:

- Exhibit 6: Building 83-26440 SW Parkway Avenue Urban Renewal Plan dated September 11, 2013 related to the sixth property added to the TIF Zone.
- Revised Staff report dated September 11, 2013 with changes noted in blue, reflecting that six (6) parcels were included in the TIF Zone that replaced the Staff report in the meeting packet.
- New Draft Resolution No. UR13-0001 reflecting that six (6) parcels were included in the TIF Zone.

Commissioner Phelps:

- Confirmed the resolution applied to six properties and asked if Stream Global was one of the six properties.
 - Ms. Retherford answered no, the Stream Global property was removed from consideration early in the summer when Stream took over that facility because it was unlikely to be converted to a manufacturing facility within the five-year window.
 - She clarified that at the time the Stream property was removed, Staff learned that Building 83 on the Xerox property was vacant and approached Xerox to see if they were interested in participating in the program, and Xerox had just responded yesterday with a yes.
- Asked if the ballot specifically identified the six properties.
 - Ms. Retherford replied no, the ballot was generic, stating "up to six properties" but not naming specific properties; the public had no expectation of site specifics, only criteria regarding properties in the program.

Ms. Retherford presented the revised Staff report regarding the City of Wilsonville's proposed Tax Increment Finance (TIF) Zones via PowerPoint with the following key additional comments and responses to clarifying questions as noted:

- She corrected the revised Staff report, noting the Subject line should state “that ~~five~~ **six** proposed Tax Increment Finance Zone (TIF Zone).”
- The proposal for TIF Zones was vetted through the public process having been taken to the voters in March of 2013 when the ballot measure was approved by 79 percent of the voters.

- She reviewed the potential benefits of the TIF zones and described the features, criteria and urban renewal statutory requirements of the TIF Zone Program. Pictures of the six subject sites were displayed as part of the presentation.
 - She confirmed that a key objective, in addition to the conversion of underutilized warehouse space, was to utilize existing infrastructure. The community had already made the investment in infrastructure, including roads, water, sewer, etc., and the subject facilities could carry a larger capacity of economic growth, so the City was trying to take advantage of what the community had already invested.
 - She explained that 150 percent of the average Clackamas County Wage was about \$62,000 per year.
 - The 25% Assessed Value Limit of 4.94 percent was calculated on the first five properties; she estimated the total assessed value after adding the sixth district would be approximately 5.1 percent, still clearly well below the 25 percent limit.
- An Urban Renewal Strategic Planning Task Force would convene later in September to consider whether some districts would be available for closure along with a number of other issues. The Task Force would look at the East Side District overall, and the time span for closing down that Year 2000 Plan District, as well as the West Side District. The TIF Zone program would be studied to see if the City might want to pursue this model again. Over the next few months, the Task Force would also discuss creating an urban renewal district in Coffee Creek Industrial area or Frog Pond. If districts were created anywhere else, the City would have to remove a significant amount of acreage, probably from the East Side District, and quite a bit of acreage would have to be annexed to make the ratios work out.
- She would be circling back with the Urban Renewal Agency to get formal action on formally adding the sixth property, most likely in October.
- She also reviewed the upcoming steps regarding notices, an open house and public hearing, noting the goal was to have these Plans recorded with Clackamas County and Washington County in December, so that the districts were ready to go after the new year.
- Regarding the issues before the Commission tonight, she noted that each TIF Zone was designated Industrial in the Comprehensive Plan and also had a PDI Zone Designation, so no conflicts exist for the proposed uses with either the Comprehensive Plan or Land Use Code.

Elaine Howard, Urban Renewal Consultant, stated that the proposed TIF Zones were reviewed for compliance with the Comprehensive Plan and noted the Comprehensive Plan sections relating to the urban renewal plans were identified in each urban renewal plan. Because each plan was doing the same thing, the findings were exactly the same for each of the six urban renewal plans. She reviewed the applicable Comprehensive Plan sections and policies presented in the revise Staff report via PowerPoint, with these key additional comments:

- The City of Wilsonville had done a thorough job meeting the requirements for citizen involvement (Section A).
- Wilsonville had complied with Policy 1.3 through the process used to establish the Economic Development Strategy and also through the required notice to the taxing jurisdictions about the urban renewal plans.
- The City also sent notice to and contacted each of the other taxing agencies and asked if they wanted a personal meeting in addition to the required notice.
 - Ms. Retherford added the the Task Force membership included representatives from Tualatin Valley Fire and Rescue, the West Linn Wilsonville School District, as well as from Clackamas County, Clackamas County Economic Development Commission, Clackamas Community College, and Oregon Institute of Technology.
 - Presentations about the TIF Zones would also be made to both the Washington and Clackamas County Commissions.

