

**PLANNING COMMISSION  
WEDNESDAY, AUGUST 12, 2015  
6:00 PM**

**AGENDA**

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**I. 6:00 PM CALL TO ORDER - ROLL CALL**

Marta McGuire - Chair Jerry Greenfield - Vice Chair Peter Hurley  
Al Levit Phyllis Millan  
Eric Postma Simon Springall City Council Liaison Charlotte Lehan

**II. 6:05 PM PLEDGE OF ALLEGIANCE**

**III. 6:10 PM CITIZEN'S INPUT**

This is the time that citizens have the opportunity to address the Planning Commission regarding any item that is not already scheduled for a formal Public Hearing tonight. Therefore, if any member of the audience would like to speak about any Work Session item or any other matter of concern, please raise your hand so that we may hear from you now.

**IV. 6:15 PM CITY COUNCIL LIAISON REPORT**

**V. 6:20 PM CONSIDERATION OF THE MINUTES**

A. Consideration Of The June 10, 2015 Minutes

Documents: [A. June 10 2015 PC Minutes.pdf](#)

B. Consideration Of The July 8, 2015 PC Minutes

Documents: [B. July 8 2015 PC Minutes.pdf](#)

**VI. 6:25 PM PRESENTATIONS**

A. Basalt Creek Concept Plan Update (Bateschell)

Documents: [Aug 12 2015 PC Basalt Creek SR And Attachments.pdf](#)

B. Voice Of The People Award For Excellence In Mobility (Video)

Documents: [B. Wv Excellence Award In Mobility.pdf](#)

**VII. 7:15 PM OTHER BUSINESS**

A. 2015 Planning Commission Work Program

Documents: [2015 PC Work Program Aug.pdf](#)

**VIII. 7:20 PM INFORMATIONAL**

A. Metro Chief Operating Officer's Recommendation On The 2015 Urban Growth

## Management Decision

Documents: [2015 Metro Urban Growth Mgmt Decision.pdf](#)

### IX. 7:30 PM ADJOURNMENT

*Time frames for agenda items are not time certain.*

#### Public Testimony

*The Commission places great value on testimony from the public. People who want to testify are encouraged to:*

- *Provide written summaries of their testimony*
- *Recognize that substance, not length, determines the value of testimony*
- *Endorse rather than repeat testimony of others*

*Thank you for taking the time to present your views.*

For further information on Agenda items, call Linda Straessle, Planning Administrative Assistant, at (503) 570-1571 or e-mail her at [straessle@ci.wilsonville.or.us](mailto:straessle@ci.wilsonville.or.us).

Assistive Listening Devices (ALD) are available for persons with impaired hearing and can be scheduled for this meeting.

The City will also endeavor to provide the following services, without cost, if requested at least 48 hours prior to the meeting:

- \*Qualified sign language interpreters for persons with speech or hearing impairments
- \*Qualified bilingual interpreters.

To obtain services, please call the Planning Administrative Assistant at (503) 682-4960



**PLANNING COMMISSION  
WEDNESDAY, AUGUST 12, 2015**

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**V. CONSIDERATION OF THE MINUTES**

- A. Consideration of the June 10, 2015 Planning Commission minutes

**DRAFT**

**PLANNING COMMISSION  
WEDNESDAY, JUNE 10, 2015  
6:00 P.M.**

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

**Minutes**

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**I. CALL TO ORDER - ROLL CALL**

Vice Chair Greenfield called the meeting to order at 6:02 p.m. Those present:

Planning Commission: Jerry Greenfield, Eric Postma, Peter Hurley, and Simon Springall. Al Levit and Phyllis Millan arrived shortly after Roll Call. Marta McGuire and City Councilor Charlotte Lehan were absent.

City Staff: Chris Neamtzu, Barbara Jacobson, Miranda Bateschell, Nancy Kraushaar, Steve Adams

**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.**

Elizabeth McCord, 7893 SW Rockbridge St, said she was concerned with two intersections in town that were becoming problematic. One was the Boeckman Rd/Canyon Creek intersection where there was a four-way stop. As more traffic was starting to come down Canyon Creek and go through the new street extension to the south, more and more people were not always stopping at those stop signs. It was really becoming a problem, especially heading into summer season, not only because kids would be out riding bikes and for people walking and running along there, but also for drivers. Every morning, she sat and waited to make sure she had eye contact with other drivers to make sure they were going to stop and were slowing down. There were times when people would suddenly stop at the last minute or go through and wave like they did not realize there was a stop sign. It was becoming a real problem. She noted there had been some accidents recently and one had involved her neighbor and her 13-year-old child, who could not be present tonight. She told her neighbor she would mention her accident because the intersection was a concern.

- Her other concern regarded where Morningside Rd came out of the neighborhood onto Canyon Creek, which was a poorly engineered street design. Canyon Creek had a very poor line of sight as drivers came off Morningside and there were near misses almost every morning. Cars come around the corner faster than the 35 mph speed limit. People need to be aware that it was a neighborhood with cars coming out of it. She understood there was discussion about closing off that end of Morningside at Canyon Creek, but that would result in traffic from 60-plus homes using the one entrance/exit for that Renaissance neighborhood, which was also not a good design for safety, fire, and other reasons. The Planning Commission should look at the design, especially now with the beautification project on Wilsonville Road that would potentially shuffle a bunch of traffic down Canyon Creek.

Chris Neamtzu, Planning Director, encouraged Ms. McCord to provide her contact information for City Engineer Nancy Kraushaar. He noted the Engineering staff was actively working on a wide variety of issues related to the topics Ms. McCord raised. He added that one of the City's traffic engineers, Brad Coy, with DKS Associates, was also present.

Ms. McCord explained she wanted to bring these issues forward, not only to have them on the record because they were becoming more and more of a concern, but also because people were posting things on Facebook and she was trying to encourage them to voice them here instead.

Vice Chair Greenfield noted that work had begun on the enhancement of that intersection, among others, as part of a recent upgrade. Striping that was more convincing might help the situation.

Ms. McCord stated that for Frog Pond, the Wilsonville/Stafford/Boeckman/Advance Rd intersection would also become a big issue, adding it was already horrendous. Although some would disagree about increase of traffic, there was, in fact, increase of traffic there as well.

Jan Johnson, 6591 Landover Dr, thanked the City for the median going in on Wilsonville Rd and hoped it would reduce traffic speeds to 35 mph. She had talked with Council a few times, but Wilsonville Rd was really dangerous. She lived on the corner and had to put in triple pane windows so they could hear themselves, and they could not use their backyard. The main problem was the semi-trucks, which rattle the dishes and cause the light bulbs to become unscrewed as they pass by. They had seven semi-trucks go by within four hours and they were really trucking. There were two schools nearby and a third was being built, and kids ran in the bike lane for track; they jaywalked and had their bikes. Everybody knew what kids do and a semi could not stop on a dime. She had spent about two days talking to ODOT about traffic. They informed her that Wilsonville Rd was under the City's jurisdiction, and while they did approve speed limits, truck routes and speeding was up to the City and when the City came up with a plan, ODOT would look at it. If she wanted ODOT to do it, she would write them a letter, but she did not feel she should have to do that since there were people with kids that knew there was a problem, so she was bringing the problem to the Planning Commission. Some ideas that had been discussed included having no semis or big, huge trucks allowed on that road.

- Also, traffic had increased in the one year since she moved in. She could not get out onto the street without being very careful due to traffic that had increased tremendously, but the speed limit was really bad.
- She had told everybody about the speed. One person had suggested she get a speed gun and do it herself to let people know because when the trees were waving and bending when trucks go by, that was not 35 mph. The new streets recently put in that Ms. McCord had been talking about had a speed limit of 30 mph. Her neighborhood had houses and apartments that all came out onto that street with the three schools, maybe, and it was posted 35 mph, but drivers went 45 to 50 mph.
- She asked that the Commission to consider doing something about the trucks. She did not mind the cars, as she understood when she bought her home that cars traveled back and forth from West Linn and Oregon City to go to work in Salem. But even ODOT said that the trucks try to dodge everything they could, so any help with Wilsonville Rd. would be appreciated. As she told City Council, she did not want to look out her kitchen window and see a dead kid out there from being hit with a truck.

#### **IV. CITY COUNCIL LIAISON REPORT**

No City Council Liaison Report was given due to Councilor Lehan's absence.

#### **V. CONSIDERATION OF THE MINUTES**

- A. Consideration of the May 13, 2015 Planning Commission minutes

The May 13, 2015 Planning Commission minutes were approved 4 to 0 to 2 as presented with Commissioners Levit and Springall abstaining.

#### **VI. WORK SESSIONS**

- A. Frog Pond Area update (Neamtzu)

The following handouts were distributed to the Planning Commission at the start of the meeting:

- Frequently Asked Questions dated June 3, 2015.
- Attachment F, Citizen Input received since April 2015 Open House

- Additional public comments received via email after the June 3, 2015 Planning Commission Packet Distribution are an addition to Attachment F.

Chris Neamtzu, Planning Director, stated tonight's extensive presentation was filled with interesting facts and new information responsive to much of the citizen input received to date. He noted the Frog Pond planning effort had been underway for well over a year and a number of meetings had been held by the Frog Pond Task Force and by the Technical Advisory Committee (TAC), as well as multiple work sessions by City Council and the Planning Commission. The City also had literally hundreds of communications with individuals about the project over the life of the project, including a lot of citizen and property owner engagement and many interested parties, so there was a very robust public involvement. The Commission seldom had people show up and tell them what they thought, so he was excited about the great citizen engagement, which always resulted in a much better process and project. He thanked everybody for their participation, adding hearing from people and working together to find solutions was what public policy and development in local government was about.

- He noted concept planning was complex, as could be seen by amount of material in the meeting packet, so he challenged the consultant team to speak in plain terms and try to make the difficult, very technical concepts of funding infrastructure, land development feasibility and concept planning as easy as possible to understand. This type of process and project also elicits a lot of emotion, since many different people were affected by these types of important plans. He believed that out of all the work the Planning Commission did, specific geographic area concept planning was the probably the most important. Concept planning leads to the creation of future neighborhoods that were real places, with real schools, parks, and trails that identify the future of our community. He knew no one on the Commission took any of those responsibilities lightly.
  - These were the places where people would live, raise families, buy their first home, and possibly retire, and upsize or downsize. It was important to note that everybody came from different backgrounds and places with different experiences and everyone wanted different things at different stages of their lives. It was often difficult to imagine what one might need at those different stages. It was difficult to imagine what one might need in 15 or 20 years, but it was important to think about such things in the context of preparing concept plans. Providing for the concept of aging in place was another important consideration when working to create future communities.
- He reviewed the work session agenda and overall project timeline, which were included in the Staff report, noting that although the project had taken a slight delay and was several months behind schedule, there was no pending decision on the urban growth boundary (UGB) so there was time to do good work. The project was still on schedule for Planning Commission and City Council work sessions in June and July, but he was unsure when a public hearing would be held given the amount of work remaining and the need to figure out what path Frog Pond was taking. With the uncertainty of the Commissioners' summer schedules, the September meeting was a possible date for the Concept Plan hearing.
- Phase II, the implementation phase of the project, would last well into 2016 and would involve a lot of very important work on how to develop the zoning codes to guide development in Frog Pond. Lot dimensions, setbacks, building heights, urban form, and many other considerations would go into Phase II. Many details were yet to come, but the Concept plan would be the first major piece in planning Frog Pond.
- Tonight's work session was informational for the most part. Staff was not seeking anything specific direction from the Commission but wanted to give the Commission, and the public time to consider the information and hear from the public. Staff would return with another work session in July where specific direction would be requested on a land plan. The material was responsive to citizen input and the process was at the stage of working to balance a lot of different interests, ideas, and suggestions.
- He introduced the team and described the work session presentations for the evening, and also noted the new and updated documents provided in the meeting packet. With regard to the land use framework, he noted the lot sizes in all categories had increased in all segments and in all neighborhoods. As the Commission contemplated the changes, it was important to note that this was a menu of choices and the team might not have squarely hit the mark; there might be things that were appropriate in the West

Neighborhood that were a different condition in the East or the South Neighborhoods. Tonight's dialogue would largely be about the menu of choices.

- The team prepared a Frequently Asked Questions (FAQs) document that would hopefully clarify some issues and address many of the common misconceptions that continually kept coming up on the project, some of which had been addressed many months ago. The FAQs were distributed to the Commission and made available to those in attendance.

Joe Dills, Project Manager, Angelo Planning Group, explained that the purpose of tonight's agenda was to connect the dots between the all public input received, the infrastructure funding and development feasibility and the land-use options, especially with regard to lot size and the available options and solutions. The intent was to inform the Commission how one piece in infrastructure would connect to lot size and also to community responses that had been heard.

Miranda Bateschell, Long-Range Planning Manager, provided a high-level summary of the results from the survey and open house via PowerPoint. Some of the results were keenly connected to the topics to be discussed during tonight's work session and would help inform the Commission's thoughts around the remaining issues. The entire report was included in the packet beginning on Page 5 of 143 in the meeting packet.

Comments and questions from the Planning Commission were as follows with Staff's responses as noted:

- Concern was expressed that the responses did not seem to correspond to the mix of demographics within Wilsonville as a whole as the responses were skewed toward very wealthy families within the city. The responses did not represent a good cross-section of Wilsonville, and perhaps the results meant the City was not necessarily getting the full input from the demographic that might impact Frog Pond residents or different residents of the wider Wilsonville
  - Ms. Bateschell replied that often, higher-income people had more time to participate in surveys, so there were times when that was skewed, which she believed was common. In this situation the City was not necessarily anticipating quite the response rate and breakdown received, which would be important to future planning and how the City conducted public outreach as far as getting the word out. The City had reached out using its typical methods, which included the City website, Facebook, and monthly newsletter, so some outreach might not have made its way to other populations who were not online or on Facebook and paying attention in that way.
    - She agreed the responses received were not representative of the community as a whole. When looking at the demographic breakdowns of the community, the respondents did not necessarily represent the entire citywide population.
  - However, proximity to the project itself might have been a factor as well. The neighborhoods around the Frog Pond tended to be in the higher-income range as opposed to other locations around the city. Residents in proximity to a project were going to care more about it a more, which would most likely affect the results. There were a lot of apartments in the area as well.
    - Ms. Bateschell reviewed Slide 6, which broke down where survey respondents lived, noting the highest percentage was from East Wilsonville and the surrounding neighborhoods, but there was a pretty good split in responses from those in the east, central, and west portions of the city.
- The additional testimony in Attachment F could not be included in the analysis, which began in mid-April, but the tenor of that information and attachments played out in a lot of what was presented tonight in terms of people wanting larger lots and more large lots, and having those types of opportunities reflected in the Concept Plan. That additional input followed a lot of the same consistent messages received through the open house process.
- It was clear that some people had not actually read the plan.
  - Ms. Bateschell agreed that there was some misinformation out there, which was the main reason the team created the FAQ handout which was also posted on City website so people could get better information in terms of what was included in the plan.

Brian Vanneman, Leland Consulting Group, presented the Infrastructure Funding Strategy (Attachment C) and Land Development Financial Analysis (Attachment D) via PowerPoint. He explained that the Funding Strategy detailed what would be funded and who was expecting to pay what, while the Land Development Analysis helped connect what the City assumed developers would pay and how that factored into the land development equation with regard to what types of lots and homes were feasible while providing funds for land and infrastructure and how that would affect those homes' pricing. His key additional comments, including responses from him and Andy Parks, CPA, to Commissioner questions were as noted:

- Reimbursement districts (Slide 10) could involve one developer or a consortium of developers picking up those costs. A consortium of developers might form a separate LLC, for example, which would receive payments and then the LLC would take care of the distributions internally, or the City could end up with multiple signed agreements with the various parties.
  - The benefit to having one big district was to spread out the costs of the improvements over 600 or 700 units, rather than a smaller number of homes paying for improvements as they came on line, resulting in more costs being spread over fewer homes.
- Specific real estate information was received from at least two brokers, Debbie Laue of Hasson Group and Lori Loen of Summa, for the Land Development Analysis.
- There was clearly a market for the large homes. Slide 14 featured two lots that had sold this year. The property that sold for \$749,000 was 9,000 sq ft, and the property that sold for \$679,000 was 15,000 sq ft.
- He clarified that Days on Market (Slide 17) was the time from the point that the home was officially listed to when the sale closed, so the homes in Villebois that were unfinished and sold were not accounted for in the figures regarding 50 days on the market for new construction.
- The classifications did vary from Option D to Option E. While the visual of the Land Use Framework Plan was the same, the definitions of the lot sizes changed because they had increased in size.

Comments and discussion from the Planning Commission was as follows with responses to Commissioner questions as noted:

- Figure 11 on Page 62 of 143 showed the average home sales in Wilsonville, Tualatin, and West Linn and Figure 12 on Page 63 of 143 essentially showed the number of home sales based upon lot size, but how much was demand-based? Tualatin and West Linn were just not building smaller lots. The data on what was selling in Wilsonville seemed very supply-based because that was all Wilsonville was building, so conclusions made about people in Wilsonville wanting smaller lots was based on skewed data.
  - Wilsonville was on a push to try to attract businesses that had higher income, even executive level positions, and yet the only demand was based upon the community of the existing residents. It was interesting that the largest sector in Wilsonville was \$75,000 to \$150,000, but that was very short-sighted if the assumption was that people were going to move from one spot in Wilsonville to another. To attract jobs, the City had to assume people would come from other locations, but that data was not available.
  - Tualatin and West Linn were doing something right, perhaps it was lower land value, but they were not bothering to build smaller lots because they could sell larger sized lots at a higher amount. The volume of data provided did not address that issue.
    - Mr. Vanneman agreed similar concerns had been heard in the past when presenting the plan. He displayed the Market Area map for Wilsonville that he had presented previously. The market area, which might be redefined, was defined sometime in 2014, and shown by circles drawn around Wilsonville, Tualatin, Sherwood, and the unincorporated areas between the cities. Typically when building housing, a larger market area should be served than just the local community. Brokers and developers typically stated people were cross-shopping in Tualatin, Sherwood, Wilsonville, and those areas in between. The demographics of that market area were quite similar to Wilsonville. Rather than 9 percent of households \$150,000 or above, there was 12 percent, and the percentages of households \$75,000 to \$150,000 were very similar.

- But Wilsonville was lower than the average, quite a bit lower than Tualatin, and drastically lower than West Linn, so the data did not say anything different than Tualatin and West Linn had been able to attract higher household incomes. Wilsonville was telling those who were looking for that size of home in the market between Wilsonville, Tualatin, and West Linn to not bother coming to Wilsonville. The City could and should aspire to be in those same ranges as Tualatin and West Linn. Wilsonville was trying to build businesses that aspired to hire those kinds of people, but did not want to build the housing to accommodate them.
  - Mr. Vanneman noted the lot sizes for Tualatin shown in blue in the graph on the right side of Page 63. He stated that the current Option D averaged lot sizes of 4,000, 6,000, and 8,000 sq ft, which was very reflective of the last ten years of development in Tualatin. Option E had 5,000, 7,000, and 10,000 sq ft lots, so that was maybe more reflective of West Linn.
- The communities of Wilsonville and West Linn shared schools, so there was a different scenario according to this graph. One of the largest drivers of where people were going to live and how much they would spend on a home was schools. Although they had the same schools as West Linn, Wilsonville was intent on building smaller than West Linn, which was baffling.
- Although the options presented tonight would transition Wilsonville to Tualatin and West Linn, a lot of data indicated that was probably not a good idea. Was that a data problem in that the data was too limited?
  - The question was not about what was in Wilsonville and how to sell it to Wilsonville residents, the question was how could Wilsonville attract people in that market, because although the City wanted to build the employment for those people, it did not want to build houses for them. Was there a data point up to help with that? Something seemed to be missing, because the data was not there. Hopefully, developers and real estate brokers could provide some education, because they would provide some anecdotes but data was needed.
  - Mr. Vanneman confirmed the data was the actual home sales' values that he had seen. He agreed there was clearly something in the market, but believed it was beyond just lot size that people were buying in West Linn, in particular. People had opinions about what that was, and people might disagree, but he believed the reason for the disconnect was that he was looking at data that said the transition to Tualatin, in terms of achievable pricing, could not be done overnight, so maybe a phased or stepped approach was needed. It also begged questions of what other amenities in the land plan could get Wilsonville there. For example, he asked one of the brokers in the audience tonight how they could drive large lot sales in Frog Pond, and one reply was to maybe host a Street of Dreams in 2018. As Ms. Bateschell pointed out, parks, connectivity, and open space, tend to drive pricing and demand regardless of lot size.
    - He agreed schools were a factor as well. Lake Oswego was another place where the Street of Dreams pops up, and Wilsonville's schools were comparable.
  - Mr. Vanneman believed Option E was a divergence from the past, which might be good or bad. From his point of view, just looking at the data, he believed it had more risk.
- Lowering the cost of land could minimize the risk a bit. Was the price per foot for raw land in Tualatin or West Linn as divergent as it was in Wilsonville?
  - Mr. Vanneman responded really good data on land costs was difficult to come by, especially because it was rare that Clackamas County records included the home sale price, lot sale price and the end point. From the team's analysis, two main determinants of lot price and raw land price were the value of the finished home and the size of the lot. In general, the same 6,000 sq ft lot in Wilsonville would be more valuable in Tualatin because the homes sold for more.
- It was a weird anomaly because Tualatin buyers were actually paying more per foot, but building a larger home on a larger lot and selling it for a higher price for what actually ends up being a slightly lower price than what Wilsonville could do it for according to the models. Perhaps the missing data point was the actual raw, undeveloped land value.
  - Mr. Dills suggested the team could research data points that might explain some of the differences in the averages, building off some of the points that had been made, and return with that

information in July. They knew it was not schools that made the difference or the proximity of managers and executives to the businesses because business was strong in Wilsonville.

- It would also be really informative to get that next level of comparison in how the house prices were set, especially in relation to West Linn because of the school district and because, as heard in some of the input, the City did not want to push people out necessarily who wanted to stay in Wilsonville but decided to live in West Linn instead.

