

*Draft PC Minutes were reviewed
and approved at the April 9,
2025 PC Meeting.*



**Wilsonville Planning Commission
Regular Meeting Minutes
March 12, 2025**

Wilsonville City Hall & Remote Video Conferencing
<https://www.ci.wilsonville.or.us/meetings/pc>

CALL TO ORDER - ROLL CALL

Chair Hendrix called the meeting to order at 6:00 pm.

Present: Nicole Hendrix, Jennifer Willard, Andrew Karr, Yana Semenova, and Matt Constantine

Excused: Ron Heberlein and Sam Scull

Staff Present: Daniel Pauly, Amanda Guile-Hinman, Miranda Bateschell, Cindy Luxhoj, Matt Lorenzen, and Mandi Simmons

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

CITIZEN INPUT

There was none.

ADMINISTRATIVE MATTERS

1. Consideration of the February 12, 2025 Planning Commission Minutes
The February 12, 2025 Planning Commission minutes were accepted as presented.

WORK SESSION

2. Wilsonville Industrial Land Readiness (Basalt Creek) (Luxhoj)

Cindy Luxhoj, Associate Planner, explained the Planning Commission's input was again being sought on industrial land use types in Basalt Creek. The three discussion topics tonight regarded the regulatory context that brought the Basalt Creek Planning Area into the urban growth boundary (UGB), a refocus on the Industrial market, and further discussion of the High-Tech Employment and Light Industrial land use types. She began by presenting the Regulatory context via PowerPoint.

Commissioner comments regarding the regulatory context and responses to Commissioner questions were as follows:

- The definition of Industrial does limit anything retail or consumer based. The type of medical offices allowed would depend on foot traffic; for example, inpatient or research facilities with less foot traffic and a high employment count could meet the intent.

- Understanding the context and limitations of UGB and why Tualatin was different was very helpful.
- The verbiage noting only 1.7% of total industrial space being built on Page 2 of the Staff report regarded Wilsonville only accounting for a very small percentage of total industrial development in the greater Metro market.
 - Most of Wilsonville's industrial stocks were built in the 1980s and 1990s.
- The State mandated the need for planning horizons for jobs and housing within cities' urban growth boundaries due to the growing demand for employment and housing over the next 20 years, which was only possible if enough land is available to accommodate those needs, so cities are required to look for additional land or capacity within their current UGBs.
 - Due to a shortage of Industrial acreage in the Metro region, Basalt Creek Concept Plan (BCCP) Area was intentionally brought in and designated as Title 4 land to ensure it was protected for Industrial use and not Commercial. Title 4 was developed to maintain large lots and reduce the impact of commercial development in those areas.
 - The City is required to use the BCCP area as Industrial because Metro's Urban Growth Reports promise this land will be developed with Industrial or employment and at a certain job density so decisions to bring in additional Industrial land are based on prior land uses already assigned.
- Metro prefers not to do enforcement but does assess if the City is in compliance with its Urban Growth Management Functional Plan and can also withhold tax revenues.
- While contractor establishments could be seen as an industrial-type activity, they would not fall within what Metro expected in terms of future urbanized employment growth. Since the existing contractor establishments were not within the City of Wilsonville, the City was not out of compliance. The land was still within Washington County, so no enforcement mechanism existed, and Metro knew about the existing FD-20 zoning when the area was brought into the UGB.

Economic Development Manager Lorenzen noted his responsibility is to strengthen and grow the City's tax base, and industrial employment uses have big revenue implications for Wilsonville. He continued the PowerPoint presentation, describing Wilsonville's strong industrial employment base and its benefits, as well as Office and Industrial market trends, vacancy rates, and Industrial rent rates compared to the Portland Metro area. Wilsonville's combination of rising rents and a very low vacancy rate suggest a robust industrial market.

Commissioner comments and responses by Staff to Commissioner questions regarding the Industrial Market Refocus were discussed as follows:

- Citizens have a perception that office and industrial vacancies are much higher, perhaps due to seeing vacant retail space and because these uses do not create many traffic issues, which would make them more aware.
- Some vacancies that occurred most recently were large and visible, such as the Rite Aid distribution center, leading people to conclude it was happening everywhere. That site is now leased and occupied again. For a submarket so-geographically well-positioned like

Wilsonville, and from a transportation access point industrial vacancies do not last very long unless there are extenuating circumstances,