Ms. Retherford noted that Action 2.1, found on Page 9 of 10 of the revised Staff report, spoke directly to Commissioner Phelps' comments about promoting the reuse of vacant buildings or infill development and redevelopment.

Commissioner Phelps:

- Explained that manufacturing was identified as the reuse component in relation to wages and because it was an export-type product. He stated a great deal of his information came from City Councilor Goddard, who was very helpful in helping him to grasp the benefit of the TIF Zone Program.
- Commented that the City had 200 acres of Coffee Creek that everyone was anxious to develop, and yet they were sitting on 2 million sq ft of empty buildings. The idea was to quickly revitalize those vacancies and make these TIF Zones a different kind of development, but consistent with industrial. [1036 3:45]
 - Ms. Retherford added a couple of changes had been seen in the overall market. A lot of these buildings were originally designed for warehousing and distribution, and a lot of that business had been lost as it moved to the central United States. Warehousing and distribution has also changed, instead of stockpiling large quantities of material, a lot more just-in-time delivery was being used, so there was not as big of a demand for enormous buildings just for warehousing as there had been 20 or 30 years ago. The City was looking at how such buildings could be repurposed to fill them and bring in high-quality, high-wage jobs and get some fairly intensive capital investment occurring in the properties, and converting to manufacturing was the best way to achieve that.
 - In terms of general economic development, Staff did not see many inquiries for warehousing from the State and the region, but there are many inquiries for manufacturing. Because converting a warehousing facility to a manufacturing facility is expensive, one question that is always asked is, "what sort of incentives does the City offer." In the past, Wilsonville had to say "none", whereas Hillsboro, Beaverton and Gresham, Wilsonville's competition in the region, had been able to offer Enterprise Zones or other forms of tax-abatement programs to help in that conversion to manufacturing.

Commissioner Postma:

- Understood that the 75 percent rebate was somewhat tailored with the mindset of wanting to ensure that the tax was still available for things such as schools and emergency services.
 - Ms. Retherford stated that was correct. She clarified that the 75 percent split was of the tax increment growth. When the frozen base was established, 100 percent of those property taxes would continue to be distributed; only the growth from this investment would be split with 25 percent going to the other taxing districts for schools, fire and safety, etc.
- Confirmed there would be an increase increased potential risk and need for emergency services depending on the type of manufacturing that went into the buildings, so the City had ensured the tax was covered for emergency services and schools, which was built into the plan.

Commissioner Levit:

- Stated the City would not care if it was manufacturing or something else, such as a research lab, as long as the salaries and investment were high.
 - Ms. Retherford replied, to meet the qualifications, that was correct. In terms of the capital investment, it was very unlikely that a company would reach the threshold unless some pretty expensive equipment went into the research and development facility.
- Asked if Xerox could repopulate the Xerox building with an investment and get the credit.
 - Ms. Retherford answered they could, if Xerox met the job threshold.

Chair Altman confirmed the Xerox building was currently empty. Tektronix had used it, but once they stopped using it, it was not reused much afterwards. The building had been underutilized for a very long time.

Commissioner Millan:

- Understood there was no restriction on the type of manufacturing business that went into the buildings, as long as it met the criteria.
 - Ms. Retherford confirmed that was correct; however, another process that would begin shortly was the application process. Any company that applied for the TIF Program, would have to go through an application that must be approved by City Council, so there would be some discretion. The Task Force discussed issues like the potential of a high-polluting, smoke-stack kind of business coming in, which was where the issue of attributes came into the discussion because the City wanted to offer

incentives for businesses, but wanted to retain control as well. The City wanted businesses with certain attributes that benefited the community and were a good fit for the community.

- Noted certain types of businesses certainly have a higher risk factor, in terms of potential of fires, explosions, etc. Many of the properties were close to populated areas and housing developments, so she was concerned about the scrutiny involved when choosing which businesses go in.
 - Ms. Retherford replied the Task Force chose not to address that specifically in the plans, but to leave it to the application process.

Commissioner Phelps noted that a lot of manufacturing went on in the city, which was surprising because it did not have the stereotypical smoke-stacks, etc. That process is entirely managed through the City's application approval process and this program would not change that one iota; the same standards with the same oversights would still apply.

Chair Altman added the Industrial Zone had performance criteria built into it, beyond what might be filtered in terms of the application, in terms of the basic land use, vibration, pollution, etc.