Mr. Dills presented via PowerPoint the key issues, options, and solutions discussed in his memorandum (Attachment E) regarding the residential component and lot sizes, which was the key issue. The four other issues were really simply refinements to the plan and would be addressed following the Commission's feedback. His key additional comments, including his responses to Commissioner questions, were as noted:

- He confirmed that in the memorandum only a portion of Morey's Landing had been measured in the list of sample neighborhoods showing typical and comparable lot sizes. Morey's Landing was still representative of large lots but the lot size was slightly larger than that included in the table.
  - Also providing the home values or recent sales prices of homes in the three neighborhoods with those lots was also suggested.
- The dashed green lines on the draft concept plans represented existing tree groves, which were included on the plans as reference points to indicate where things were.
- When comparing the Home Purchase Price Range in Figure 3, Income and Housing Affordability in Wilsonville (Slide 9), to the average home prices of Option D and Option E in Observations (West) (Slide 11), even the Small Lot in Option D would be too expensive for people earning \$75,000 to \$100,000, and the large lot was too expensive for people earning \$150,000 because it was over \$600,000. Option E was even more out of reach for those particular income ranges.
  - What was the preferred target demographic for household incomes in Frog Pond, those earning \$75,000 to \$150,000 or \$100,000 to \$200,000? What level of diversity had the Commission been picturing? This was not the level of diversity Commissioner Springall in mind.
  - Figure 3 regarded the Income and Housing Affordability of Wilsonville's demographic, and as discussed earlier, the data was from a limited pool of demographics. While a home might be out of reach based upon Wilsonville's demographic, and if Wilsonville was aspiring to a different demographic, it was not out of reach according to West Linn's demographic.
    - Secondly, \$75,000 to \$150,000 was the range for the Small Lot, but there was no upper limit for incomes higher than \$200,000 and combined incomes could get into that neighborhood, it did not mean it was unattainable for those with that income. Figure 3 regarded only Wilsonville's income demographics and not West Linn's income numbers, for example.
  - The only demographic that mattered for affordability of price range was household income, and the values for Large and Small lots did not really match up with what the Commission discussed before of \$75,000 to \$150,000.
  - The target demographic could be different in West Linn but those income figures were not provided. What percentage of West Linn residents earn between \$75,000 and \$150,000?
    - The target demographic should stretch significantly higher than \$150,000.
  - Knowing who could reasonably afford these homes went back to the discussion about the target market; if a person could only afford a certain home, Figure 3 demonstrated what the target income needed to be.
  - Mr. Dill explained now that costs were actually being loaded into the plan, the finding was that there was not much for the home buyer with under \$150,000 in income, whether they already lived in Wilsonville or were relocating here. That was a key issue that needed to be addressed.
    - His advice for the strategy for the West Neighborhood was that no matter where the floor was; a little something should be provided for everybody, as well as some variety. Although the floor was not as low as they would like, as far as having a wide demographic that could buy, but there should still be some toward the Small, Medium, and Large Lots, which was one thing they were trying to figure out.

- The tables on Pages 85 and 89 of 143 in the packet showed how many of the total dwellings in Option D and E were Large Lots. Option E had 89 Large Lots.
- Remarks in Attachment D stated that in both Option D and Option E, the Large and Estate Lots would need to sell for more than comparable homes as there was an above-market component. A decrease in the price of raw land would be one way for developers to offset their costs a bit, although it would only go so far. Was there way to estimate what prices raw land might sell for under Option D and Option E?
  - Mr. Vanneman explained there was a floor for land value. People want to sell their land for something, or they would not sell it. They could also sell their land to someone who did not want to connect to the city systems or wanted a farm, horse stable, etc. There were not many of those transactions so it was difficult to see what that market was, and agricultural prices were also a factor. Considering all those things in Frog Pond and semi-comparable areas, transactions had been seen between \$1 per sq ft, probably for agricultural land, and \$3 per sq ft for raw land. The higher values were probably for people living on the property. If the land values drop too much below \$4 per sq ft then the Concept Plan might not happen because people would either not sell their land or sell it to somebody who wanted to farm it or have acreage.
- Mr. Dills assured that designated areas of significant tree groves would not be impacted by Option D or E. The City had a regulatory construct for significant resources, so protecting the tree groves was assumed to be a constant. While the green dotted lines illustrated where a tree grove was located, they were not intended to be the same as the Significant Resource Overlay Zone (SROZ).
- It seemed the basic unanswerable question seemed to be if they build it, would they come.
  - Mr. Dills responded a key way to look at it was if Frog Pond was planned so people could afford it, they would come; and if it was planned so that it was the quality Wilsonville expected, they would come. The key was to make the numbers and the livability work.
  - The premise in the Concept Plan ~~there~~ was that “they” would be a spectrum of buyers. In the West Neighborhood, 50 percent of the homebuyers were people who could afford the Medium Lot choice, with 15 percent of the homebuyers at the Large Lot end of the spectrum, and he agreed there was no ceiling on that. The right project would sell expensive homes, same with the small. “They” were a different array of home buyers all artfully planned over 180 acres of land connected by beautiful public realm improvements.
- The reason the City was in this position was because State Planning Goal 10 required diversity of housing costs and styles; it did not say each project had to be diverse within that project, only within the community, and the Commission was losing sight of that when determining what the floor should be.
  - Figure 12 of Attachment D (Page 63 of 143) clearly showed that based on Tualatin, and West Linn, the City of Wilsonville did not currently meet State Planning Goal 10. It was time for Wilsonville to get out of its comfort level, which currently stopped with lots at about 7,500 sq ft, according to Figure 12. Wilsonville had a great housing base of lots in the 2,000 to 4,000 sq ft range, a mediocre second-tier base of 4,000 to 7,000 sq ft, and then Wilsonville fell off the map; whereas West Linn, Wilsonville’s school sister, really picked up the game at 7,500 to 14,000 sq ft.
  - Was the City government interested in providing Section 8 housing or following the mandate of State Planning Goal 10 which said provide diversity of housing at all levels in the community. Wilsonville was failing at that and would need to get out of its comfort zone to comply.
  - No more economic data was needed or statistics about what was or was not affordable. Not everyone could buy a \$1.2 million home, but plenty of people within the metro area could. Portland was a great example of diversity in housing and had homes in the \$4 million to \$7 million range, but Wilsonville did not have anything even 1/10 of that.

Vice-Chair Greenfield called for public comments.

Jim Wolfston, 7331 SW Boeckman Rd, stated he found the conversation interesting and helpful. In addition to owning a home in Frog Pond, he also owned land in West Linn. He felt he had a solution to the conundrum of what West Linn was doing right to attract wealthier people, which seemed to be a quiet ambition, at least

amongst some members of the Commission. Looking at the demographics, there was probably no statistical significance in the differences between Wilsonville versus Tualatin. However, the major differences between Wilsonville and West Linn were the geography features and natural views that were not found in Frog Pond. If Wilsonville wanted to be more like West Linn, the best place would be closer to the Willamette River; the City needed to grab onto something that created differentiation. As someone in the wealthier demographic, he would not buy a \$750,000 home in Frog Pond when a \$750,000 home in West Linn had views of the Cascade Range, Willamette River, and enjoy huge Douglas fir trees. Even if these views were not available from his property, he could walk down the street to see them. Such amenities did not show up in computer-aided design programs. No images were presented of the view of Mt. Hood from Frog Pond because it did not exist. These amenities made a huge difference, so Wilsonville needed to be realistic about what was achievable. Even if the ambition to step up and compete with West Linn was bona fide, it should not be pursued in Frog Pond, which also had powerline towers that devalue the grandeur factor.

Janice Johnson said she was a former realtor that had lived in West Linn for 33 years and moved to Wilsonville a year ago. She moved for the good schools, even though she had no children, because it did make a difference. In West Linn, she lived in Hidden Springs on a quarter acre. She had a beautiful home, but it was too big for her and husband so they sold it. They chose Wilsonville because it had a unique character. West Linn had beautiful homes and she could see all the trees and Mount Hood, until the tree grew and blocked the view. She liked her current smaller home, except for the road, and the City would have trouble with that road with big homes, too. Wilsonville needed to get with the century. When she was a realtor, people were looking at the West Linn-Wilsonville schools, but Wilsonville did not have any splash. When she was a realtor, she had a lot of clients who were CEOs and they always chose West Linn and Lake Oswego because they had the beautiful, big homes, and they wanted acreage and a gentleman's ranch-style property. There was a lot of money out there; people with money were coming up from California and even if Oregonians could not afford them, a lot of people could. If the homes were built with some class and a Street of Dreams look, not all junked up, they would sell fast. She believed the City was missing a lot of money and a big opportunity with CEOs to bring Wilsonville up to the level of West Linn.

Doris Wehler, 6855 SW Boeckman Rd, Wilsonville, commented that citizens wanted larger homes in Wilsonville because the big demand was not being met for current residents who wanted a yard, or want to build a bigger house or have a three-car garage. She liked Option E and agreed that diversity on this particular piece of land was unnecessary because the City already had less expensive lots. She believed there should be some Small, Medium, and Large Lots, which Option E provided, but she was concerned about the balance of lots. There were only 93 large lots and 50 percent were medium-sized lots, so some of the medium-sized lots needed to be converted into Large Lots. She added that she was volunteering her property for the larger lots.

- With regard to the funding discussion, she believed the City was about to embark on spending urban renewal money for the Coffee Creek Industrial Development. When recalling the millions of dollars of urban renewal money spent on Villebois, she found it interesting that no urban renewal money was marked for Frog Pond. Funding on the part of the City was only from the CIP, the Capital Improvement Projects. She questioned whether the Frog Pond development was being treated fairly on what they had to pay for.

Gordon Root, Stafford Land Company, 485 S State St, Lake Oswego, said he was one of the developers of the 2016 Street of Dreams on Pete's Mountain. He applauded the City's effort in getting and actually being responsive to the public's input. He suggested that the City look at Wilsonville's net employment market as about 83 percent of the people that worked in Wilsonville commuted to their jobs. He also suggested talking to business owners and senior-level managers at Wilsonville's businesses to see where they lived and why. Many commuted to West Linn or Lake Oswego because there was no housing option for them in Wilsonville. They grow their roots in their community and skew the demographics of that community because they take the money they generate in Wilsonville to that nearby city.

- People grow roots in Wilsonville because it was a great place. There were a whole bunch of medium-lot homes, but where did homeowners go from there? Their choice was to move out of the community or stay in a home with which they were less than satisfied. Wilsonville needed to provide that move-up opportunity for people in the community.
- If his company had the ability to build on a 10,000 to 15,000 sq ft lot, they would overshoot the required home prices because the market demand was there. His company bets every day on what the market would be when building spec homes and installing infrastructure. The market did exist, it was just an unfilled need here in the marketplace.
- He liked Option E. He recalled in 1984, only so many units were allowed on a particular parcel of land. Now, with minimum density standards and the UGB, you cannot build less than a certain number of units. The City had a very unique opportunity to provide large lots because they were going to become an extinct beast going forward. The City needed to seize the moment, get the large lots while they could, and provide the housing choice for people in Wilsonville.

Commissioner Postma asked for his assessment as a developer, if the City planned for that, did it pencil out from a developer's standpoint; if they built it would they come.

Mr. Root replied absolutely, adding that the City's consultant had done a wonderful job assessing the costs in the tables that they had; it was dead-on and very good. If Wilsonville built it, they would come, because they were already there.

Dorothy Von Eggers, 6567 SW Stratford Ct, said she lived in the Landover Development. She noted that a lot of this plan was not targeting the people who already lived in Wilsonville. As far as the "if we build it will they come?" question, she reminded about the unrelenting snowfall, flooding, tornadoes, hurricanes, and droughts occurring in other parts of the country. Oregon was a paradise and people would want to move here from other areas of the United States. People were willing to pay a premium for quality of life. Baby boomers were also returning to Oregon, like her sister and her husband who moved back to retire after becoming empty nesters. They wanted some room and would love to live on an acre parcel. People in general wanted room to roam, room for their adult children coming home, and room for their future grandchildren to visit. They wanted to be near a large city, an international airport, and doctors and hospitals, especially baby boomers. But, they did not want to be in the Portland city limits or out in the sticks in rural areas on five-acre parcels, which was why Wilsonville was a prime area. Wilsonville had the Willamette River, a country setting, and they could make Frog Pond what they desired. She also believed that if they built it, they would come.

Todd Tolboe, 30400 SW 35<sup>th</sup> Ave, said that unlike what the Mayor did at the last City Council meeting, he hoped he would not be discriminated against because he did not live within the city limits. He was a 17-year resident of the area. He started in an apartment and lived in two other homes, but as his family grew, he needed more room. His daughter wanted to raise chickens, the family needed a pool, and they had cars to work on. But there was no place to do all this in town; the room was not there. He and his wife love the Wilsonville community. His wife was very active in the school and he ran a local Boy Scout troop, so they were "Wilsonville."

- He believed Option E was a great start, and agreed that Wilsonville had a great opportunity to follow the State guidelines, which he had printed out. He had worked with Mr. Neamtzu in the past while president of his homeowners association. He quoted Mr. Neamtzu, "This is the future of the community. This is our chance to provide for lifetime stages not just of Frog Pond, but for the entire Wilsonville community." He stated that since Wilsonville was already over-indexed in high density, small and medium lots, now was the chance to create an Option F even and look for more large lots.

Elizabeth McCord, 7893 SW Rockford St, said she spoke at the City Council meeting a few weeks ago and was struck by what she had heard both at the Council meeting and tonight that some people did not want her to stay in Wilsonville. She was in the higher income bracket. She did not have more time than somebody who might live in an apartment, a smaller home, or on a smaller lot. She was missing her daughter's softball game

tonight, had to arrange carpool for her son at soccer, and was supposed to be grocery shopping but the Commission did not take public comment first, so she was going after the meeting. She worked and commuted every day to Lake Oswego on Stafford Rd. They chose to live in Wilsonville rather than West Linn or Lake Oswego because of the community of Wilsonville. They enjoyed the small town feel, that it was a city with a country feel. They enjoyed that many of the lots were flat. Unlike an earlier description of West Linn, they did not want a hill; a view was not important. They had kids and wanted a yard and to be able to entertain and have barbecues with their family. She believed that was missing in Wilsonville if they wanted to move up. They had a 6,000 sq ft lot and were actively looking for a larger lot but they were hard to come by. On Stafford Rd, they would have to consider buying something five acres or larger because the smaller acreage or larger lots outside of the city limits were bought up pretty quickly and not on the market long. There were people who could afford and wanted to buy and live in Wilsonville.

- Part of her problem with the survey and with some of the demographics provided was that data could be skewed, both by the information one was able to gather and by information that was not available. The reason lower-income people were able to live in Wilsonville was because the city had one of the largest apartment ratio, which would draw lower incomes by its very nature. And, that was not bad; She had friends who lived in apartments and apartment residents were great people, but they were just in a different demographic. If they were able to move up and wanted to stay in Wilsonville, they would, but the City should not put her out of Wilsonville simply because she was not falling into the smaller demographic of what already existed in Wilsonville.
- Wilsonville needed diversity, which was present in other communities. The newer, west side community had diversity. She would not name the community since Council seemed to think that community was being discriminated against, which it was not. That community was not utopia; it had problems. Those residents loved where they lived, but did not realize the size lot they were buying was only big enough for their dog to use as a restroom and not for their small child could go out and play. Where would one move to if they wanted a larger lot? Wilsonville did not have those options.
  - The older, larger homes in Wilsonville Meadows sell very quickly and some people like to buy older homes, but some people want new homes or homes built within the last 10 years, and where did that exist in Wilsonville?
  - Two weeks ago, Renaissance Boat Club had six lots that were sold. Out of the six, only two buyers were boat owners. The other four were people who wanted to play golf and enjoy Charbonneau, but wanted a new house. She was shocked that people were buying the larger homes with a medium sized lot that were not even buying for the river access. There was a desire for bigger lots and homes.
- She moved to Wilsonville for the school district and chose Wilsonville over West Linn because of the hills, the house, and they wanted a flat lot. But Wilsonville schools were slipping in their grading of being a top school. West Linn carried the school district for being a top school district, and that needed to be looked at and known. Wilsonville had great schools, great teachers, and a great community, but the schools were slipping and that needed to be addressed. She moved her daughter to a charter school in West Linn because she needed something different, and thankfully, that was an option in the school district. People did come to Wilsonville for the school district, but more things needed to be provided, like housing.
- She noted that the Mayor had mentioned that Villebois was a 17-year project before it actually came to fruition so she urged the Commission to vet this process out. There was time. She liked Option E as a good starting point, but still believed it was skewed more towards Small and Medium Lots than larger lots. A Street of Dreams was built not too long ago in an unincorporated area, and she understood all of those homes were sold, so people did buy them and they came.
- She urged the Commission to vet this process and not be held back by a need for diversity in Frog Pond when Wilsonville itself already had the diversity. The diversity of larger homes, larger lots or just larger lots without the larger home, was needed. The Commission had a very interesting proposal before them and had an opportunity to control growth and allow Wilsonville to still be the community people were drawn to and wanted to move to without allowing Wilsonville to become a Beaverton, Tualatin, or Tigard which were dense, had a lot of traffic, and people were trying to move out of.

John Ludlow, Wilsonville, thanked the volunteer Commissioners for their hard work, noting the additional time required to read and digest all the material prior to meetings.

He briefly reviewed the history and growth of Wilsonville. When he moved to Wilsonville, he met a man who had moved here in 1955 who was a visionary and an architect. After he got elected as first mayor of Wilsonville, he became the first chairman of CRAG, the Columbia Region of Associated Governments, the forerunner of Metro. He got Wilsonville incorporated in 1969 despite protests from people to the west who thought it would impede upon their one-acre parcels surrounded by 20-acre lands. The next year, Tektronix wanted to build in Wilsonville, and again, people protested that it was the beginning of the end for the city.

- He participated in the first General Plan of Wilsonville in 1973 or 1974. They agreed they did not want to look like Beaverton, but in a lot of ways Wilsonville did. When he first came to town, there were no subdivisions, just Old Town with a motel and a few restaurants and taverns; then came the first subdivision, Serene Acres, and then Montebello, Daydream Ranch, Courtside Estates, Wilcox Acres, now known as Fox Chase, and Wilsonville Meadows. Ever since Meadows, lot sizes had become smaller and smaller.
- He was against urban renewal because it took tax money away from schools, police, fire, libraries, and parks. For example, all the lots in Villebois were frozen at the dirt value. Every improvement that went in at Villebois was taxed at the assessed value, and all of that money went to pay off the bonded indebtedness. The public tax payers invested \$50 million in Villebois, but he had not heard anything about money for Frog Pond. Urban renewal was an incorrect form of scraping money away from vital services to the extent that California quit doing urban renewal districts; there was a reason.
- He appreciated the questions about balance and pointed out that this year the Clackamas County Board of Commissioners finally told Metro enough was enough. Wilsonville had 54 percent apartment housing, and he heard all this about balance and choices, but the choices were out there. With 54 percent apartments, there had to be parity, equity, and some kind of line in the sand where enough was enough and the City could tell Metro that. Currently, any land brought into UGB must be at least eight units per acre, inclusive/exclusive of the roads. If it did not include even one road on that acre, that would only equate to 3,000 sq ft lots. That was not what Wilsonville should be or what it wanted. As a broker in Wilsonville for 40 years, he knew the demand was there. Wilsonville had become something that was never envisioned by the old-timers. He had talked to City Council about large lots and many people with a lot of history in this town wanted Wilsonville to return to at least 50 percent single family, which was surpassed a long time ago. There was a desperate need and desire for large lots as heard at City Council, during tonight's public testimony and certainly in the letters received. There was a demand for large lots. No one was trying to be West Linn or be snobby, but there needed to be some fairness in Wilsonville. Wilsonville had been a good partner with Metro and had the density. It was time to allow large lots in Frog Pond to bring balance back to Wilsonville.

Lori Loen, 28237 SW Wagner St, Real Estate Broker, Summa, said she was also a former member of the Frog Pond Task Force. She thanked the Commission for bringing up Statewide Planning Goal 10 and all of their comments, and Staff and the consultants for their great presentations. She was pushing for larger lots due to the market's desire for them. She believed there was a natural gateway from Lake Oswego, West Linn, through Tualatin, and into Wilsonville via Stafford Rd. Median home prices in Lake Oswego were much higher than Wilsonville. From Lake Oswego, down Stafford Rd into Wilsonville, they had an opportunity to attract that buyer that wanted to come there and the buyers the City wanted to attract, including some of the executives that drive home on Stafford Rd. Frog Pond was a natural spot to build large homes, but it could not be done with 3,000 and 4,000 sq ft lots like Villebois. She chose Wilsonville for the country feel. She had lived in Wilsonville for about nine years and was not excited by the nature of the changes taking place. It was hard to ask people to move to Wilsonville when most of the 54 percent of apartment housing was on Wilsonville Rd.

- She agreed with Ms. Wehler that there were not enough large lots, although it was starting to look better and she did appreciate the changes that had been done. So much resource protection was on the 89 large lots that she asked how much of those lots were really usable because they were backed up to the creek and there were tree groves. People wanted large lots that they could use; they wanted flat lots, three-car

garages, and a single-level 3,000 sq ft home. That could not be done in the building envelope if the lots were all resource protected, so that was another thing that she wanted the Commission to look at.

- She questioned the income levels of the demographic profiles that were presented tonight. Ms. Bateschell's presentation stated that the income levels from a majority of the respondents were well over or close to \$100,000 a year. Looking at the general population, Wilsonville's average income was \$75,000. How many of the people added into the demographic profile were transient residents that were renting and might be moving on and how did that equate to homebuyers? This was another issue for the Commission to consider.
- The side yard setbacks of the 5,000 sq ft lots also really needed to be looked at. Her lot in Landover was about 6,600 sq ft and her house was much too close to her neighbor. She drove through Villebois and took pictures, and those houses were so close together one could hear their neighbor sneeze. When planning even the small lots, she would appreciate it if the Commission would consider how people were being squeezed together.
- Wilsonville was at 54-percent rental; there was no diversity in that and it really needed to be considered.
- Regarding days on the market and price ranges for houses, they were looking at apples and oranges because it was not just new construction. Homes that were older and not updated, like Charbonneau for example, with really big, substantially built homes but zero updates, were going to take longer to sell than newer homes or homes on a large lots that were completely updated, so the days on the market figures were a bit skewed. As stated, statistics could really be manipulated.
- She urged the Commission to please keep all these things in consideration. She reiterated that they had buyers who wanted these large lots and were willing to pay for them. If Wilsonville could utilize the natural transition from the other parts of the community and the county to the north, and keep this corridor, perhaps, to meet a higher demographic profile, everyone would benefit.

Debi Laue, 12340 SW Wilsonville Rd, Wilsonville, said she wanted to present some testimony from people who could not be at the meeting. Pahlisch Homes built two homes in the NW Natural Street of Dreams at Stonehenge, and the margins on those homes allowed for costs associated with infrastructure to be fully covered. Pahlisch truly believed that a third acre of flat land could support a very lovely home that could most undoubtedly support the infrastructure the City was concerned about. They understood the concern and agreed it needed to be addressed, but they believed that if Wilsonville had the right-size lot, buyers would come, and it would be for that main level living that was so desperately needed in Wilsonville.