- For speculative developers, the 10-acre minimum threshold is pretty solid, but owner/occupied users, like Precision Countertops, might only need a few acres. Some Basalt Creek land parcels have been aggregated by people waiting for the City to begin accepting development applications, so some sites well above the 10-acre threshold are ready. The Greenhill site, which is privately owned, is also well above 10-acres.
 - The balance of the planning area is similar to Coffee Creek with land divided up in wonky ways and mostly under the 10-acre threshold, which is an obstacle and something to think about when considering policy decisions and recommendations to the City Council for how parcelized property could be overcome to facilitate development.
- While the specific development land inventories in Tualatin and Sherwood were unknown, infrastructure continues to be an obstacle in all communities, even where opportunities exist. However, where aggregation is possible, the infrastructure hurdle can sometimes be overcome because the economics make sense. The economics do not work with the cost of extending infrastructure to smaller development sites.
- One of the biggest impediments in Wilsonville is that the land has not been zoned yet. Once zoned, the land can be annexed.
- Like Coffee Creek, development in Basalt Creek will occur along the path of least resistance and where opportunity is ripe. Other more challenging areas will be slower to develop.

Associate Planner Luxhoj continued the presentation, describing market-driven versus aspirational choices around land use and land use planning and reviewing the BCCP's guiding principles. She requested feedback on the scale between market driven and aspirational land use choices in Basalt Creek for guidance as planning continues for Basalt Creek. (Slides 24-26)

Overall, Commissioners were inclined toward aspirational choices to guide planning in Basalt Creek, adding the following additional comments:

- Being mindful of the initial financial impact to residents of developing the needed infrastructure was important and must be balanced with aspirational choices.
- Aspirational goals could not be achieved outside what the market demands.
- Knowing Tualatin's area would have more residential land, Wilsonville's area would blend from that residential to varying industrial types.
- Concerns were expressed about what businesses would fit and the types of businesses the City wanted to attract. Industrial users, especially on the western side, had to be aware of the natural resources and the impacts to that area, which would exclude some business types.
- Allowing land owners choices was important, as discussed previously regarding the Craft Industrial area.
- Given the West Railroad's severe constraints, a less aspirational approach should be taken because the market would dictate those land uses.

- Though numbers regarding demand were sobering, not having planning be completely market driven was good.
- The Planning Commission's fundamental role is focused on designing Wilsonville and what the city should look like, rather than letting developers and businesses decide. The Commission has one chance with this undeveloped land, so the aspirational aspects are key. Figuring out what the Commission wants for the city is exciting.
- Having the additional context of what has already been done with regard to Metro and what the region needs addressed the market-driven aspects enabling the Commission to push more aspirational choices providing the balance needed.
- Additional Commissioner comments noted even the BCCP recognized the larger constraints on the West Railroad area, especially given the railroad overpass.
 - Staff assured further analysis on the West Railroad area would be coming soon.
- In light of being flexible, the City would need to monitor the manufacturing park on Tualatin's side because that development would likely draw other businesses to be adjacent. Understanding the pace of that development and the health of those planning processes would help the City take advantage of it.

Economic Development Manager Lorenzen agreed the Commission could be more aspirational in certain places in Basalt Creek, while needing to concede to the market in other places to strike a balance. Given all the different nuances and considerations in Basalt Creek, where could the Commission be strategic and targeted in where to be aspirational and where would that approach lead to properties that languish in perpetuity?

Planning Manager Pauly added that in his experience at the City, he has learned its development culture and the Commission's discussion reflected the City's development approach over the decades. Comments about the balance needed were appreciated as the sometimes the City focused on aspirational aspects, which was appreciated by residents and the business community, while sometimes, the market influenced development. Thinking long-term, it was important to remember that the built environment in Basalt Creek will remain a long time.

Economic Development Manager Lorenzen noted that as discussed regarding the market dynamics data, a lot of the existing demand was for speculative development or projects where facilities are built to accommodate multiple tenants. No owner users like Intel doing self-development were knocking at the City's door.

- Flexibility would be important when considering land use categories in the coming months to ensure properties that are built would also be occupied. If the number of users and uses was too small, a speculative project would be inhibited from coming to fruition and penciling out in the short or long term.