- He confirmed the Planning Commission was not acting on the addition of the Xerox building or the financials, but on compliance of the TIF Program with the Comprehensive Plan and the Code.
 - Ms. Retherford added the only thing that would be different from the ones that they had was the establishment of the frozen base, which was the assessed value. Staff attempted to figure the assessed value out today, but it was very complicated because all of Xerox was assessed together and Staff was unable to separate Building 86 and make those calculations in time for the hearing. Everything else, including the maximum indebtedness and project, would look very similar to every other report.

Chair Altman noted that no one was in the audience for public testimony.

Commissioner McGuire commented that she had participated in the Advisory Committee in the beginning, so it was exciting to see the program come to fruition. This would be an amazing tool for Wilsonville to have for future investment, and she commended Ms. Retherford for her wonderful work.

Commissioner Levit asked what would happen if a company in the TIF Program went out of business.

- Ms. Howard replied a clawback provision was included. The companies would not receive the rebate until after the taxes were paid. Each year of the rebate period would be monitored to ensure the company still performed and still had the number of jobs in place. If the company deviated from those requirements, a certain percentage clawback would occur within the second year, and that percentage would change in the third year. The company would be pursued for any rebate given to pay the City back. In a bankruptcy situation, the City of Wilsonville would be in line with the other creditors.
- Ms. Howard added that unlike a typical urban renewal area, the City or Urban Renewal Agency really had no exposure because nothing was given to the developer until their property taxes were paid. Once the company paid its property taxes, the assessor allocated the property taxes to the City, and then the City gave them back to the developer. The City would not be putting infrastructure in ahead of a development that might not come in, so the program was structured very well.
- Ms. Retherford agreed, stating there was no upfront payment to the company, who had to perform each year in order to receive the rebate the following year. If the company did not perform, the City would go backward to try to get it back.

Commissioner Phelps added the investment required to be made was part of the new property tax. Therefore, even if the company went bankrupt, the property owner would be paying a higher property tax on the facility. Right now, the buildings were empty and the property tax was diminishing. One advantage was that the initial investment would result in an increased value for the purposes of property tax. He understood that value depreciated quickly according to the tables, but right now, nothing was happening except the City was losing money.

Chair Altman closed the public hearing at 9:05 p.m.

Commissioner Phelps moved to adopt Resolution No. UR13-0001, recommending that City Council adopt an ordinance to create six new urban renewal areas (TIF Zones) as outlined in the revised Staff Report and new Exhibit 6. The motion was seconded by Commissioner Millan and passed unanimously.

B. OTHER BUSINESS

A. 2013 Planning Commission Work Program

Chris Neamtzu, Planning Director proposed cancelling the regular October meeting in lieu of the City Council work session, as there were currently no pending agenda items to warrant a regular meeting. Goal 10 would be discussed with City Council on October 7th and dinner would be provided.

The Commission consented to not hold the regular Planning Commission meeting.

B. Commissioners' Comments

Commissioner Levit asked about the grant for the French Prairie Bridge and when the project would ever start.

- Mr. Neamtzu replied Staff had been trying to schedule their first coordination meeting with ODOT, but scheduling in the summer months had been difficult for both Staff and ODOT, but that first meeting had been scheduled. The first step for the project required an intergovernmental agreement (IGA) with ODOT. In any circumstance, the money would not be available until this fall. The grant funding was tied through federal funds and ODOT had a lot to do with that which was why ODOT was involved.

Commissioner Millan asked for a progress report on the Boeckman Creek Bridge.

- Mr. Neamtzu responded the project was under construction and the surcharge had been removed. Repairs were being done, but he could not recall the opening date.
- Ms. Jacobson said she had heard they were fairly confident the bridge would be done by this Thanksgiving, possibly a little before.

Commissioner McGuire announced McMenamins was hosting a benefit concert on Tuesday, September 17th from 5:00 pm to 11:00 pm. for Lowrie Primary School, which was in its second year of operation. The performers were two local musicians with children at the school who were donating their performance. McMenamins would donate 50 percent of all sales, including all beverages and food sales. There was a huge turnout last year, with City Councilors and numerous Chamber of Commerce members in attendance, and the school was trying to beat that record. The SMART trolley would be available at Lowrie Primary School to transport people to and from McMenamins at 20-minute intervals.

VIII. INFORMATIONAL ITEMS

A. Basalt Creek Concept Plan update

IX. ADJOURNMENT

Chair Altman adjourned the regular meeting of the Wilsonville Planning Commission at 9:12 p.m.

Respectfully submitted,

By Paula Pinyerd of ABC Transcription Services, Inc. for
Linda Straessle, Planning Administrative Assistant