- As mentioned, the inventory at Charbonneau was all 25-years old. She had people who bought those homes because they were the only single-level home they could find over 2,000 sq ft. But if people had a choice north of the Boone Bridge, they certainly would take it to avoid the traffic mess going to Charbonneau.
- She read an email from another company that did executive homes stating, "We believe if larger lots were created in the planned communities the values of the homes would easily cover any additional infrastructure costs that would be incurred by creating those lots." Currently, this company was taking their clients who wanted a single-level home out to the country and spending \$400,000 for a piece of property, and then putting in a well, septic, etc., which pumped the price way up. They would definitely rather bring their clients to Wilsonville on a third- to half-acre lot, if it was available. So, would they come? Yes, they would.
- She had sent an email to the Hasson company agents asking three questions: Did they have clients that wanted new, single-level homes, would they build in Wilsonville if the inventory of lots was available, and what would their clients pay for a new, single-level home of approximately 3,000 sq ft with a three-car garage if it was available today? Her favorite answer was, "To answer your question if buyers want a big, single-level home on a large lot, does a bear sleep in the woods?"
  - She got answers from at least ten agents within five minutes of sending out the email that ranged from 2,000 sq ft for \$600,000 up to 3,000 sq ft for \$900,000. People were desperate for flat lots with single-level homes, or at least main-level living; extra bedrooms upstairs were okay, but a great room and nice master down on the main level. Again, if they build it, would they come? Yes.

- Her last point regarded skewing the data. The RHPE category lot of the \$773,000 home was being compared to the price on the \$773,000 RHP for a 10,000 sq ft lot. She suggested not comparing to something that was not new construction. There was very little data for Wilsonville and she appreciated the difficult work Mr. Vanneman had done, but only he had only four data points for large homes, which brought the average price down to about \$595,000. If the two new pending constructions that Peter Kusyk was doing had been included, that price would have went to \$773,000 in a minute, but the properties had not closed, so that data could not be used. At present, things were changing so rapidly that data in six months would be totally different from what was heard tonight. The City was talking about having buildable lots in two to three years, maybe, but the market was moving in that direction, and she urged the Commission to think future, not past.

Mr. Wolfston, 7331 SW Boeckman Rd, said it was an interesting and educational conversation. With regard to the “if you build it will they come” question, he was not sure whether the lots would be two to three years out, but some other demographic and economic considerations should be in play. He clarified he was not advocating for Option D or E, which were wonderful options. However, he did not believe it was simply a matter of competing with West Linn or attracting a rich demographic and he pointed to some statistics. The country was in an economic upturn currently, but he was worried about future recessions. The United States had a special problem because among developed nations, the United States was the least economically mobile nation in the world. Thomas Piketty’s *Capital in the Twenty-First Century* was an important book for understanding where the country was economically in the world. Since the last Great Recession, 90 percent of the income gains in the country had gone entirely to the top 10 percent of the wage earners, compared to the recovery in the Truman Era after World War II when 80 percent of the income gains after that recession went to 90 percent of the population. These were important things to consider in terms of economic mobility. It was not the pretty picture that was sold all the time by politicians. Globally, the statistics just did not show it, even within the United States.

- He also noted that interest rates were at an all-time low, rock bottom zero for the banks, which were not going anywhere but up, and that would affect affordability. The Federal Reserve was talking about raising interest rates six months from now. That would impact affordability.
- So, to the question “if you build it, will they come”, “they” included developers. In his business, he could not get trapped in what was called presentism, which was “what was going on today would rule tomorrow”, because tomorrow would likely be different. He recommended keeping these practical things in mind. Everyone was involved in the very difficult process of trying to predict the future.

Bill Ciz, 28300 SW 60<sup>th</sup> Ave, said he lived in what would be the South Neighborhood of the Frog Pond Area Plan and was also on the Frog Pond Task Force. He noted a lot of discussion was focused on the West Neighborhood and lot size increases, and it seemed that there was an overall idea of shifting lot sizes. He found the conversation very informative and helpful. One thing that jumped out at him was that the plan had merely taken the existing idea of the plan and boosted up the size of lots. It seemed like there might need to be some consideration in the overall plan, maybe in the West Neighborhood also, about changing the positioning of the Small versus Medium and Large Lots, because the Concept Plan was built on certain ideas and concepts about laying housing out. Some of those concepts with larger lots or the idea of even larger lots, the 8,000 to 12,000 sq ft lots, might need to be reexamined based on where those lots could be positioned in the overall area, and where they might best be positioned based on the size of housing that they would typically draw. He suggested looking at that.

Mr. Dills continued his presentation, reviewing the remaining four issues or refinements discussed in his memorandum (Attachment E), which regarded the street framework, parks and open space, neighborhood commercial design, and zoning standards.

Mr. Neamtzu responded to questions from the Commission’s on the Frog Pond Area Plan as follows:

- Only part of the surplus funds shown in the tables Page 44 of 143 of the meeting packet would be used for the City’s commitments in Frog Pond, because the System Development Charge (SDC) methodology was

set up to address projects across the entire city, which was how the rate was established. Not all the revenues generated from Frog Pond SDCs would remain in Frog Pond. He confirmed that the CIP funds required for Frog Pond would come from other existing SDC funds.

- He confirmed the funding surpluses and gaps shown in Tables 8 and 9 on Page 45 of 143 were relatively good numbers and pretty close to neutral. No giant amounts were involved as seen reported for South Hillsboro and other large concept plan areas.
- He clarified that the total off site infrastructure costs were applied per lot, but only a proportionate amount of that cost was used in the calculations; for example, if only 20 percent of the West Side Reservoir was needed to ultimately serve Frog Pond. All the infrastructure costs were divided to provide the total cost of \$14,000 to \$17,000 per unit.
- Although debated internally, there was simply no way to quantify how much more Large Lots might use than Small Lots. One person might live on a 5,000 sq ft lot and 50 people might live in a 200 sq ft house. A sliding scale based on lot size might be a solution, but there was no way to actually quantify or get a fair and appropriate methodology based on the size of a structure. Having more bathrooms did not mean the toilet was used more than in a small home.

Commissioner Hurley left the meeting at 9:03 p.m.

Mr. Neamtzu's responses to Commissioner questions continued as follows:

- Accessory Dwelling Units (ADUs) were calculated as an extra unit, which was why City Council waived the SDCs on ADUs about six years ago to incentivize building more ADUs in the city, realizing it was a pretty small impact on the whole system. Unfortunately, it had not incentivized the construction of ADUs.
  - As part of Phase 2, the policy discussion would include whether to allow ADUs, and whether a full SDC, reduced SDC or something else should be involved. He confirmed ADUs were currently limited to 800 sq ft in size under the Development Code.
- He confirmed that when adopted, the Frog Pond Area Plan would be for all three neighborhoods, unless Staff was directed to work more on the East and South Neighborhoods and proceed with the West Neighborhood. However, the contract and scope of work were set up to do one concept plan for the three neighborhoods and then do the master plan for only the West Neighborhood, which would get the full implementation and zoning strategy and could result in more work being needed for the East and South Neighborhoods due to the retail use and different housing type in the East Neighborhood. Much of what was done for the West Neighborhood in Phase 2 could apply to the East and South Neighborhoods, though more work would be needed for implementing East and South.
- He clarified that Options D & E were part of a menu of choices; different options could be considered so everything would be kept a bit fluid.

Commissioner Springall noted that during public testimony, it was suggested that an Option F be developed to consider moving some of the Medium Lots to Large Lots. It would be interesting to see the impact that option would have on the price range and infrastructure costs. He was uncertain how to quantify how many Medium Lots should become Large Lots.

**Simon Springall moved to direct Staff and the consultant team to develop an Option F, converting 50 Medium Lots in the West Neighborhood into an equivalent area of Large Lots, and show the financial impacts to infrastructure and housing price. Eric Postma seconded the motion.**

Commissioner Millan was concerned about having larger lots in the West Neighborhood, only to find that the East and South Neighborhoods would have to absorb a higher density. She understood it could be two separate issues, but she was concerned about making such decisions in a vacuum.

Vice Chair Greenfield believed the point was made that there was wiggle room in West Neighborhood that might not be available in East Neighborhood, but that was well down the road.

Commissioner Millan responded because technically, the City could not even plan that area because it did not exist, but it had to have some planning because of the Concept Plan. She did not disagree with the proposal, but did not want to make the decision in a vacuum.

Commissioner Postma suggested amending the motion to be proportional, so that a number of Medium Lots were increased into Large Lots in all three neighborhoods to provide some flexibility on those numbers.

Vice President Greenfield preferred to defer that to the discussion regarding the East and South Neighborhoods.

Commissioner Postma understood the Commission was discussing the East and South Neighborhoods at the same time.

Commissioner Millan added that even though the West Neighborhood would develop quicker.

Commissioner Springall interjected, saying he agreed with Vice Chair Greenfield. Because of the UGB situation, it seemed that all bets were off for the East and South Neighborhoods in the near term, and there was clearly a lot of interest in moving forward with the West Neighborhood. He agreed the Frog Pond Concept Plan was conceptually for a single, cohesive neighborhood, although the East Neighborhood was different in concept and a lot more dense than the West.

- He believed the Commission was leaning toward addressing the balance of density citywide rather than within Frog Pond, and he had heard some convincing testimony and Commissioner comments along those lines. He was inclined to leave the concept plan for the East and South Neighborhoods alone, adding Options E and F would remain the same for the East and South Neighborhoods, but they would be different for the West Neighborhood.

Mr. Neamtzu noted that additional landscape architecture work was underway to develop some illustrative diagrams of the attached product, including some cottage product, which would be presented to the Commission in July to inform that housing type. He recommended continuing with the motion as made, adding significant adjustments had been made to the East and South Neighborhoods, and more discussions information was underway, so he suggested not jumping too far ahead of that pending information.

#### **The motion passed 5 to 0.**

Vice Chair Greenfield noted he was not committing to vote for Option F, but it was good to step a bit more outside the field of comments.

Commissioner Levit stated that based on public input, Large Lots should be placed in the most attractive areas. Placing them right on Boeckman Rd might not be as attractive as somewhere else. There should be a reason for where the Large Lots were placed; perhaps, there was a better location than what the City normally considered the gradual transition of the size of the property.

Commissioner Postma added that placing more of the Large Lots along the Significant Resource Overlay Zone (SROZ) actually provided the opportunity to have larger lot sizes. The homes would not abut the SROZ, but there would be usable, though not buildable, space.

Mr. Neamtzu replied that was conceptually possible. The team viewed the SROZ as a public amenity and was not looking to privatize it, which was discussed with the Task Force. The lotting was not envisioned to go down the canyon. The SROZ was considered more as a collective resource that benefited the entire community. Having the trail interface and linear greenway crossing private property on public easements would not work well. It was better planning to think of it as a community asset.

- He clarified that the reason for locating the cluster of small lots next to creek was due to the proximity to the job base and Town Center.

Commissioner Springall clarified the Commission was asking for a financial analysis, not the actual lot locations.

Mr. Neamtzu said Staff had guiding principles to inform how to develop Option F, which would be a very thoughtful process and Staff would return with an explanation in July.

Vice Chair Greenfield called for a brief recess at 9:20 pm and reconvened the meeting at 9:24 pm.

#### B. Transportation Performance Modeling – Preliminary Look (Adams)

A 4-page handout titled, “Why a New Performance Report?” was distributed at the beginning of the meeting.

Steve Adams, Development Engineering Manager, explained that starting this type of performance monitoring of the City’s transportation network had been discussed for a three or four years to ensure what was being modeled and built actually translated into Wilsonville’s transportation system and that nothing was being missed.

- The impetus for this project was when Day Rd was designed and built 15 years ago. Transportation planning was done based on traffic increasing at an average of 2 percent over a 20-year time period, but Day Rd had increased at about 4 percent per year. Although the City had no development there, many people from Tualatin and those using the Tualatin-Sherwood Hwy were using Day Rd, which broke the street down physically much faster than expected, putting a lot more strain on the City’s transportation system. Staff decided to review the system every couple of years to ensure that other outside development was not straining certain City intersections or roads, and that the City was up to date on what was happening.
- The City contracted with DKS Associates to conduct a performance monitoring of the City’s network, which examined a variety of options for the City to consider. The performance report would be presented to the Commission in July.

Brad Coy, DKS Associates (DKS), noted that DKS worked with the City in 2013 to complete the Transportation System Plan (TSP). Chapter 2 of the TSP outlined the City’s vision for the transportation system and seven goals were identified, which he noted. Questions were often asked about the City’s progress in achieving those goals, and the metrics were often auto-centric, but a lot of effort was being made in the industry to gather additional data to better understand how cities were doing with regard to safety, cost effectiveness, reliability and livability. Chapter 7 of the TSP addressed performance and set the stage a bit for the Transportation Performance Modeling project, which would focus on developing metrics. The Performance Report was envisioned to be a regular yearly or biyearly report that looked at each of the TSP’s goals to track progress and see the impact of the City’s decisions on the transportation system.

Mr. Adams and Mr. Coy reviewed the handout “Why a New Performance Report?” which discussed Performance Measures and provided an example of how the modeling would be used to determine whether the City was meeting TSP Goal 3: Functional and Reliable (Page 9 of handout).

- Next time, some recommendations would be made about other metrics and sources of additional data to collect. Many sources were considered and Staff talked with partner agencies to get a better feel for what data was available. Some metric would have placeholders in the next report and the Commission would see some recommendations about collecting additional data to better understand the situation at I-5 at Wilsonville Rd, as well as connectivity and how to measure how connected the city was.

Discussion and feedback from the Planning Commission was as follows with responses to Commissioner questions as noted:

- Mr. Adams confirmed the timing of five of the five intersections, shown in the graph on the last page of the handout, were controlled by ODOT, though the City could work with ODOT to tweak the timing to improve delays at intersections. DKS also worked with the connectivity on the signals to get them to flow from east to west all along the road.
  - ODOT was sometimes responsive, but they had a hierarchy of needs and their first priority was traffic flowing smoothly on I-5. The second priority was ensuring the interchange ramps, particularly for I-5 were being served, which was partially why the congestion on I-5 backs up to Wilsonville on local streets.
    - Again, the issue was not the signal timing; the congestion was due to spillback from the interchange ramps on I-5. The analysis showed that the signals were adequate and that building more lanes would not solve the problem either.
- Wilsonville Rd, especially at the intersections of Brown Rd and Boones Ferry Rd, seemed to be a bigger problem in the morning for those driving to and from Boones Ferry Primary School. The standard was to always measure at the PM Peak Hour, from 5 pm to 6 pm, so the problems in the morning was not accounted for.
  - When school was not in session, one could travel from the west end of Wilsonville to I-5 without stopping in the morning; however, at other times of the day, drivers were stopped at every light. The signal timing seemed to be changing over the course of the day, which would affect some of the statistics, depending on when the data was gathered.
  - Another part of the traffic problem was that people kept their kids at Boones Ferry Primary even though they were out of the bussing district, which increased traffic.
  - Mr. Adams explained that in the morning, the majority of people were going to I-5 so the City directed DKS to time the signals to get traffic from the west side of Wilsonville to I-5 in the AM Peak Hour. In the PM Peak Hour, the signal timing changed to get people from I-5 to west Wilsonville, which was the opposite of the traffic going to and from Boones Ferry Primary.
- The statistics shown for the Wilsonville/Brown Rd intersection were just not possible for the morning or afternoon. It often took 10 minutes to get onto Wilsonville Rd and to I-5 in the morning, as well as back from I-5 in the afternoon.
  - Additionally, for a long time Villebois traffic had no other option except to be on Brown Rd, so the 0 percent could not be accurate. (Page 15 of the hand out) Brown Rd was the only place Villebois traffic could access Wilsonville Rd and traffic was continuing to increase, so again, the statistics were inaccurate.
  - Data in the example was collected on one day between two years and could have been a high day in the past and a low day in the future, which could be why Brown Rd at Wilsonville Rd had a lower percentage. Many factors could affect the data, so it was good to have someone who lived there and knew exactly what was happening.
- Boeckman Rd westbound from Villebois was also getting bad in the morning as the alternative from Villebois, which was due to the density of Villebois.
- After a development project was complete or significantly completed, the City should see if its traffic projections for the project were correct. Otherwise, there might be another Day Rd situation. Issue would continue to propagate if the traffic model being used was not right for the Wilsonville area; perhaps it was a grand scale model for traffic everywhere. The Engineering Staff might find that making certain tweaks to the model would make the traffic projections more accurate.
- When considering whether road counts were accurate for bikes or not, counting bicyclists was difficult. Counts were often done when it was raining or in the winter, which did not accurately indicate what was happening with bike riding, which would only be magnified if studied over time.
- The bike and pedestrian counts done in September were not very accurate. At one intersection, the track team came through and were all counted as pedestrians, which was not a valid number.
- With regard to public comments on semi-trucks, Mr. Adams clarified that traffic counts done on a roadway include volume, speed, and vehicle type, which was broken down into a specific table. Several residents in the Landover neighborhood have raised concerns about truck traffic and he did summarize the data for

City Manager Bryan Cosgrove and Community Development Director Nancy Kraushaar, which he would also provide to Mr. Neamtzu to send to the Commissioners.

- Both Wilsonville Rd and Boeckman Rd were identified in the TSP as arterials, which are identified as carrying truck traffic so the roads were planned, designed and built for truck traffic.
  - Stafford Rd was currently under the County's jurisdiction, but when it came under City control, it was identified as an arterial in the Frog Pond Concept Plan. Stafford Rd would be designed as a three-lane road when it first came into Frog Pond, and the long-range 20-year plan identified Stafford Rd as a five-lane road, which would occur when the South and East Neighborhoods come into the city. According to the Frog Pond traffic study, Stafford Rd with three-lanes would support all of Frog Pond's traffic, but Stafford Rd went to five lanes in Metro's model when other lands were annexed.
  - That segment of Stafford Rd would be collecting from 65<sup>th</sup> Ave and Elligsen Rd, which would be a lot of traffic. Two traffic lights would eventually be installed on Stafford Rd at Boeckman Rd and at Kahle Rd.
- Data was collected in the afternoon, but conditions were often worse in the morning. AM data collected in all areas would be significantly different, including wait times. When considering performance, PM data alone might not provide a broad enough picture, so collecting and considering AM data should be considered.
- Other difficult, high traffic areas were 95<sup>th</sup> Ave and Town Center Lp at Elligsen Rd.

Commissioner Millan applauded Staff's efforts and noted that doing the Performance Measurements was an excellent idea. She looked forward to seeing more on the project.

## **VII. INFORMATIONAL**

### **A. Basalt Creek Concept Plan update (Bateschell)**

The Staff report for the June 15, 2015 City Council meeting was distributed at the beginning of the meeting, with a memorandum titled, "Basalt Creek: Guiding Principles and Evaluation Criteria," dated December 29, 2014.

Miranda Bateschell, Long Range Planning Manager, noted the Staff report packet distributed to the Commission was provided for City Council's Monday work session to prepare for a Joint Work Session with the Tualatin City Council on June 17, 2015. The two colored maps in the packet illustrated two land use scenarios that included two different boundary options, and the last page was the Basalt Creek Concept Plan Timeline, where stars indicated where the concept plan was in the process. Next month, she would return to share more detail on the two land use alternatives and boundary options and provide an update on the Joint City Council Work Session. She addressed questions and comments from the Commission with these comments:

- The two City Councils directed their staff to look at boundary alternatives that did not solely follow the Basalt Creek Parkway. In Boundary Option 2, the City of Wilsonville would have land north of the parkway into the Tonquin Loop area for additional employment opportunities. The concept behind Boundary Option 1 was to continue the existing residential use along the wetland drainage area and keep the residential area whole up Boones Ferry Rd.
  - She confirmed Boundary Option 1 recognized Tualatin's primary interest in having residential in Basalt Creek and Wilsonville's interest, which was primarily industrial.
- Employment Transition was a mixed land use type. One direction from the Joint City Council was to be creative with the employment types, but also think about the transition between residential and employment areas. The Employment Transition included some live/work space, fewer big manufacturing/warehouse spaces and more small tenants focused on creative industries, as well as additional open space to help landscape and buffer some of the uses from one another. The use would be more refined when the two cities began the master planning process.

- Though Tualatin was expected to choose Boundary Option 1 and Wilsonville, Boundary Option 2, both Cities' Staff's would be reminding the Councils about how the different indicators for both options played into the Guiding Principles, which were included in the packet, to help the Joint Council balance those different principles.

### **VIII. OTHER BUSINESS**

#### **A. 2014 Planning Commission Work Program**

Commissioners Levit and Springall confirmed they could not attend the August Planning Commission meeting.

Mr. Neamtzu said he would email the Commissioners for their schedules to confirm whether a quorum would be present.

### **IX. ADJOURNMENT**

Vice Chair Greenfield adjourned the regular meeting of the Wilsonville Planning Commission at 9:55 p.m.

Respectfully submitted,

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



**PLANNING COMMISSION  
WEDNESDAY, AUGUST 12, 2015**

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**V. CONSIDERATION OF THE MINUTES**

- B. Consideration of the July 8, 2015 Planning Commission minutes.

# DRAFT

PLANNING COMMISSION  
WEDNESDAY, JULY 8, 2015  
6:00 P.M.

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

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## Minutes

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### I. CALL TO ORDER - ROLL CALL

Chair McGuire called the meeting to order at 6:03 p.m. Those present:

Planning Commission: Marta McGuire, Eric Postma, Al Levit, Peter Hurley, Phyllis Millan, Jerry Greenfield, and City Councilor Charlotte Lehan. Simon Springall was absent.

City Staff: Chris Neamtzu, Barbara Jacobson, Nancy Kraushaar

### 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.

Debi Laue, 12340 SW Wilsonville Rd, Wilsonville, OR, said she had not yet seen Option F, but had been told allowed for 11 acres of large lots, which involved three owners that wanted to come together and develop that way, and also 205 small Lots. She asked if the information about the number of lots was accurate.

Chair McGuire confirmed there were 42 gross acres with 124 large single-family lots, 28 medium-sized lots and 205 small lots for a total of 610 lots.

Ms. Laue said she was very happy with Option F, as were several people she had spoken to who were unable to attend the meeting. The only change they would like to see was to move at least half of the small lots to medium sized lots because this was the only opportunity Wilsonville might have for a Wilsonville Meadows or Morey's Landing-type neighborhood, which seemed very unlikely to happen after this project. Having 205 small lots would not accomplish that type of neighborhood. She added it would be lovely for the builders to build two, three, or four homes a year, instead of having a production builder, to provide more interest and character in the neighborhood, so having at least another 100 medium-sized lots was very desirable for that reason.