Associate Planner Luxhoj continued the PowerPoint presentation, reviewing the High-Tech Employment and Light Industrial land use types, as well as the Grahams Ferry Assemblage Site. (Slides 27-32)

- The questions for discussion sought input on appropriate land use types, the boundaries of the land use types, and keeping separate or combining the land use types of the Grahams Ferry Assemblage Site. (Slide 33)
 - She noted the City only has two industrial zones, Planned Development Industrial (PDI) and PDI-RSIA (Regionally Significant Industrial Area). The bulk of the Basalt Creek Planning Area would be PDI, but perhaps some specific subdistricts might be desired within the zone. For example, the City might want to avoid or discourage some uses in the High-Tech Employment area, such as call centers or warehousing that provide fewer jobs and take up more land.
- She understood the way the different land areas were assigned to High-Tech Employment and Light Industrial land use types had to do with trips and trip generation. The High-Tech Employment district would have the highest density of employment and in an attempt to balance the number of trips in Wilsonville and Tualatin, which would have a lot with its residential development, resulted in the High-Tech being extended and covering more area in Basalt Creek. Additionally, there was a desire to have consistent design on both sides of Day Rd.

Planning Director Bateschell added at the time, the City also desired having higher density employment opportunities in the Basalt Creek area. Outside of this urban reserve, the City had only one other future urban reserve for Wilsonville that would likely involve employment as most areas would likely be primarily residential with some commercial element. Areas near Elligsen Rd, especially north of Argyle Square, might have some employment.

- Wilsonville's strong industrial base has always been important to the City's financial well-being, as well as a lot of great job opportunities for employees.
- Staff had pulled together land use prototypes for Basalt Creek based on existing employment within the city and Council feedback, which ultimately evolved to having added employment density in the area.
 - When planning Basalt Creek, the feeling was that Wilsonville already had High-Tech, so the dialog regarded attracting other industries, especially supporting businesses to the larger tech industries. The City wanted to attract those types of companies, that type of design and development, and to make sure space was provided for it within Basalt Creek.
- Bringing the Basalt Creek area in for two cities to concept plan was unique. Knowing the land area would be primarily industrial with some residential in the north, the transportation system was planned first based on the trip generation for employment/industrial, and knowing the entire Washington County and South County Industrial area had multiple industrial areas that would connect to the road network coming through Basalt Creek.
- The Basalt Creek Transportation Refinement Plan was adopted before the BCCP given the assumptions around regional and local planning area trip rates, as well as what the planned transportation system could accommodate. If the regional or local planning area growth resulted in higher trips, then the current system as planned would be insufficient and additional transportation projects would be needed.

- The entire transportation system was built on a freight network for industrial growth, rather than local residential or town center type of development.

Commissioner comments and Staff's responses to questions regarding High-Tech Employment and Light Industrial land use types as follows (Slide 33):

- The Basalt Creek Parkway would only have two intersections, one at Grahams Ferry and one at Boones Ferry, as much of the Parkway would be elevated. People would access the different businesses in the High-Tech and employment areas from Day Rd. Grahams Ferry Rd, Day Rd, and Boones Ferry Parkway would be the main arterials and all had limited intersections. While businesses would front the arterials, no driveway access would be available from those streets.
 - Intersections would be at Clay/Grahams Ferry Rd, roundabout at Day /Grahams Ferry/Garden Acres Rd, and on intersection on Day Rd midway between Grahams Ferry and Boones Ferry Rds. The supporting streets in Coffee Creek would provide the internal connectivity and feed up to the Day Rd intersection.
 - No supporting street existed on the south side of Coffee Creek for the properties to front, so driveway access would be needed, such as the Delta Logistics driveway onto Day Rd.
 - Ideally, the internal connectivity would be provided by internal local street connections.
- The only one way to get into West Railroad is from Grahams Ferry at the south end of West Railroad. The revised local street concept map by DKS showed some access from the north but only by currently undeveloped local streets.
- Any buildings on the northern border of the Grahams Ferry Assemblage Site would not front onto the Basalt Creek Parkway.
- Given the large parcel of land, the Grahams Ferry Assemblage Site should have flexibility to develop Light Industrial and/or High-Tech, which would not interfere with whatever is developed across the street in Tualatin.
 - Owners of the Grahams Ferry Assemblage Site have also been assembling land north of the Parkway.
- The amount of truck traffic would depend how restrictive the City decides to be on High-Tech and Light Industrial since the majority of the City's industrial development was done through PDI zoning. The PDI-RSIA provided the additional requirements for Metro's Title 4 and had a few more commercial restrictions and land division requirements.
 - Because of assumptions regarding the mix of building types and types of jobs, some jobs would interface less with freight trucks with more truck traffic for Light Industrial.
 - The BCCP did not indicate whether the amount of traffic trips would be regulated or incentivized, which lead to questions of the Commission about aspirational choices. No decisions had been made through the concept planning process about the levels or differences in zoning and what the transportation system could support.
- To maintain the land use types established in the BCCP, some level of consistency was needed; however, how specific the Commission chose to be was open ended. The Commission could use land use standards or be more prescriptive or limited in one of the

land areas or choose to be more incentive based through the Code, economic development programs, or even through a design overlay.