Chair McGuire announced that the Basalt Creek Concept Plan update would be moved to the August meeting.

### IV. CITY COUNCIL LIAISON REPORT

Councilor Lehan reported that City Council recently held a productive work session with the Tualatin City Council about the Basalt Creek area. At the July 6, 2015 meeting, City Council:

- Primarily discussed Frog Pond, the pros and cons of Options D, E, and F, and the desire to have larger lots. The main concern was that the price increased substantially at the low end. Council recognized the development was likely to be different than other parts of Frog Pond that would have more constraints.
- Discussed a potential ballot measure to get an advisory vote regarding the Coffee Creek Urban Renewal District in the November election. While no decision was made, one was expected soon.

- Decided to surplus the Tooze Rd property, which would go out for bid with the minimum price the City paid for the property in 2006.
- Discussed the Newberg Dundee Bypass issue because the City of Newberg objected to ODOT's redesign of the intersection where the Dundee Bypass intersected Wilsonville Rd. The City of Newberg seemed less concerned with traffic on Wilsonville Rd than Wilsonville. The City Engineer would be meeting with ODOT and City of Newberg Staff to express the City's concerns. The City had sent a letter of concern to ODOT as had Clackamas County, the school district, and Tualatin Valley Fire & Rescue (TVF&R) because of the problems with Wilsonville Rd to Newberg.

Commissioner Levit asked what kind of changes could be done since the bypass intersection was already being built.

Councilor Lehan responded the changes would be where the Dundee Bypass intersected with Wilsonville Rd. Initially, the City of Wilsonville was not included as one of the stakeholders when the project was first discussed because the initial plan was to continue the bypass to 99W so all the modeling was based on that design.

- The recent change was to implement the project in phases and Phase 1 ended at Wilsonville Rd/Hwy 219. The City was very concerned about how Phase 1 would be configured. Initially, ODOT suggested signage would direct traffic to Portland or to I-5 and over to 99W; however, people's GPS systems would specify the shortest route, which was Wilsonville Rd by a couple of miles, and it would be difficult to put up a sign that argued with GPS directions. So, ODOT presented a reconfiguration of that intersection that would make it more difficult and circuitous to get to Wilsonville Rd from Hwy 219. ODOT had already agreed with the Ladd Hill Neighborhood Association that the plan was viable for the Phase 1 construction, but the City of Newberg had objected. ODOT wanted to proceed because they needed to get funding secured with the legislature, but said they would continue to look for solutions.
- She did not believe Newberg had said absolutely no to ODOT's solution, but everyone was flying blind because nothing had been modeled. Some people believed that hardly any traffic would be on Wilsonville Rd and, of course, the Ladd Hill neighbors were terrified. She believed this was a big issue for Wilsonville because Wilsonville Rd handled a lot of traffic through Wilsonville on the west side and because the more Wilsonville Rd became an arterial road, the more risk involved. The school district had noted that as traffic entered the city from the rural area, there were two school zones immediately which suddenly resulted in a much slower zone. She believed the City had a lot of valid concerns about the redesign and should at least insist that a full-scale modeling be done to determine any potential liability.

## **V. CONSIDERATION OF THE MINUTES**

- A. Consideration of the June 10, 2015 Planning Commission minutes  
*The June 10, 2015 PC minutes will be submitted for approval at the August 12, 2015 meeting.*

## **VI. WORK SESSIONS**

- A. Frog Pond Area Plan update (Neamtzu)

## **VI. WORK SESSIONS**

- B. Frog Pond Area Plan update (Neamtzu)

Chris Neamtzu, Planning Director, introduced the work session topic, noting the Planning Commission's meeting packet addressed the motion made at the Commission's June meeting about reallocating some of the Medium Lots to Large Lots and providing the financial model related to that reallocation. Additional statistics were also provided about the city's existing lot sizes, which were presented in a chart in the packet (Page 8 of 18 of Joe Dill's Memorandum). The project team was targeting September for the public hearing on the Frog Pond Area Plan and sought input on what the Commission would like to see prepared for public hearings.

- He reported that at the City Council work session, Council had serious concerns about the Required Home Price on the Small Lot product being so high. He recognized members of the project team who could address questions about the financial models, infrastructure analysis, or the coding of the land plans.
- He clarified that the Wilsonville Lot Size Distribution included everything that was platted in the entire city, which would include vacant or built lots, as well as the new Legend homes at Villebois. Only part of the former Living Enrichment Center (LEC) property, (now known as Grande Pointe at Villebois) was platted, so only the first 50 LEC lots were included. The second phase of the Grande Pointe at Villebois did not have final plat.

Joe Dills, Project Manager, Angelo Planning Group, began presenting his memorandum dated June 30, 2015, which was included in the meeting packet, noting that lot size was not the only issue on which the project team still sought direction. At the last meeting, the Commission had requested that some objective information be provided to help compare some of the demographics and income factors in Wilsonville with adjacent communities in the market area. Some Commissioners had discussed the desire to attract more CEOs and managing professionals to tie housing in Frog Pond to larger economic development and community strategies.

Brian Vanneman, Leland Consulting Group, presented the *Demographic Analysis Update* via PowerPoint which responded to the Commission's questions on June 10, 2015 about comparing the demographics of different cities in the area.

- He noted that the market area shown on Slide 7 was created following input from brokers and developers about where people in Frog Pond would cross shop. A larger market area was created this last week and demographics from that area would be provided to the Commission separately. This larger area was an eight-mile radius from Frog Pond and the demographics would provide a sense about attracting residents from a larger area with potentially higher incomes.
- Referring to Slide 8, Demographics, of the *Demographic Analysis Update* portion of the presentation, Mr. Vanneman stated that the demographics between the City of Wilsonville and the market area are similar in terms of household incomes.
- There is a growing number of 65+ households (Slide 9 , of the *Demographic Analysis Update* portion of the presentation).

Mr. Dills continued reviewing his memorandum via PowerPoint, describing Options D, E, and F for the West Neighborhood and resulting impacts on net density, affordability, infrastructure costs, and Wilsonville's housing mix.

Discussion and feedback from the Planning Commission on Key Issue 1 – *Residential lot sizes and housing, and paying for infrastructure*, related to residential lot sizes in the West Neighborhood was as follows with responses to Commissioner questions as noted:

- Mr. Neamtzu clarified that mobile homes were included in the single-family (SF) category when calculating the housing mix percentages on Page 9 of the memorandum (Slide 21), adding that multi-family (MF) was comprised of duplexes, condominiums and apartments.
- Mr. Dills confirmed that the infrastructure costs already included the approximately \$2 million in savings for the concept refinement for parks, as the project team assumed the refinement would be done. Without the refinement costs would increase approximately \$3,000 per lot.
- Mr. Dills clarified that infrastructure costs for new development would not be shared with existing homeowners who decide to remain on their property or a portion of their property. A lot would be drawn around properties with existing homes that remain and the land development on the remainder of the property would carry the new infrastructure costs. The cost calculations were based only on new growth and then divided by the number of new lots.
  - For any costs applied to a reimbursement area type of revenue stream, an existing lot with an existing home could be part of that Local Improvement District (LID), reimbursement district, etc. depending on the tool selected. However, the existing property would not contribute systems fees because it was an existing dwelling.

- Mr. Dills explained that existing homeowners would have a privilege in the size of lot they retained for themselves, but the City's average lot size requirements would apply. Mr. Neamtzu added that the parent parcel remnant would be part of the project area and reviewed as part of the subdivision application.
- Mr. Neamtzu confirmed a property owner could choose an inordinately large-sized lot for themselves, which could result in the other properties not being as large as the Commission might expect because smaller and larger lots could be used to get to the average lot requirement. Those details would be addressed during Phase 2 of the project.
  - Mr. Dills added one concept that had been discussed was to try to provide flexibility in the Development Code to accommodate that. Lot size averaging was in the Code now, but other tools to consider would be accessory dwelling units (ADUs) or the possibility of shadow platting future development on a larger lot.
- Chair McGuire read comments from Simon Springall's email dated July 6, 2015, entered into the record as Exhibit 1, regarding the West Neighborhood, noting his preference was Option E, but if the Commission could not reach consensus about Option E, he would support Option F.
- Option E was good, but there seemed to be very few tradeoffs to get to Option F, which was preferred because it addressed community input in a significant way.
- The Commission discussed how the East and South Neighborhoods fit into with the decision regarding which the options presented for the land use framework in Frog Pond. Key comments included:
  - Looking at only the West Neighborhood would make it difficult to restore some balance and understand how many of each lot type would be in all three neighborhoods. Deciding on an option would depend on what would happen in the East and South Neighborhoods because the Commission was still providing a concept of what kind of lot sizes and density would occur in East and South. If lot sizes were drastically smaller in the East and South, then an option with even less density than presented in the current options was preferred for the West Neighborhood.
  - The Commission could consider the whole plan and still make a decision on the West Neighborhood. There was only a difference of 35 lots between Options E and F and the Commission had been very reactive to public input in terms of including the larger lots in the plan. The Commission should not feel backed into a corner or that a decision could not be made on the West Neighborhood. The Concept Plan would get refined many times before it hit the ground.
  - Mr. Neamtzu explained that the West Neighborhood, being in the UGB with no conditions, provided the City with a unique opportunity, which City Council discussed at length in the work session on Monday. Because a different set of rules would apply to the East and South Neighborhoods, the Commission should consider and discuss how those neighborhoods fit within that set of rules.
    - He confirmed the entire Concept Plan for all three neighborhoods would be presented at public hearing in September.
    - He clarified that Staff was not suggesting that the East and South Neighborhoods should not be considered, but was suggesting a menu of choices. As Commissioner Springall suggested in Exhibit 1, one option might be chosen for one neighborhood and a different alternative for another neighborhood, or even a hybrid of Options D, E, and F, or some option yet to be discussed. The idea was to step through the process; although a lot of focus was on the West Neighborhood, obviously the other neighborhoods must be discussed as well.
  - Chair McGuire suggested discussing where the Commissioners were as far as the range of options and then seeing about reaching a consensus on the option for the West Neighborhood. Then, the Commission could look at the big picture and discuss the East and South Neighborhoods and revisit the options if necessary.
- With such small differences between Options E and F, Option F was preferred to provide flexibility. The different housing types in the East and South Neighborhoods could easily make up for the 30 or so units lost in the West Neighborhood.
- The differences between Options E and F were not worth discussing.
- Multiplying the expected selling price of the homes by size in all three options come out to same number, which was a surprise in one sense, but not in another.

- The biggest concern was the increase in the cost of housing from Option D to Options E and F. Despite what realtors and builders said last time that the expensive homes would be purchased, if there was a recession, building would stop and construction on the expensive homes would stop first.
  - Homes under \$300,000 were selling in Villebois, but the more expensive homes were not selling as fast, though they were selling; so it was hard to tell what would happen with \$700,000 homes. Despite the best intentions of wanting to provide that potential, it was uncertain whether it would play out.
  - The Commission needed to be responsive to what the community envisioned for the area, but there were concerns about how marketable the large lots would be because it was uncertain who would be able to afford them, unless higher technology or some other job base was brought into the city to support those homes.
  - The value of the homes Option E or F was so high that to attract the right people, the entire development would have to be so terrific that everyone would want to move in; not just because it was Wilsonville but because of what was around it; it could not be like anything else in the area.
  - Market data from multiple realtors, including a realtor focused on the Villebois market, showed that large lots in Villebois were selling faster. Perhaps, that data could be provided at a later date since the number of sold signs in Villebois did not confirm that.
  - Large lots in Villebois were 6,000 to 8,000 sq ft and were not more than \$600,000. The lots were selling faster than other less expensive lots, and more often than not, before the homes were even built.
- It was disappointing that a lot of market data was still missing, for example, where the income and home buyers were coming from because they were still looking in this small area.
  - Most fascinating about the new economic data provided was the map showing where the high-income jobs (Slide 4, of the *Demographic Analysis Update* portion of the presentation,) were versus where high-income housing (Slide 3) was located. In comparing the two images, West Linn had virtually no high income jobs, but Wilsonville did, and those with very high incomes were living in West Linn, which meant that Wilsonville had the jobs, but sending those people to live elsewhere, which was unfathomable.
    - That was a pretty big assumption to make; Higher-Wage Jobs were identified as \$40,000+ per year which was not a \$775,000 house.
      - The point was some of that data was still missing.
  - Whether potential homebuyers were being considered from the Portland metro area or a small ring around Wilsonville, a couple things were still missing:
    - Wilsonville was building more industrial space and targeting higher wage jobs, but no homes were being built for those people. Wilsonville did not have executive level homes, so essentially the city was telling them to go live in Lake Oswego or West Linn, where higher income homes were located. For some reason, Wilsonville was putting more cars on the road for people to travel farther distances to work in Wilsonville. They would not be able to attract those businesses to Wilsonville because there was no housing for the types of businesses.
    - Multiple real estate agents have shared that those buying higher end homes were coming from places like California where people were selling homes for \$725,000 and had the option to purchase the same size home they had in California when they move to Oregon for about two-thirds of the price. That sector was missing as well; those people were living in other places.
- Of the options presented, Option F was preferred, but it was still too dense. Too many Large Lots were missing in the East and South Neighborhoods as well.
  - There were some reservations, but economic and market data were missing that could inform whether more Large Lots would truly work. The fact that people in Wilsonville were not buying Large Lot houses was continually being justified by looking at Wilsonville, yet there was a clear acknowledgement that such homes did not exist in Wilsonville.

- Though some data was missing, there was enough to support at least Option F with some tinkering on the East and South Neighborhoods to recover some of that as well.
- Renaissance's infill project had eight of thirteen lots sold for more than \$600,000 and no for sale or sold signs had been seen. Only one structure was partially erected on one lot.
  - About a year ago, the Commission received the economic data for the Wilsonville area and the median or average salary for one person in the high-tech sector was \$80,000 or \$94,000 per year.
  - As stated previously, you do not look at existing market to figure out the market you will or want to have.
  - If a Large Lot was not on the menu, no one could buy it.
- Option F was definitely the preferred option, considering the thinking with the East and South Neighborhoods, or another option that rolled into considerations that end up occurring because of the East and South Neighborhoods.
  - The placement of the extra Large Lots was interesting, but was understood given the current desires of the existing landowners; the rest of the colored squares could be moved around in the future if no deed restrictions were placed on a piece of property, which could occur where the Large Lots were added in Option F versus Option E.
  - It was still a free market society and Wilsonville now had more than enough work force housing. It was time for anyone who did not want to live in the Stafford area, but wanted to be in the general area to have an option to live in the Wilsonville community, as heard from so many people during public testimony who said they had to live out Stafford way because Wilsonville did not have large enough lots.
- Could the colored squares actually be moved around in Option F?
  - Mr. Dills responded the project team was proposing the array of colors presented in Option F.
- What was striking was that it would have to be nice around the Large Lots and homes, yet there was a little cluster of Large Lots on Advance Rd. If they were talking about making that area all the Large Lots, that did not make any sense. People wanting the Large Lots would want a similar configuration around them, so why were the Large Lots plunked down on Advance Rd.
- Mr. Dills explained the project team looked at two other configurations for Large Lots in Option F, and chose the current layout for Option F for the following reasons:
  - The area north of Frog Pond Lane was right next to the power lines, which did not seem to be a good fit for higher end homes.
  - The area more toward the middle was not chosen because the Task Force had discussed the neighborhood edge near Boeckman Creek and decided they liked the idea of having more people near that neighborhood edge for stewardship reasons and to have an open space amenity that was effectively connected into the neighborhood.
- Mr. Dills confirmed that the existing homeowners in that area possibly wanted deed restrictions. The project team had heard from at least one property owner, and a couple others said they were working together with a preference for larger lots as shown on Option F.

The Commission consented to support Option F for the West Neighborhood of Frog Pond.

Mr. Dills reviewed the metrics related to the adjustments made to Option E for the East and South Neighborhoods (Slide 20), noting that Option F was not included as that was not directed by the Commission in June. His key comments were as follows:

- The total number of dwellings changed from 1,325 to approximately 1,100 dwellings, decreasing the overall density in both neighborhoods. The net density decreased from 10 to 8.24 dwellings/net acre.
- The current practice with Metro in bringing urban reserve areas into the UGB was to attach conditions to direct local governments with respect to density targets, which was done in a couple different ways.
  - From Metro's past practices, all other concept plans were brought in with 10 units/acre or greater.

- If the Commission chose to plan the future urban reserve areas with a density around 8 units/acre as shown, then there was the risk that Metro might look at it less desirably as a candidate UGB expansion area.
- The City had been in direct conversation with Metro Staff and had a pretty good region wide track record to consider when trying to predict how Metro would make that call.
- The cost per lot was quite a different story than the West Neighborhood because there were more lots and less infrastructure required.
- He briefly reviewed the Land Use Framework map, which was displayed onscreen.
- The Illustrative Plan helped to illustrate the design standards that would be put in place and the next level of illustration from the zoning colors shown on the framework plan. He briefly described the Illustrative Plan being worked on for East Neighborhood, which included a neighborhood park, six streets, and direct walking routes to the neighborhood center. The Illustrative Plan provided a different level of richness that was very much part of the recommendation.
  - Option D included the attached and cottage style product, which was indicated by the most orange brown color. The variety of housing within the attached and cottage lot designation was anticipated to be everything from detached cottages around the green to townhomes in three, four, maybe six clusters, on up to senior housing.
    - The Small Lot designation would be adjacent to the attached and cottage lot designation, essentially performing a transect out to the rural areas.
    - Option E essentially increased the lot sizes of each of the designations as done in the West Neighborhood.
  - Mr. Neamtzu believed the Illustrative Plan being created for the attached and cottage lot designation would be very informative in providing a better understanding of that land use pattern. He had similar concerns about that designation being homogeneous or not containing enough diversity and wanted to draw it in a detailed manner to depict what that could be and flush out the concepts more.
  - The Illustrative Plan for the East Neighborhood should be available at the public hearing.
- Mr. Dills stated the principle of the rectilinear street framework was connectivity, confirming that how that connectivity was delivered was somewhat flexible. Primarily it would be determined by 60<sup>th</sup> Ave and Frog Pond Lane because continuing that connection was a natural thing to do and was consistent with other concept plan principles. Though shown as linear, there was a lot of room to move within the street framework to have a more organic street framework.

Discussion and feedback regarding the East and South Neighborhoods continued as follows with responses to Commissioner questions as noted:

- To minimize the assumption of a grid, it might be good to emphasize more organic streets in the illustrations.
- Option D resulted from the work session with City Council after all the apartments were removed from the prior concept.
- Mr. Dills confirmed that having either mixed use or small scale retail in the commercial designation was very much the concept. Feedback from the online surveys indicated a lot of support for a mixed concept. Mandating that concept would be pretty assertive, so for purposes of calculating capacity, the project team had not assumed mixed use would be mandated, but it certainly would be allowed. He would characterize mixed use as a community preference at this point.
  - Adding the mixed use component would only impact the density discussion by the 30 to 40 housing units that could fit on the second story of the footprints.
  - He did not know how the mixed use was doing in Sherwood on Roy Rodgers Rd.
- Mr. Neamtzu explained that building height restrictions and other dimensional standards would be discussed as part of the code work during Phase 2.
- Land Use Framework Option D was presented to the Commission. Option E would not change other than having larger lots for each of the colors representing the product types.
- As discussed at Council and Task Force meetings, there were several things working against having commercial at the Boeckman/Stafford/Advance/ Wilsonville Rd intersection:

- First, Town Center was a mile away. Commercial was already not succeeding in Town Center and the commercial use in Frog Pond could possibly draw more business away.
- If mixed use, residential above commercial, was a consideration for the future redevelopment of Town Center, it would also be in direct competition with the mixed use in Frog Pond.
- Commercial locations in the city for the exact same use had not worked over the last 30 years. Even with full build out at Morey's Landing, the commercial use there never happened.
- Another consideration was the assumption that corner would remain empty until closer to full build out as homes were built deeper into the development area.
- The new cell tower located in Frog Pond would keep a lot of people from wanting a house nearby.
- Retail was collapsing nationwide due to online shopping. Again, why steal a diminishing piece of retail from Town Center where it was already faltering?
- If the East Neighborhood was anticipated to be built out in the next 15 to 20 years, there should be an Option B or C for the commercial space in Frog Pond.
- Chair McGuire read Commissioner Springall's comments from his email (Exhibit 1), regarding the East and South Neighborhoods, noting his preference was Option D.
- Anything less than Option E would be a no vote, in fact, other options should be considered because there a lot of Small to Medium Lots were still being built in Villebois, so that market was covered.
  - Density could be increased in the future, but not decreased, so setting the City's density mark where it could not be reduced was very concerning. Option F should be considered for East and South as well.
- Anything less than Option E was not acceptable. The Commission should consider where Wilsonville was only two years ago when they thought the City was pushing the boundaries for having ADUs. It was a bit disconcerting going from that to townhouses on 2,000 sq ft lots in two years.
- Option D was preferred due to the amount of work and compromises made through the various open houses and work sessions. Overall, it was a more efficient use of land and better sustainably for the environment because City's infrastructure was used more efficiently. Option D also better supported Wilsonville's aging population by having a range of housing options for seniors.
- The aging population wanted a single-level master on main which could not be done on smaller lot sizes. To actually serve an aging population, lot sizes needed to increase.
  - Mr. Neamtzu clarified that cottage housing was an 800 to 1,200 sq ft single-story home that could fit easily on a 3,000 to 4,000 sq ft lot.
  - Mr. Vanneman noted that in considering the market for this project, the most interesting and well done study he found on aging households and their preferences was conducted by Portland State University, which was cited in a number of documents and could be provided to the Commission. Aging households do talk about master on the main and single-floor living, but also had a propensity toward higher density living where more amenities were within close proximity.
  - It seemed most appropriate that a single, elderly person would live in a condo in Town Center than in a single-family home. There would be no services available in Frog Pond for those that might be retired, aged, or disabled. A niche market of services would be needed that would not be able to stand on their own on the corner of a commercial area.
    - Mr. Dills noted that considering the projected increase in the aging population (Slide 10 of the *Demographic Analysis Update* portion of the presentation), Wilsonville would likely be well served by senior living in both Town Center and Frog Pond.
- Entry level housing was needed for young professionals and small families, which were the upcoming backbone of Wilsonville's future economy. Housing should be providing for them as well, it was not all about seniors.
  - Villebois had that housing in spades. The issue was that Wilsonville had no housing options for people moving up after the Landover neighborhood. Although Renaissance and other areas had larger lots, no lots were larger than 7,000 sq ft.

- Older areas like Fox Chase had what would be considered large lots; some were about 8,000 sq ft and even bigger lots due to the street configuration. The housing was old, but bigger lots did exist.
- Senior citizens were a complicated demographic. Many tend to be active and most who moved from California want to live in Portland because they like that kind of living. It was uncertain how many would come to Wilsonville, which had a large amount of assisted living. Many elderly come to Wilsonville because their children live here and they want to live in less expensive homes. Most would never be able to afford anything being discussed for Frog Pond.
  - Specify exactly what any demographic would want was difficult.
- Blue collar and lower white collar workers with double incomes lived in Commissioner Hurley's neighborhood and several people owned their own business. Homeowners tended to leave once they were successful.
- Option D was the preferred option and it was a good compromise.
- When the Commission had heard all the testimony about larger lots in Frog Pond, people were not just talking about the West Neighborhood, they were talking about the entire project, so Option D seemed to go against the feedback received from Wilsonville citizens. It was important to build a community that people said they wanted built.
- At the June meeting when the Commission discussed revisions and considered Option F for the West Neighborhood, it was understood there would be the opportunity to suggest revisions for East and South Neighborhoods and have Staff return to the Commission in July for further consideration.
- If the City did not achieve a certain density, it was less likely that the East and South Neighborhoods would be brought into the UGB.
  - Mr. Neamtzu stated the most recent UGB expansion was the only time he could remember that Wilsonville was the only city in line. The time prior, a number of communities received an expansion and Wilsonville and the cities in line behind them did not. Now, the City had to wait 3 to 5 years for the next UGB expansion process, and at that time, there was certain to be at least five cities with concept plan areas requesting UGB expansions, so essentially, it was a competitive process.
    - Metro Council had a limited amount of land to expand to meet the need. Metro would review their Regional 2040 policies and reward what they believed was good planning, which was important to keep in mind going forward.
- One question raised at one of the Frog Pond Task Force meetings was what benefits current Wilsonville citizens would get by bringing in the East and South Neighborhood areas into Frog Pond. What were the negative impacts to the citizens of Wilsonville, if the areas did not come into the UGB?
  - Mr. Neamtzu stated there were several considerations to consider. The school district bought land out there without really talking to the City about where they were going to buy it. The City then conducted its 20-Year Look to see where Wilsonville wanted to grow as a city, and did a lot of planning over the last 10 years because the area was identified as a priority for the future expansion of Wilsonville.
    - The property owners in that area would be forever changed with the school being constructed so getting the land into the UGB afforded those property owners some opportunities to have options as they moved forward in their decision making.
    - There was also a 10-acre community park associated with the school district's property in the area.
    - The City had a lot of eggs in the basket as far as going into that neighborhood and trying to build a community around those schools.
    - Bringing those areas into Frog Pond was about economies of scale, it was about community, and getting the park and school surrounded as a center piece of community rather than isolated on the edge of a rural area. The City was following through on all the work done historically in moving through these processes.
- There was also the danger of not allowing Wilsonville residents to decide what this neighborhood would look like. Making a decision about the East and South Neighborhoods based on what the

Commission believed would be approved by Metro was essentially allowing other communities decide what Wilsonville was going to look like.

- The Commission heard so much testimony about what Wilsonville citizens and those property owners wanted Frog Pond to look like, yet the Commission was just breezing past that to meet a standard of density. The City should build the community Wilsonville wanted, not what other cities in the Metro area wanted Wilsonville to build.
- The bottom line was if the City did not follow through with all the planning done and discussion thus far, the area would not come into the UGB and then it would all be a moot point. The city would not even have the few large lots that were there.
- The elementary and middle schools on Wilsonville Rd were built 30 years ago and the City decided to build a park on the south end of town instead of a subdivision to bring that school into a neighborhood. There would be very little difference if the area north of the school at Advance Road remained rural reserve. In another 20 years, the City could put in a park system so it would look like the other end of Wilsonville Rd. School districts put schools on the edge of town because it was a cheap place to put a school; Canby was one example.
  - Again, what was in it to make quality life better for the current citizens of Wilsonville.

The Commission conducted a straw poll on which land use option should be used for the East and South Neighborhoods.

Option D: Chair McGuire and Commissioners Springall (via his submitted email), Levit, and Greenfield

Option E: Commission Millan

Option F: Commissioners Postma and Hurley

Commissioner Hurley added he preferred Option F as a minimum.

Mr. Dills stated the Commission's discussion, all the points of view and the straw poll vote would be carried forward to the City Council work session.

Mr. Neamtzu explained that City Council would be briefed during a work session at Council's second meeting in August. Staff would provide details about this Planning Commission meeting and also provide any additional information requested at the July 13 work session, in addition to the Illustrative Plans and materials still being prepared. The public hearing was tentatively set, but he was hearing concerns about the process taking too long. Phase 2 also needed to be done and property owners were concerned that work would extend to the end of 2016.

- He confirmed the work was funded through a grant, and as alternatives were created, the City was in a position of not being able to use that grant money. He noted that all of the recent work this last month was out of scope, and that the number of out of scope items was significant.
- He clarified that the public hearing was scheduled for September, but the Commission could take as much time as was needed to work through that process. The Planning Commission's recommendation would then be presented to City Council for final adoption.

Chair McGuire added it would be good if City Council could help narrow the project choices and forward a final draft for the Planning Commission to discuss and deliberate.

Mr. Dills described the refinement to the Park and Open Space Framework (Key Issue 3) via PowerPoint and as presented in his memorandum.

- He noted that on the Park and Open Space Framework, a potential future park site had been indicated with an asterisk adjacent to the 10-acres currently in public ownership. The idea was that the community park could expand to that adjacent property, but the property owner asked that the asterisk be removed, and the project team was comfortable in doing so since there were no concrete plans to acquire the property. All planning was focused on making the public ownerships work first.
- He confirmed that by removing the asterisk, the property could potentially develop as housing once the area was brought into UGB.

Comments from the Commission and responses to Commissioner questions were as follows:

- The proposed refinement was a better concept and took advantage of the Boeckman Creek area.
- Mr. Dills confirmed that terrain was not an issue where the more linear park was proposed as both the park and trail would be more upland. He noted the upland trail was shown when the proposed trail alignments were presented.

The Planning Commission consented to the Park and Open Space refinement.

Mr. Dills concluded that the remaining items were purely informational, and briefly highlighted the key design standards that would apply to the Neighborhood Commercial Center and would be carried forward into the package presented at the public hearing. (Key Issue 4, Slide 26)

Chair McGuire repeated her announcement that the agenda was revised at the beginning of the meeting to postpone the Basalt Creek Concept Plan Update to the August Planning Commission meeting.

Mr. Neamtzu noted Ms. Bateschell was out of the state due to a family matter, adding the update was essentially a recap of the Joint City Council meeting, so not a lot of new information was coming forward.

#### C. Coffee Creek Industrial Area Form-based Code (Neamtzu)

Chris Neamtzu, Planning Director, noted the Commission had received a complete and extensive Form-based Code package, adding he had just received the Form-based Pattern Book last week and was not quite up to speed on all the details. The project team from Urbsworks and Bainbridge Planning were in attendance and tonight's work session was to get the big issues on the table for discussion and to introduce the packet of materials to begin working through them in a methodical way. There was no timeline for adoption and no schedule to be concerned about. The project was exciting and interesting, and he was happy to have the complete package and not just parts and pieces.

Marcy McInelly and Joseph Readdy of Urbsworks presented the Wilsonville Coffee Creek Light Industrial Form-based Code via PowerPoint, explaining the opportunity provided by the Coffee Creek Design Overlay by describing its four key parts, which included the two-track system, Addressing Streets, and creating a network for people and goods with an emphasis on site design and the quality of the public realm. Paper copies of the PowerPoint were distributed to the Planning Commission.

Discussion and feedback from the Planning Commission along with responses to Commissioner questions were as follows:

- Hopefully, the tree preservation requirements would be part of the Form-based Code. For example, if trees were located within the setback, those trees could also be preserved within islands of the parking lot, but this was one aspect of the Code that had not been completely worked out yet. A number of different paths could be pursued to resolve the concern. One would be to understand how many trees were on the somewhat limited master planned area; the types and groves of trees could be inventoried to determine which trees were desirable to preserve. The Form-based Code requirements could assist a developer to build around the preserved trees and still achieve the pre-approved Form-based Code streamlined path.
  - No new standards were created for parking lot trees, which were addressed in the standards of the existing City Code. The existing Code required a tree for every seven to ten parking spaces in a tree island.
  - The image of the parking lot on Slide 18 showing deciduous trees met the City's current parking lot standard for parking lot landscaping. A grove of fir trees was also shown on the slide, and a Pattern Book guideline discussed how to preserve trees and lay out the site around existing trees or groves of trees.
    - On Page 14 (51 of 155 of the packet) of the Form-based Code, Attachment C, two existing Wilsonville Code sections were referred to under Planting for Addressing Streets. One section

was the general landscape standard and the other was a low berm standard, which was a new standard introduced as a result of the Form-based Code. Both standards would actually provide landscaping that was a bit denser along the Addressing Street than what was shown in the illustration. (Slide 18)

- Also on Page 14, the Code for Supporting Streets and Through Connections provided a bit more flexibility, having less intense standards than those for the Addressing Street, which carried more importance on higher design.
- As in the current Development Code, the Form-based Code would require pedestrian access to come to the corners of blocks, such as at intersections.
- On Page 53 of 155 of the packet (Table CC-4: Development Standards), the third paragraph regarding Front Façade should be reworded to clarify that the front of the building façade must face Day Road if Day Road was one of the streets or connections bounding a parcel.
- The 65 percent minimum transparency identified on Page 53 applied to the building façade facing an Addressing Street, Supporting Street or a Through Connection because the standard crossed all three columns in Table CC-4: Development Standards.
  - The 60 percent minimum transparency on Page 54 for Allowance for Primary Building Entrances was specifically about entrances allowed to encroach into the setback, which were required to meet a certain quality standard.
- The Front Setback standards in Table CC-4 on Page 54 were correct. There was a 30-ft minimum front setback on an Addressing Street, and a 30-ft maximum, but no minimum requirement, for front setbacks on Supporting Streets and Through Connections because having that much distance between the Supporting Street and Through Connections was not desirable. The building could be right on the edge of the easement if the requirements for the façade were met, although the standard was certainly open for discussion. An urban street was possible if that was what the developer wanted.
- With all the attention to the building architecture and landscaping in the Form-based Code, more clarity should be added to the sign guidelines on Page 127 of 155, to ensure that growth of landscaping did not interfere with signage and architectural features to the extent of making them irrelevant.
  - As opposed to a standard, guidelines were intended to be followed or judged by the Development Review Board (DRB) as part of the second track.
  - The intent of the subject guideline was to ensure that signage be placed elsewhere if there was native landscaping in that location so that signage did not compete with native vegetation. The City's existing Sign Code with monument signs would still be functional.
- Page 51 of 155 Section C.7 in Table CC-3 addressed Location and Screening of Utilities and Services and stated that no such services were allowed in the front yard setback on Addressing Streets. On Supporting Streets, no equipment or services were permitted within the setback, but there was no limitation on a Through Connection. The hierarchy of the connections moving from left to right in the table showed that the Addressing Streets were most important, Supporting Streets were only slightly less important, because Supporting Streets could sometimes be the Addressing Streets, and then Through Connections had very little limitations.
  - Developers using the streamlined review process would have to meet these standards, but if they insisted their utilities had to be on the Addressing Street, the project would go through development review where the design guidelines would apply for their placement and screening.
- A good point of discussion was that a lot of emphasis was placed on the landscaping and architecture of the building on the front façade, but not the side elevations, which could become eyesores.
- Section 4.3 on Page 129 of 155 regarding flood lighting was a guideline, so an applicant would have to prove to the DRB how flood lighting met the intent of the design guidelines, the language should be more defined and less subjective.
  - There had been expansions of projects in town that had very good lighting originally, and then very bad lighting that was approved by the DRB anyway.
- The picture on Page 132 of 155 of Rockwell Collins did not look inviting and something a little more creative architecturally should be included. Additionally, the Form-based Code emphasized the three

parts of a building, the base, middle, and top; however, the base could not be clearly seen in several pictures in the Pattern Book.

- Images should support the intention of the design guidelines. The Commission was invited to tell the project team about photographs that would be better examples.
- The concept about roofs being a fifth elevation on Page 133 was appreciated; however, the use of solar should be encouraged, as well as more functional plans, such as using roof space for things like community gardens for employees.
- On Page 139, C was identified as a Priority Addressing Street; similar to the clarification requested regarding the Front Façade on Page 53 in Table CC-4 of the Form-based Code, the language on Page 139 should be clarified that when Day Road was one of the Addressing Streets for a property, Day Road would be the primary Addressing Street.
- The head-in parking shown on the Park-like drawing on Page 145 seemed dangerous for bike riders; the angled parking shown in the Maximum Parking drawing (Page 146) was preferred so bicyclists could more easily see the backup or reverse lights of the vehicles.
- The Kinsman Road profile on Page 148 with the multi-use path on only one side was unfortunately cropped via the desktop publishing. The east side of Kinsman Road ran along the Bonneville Power right-of-way and could potentially connect across to the existing Commerce Circle Industrial Area, so the project team would love to see the multi-use path on the east side of Kinsman Road become very intensive and well-developed. The bicycle connectivity had regional implications whereas the west side of Kinsman Road was more for local trips for pedestrian or bicycles.
- Concern was expressed about how Section 4.134(.03).B Exceptions listed on Page 39 of 155 effectively allowed development of less than 1,250 sq ft to get around the standards. This could be abused for all areas, not just on Addressing Streets and entry ways.
- Concern was expressed about the 30-ft building height minimum on Page 54 of 155 limiting the flexibility to incorporate different building types, such as warehousing and other functions away from Addressing Streets. Was it wise to be so restrictive?
  - The Day Road Overlay used to have a 48-ft minimum building height to accommodate four stories.
  - Support was expressed for being more restrictive because the vision for that part of the city was to not have more warehousing and distribution centers. Other industry and business needed to be brought in and a minimum height encouraged a different type of land use.
  - The Commission was asked whether there should be a distinction between the Day Road frontage and the rest of Coffee Creek.
    - A minimum building height was wanted on Addressing Streets but property way off and in the remainder of project area should not preclude a tilt up building.
- The Technical Advisory Committee (TAC) encouraged little more openness with regard to Section 4.176(.04)E on Page 77 of 155 and the screening of loading areas, docks, and truck parking in industrial uses in industrial zones.
  - The Form-based Code for Coffee Creek had a very limited amount of loading space that could be on an Addressing Street; so much more flexible was provided for Supporting Streets and Through Connections so applicants could place loading docks where they should be located.
  - One concern was that loading docks could essentially become a parked truck and then a new storage facility. People were less concerned about the loading dock, as long as it was functional, than a loading dock with trailer storage. The issue might seemed to fall within an ordinance, but the solution was to make sure the loading areas, docks, and truck parking could not be turned into something unwanted and become an eyesore.
- The redline comment on Page 89 of 155 was correct. The wrong person looking for a loophole might try to apply one and not the other, so referring to the zone over and over might seem duplicative, but it might be needed.
  - The issue became more pronounced on Page 94 and 95. Section 4.440 (.02) kept referring to the DRB, but should also indicate an application might not go to the DRB, but to Planning Staff. When discussing effective dates of decisions, a new trigger point could be a date of decision from

Planning Staff, not the DRB. For example, the time limits on approvals might still apply, but the application might not go before the DRB. These issues showed up in Sections 4.441, 4.442, and 4.443, as well as Section 4.450(.03), so duplicate references were needed.

- The project team did a phenomenal job with the project. There were very few missing items or things that did not work in conjunction with the rest of the Development Code.
- The Executive Summary on Page 110 of 155 needed to provide a good explanation of the advantages of doing Track 1 to encourage applicants to use Track 1 and clarify that Track 2 was a long, difficult, and expensive process that would likely change their project in ways not anticipated.
  - The language needed to do more to sell the Form-based Code concept, which was very positive for builders.
- With the Form-based Code, the DRB would continue to have an opportunity to call up review decisions made by the Planning Director. Board members would still receive notice of all decisions along with a full packet. If a majority of the panel wanted a public hearing, they had the right to do so.
  - Currently, City Council could call up a DRB decision, but would not even be Noticed about Staff decisions. Notice could be provided to the entire Council to provide that same opportunity and was something Staff could address. The Council had not been informed about the Form-based Code yet, so they might have feedback.
- After the first Form-based Code project is approved, it was recommended that a report be given to the Planning Commission on how the process worked, whether there were problems that needed to be addressed, did the process work smoothly, was there a quality project, etc.
  - Having the developer or person actually dealing with the plans provide feedback to the Commission about what they liked or did not like was also suggested.
- The overall sense that the Pattern Book and Form-based Code was interested in informality and not a severe urban feel was appreciated. The same sensibility expressed with regard to Frog Pond as well. The community wanted that kind of more relaxed architecture.
- Concern was expressed that the language on Page 121 regarding informal, natural landscaping could potentially result in shabby, unkempt spaces. Though natural was informal, informal did not necessarily mean natural in the sense that the landscaping was just left to go. No one would want to see weed patches between buildings.
- On Page 122, concern was expressed about a specification that appeared in multiple places regarding the use of industrial materials, like unfinished steel, raw aluminum and plain concrete, as finish materials for the construction of site and building elements. The issue was that this would encourage developers to use cheap materials rather than aesthetically pleasing and suitable materials. Raw untreated concrete should at least have a board-like texture. Tilting the language more toward aesthetic sensibility was suggested.
  - Large expanses of raw metal were also a concern versus using it as a detailed treatment.
  - The image of the screening material on Page 127 of 155 featured a textured sample.
- The limited use of non-native plants referenced in the materials was not congruent with the Development Code, which was more prescriptive in the type of shrubs and plants approved for use. Excessive landscaping could lead to abusing water usage.
  - The Commission was invited to provide more direction because natural often meant less watering in the Northwest climate; however, natural could also mean unkempt or unmaintained.
  - A balance of pride of place and naturalness, as well as a high degree of maintenance equality needed to be achieved in the fundamental aspects of the Form-based Code, as well as the Pattern Book.

#### D. Basalt Creek Concept Plan update (Bateschell)

This agenda item was removed from the agenda as Long-Range Planning Manager Miranda Bateschell was absent due to a family emergency.

**VII. OTHER BUSINESS**

A. 2015 Planning Commission Work Program

**VIII. ADJOURNMENT**

Chair McGuire adjourned the regular meeting of the Wilsonville Planning Commission at 9:00 p.m.

Respectfully submitted,

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



**PLANNING COMMISSION**  
**WEDNESDAY, AUGUST 12, 2015**

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**VI. PRESENTATIONS**

- A. Basalt Creek Concept Plan update (Bateschell)



## PLANNING COMISSION MEETING STAFF REPORT

|   |   |   |
|---|---|---|
| <b>Meeting Date:</b><br>August 12, 2015   | <b>Subject:</b> Basalt Creek Concept Plan<br><br><b>Staff Member:</b> Miranda Bateschell, Chris Neamtzu<br><b>Department:</b> Community Development                   |   |
| <b>Action Required</b>  | <b>Advisory Board/Commission Recommendation</b>   |   |
| <input type="checkbox"/> Motion<br><input type="checkbox"/> Public Hearing Date:<br><input type="checkbox"/> Ordinance 1 <sup>st</sup> Reading Date:<br><input type="checkbox"/> Ordinance 2 <sup>nd</sup> Reading Date:<br><input type="checkbox"/> Resolution<br><input type="checkbox"/> Information or Direction<br><input checked="" type="checkbox"/> Information Only<br><input type="checkbox"/> Council Direction<br><input type="checkbox"/> Consent Agenda | <input type="checkbox"/> Approval<br><input type="checkbox"/> Denial<br><input type="checkbox"/> None Forwarded<br><input checked="" type="checkbox"/> Not Applicable |   |
| <b>Comments:</b>  |   |   |
| <b>Staff Recommendation:</b><br>N/A   |   |   |
| <b>Recommended Language for Motion:</b> N/A   |   |   |
| <b>Project / Issue Relates To:</b> <i>[Identify which goal(s), master plans(s) your issue relates to.]</i>  |   |   |
| <input checked="" type="checkbox"/> Council Goals/Priorities<br>Basalt Creek Concept Plan   | <input type="checkbox"/> Adopted Master Plan(s)   | <input type="checkbox"/> Not Applicable |

### ISSUE BEFORE COMMISSION:

Staff will provide Commission with an update on the Basalt Creek Concept Plan.

### EXECUTIVE SUMMARY:

On June 17, 2015, there was a Joint Wilsonville-Tualatin City Council meeting to discuss the results of the land use scenario analysis for the Basalt Creek planning area. In preparation, staff presented a summary of the results and answered questions at a Wilsonville City Council work session on June 15. The project team is using the feedback to refine the jurisdictional boundary and prepare a preferred alternative for additional Council and public input over the fall, which will be the focus of the Basalt Creek Concept Plan.

The Basalt Creek Concept Plan will establish a vision and jurisdictional boundary for the 847 acres between the cities of Wilsonville and Tualatin. At the Wilsonville-Tualatin Joint Council meeting in December, the project team presented a base-case infrastructure and land use scenario with an initial jurisdictional boundary along the future east-west connector, Basalt Creek Parkway.

At that meeting, members of the Councils expressed key objectives for the project team to focus on in preparing alternative scenarios:

- Design efficient infrastructure systems (considering both construction and long-term operating and maintenance costs) independent of jurisdictional boundary.
- Examine additional boundary options that do not necessarily follow the future Basalt Creek Parkway alignment.
- Aim for jurisdictional equity when considering the various measures altogether.
- Provide more residential capacity in the northern portion of the planning area for the City of Tualatin.
- Propose creative solutions for transitions from employment to housing.
- Focus on land uses that will create development forms reflective of the two cities.
- Present a scenario designed around an implementable infrastructure plan.

These objectives, as well as the Basalt Creek: Guiding Principles and Evaluation Criteria (Attachment A), guided the project team during the scenario analysis and in developing the two land use and boundary options (Attachment B) presented at the June 17th Joint Council meeting. Using Envision Tomorrow (modeling software), the analysis included land use modeling with specific building types from each of the cities and localized fees and SDCs. Once these land uses were modeled, particular indicators were reviewed to evaluate the different scenarios. More information on the model outputs will be provided at the work session, but indicators closely related to the guiding principles and objectives are included in the attached materials (Attachment C).