- Light Industrial is a blend of manufacturing and High-Tech, which was why it was partitioned in the north section, and being farther from the freeway, it would be less truck intensive.
 - Clay Rd would be redesigned with development to accommodate heavy truck traffic. One reason Light Industrial was adjacent to Clay Rd was the interface with the Coffee Creek Correctional Facility. Being a lower visibility, dead end street, Clay Rd may have different design standards, and the Commission might be less specific about the businesses, building types, employee numbers, etc. allowed there.
 - The canyon and wetland are important attributes to the Light Industrial area which is marked as High-Tech and Craft Industrial, which was also discussed during the concept planning process.
- The Transportation Refinement Plan would be sent to the Commissioners to help address questions about traffic, trips, etc. As development occurs, all the roads would be upgraded to handle more capacity; for instance, Day Rd and the Basalt Creek Parkway would be developed into 5-lane roadways.
- How are land use designations applied to preexisting parcels with preexisting uses or that are already developed?
 - The actual zoning is not applicable until the land is annexed. No City zoning is applied to an existing use in the County that remains in the County. Zoning can be applied through an inclusive list of identified uses or by excluding uses the City might be concerned about taking land from the intended use.
- Making the Grahams Ferry Assemblage Site one land use type made sense, and while either land use type was acceptable.
- Being aspirational, High-Tech was the appropriate land use for the large Assemblage Site area as it checked all the boxes on economic development.
- Distribution/warehouse land use types should be avoided as the I-5 situation may not be able to handle a distribution center. Unless the City had line of sight for concurrency for resolving the I-5 issues, the City should be very limiting on uses that would drive a significant amount of trips.

Chair Hendrix called for public comment.

Ryan Schera, Schnitzer Properties, noted the Schnitzer had owned the split-zoned Grahams Ferry Assemblage for two years and provides manufacturing, wholesale trade, and distribution that supports a lot of high-tech and industrial business on Portland's west side. His key comments were as follows:

- Most industrial land developers in the Portland Metro area want 25+ acres, rather than 10+ acres. Aggregation of a larger property is rare, and the Assemblage Site was about 50 acres. Schnitzer held its properties long term, building Class A mixed and industrial development for a mix of uses that serve the community.
- The Coffee Creek Industrial examples provided in Staff's presentation were High-Tech uses in Light Industrial buildings. Light Industrial and High-Tech could coexist on one piece of

property in one zone. The City's PDI zone already accommodates a mix of the uses and attracts developers. Mentor Graphics and many distributors in the city were in PDI zones.

- Schnitzer could not get a \$150 million construction loan on a split-zoned property, which would result in the property sitting vacant and fallow and no infrastructure being built. Without that infrastructure, no other Basalt Creek district areas would be built, unless the City paid for it.
- He would advocate for one zone across the entire district, unless the City wanted higher standards along Day Rd. Otherwise, all the stars had to align as far as having land owners ready to sell and developers ready to spend time buying small properties to aggregate a site large enough to develop and fit within the color/zone on the map, so these properties would sit vacant for a long time.
- Aspirational uses should be worked in to be allowed in addition to the PDI, which would allow Schnitzer to locate a tech company in its Light Industrial buildings. High-Tech and Light Industrial could service one another as well as the entire industrial supply chain and ecosystem throughout the entire west side: Wilsonville, Sherwood, Beaverton, even Salem.
- Tens of millions of dollars in infrastructure is required for Basalt Creek development. With an aspirational-only approach, the land will sit vacant with no tax revenue for schools, parks, roads, etc. Nothing was wrong with adding in aspirational uses but mandating one or another would make it hard to develop the entire district.
- Only five or six developers in Portland could build in Basalt Creek, and they should be at the table as well, though they would be saying the same thing.
- Schnitzer's concern was that financing for development would never occur, especially with restrictive uses or a split-zoned site.

INFORMATIONAL

3. City Council Action Minutes (February 3 & 20, 2025) (No staff presentation)
4. 2025 PC Work Program (No staff presentation)

There were no questions or comments.

ADJOURNMENT

The meeting was adjourned at 7:51 p.m.