#### Land Use Considerations:

Through the land use analysis, it has become clear both West Railroad and Basalt Creek Canyon provide the area with incredible natural resource assets. At approximately 240 acres and 100 acres respectively, they represent 40 percent of the entire study area. In both options, West Railroad is a significant portion of the land designated for the City of Wilsonville (Option 1: 31 percent, Option 2: 23 percent), but a very limited portion of jobs created (Option 1: 6 percent, Option 2: 4 percent). West Railroad has limited development opportunities due to topography; natural areas, habitat, and wetlands; limited access; and high cost to provide infrastructure service.

In comparing the two land use scenario boundary options, both provide:

- high-quality employment and housing opportunities,
- innovative and appropriate transition areas between residential and employment uses,
- responsiveness to the real estate market,
- robust and efficient infrastructure systems, and
- development that generally “pays its way.”

In both scenarios, options remain for how sanitary sewer service will be shared in specific portions of the study area. This will be determined in the future in preparation for development and through shared service agreements regardless of the selected boundary option.

There are also some differences between the two options. Option 2 appears to provide:

- more jobs overall, which was the key reason for adding this area to the Urban Growth Boundary;
- less disparity between cities in regards to estimated assessed value at build-out;
- less disparity between cities in the revenue-cost difference for infrastructure construction;
- a more equitable split of the Basalt Creek Canyon and West Railroad areas;
- a more equitable split of the more developable acreage outside of the highly constrained Basalt Creek Canyon and West Railroad areas; and
- a better opportunity to loop the water system in the City of Wilsonville (which improves potable water system reliability and water quality).

Finally, it is important to think about: *which option creates the most complete cohesive community for Wilsonville?*

In addition to the observations above, Option 2 offers cohesion to the Wilsonville's existing west-side/north-end industrial and employment area. Having residential uses south of the future Basalt Creek Parkway, as shown in Option 1, will become disconnected from the housing north of the Parkway. And eventually, with employment and industrial uses nearby (to the south and on the east side of Boones Ferry Road) and in line-of-sight across the canyon wetlands, providing this area with employment-based redevelopment options may be desirable and would be more consistent with surrounding land uses. Option 2 also provides more land north of the prison, which allows the massing needed to build an industrial neighborhood as well as consistent zoning and development standards to ensure a cohesive design on both sides of the future Parkway.

#### Joint Council Discussion

At the June 17<sup>th</sup> Joint Council meeting, the two Councils discussed the land use types, key indicators and potential benefits of the two draft boundary options. The Tualatin City Council favored Option 1 while the Wilsonville City Council favored Option 2. In particular, Tualatin Councilors expressed significant interest in designating the extra land south of the future Basalt Creek Parkway, along Boones Ferry Road and the Basalt Creek Canyon, as future City of Tualatin residential land in recognition of the existing residential community. City of Wilsonville Councilors expressed concern over the disparity in Option 1 in regards to the benefits realized by each city and proposed a modified boundary north of the future Basalt Creek Parkway to the west of the Basalt Creek Canyon. Both Councils agreed the West Railroad Area is significantly constrained and at this point should be removed from the analysis and its future development discussed further between the Cities as well as Metro. The Councils also discussed the proposed sanitary sewer system, as it differs from the proposed boundary options, and how the risks can be ameliorated and the financial savings shared. The Joint Council directed to staff to develop an alternative that addressed these various interests and concerns.

### **EXPECTED RESULTS:**

The presentation at the Wilsonville Planning Commission Work Session will provide the Commissioners with an understanding of the land use alternative scenarios for Basalt Creek, direction received from the Joint Council meeting, and the next steps for the project.

### **TIMELINE:**

The meeting on June 17, 2015 was the third Wilsonville-Tualatin Joint Council Meeting for the Basalt Creek Concept Plan. Based on the discussion and guidance, the project team is refining the land use scenario for the Basalt Creek Concept Plan. The preferred alternative will be presented at a Joint Council meeting scheduled for September 8 for further input from both Councils. Wilsonville City Council will discuss this alternative at the August 17 work session in preparation for the Joint Council meeting. Input received over the fall on that preferred alternative, including a public workshop, will then be incorporated into the final Basalt Creek Concept Plan to begin the process for adopting plan amendments by the end of this year. A project timeline is included in the materials for context on what the project has already accomplished and how this meeting relates to next steps for the project (Attachment D).

### **CURRENT YEAR BUDGET IMPACTS:**

None. The City of Tualatin received approximately \$350K from Metro's Construction Excise Tax (CET) grant program to perform concept planning. The City of Wilsonville has, and will continue to, invest staff time into the process.

### **COMMUNITY INVOLVEMENT PROCESS:**

The project includes participation from affected residents, businesses, and property owners. Citizens will be asked to share ideas about the land use alternatives at a Public Open House over the summer.

### **POTENTIAL IMPACTS or BENEFIT TO THE COMMUNITY:**

A portion of the Basalt Creek area will be important for the long-term growth of Wilsonville's industrial base and employment opportunities for residents in the city. Conducting a thorough and thoughtful planning process will identify and resolve potential impacts to the community. The Basalt Creek area presents an opportunity to maximize assessed property value, integrate jobs and housing, develop efficient transportation and utility systems, create an attractive business community, and incorporate natural resource areas and provide recreational opportunities as community amenities and assets.

### **ATTACHMENTS:**

- A. Basalt Creek: Guiding Principles and Evaluation Criteria
- B. Basalt Creek Land Use Scenario: Boundary Option 1 & 2
- C. Key Scenario Indicators Summary
- D. Project Timeline

## MEMORANDUM

### **Basalt Creek: Guiding Principles and Evaluation Criteria**

TO: Basalt Creek Project Management Team (Cities of Tualatin and Wilsonville)

FROM: Leila Aman, Project Lead, Fregonese Associates

DATE: December 29, 2014

RE: Guiding Principles and Evaluation Criteria for the Basalt Creek Concept Plan

#### **Purpose of Guiding Principles**

Guiding Principles are intended to represent the collective interests and goals for the Basalt Creek planning area. The guiding principles provide a framework for gathering input and developing transparent and meaningful measures that can help inform the decision making process.

#### **Purpose of Scenario Indicators**

Indicators are the outputs of evaluation criteria which are created near the beginning of the scenario planning process. They generally reflect the guiding principles as well as previously adopted community goals. Indicators may also be related to new or emerging community goals or issues: such as transit access, housing costs, or air quality.

The indicators will be used during the development and evaluation of the scenarios within Envision Tomorrow to communicate the benefits, impacts and tradeoffs of different policy choices and investments. Using Envision Tomorrow, alternative scenarios are tested and refined, and then compared and evaluated based on their indicator performance. Indicators enable Envision Tomorrow users to tie the scenario results to the community values and guiding principles.

In practice, this approach not only allows the public to visualize their region's future, final plans created using our scenario planning process will come with a dashboard of indicators so policymakers can monitor their progress and make adjustments along the way, in concert with established guiding principles and long-term vision.

#### **Guiding Principles**

##### **Qualitative Guiding Principles**

#### **1. Maintain and complement the Cities' unique identities**

The cities of Wilsonville and Tualatin each have unique qualities that draw people to live and work there. Those qualities should be maintained and enhanced by development in the Basalt Creek planning area.

## **2. Capitalize on the area's unique assets and natural location**

Development in the planning area should preserve and leverage the natural beauty of Basalt Creek by protecting key natural resources and sensitive areas while minimizing the negative impacts of new development. Recreation opportunities should be made accessible in the area through the creation of new open spaces and trails and integrating them with existing regional networks.

## **3. Explore creative approaches to integrate jobs and housing**

Long distances between centers of employment and residential neighborhoods can cause long travel times, congestion and pollution. Planning for the Basalt Creek area should consider a range of methods (and the feasibility of those methods) for integrating residential and employment land uses to create more high quality living and working environments.

## **4. Create a uniquely attractive business community unmatched in the metropolitan region**

Planning for the Basalt Creek area should capitalize on its unique assets - the location of the planning area near the center of one of the region's largest clusters of employment land, projections for rapid employment growth in the local market, and superior access to major transportation routes (I-5, I-205 and Highway 217) – to facilitate development of high quality employment facilities and opportunities that will benefit both the local and regional economies.

## **5. Ensure appropriate transitions between land uses**

While integration of housing and employment can enrich a community, there remains a need for physical separation between uses that might negatively impact one another. Land uses should be arranged within the study area to minimize these impacts, such as excessive noise, traffic, nighttime light, or air pollution. Use of buffers to mitigate auditory, aesthetic, and safety impacts may include swaths of vegetated land, sound walls, or commercial development (among others).

### **Quantitative Guiding Principles**

*Associated measures from Envision Tomorrow and other quantitative analysis that will be conducted as part of the concept planning process are described.*

## 6. Meet regional responsibility for jobs and housing

### *Population and employment forecast performance*

*Using output from the Envision Tomorrow scenario modeling tool added jobs and housing units will be compared back to the regional forecast estimate (from Metro's Gamma model) for jobs and households within the planning area.*

## 7. Design cohesive and efficient transportation and utility systems

### *Evaluation of Wet Infrastructure*

*Aggregate water and sewer requirements will be developed for each of the three (3) alternatives. A comparison will be provided indicating required capacity and potential infrastructure elements based on each alternative land use plan and the existing systems inventory.*

### *Performance of transportation systems*

*Motor vehicle transportation system for each of three alternatives will be evaluated including the development of future year 2035 PM peak hour volumes using a focus-area travel demand model. Intersection operation analysis (level of service and v/c ratios) based on the forecasted 2035 PM volumes will be conducted using Synchro.*

### *Internal water consumption and Landscaping water consumption*

*Water consumption has a major impact both financially and environmentally. Water bills can make up a large proportion of household or business utility costs, and excessive water consumption can put a strain on water supplies and infrastructure, especially in regions with water scarcity. Anticipated domestic and irrigation water consumption by residential households and commercial or industrial businesses will be estimated based on existing usage patterns within Tualatin and Wilsonville."*

## 8. Maximize assessed property value

### *Building value and local revenue*

*Adding new housing and employment space to a community brings additional tax revenue that can be used for new infrastructure and services to support new and existing residents and businesses. Different scenarios can produce different amounts of tax*

revenue (property tax, sales tax and transportation impact fee (TIF)) due to the differing values of particular building types and locations. .

## **9. Incorporate natural resource areas and provide recreational opportunities as community amenities and assets**

### **Percent of Natural Area Protected within the planning area**

Types of natural areas to be considered for protection from development include:

- Wetlands and Floodplains
- Metro Title 3 Lands
- Metro Title 13 Lands

Some development may occur in these areas. However, the proportion of total development planned for non-environmentally sensitive areas should be maximized in order to preserve habitat, ecosystem services, open space, and recreation opportunities in the planning area.

Environmentally sensitive lands are identified and described in the Basalt Creek Existing Conditions Report.

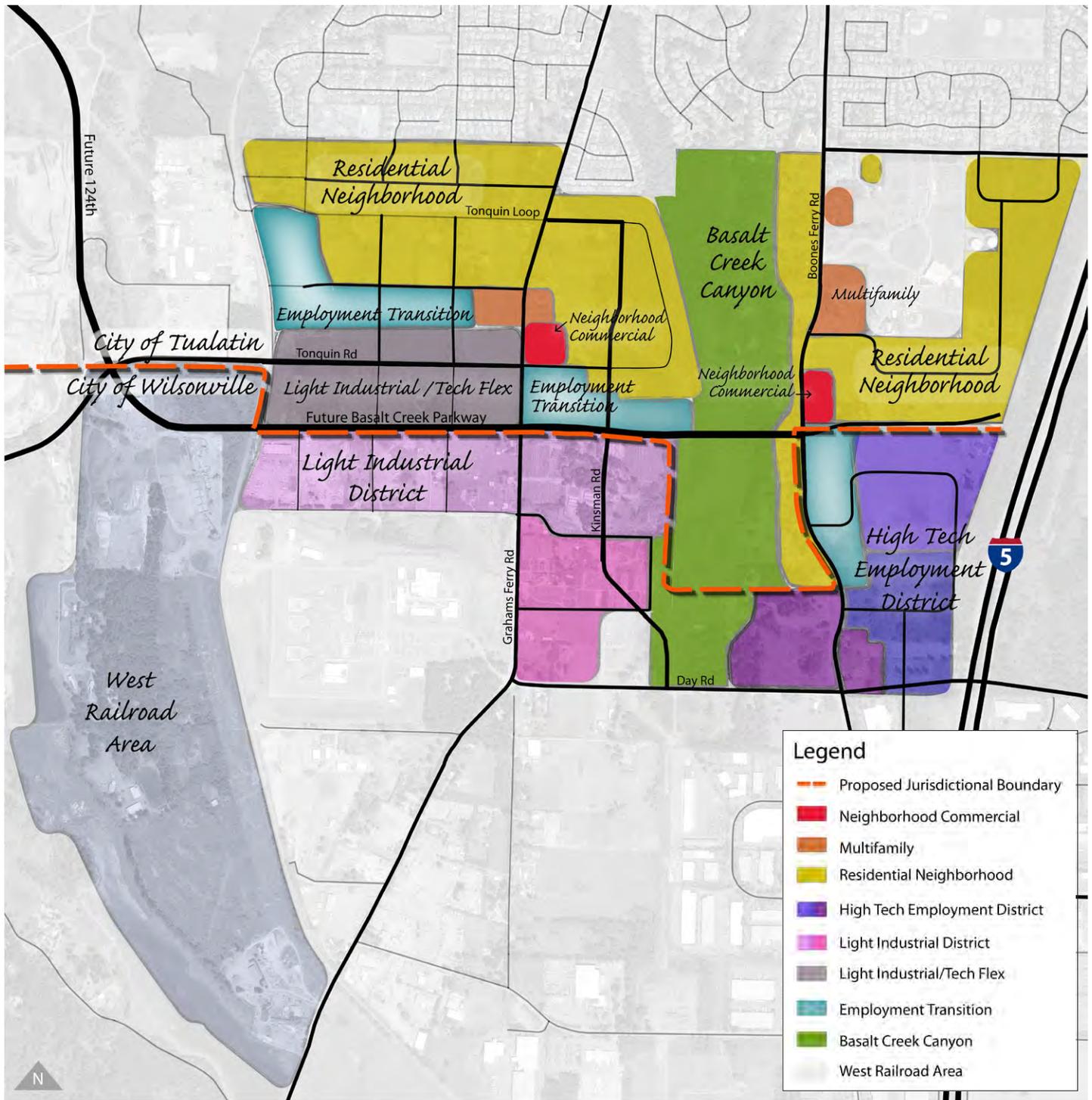
### **Total jobs allocated to prime flat industrial lands within the planning area**

The largest proportion possible of new jobs forecasted for the planning area should be allocated to lands identified as suitable for industrial and/or office development, one factor of which is the absence of sensitive environmental features and constraints.

Land suitable for industrial and/or office development is identified and described in the Basalt Creek Existing Conditions Report.

### **Acres of impervious surface**

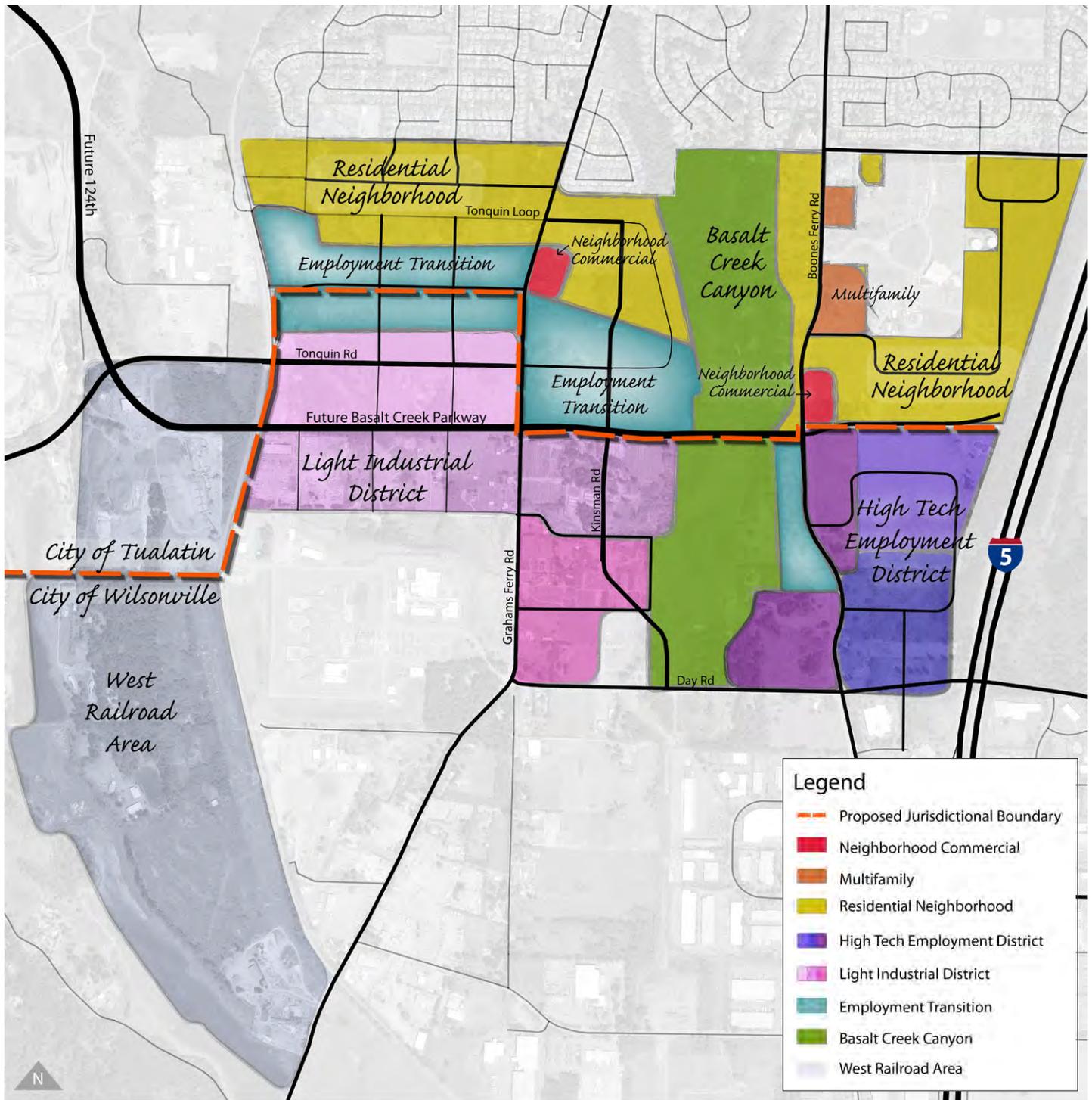
Impervious surface can have a negative impact on the health of a region's waterways. Instead of soaking in and filtering through the soil, rainwater runs off impervious surfaces, washing many polluting substances such as pesticides and oils into streams and other aqueous habitats. Increasing impervious surface runoff also increases the volume of runoff, and the speed which the water is delivered to streams, resulting in higher peak flows.



## Boundary Option 1 Land Use Scenario

### Basalt Creek Concept Plan





## Boundary Option 2 Land Use Scenario

### Basalt Creek Concept Plan

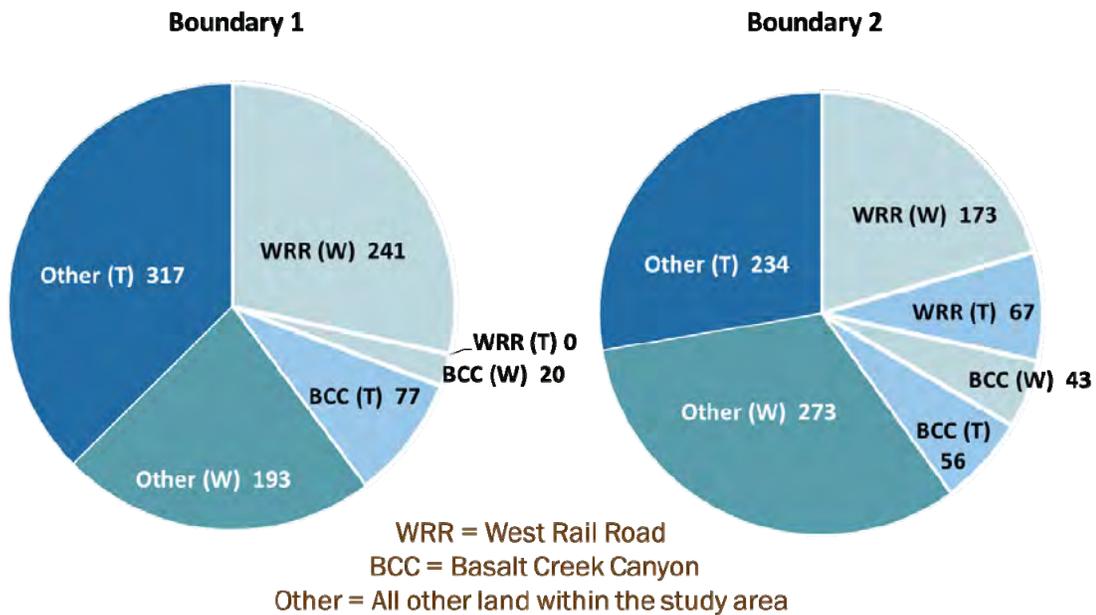


## Key Scenario Indicators Summary

Using Envision Tomorrow, alternative scenarios are tested and refined, and then compared and evaluated based on their indicator performance. Indicators are the outputs of evaluation criteria which are created near the beginning of the scenario planning process. They generally reflect the guiding principles as well as previously adopted community goals. Indicators enable Envision Tomorrow users to tie the scenario results to the community values and guiding principles as well as communicate the benefits, impacts and tradeoffs of different policy choices and investments.

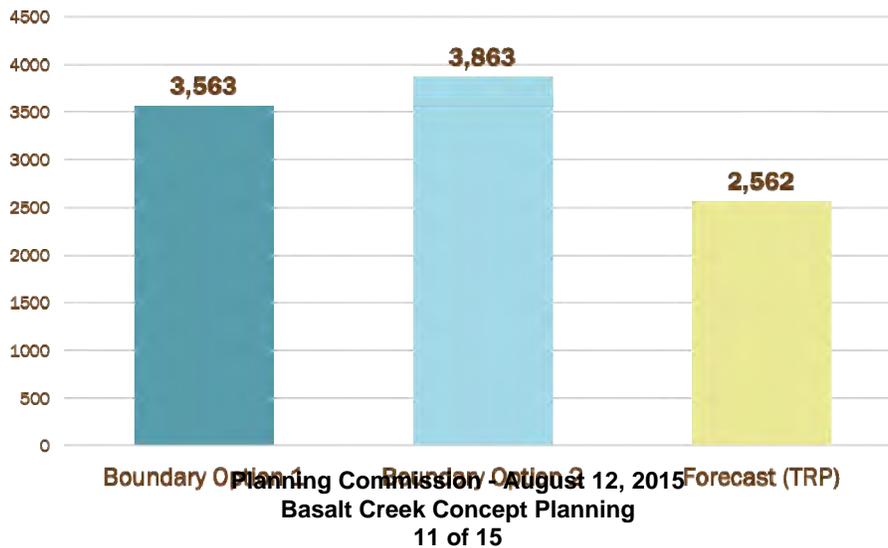
The indicators below help us understand the two boundary options (Attachment B) and what each means for the cities of Wilsonville and Tualatin.

### Total Acres Added



\*\*\* Total Land for full study area - 847 acres

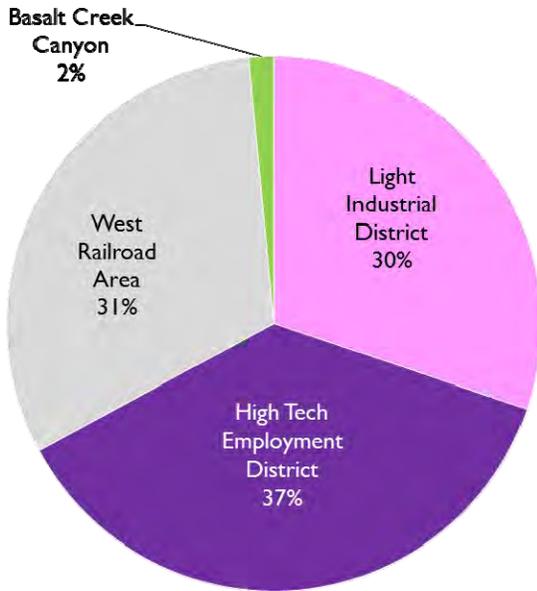
### Total Jobs Added



# Wilsonville Land Use Mix

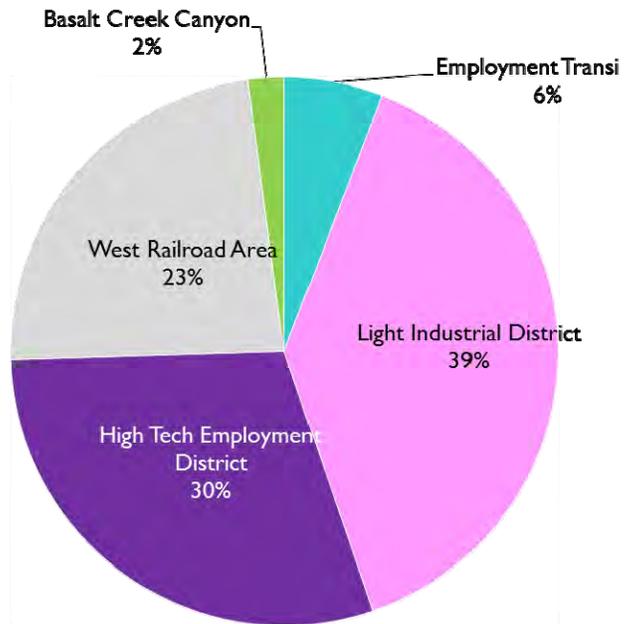
\* % of developable acres

## Boundary Option 1



- Employment Transition
- High Tech Employment District
- Basalt Creek Canyon

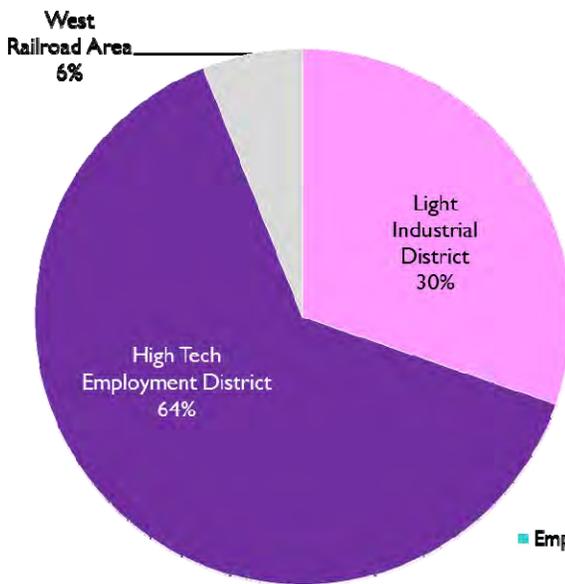
## Boundary Option 2



- Light Industrial District
- West Railroad Area

# Wilsonville Employment Mix

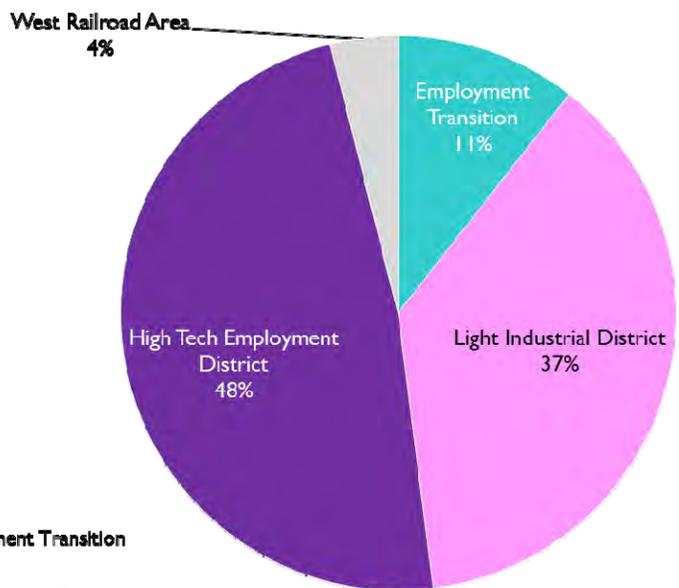
## Boundary Option 1



Total Jobs: 1,974

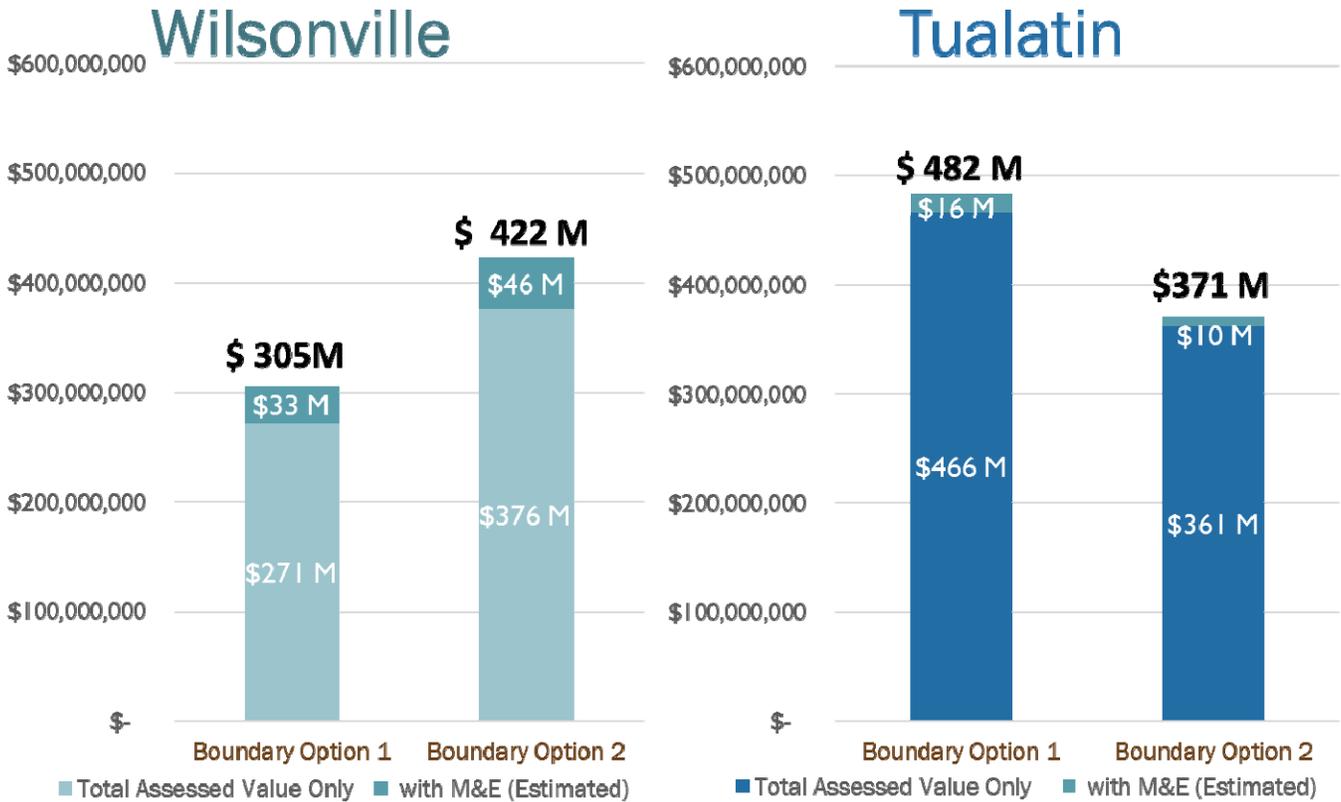
- Employment Transition
- Light Industrial District
- High Tech Employment District

## Boundary Option 2

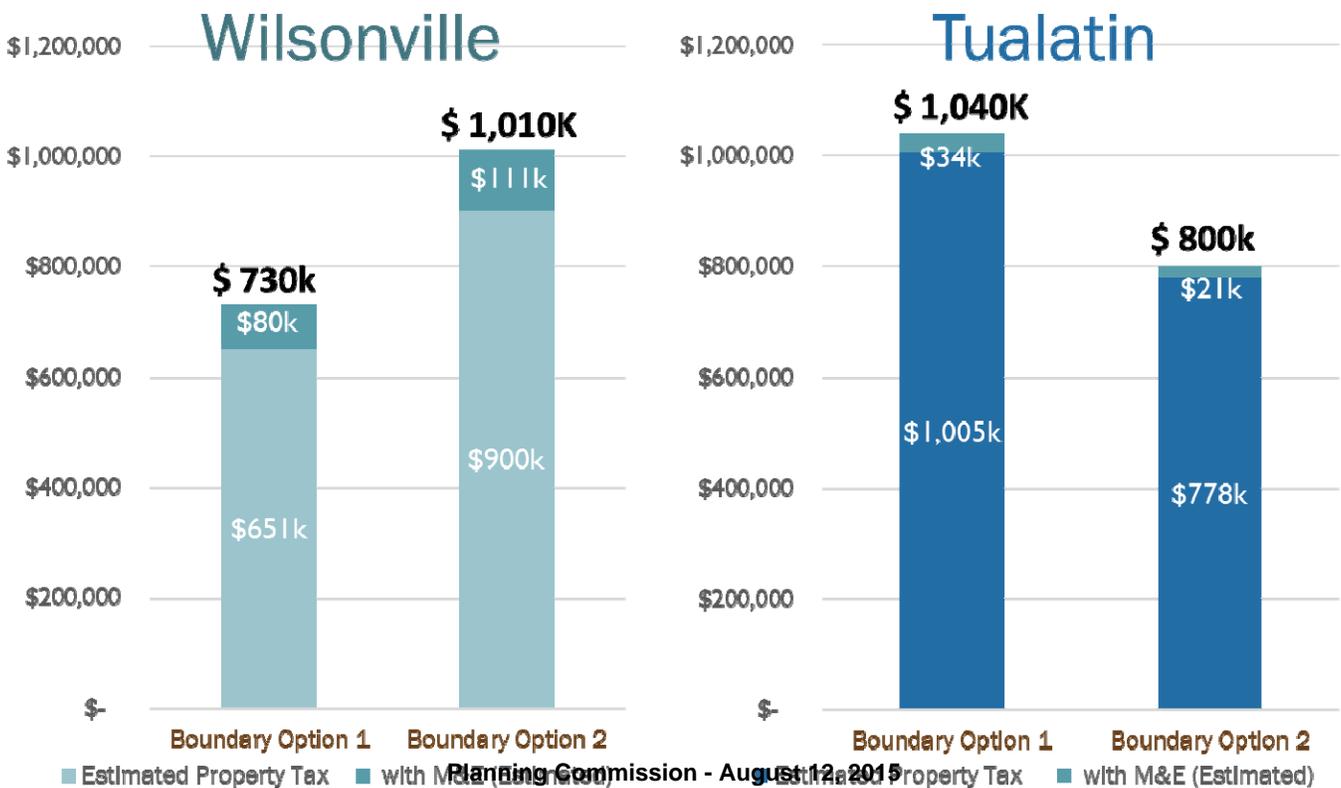


Total Jobs: 2,821

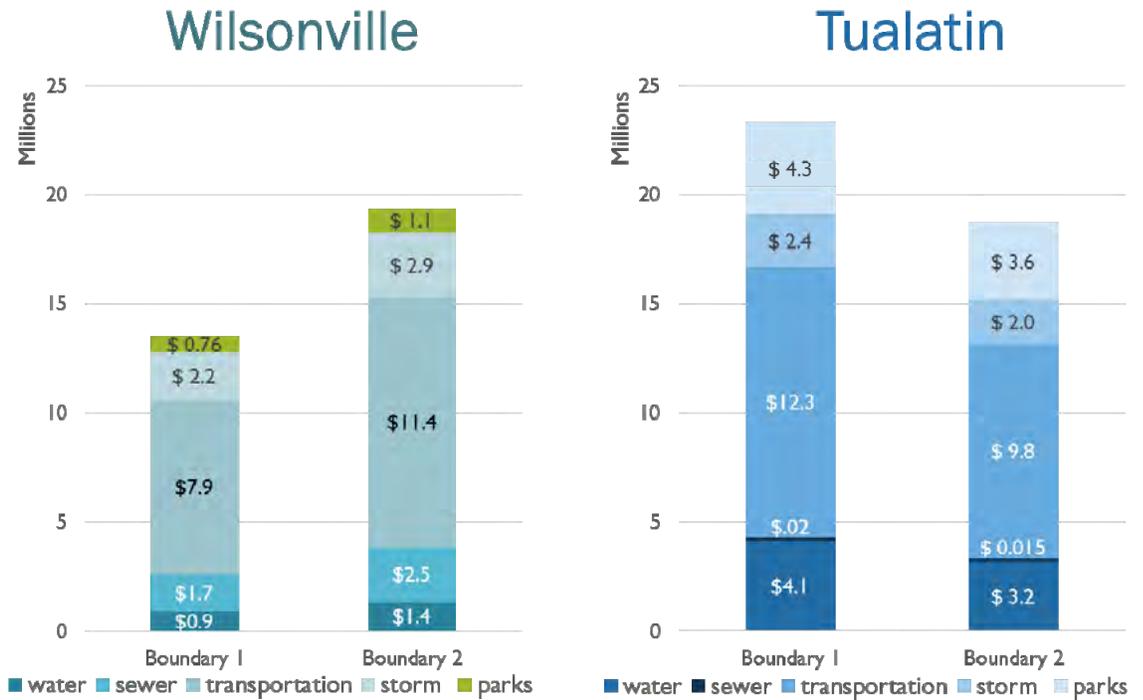
## Assessed Value at Buildout with Machinery and Equipment



## Annual Property Tax at Buildout with Machinery and Equipment



## SDCs at Buildout by Type

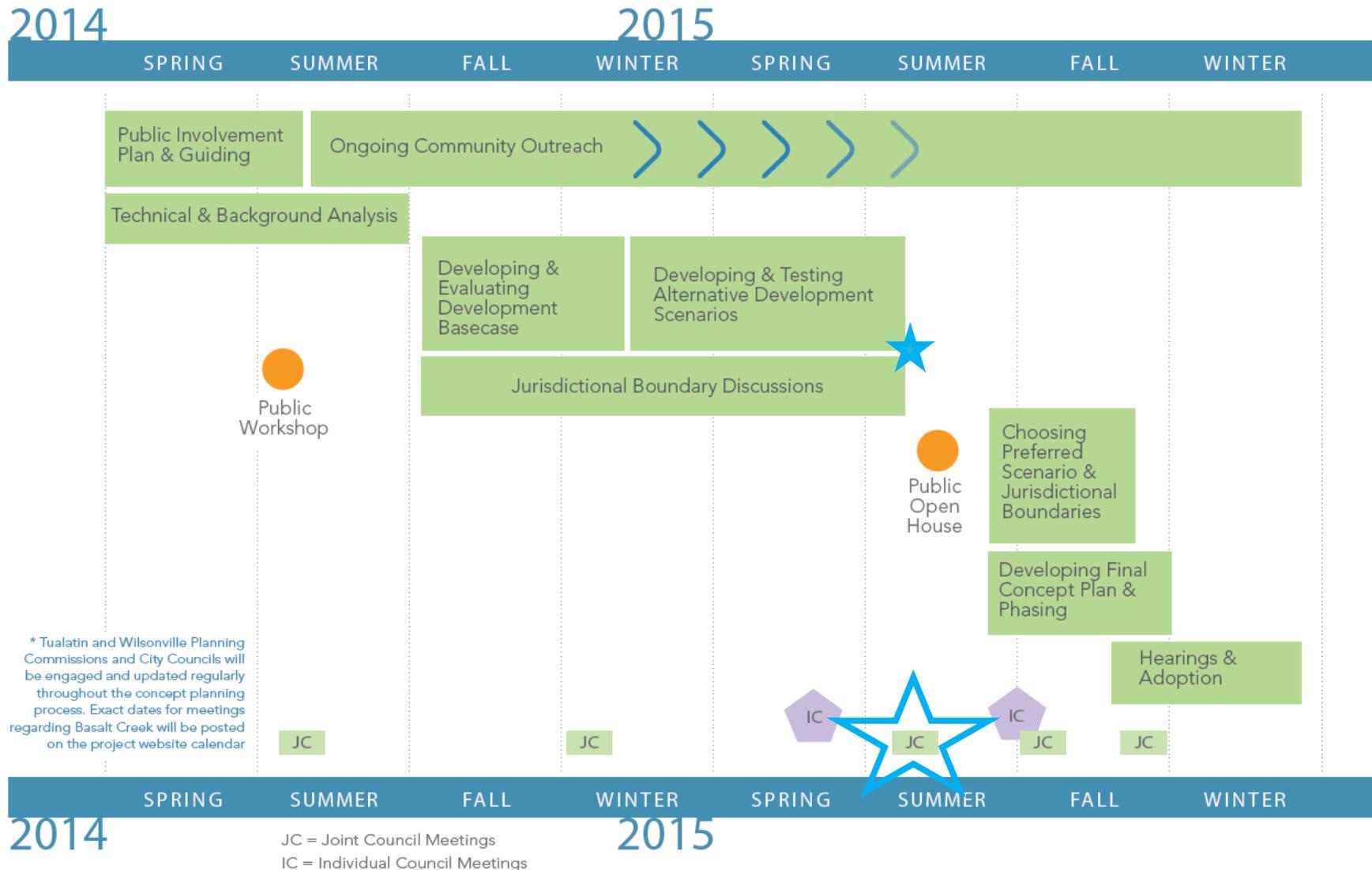


## Summary: Boundary Comparison

| Indicators<br>all dollar values<br>shown in millions | Tualatin<br>Option 1 | Wilsonville<br>Option 1 | Tualatin<br>Option 2 | Wilsonville<br>Option 2 |
|--|----------------------|-------------------------|----------------------|-------------------------|
| <b>Developable Acres</b>                             | 201 ac               | 190 ac                  | 155 ac               | 236 ac                  |
| WRR & BCC Acres*                                     | 10 ac                | 63 ac                   | 12 ac                | 61 ac                   |
| Unconstrained Dev. Acres                             | 191 ac               | 127 ac                  | 143 ac               | 175 ac                  |
| <b>Households</b>                                    | 906                  | 36                      | 755                  | 75                      |
| <b>Jobs</b>  | 1,600                | 2,000                   | 1,000                | 2,800                   |
| <b>Assessed Value</b>                                | \$483 M              | \$305 M                 | \$371 M              | \$423 M                 |
| <b>City Property Tax</b>                             | \$1.0 M              | \$0.7 M                 | \$0.8 M              | \$1.0 M                 |
| <b>Sanitary</b><br>(cost/revenue Δ)                  | \$(1.8) M            | \$(1.8) M               | \$(1.8) M            | \$(1.0) M               |
| <b>Water</b><br>(cost/revenue Δ)                     | \$3.2 M              | \$(0.1) M               | \$2.3 M              | \$0.2 M                 |
| <b>Transportation</b><br>(cost/revenue Δ)            | \$11.0 M             | \$3.0 M                 | \$8.6 M              | \$6.1 M                 |
| <b>Stormwater</b> (revenue)                          | \$2.4 M              | \$2.2 M                 | \$2.0 M              | \$3.0 M                 |
| <b>Parks</b> (revenue)                               | \$4.3 M              | \$0.8 M                 | \$3.6 M              | \$1.1 M                 |

\*Developable Acres includes portions of the West Railroad and Basalt Creek Canyon areas  
**Basalt Creek Concept Planning**

# Concept Plan - Timeline



\* Tualatin and Wilsonville Planning Commissions and City Councils will be engaged and updated regularly throughout the concept planning process. Exact dates for meetings regarding Basalt Creek will be posted on the project website calendar



**PLANNING COMMISSION  
WEDNESDAY, AUGUST 12, 2015**

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**VI. PRESENTATIONS**

- B. Voice of the People Award for Excellence in Mobility (Video)

**City of Wilsonville General News**

Posted on: July 17, 2015

**Wilsonville Earns Award for Excellence in Mobility**

The City of Wilsonville is the winner of the Voice of the People Award for Excellence in Mobility from the National Research Center, Inc. (NRC) based in Boulder, Colorado. The City is to receive the award at the 101st annual International City/County Management Association (ICMA) conference in Seattle, WA, in September.



The City was nominated for the award based on the exceptional results reported in the City's 2014 Community Survey in which local residents rated their level of satisfaction with Wilsonville's mobility as one of the top three participating jurisdictions in the United States. The City's survey, conducted by the National Research Center, uses a scientific, representative sample approach in order to ensure the results accurately reflect the community's perceptions as a whole. The NRC survey is conducted in hundreds of other communities' throughout the United States allowing the research organization to compare results and determine which cities, like Wilsonville, rate among the highest in any category.

Mayor Tim Knapp reflects, "We are in a fortunate position compared to many communities in that we have our own public transit system, an ever-improving transportation network, easy access to the interstate system, and a plethora of sidewalks, bike lanes, walkways and hiking trails to help community members get where they want to go. As we move forward we will continue to seek improvements to further enhance connectivity throughout our community."

City Manager Bryan Cosgrove states, "This award reflects the high caliber of citizen leadership and professional quality of staff work that is consistently demonstrated in Wilsonville on a wide variety of fronts and over a sustained amount of time."

In June, the City was notified of the nomination and invited to submit an application to determine an overall winner for the category. In the application the City identifies the steps and actions taken which lead to the exceptional results. The City's application for the award is in the form of a video and is available to view at [www.ci.wilsonville.or.us/MobilityAward](http://www.ci.wilsonville.or.us/MobilityAward).

The Voice of the People Awards are the only awards given in local government based on community opinion. The perspectives of the residents themselves determine nominees for the very best of community engagement, safety, mobility, foundations of livability, recreation and wellness, education and enrichment, natural environment, built environment and economy.

To learn more about the City's 2014 Community Survey visit [www.ci.Wilsonville.or.us/CommunitySurvey](http://www.ci.Wilsonville.or.us/CommunitySurvey).

[Watch the City's application submission \(video\)](#)



**PLANNING COMMISSION  
WEDNESDAY, AUGUST 12, 2015**

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**VII. OTHER BUSINESS**

- A 2015 Planning Commission Work Program

## 2015 Annual Planning Commission Work Program

| DATE               | AGENDA ITEMS  |  |   |
|--------------------|---|--|---|
|                    | Informational   | Work Sessions  | Public Hearings                                       |
| <b>2015</b>        |   |  |   |
| <b>August 12</b>   | <p><b>Presentations:</b><br/>Basalt Creek Concept Plan<br/>Voice of the People Award</p> <p><b>Informational:</b><br/>2015 Urban Growth Mgmt<br/>Decision</p> |  |   |
| <b>September 9</b> |   |  | Frog Pond Area Plan                                   |
| <b>October 14</b>  |   | <p>Coffee Creek Urban Renewal<br/>Agency Update</p> <p>Washington County Industrial Lands<br/>Update</p> <p>West Side Urban Renewal Plan<br/>Substantial Amendment</p> | Frog Pond Area Plan                                   |
| <b>November 11</b> | Basalt Creek Update   | Form Based Code  | West Side Urban Renewal Plan<br>Substantial Amendment |

### 2015

- 1 Asset Management Plan
- 2 **Basalt Creek Concept Planning**
- 6 Citywide signage and way finding program
- 7 **Coffee Creek Industrial Area Form-Based Code**
- 5 Density Inconsistency Code Amendments
- 11 **French Prairie Bike/Ped Bridge**
- 8 **Frog Pond Area Plan**
- 9 **Transportation Performance Modeling**
- 10 Parks & Rec MP Update
- 3 Solid Waste and Recycling Code Amendments
- 12 **Transit Master Plan**
- 13 Town Center Vision

*\*Projects in bold are being actively worked on in preparation for future worksessions*



**PLANNING COMMISSION**  
**WEDNESDAY, AUGUST 12, 2015**

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**VIII. INFORMATIONAL**

- A. Metro Chief Operating Officer's recommendation on the 2015 Urban Growth Management decision

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# 2015 URBAN GROWTH MANAGEMENT DECISION:

RECOMMENDATIONS TO THE METRO COUNCIL  
FROM METRO'S CHIEF OPERATING OFFICER

JULY 2015

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I am pleased to present my recommendations to the Metro Council for the 2015 urban growth management decision. These recommendations build on the foundation of the Portland metropolitan region's long-range plan, the 2040 Growth Concept, which underlies the remarkable successes our region has achieved in creating livable and prosperous communities. However, the very success of our local and regional growth management efforts has created new challenges that demand a fresh approach.

In July 2014, Metro released the draft Urban Growth Report, which assesses the capacity of the region’s urban growth boundary (UGB) to accommodate housing and jobs for the next 20 years. Since then, the debate over this urban growth management decision has been characterized by three prevailing factors. Taken together, these factors suggest that the future will not look like the past. Each specific issue that has arisen during this debate – from the development capacity of Damascus to the amount of forecast multifamily housing – has been shaped by these larger factors that frame my recommendations:

**Economic Changes**

Our region has emerged from the Great Recession and is experiencing significant employment and population growth. However, the recession and the rebound are different from any in the past. In employment, our local economy is creating strong growth in both upper-income and lower-income jobs, while middle-income jobs – those that form the backbone of our economic prosperity – are declining as a share of total employment. In housing, the region is experiencing an



unprecedented level of multifamily housing construction both within the central city of the region and in regional and town centers throughout the region. Additionally, in some parts of the region, housing prices and rents are rising much faster than inflation, creating concerns for both affordability and livability as neighbors respond to the impacts of redevelopment.

These two factors taken together – the loss of middle-income jobs and changes in the housing market – are identified by the draft Urban Growth Report and are happening in cities around the country. The public, stakeholders and regional elected leaders have expressed concern about the future our region faces if these two trends continue. I recommend that the Council view these trends as a call to action. The Metro Council already has initiatives around housing and economic development, and your leadership is essential for ensuring that they are successful.

**Legal and Political Factors**

In 2011, the Metro Council and Clackamas, Multnomah and Washington counties jointly designated urban and rural reserve areas, which identify the areas that may or may not be urbanized for the next 50 years. That decision has been subject to litigation and to legislation. In 2014, the Oregon Legislature passed House Bill 4078, which modified and then enacted the reserves for Washington County. However, the same bill directed the Land Conservation and Development Commission (LCDC) to address the issues identified by the Oregon Court of Appeals for some of the areas in Clackamas and Multnomah counties. Earlier this year, LCDC remanded these portions of the 2011 decision to Metro and the two counties for further work.

This remand means that the urban reserve areas in Clackamas and Multnomah counties are not legally acknowledged for expansion of the UGB. Making this unique circumstance even more complicated, one of the key jurisdictions completing concept planning – a requirement of the Metro Code for including land in the UGB – is in an area of Clackamas County adjacent to the City of Wilsonville that has been designated as an urban reserve.

In addition to urban and rural reserves, the unsettled status of the City of Damascus has also been debated in the context of the draft Urban Growth Report. A joint meeting between the Damascus City Council and the Metro Council has shaped this recommendation.

### **Regional Policies**

In 2010 the Metro Council and regional leaders agreed on six desired outcomes for our communities and region, with the purpose of focusing our decisions and actions on things that really matter in our everyday lives.

- People live, work and play in vibrant communities where their everyday needs are easily accessible.
- Current and future residents benefit from the region’s sustained economic competitiveness and prosperity.
- People have safe and reliable transportation choices that enhance their quality of life.
- The region is a leader in minimizing contributions to global warming.
- Current and future generations enjoy clean air, clean water and healthy ecosystems.
- The benefits and burdens of growth and change are distributed equitably.

The draft Urban Growth Report, taken together with other major regional policy agreements such as the Climate Smart Strategy, the Regional Transportation Plan update, the Active Transportation Plan and the Regional Conservation Strategy (adopted by the Intertwine Alliance), reveals that the region is making progress toward achieving those six desired regional

### **Who has a role in managing growth?**

**The private sector** redevelops and renews existing areas and builds new communities according to the plans developed by cities and counties. The private sector also starts and grows businesses that create jobs.

**Local governments** develop comprehensive plans to guide future land use and development to keep communities livable as the region grows. Cities and counties make investments in infrastructure and amenities to create great communities and support job growth.

**Metro** manages the Portland region's urban growth boundary and is responsible for providing a 20-year supply of land for future residential development and employment inside the boundary. Metro makes transportation and natural area investments to create great communities, support job growth and protect the environment that underlies our region’s livability.

**The State of Oregon** sets the rules for how the region makes growth management decisions and ensures that those decisions are consistent with state law.

outcomes. Additionally, the Urban Growth Report reveals that the plans adopted by cities and counties in the region are being implemented by private and public sector investment, thereby creating vibrant downtowns, strong job corridors, healthy and safe neighborhoods, parks and trails, and many other assets that make this region a great place to live and work. These investments are also protecting our resource lands, natural areas and environmental quality.

In other words, plans and policies adopted at the regional and local levels – from the 2040 Growth Concept to the city and county plans that implement it – have provided the foundation for investment, and that investment is enabling us to manage growth as we have planned. While there is clearly still work to be done – for example, in housing affordability, job creation, addressing disadvantaged communities and responding to traffic congestion – the Urban Growth Report illustrates that strong local plans followed by strong investment are helping the region grow while protecting its quality of life.

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Taken together, these three factors suggest that the region’s future will reflect not merely a continuation of past trends, but rather significant changes in the trajectories of population growth, demographic change, workforce composition, and housing development. Accordingly, this recommendation also represents a departure from past urban growth management decisions and does not necessarily create a precedent for future decisions. Rather, it is grounded in the realities of the present and our current understanding of what will happen over the coming two decades, and represents my best understanding of how to meet the needs our region faces at this time.

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## **BACKGROUND ON URBAN GROWTH MANAGEMENT PROCESS TO DATE**

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### **2014 URBAN GROWTH REPORT**

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The Urban Growth Report is our region’s periodic assessment of whether there is enough space for new housing and jobs inside the UGB, the mapped line that separates urban uses from rural uses such as farms and forests. The Council accepted a draft Urban Growth Report in December 2014 as a basis for further discussion of key policy questions.

The 2014 Urban Growth Report is the product of the most transparent growth management process Metro has led to date. External public and private sector experts provided guidance on our population and employment forecast, assumptions about how different types of jobs use space, the buildable land inventory and how much of that inventory may be viable over the next 20 years.

That careful analysis has shown that, when it comes to preparing for more housing and jobs, the region’s fundamental challenge is how we adequately invest in public facilities and services to support community goals.

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## 2015 PROCESS DECISION

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Should a UGB expansion be warranted, the region's intent is to utilize urban reserves for that expansion. Yet in January 2015, the state Land Conservation and Development Commission, in response to an Oregon Court of Appeals ruling, remanded parts of the region's urban and rural reserves in Clackamas and Multnomah counties. This remand has implications for the Council's urban growth management decision: it means that the Council does not have all of the region's reserves available for consideration if it did determine that there is a need for a UGB expansion.

It is expected that resolution of this remand will take at least one year. With that in mind, the Council, at its February 17, 2015 work session, directed staff to proceed with a revised urban growth management work program. The revised work program leads to a Metro Council process decision in fall 2015, choosing one of two options:

Option 1: conclude the urban growth management decision in 2015, prior to resolution of urban reserves.

Option 2: request an extension from the state for the urban growth management decision to wait for the resolution of urban reserves and to allow for additional discussion of housing needs.

In the revised work program, the Council stated its intent to engage in several policy discussions in the spring. The topics that were discussed by the Metro Council, MPAC and MTAC during the spring of 2015 included:

- The likelihood of residential development in urban centers such as those in Portland
- The likelihood of residential development in urban growth boundary expansion areas, including Damascus
- Planning within a range forecast for population and employment growth

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## COUNCIL DIRECTION AT THE JUNE 25, 2015 WORK SESSION

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Based on the input received on the three topics listed above, the Council indicated a desire to conclude its urban growth management decision this year at its June 25, 2015 work session. The Council also indicated its intent to have staff complete a new Urban Growth Report in the next three years – sooner than required under the law – but only if urban and rural reserves have been acknowledged. Aside from indicating confidence in the analysis in the draft Urban Growth Report, the Council cited two practical reasons for this direction:

- Urban and rural reserves are not yet acknowledged. The region needs to finalize urban and rural reserves before devoting more time to discussing whether there is a need for a UGB expansion into urban reserves, which until reserves are finalized would be a strictly academic discussion.
- Asking for an extension from the state creates a situation where the data and analysis in the draft 2014 Urban Growth Report would become outdated.

## SUMMARY OF CHIEF OPERATING OFFICER RECOMMENDATIONS

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Based on discussion of the Metro Council in the past year, I recommend seven actions, described in more detail in subsequent sections. These recommendations are also listed in the draft Ordinance. I recommend that the Metro Council:

### **2015 Urban Growth Management Decision**

1. Decide not to expand the UGB. As discussed below, neither the population growth forecast nor the employment forecast of the draft Urban Growth Report warrant adding new land supply. As directed by the Council, I discuss options for choosing a point in the range forecast for population, considering the issues you identified at your June 25 work session.
2. Begin the next urban growth management cycle sooner than required by Oregon law, but not until urban and rural reserves have been acknowledged in all three counties in the region. Assuming urban and rural reserves are acknowledged in a timely fashion, I recommend we issue the next draft Urban Growth Report in the summer of 2017 with Council consideration of the report by the end of 2017 and a growth management decision by the end of 2018.
3. Work with Multnomah and Clackamas counties to complete our work on the remand of urban and rural reserves so that LCDC can legally acknowledge these reserves prior to the next urban growth management cycle.

### **Continue Metro's Leadership in Growth Management Policy**

4. Explore evolving the urban growth management process to provide additional certainty to the region, counties, cities and stakeholders. This discussion should not take place until urban and rural reserves are acknowledged, but it should occur before Metro begins the next Urban Growth Report.

### **Address the Public Policy and Program Issues Raised by the Draft Urban Growth Report**

5. Shift the region's episodic focus on housing, job growth and mobility to an ongoing effort.
6. Continue to implement the Council's strategic goals for middle and upper income job growth.
7. Continue to invest in implementing regional and local plans.

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### RECOMMENDATION ONE: DECIDE THAT NO URBAN GROWTH BOUNDARY DECISION IS WARRANTED IN 2015

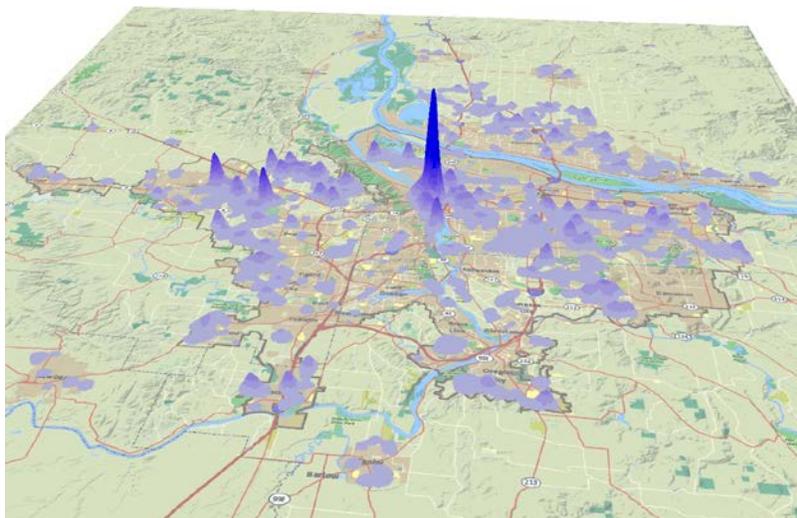
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The draft 2014 Urban Growth Report found that adopted city and county plans give the region the ability to accommodate anticipated housing and job growth inside the existing UGB. After the last several months of discussion, the Council has indicated that they believe that is still a valid conclusion. The Council has expressed confidence in adopted county and city plans – the same plans that the region recently endorsed in Climate Smart Communities. To implement this direction, **I recommend that the Council conclude that there is currently no regional need to expand the UGB.** Following is a summary of my reasoning for my recommendation.

*LIKELIHOOD OF DEVELOPMENT IN URBAN CENTERS, SUCH AS THOSE IN PORTLAND*

This spring, the Metro Council and MPAC both devoted several meetings to the topic of development in urban centers. The resurgence we have witnessed in downtowns such as those in Portland is happening all over the country. Right now, there is a great deal of residential construction happening in these locations. There will be ups and downs with economic cycles, but a number of factors lead me to conclude that when growth cycles do occur, most of the region's new residential construction will be in urban areas. Those reasons include demographic, infrastructure finance, policy and market factors. This outcome is strongly supported by the public's direction to Metro to protect farms and forests by focusing most new housing in existing downtowns and along transportation corridors.

MAP 1: PERMITS FOR NEW HOUSING (1998-2014)



- There is strong market demand for walkable locations such as those found in and near existing downtowns and transportation corridors. This is reflected in the price premiums that people are placing on these locations. Higher land values in these locations make it more likely that redevelopment and infill will occur.
- Demographic and economic factors favor apartments, condos and single-family attached housing.
  - Two-thirds of the region's new households will include one or two people<sup>1</sup>
  - Smaller households means fewer wage-earners per household
  - An aging population means there will be more retiree-led households<sup>2</sup>
  - Partly because of low wages and high levels of student debt, the millennial generation is forming independent households at a slower rate than previous generations<sup>3</sup>
- State rules implementing the land use program in our region require that most of each city's growth capacity be for multifamily housing or attached single-family housing. Recent market demand for these types of housing has been strong in downtowns and along transportation corridors.

<sup>1</sup> Metro (2014). *Draft 2014 Urban Growth Report Appendix 4*, p. 14.

<sup>2</sup> Ibid.

<sup>3</sup> Joint Center for Housing Studies of Harvard University, (2015). *The State of the Nation's Housing 2015*. Boston, MA. Retrieved June 26, 2015, from: <http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/jchs-sonhr-2015-full.pdf>

- The federal funding that facilitated greenfield development in the post-World War II era is largely gone. This is one factor that has slowed the development of past urban growth boundary expansion areas, including expansion areas across the river in Clark County, Washington. This means that more growth will need to occur in our region’s urban locations.

**Housing issues and opportunities**

Metro is committed to tracking changes in residential preferences over time. The 2014 study showed strong preferences for single-family housing, but it also showed preferences for and walkable neighborhoods with amenities and services nearby. What is clear is that preferences are complex and sometimes difficult to reconcile. Metro and local jurisdictions will continue to have the challenge of balancing residential preferences with other priorities such as providing transportation options, preserving affordability, and making the most of scarce public funding for infrastructure.

There will be challenges in creating enough housing in many locations around the region, particularly for households with lower incomes. But, we have no evidence that simply adding more land to the UGB now would solve the region’s affordability challenges or address residential preferences. It is time for our region to move on from the land supply debate and consider actions that will:

- Improve wages
- Reduce transportation costs
- Provide a greater variety of housing choices that match people’s budgetary realities
- Make the most of land already inside the UGB

Metro’s Equitable Housing Initiative is aimed at making sure that the region’s communities remain affordable to all, but success will entail coordinated work by the public, for-profit and nonprofit sectors.

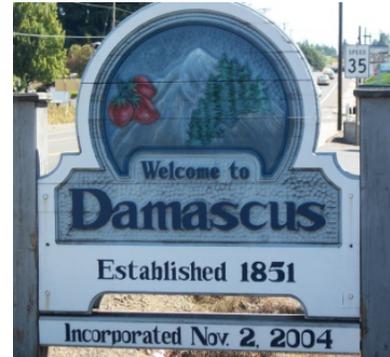
**Metro’s Equitable Housing Initiative**

Metro is committed to working with partners across the region to find opportunities for innovative approaches and policies that result in more people being able to find a home that meets their needs and income levels. The objectives identified to reach this goal include:

- Develop a shared understanding regarding best practices, needs and opportunities for collaboration.
- Develop and provide technical assistance to support local implementation of best practices to overcome barriers.
- Identify opportunities for partnerships to fill the financing gap for equitable housing development and preservation.
- Support equitable housing development and preservation through capacity building, technical assistance, policy development and funding partnerships.

*LIKELIHOOD OF DEVELOPMENT IN URBAN GROWTH BOUNDARY EXPANSION AREAS,  
INCLUDING DAMASCUS*

On May 12, 2015, the Metro Council held a joint work session with the Damascus City Council. At the joint work session, the Damascus City Council stated that they believe residents are likely to vote for city disincorporation next year. Recent state legislation (House Bills 3084, 3085 and 3086) will facilitate that outcome with a simple majority vote. City councilors also said that, as a consequence, the western area of current city limits is likely to develop as portions annex to Happy Valley and other areas develop in unincorporated Clackamas County. The eastern area is likely to see little residential construction consistent with existing rural residential and exclusive farm use zoning designations.



Metro staff has worked with representatives from Damascus, Happy Valley and Clackamas County to estimate what this means from a growth capacity perspective. A summary of that technical work is included in Appendix 1. Generally, parties agree upon the following model assumptions:

- Reduce the land area assumed to be buildable in the next 20 years.
- Increase the assumed residential density for the area that is deemed buildable to reflect Damascus' draft urban zoning.
- Reduce the amount of land assumed developable for industrial and commercial employment to reflect Damascus' draft urban zoning.
- Speed up the assumed availability of the westernmost portions of the area for development in the City of Happy Valley.

Metro staff used its economic land use model to test 20-year market responses to these updated assumptions. In summary, the new assumptions produce small regional differences compared to the draft Urban Growth Report's conclusions. Using market principles and policy assumptions above, the model indicates these changes lead to about 2,000 fewer households and 3,500 fewer jobs locating in the Metro UGB. The balance of the displaced growth gets scattered around inside the existing urban growth boundary with no notable concentrations. Expected effects on multifamily housing shares and distributions around the region are modest as are regional effects on housing affordability. Expected effects on employment land prices are also minor.

*PLANNING WITHIN A RANGE FORECAST FOR POPULATION AND EMPLOYMENT GROWTH*

At the Council's direction, staff expressed the population and employment forecast as a range in the draft Urban Growth Report. This is intended to acknowledge uncertainty when looking 20 years into the future. However, the Council is ultimately required to choose a specific forecast point to complete its growth management and forecast coordination responsibilities. The Council will be asked to choose a point forecast as part of its urban growth management decision this fall. Based on that direction, staff will then complete a final Urban Growth Report and legal findings which the Council will need to adopt to complete its growth management decision. I recommend that the Council plan for the midpoint of the forecast range which is the most probable forecast.

## **Population growth**

From a statistical standpoint, the midpoint of the forecast range has the highest probability. However, the Council has spent much of the last year hearing about the various challenges of producing housing in many locations, whether in downtowns or UGB expansion areas. Nevertheless, I believe that MPAC and Council discussions this spring generally led to the conclusion that regional population and household growth is likeliest to occur at about the midpoint of the forecast range since the factors that influence population growth are fairly stable and predictable (births, deaths and migration). In reaching my recommendation to plan for the midpoint of the range, I also considered factors that have been discussed this spring:

- There has been discussion of the potential for climate refugees, but there is a lack of data on whether this type of migration is already happening or when it may begin happening.
- Recent urban development activity is at historic levels. We can count on the fact that there will be ups and downs with economic cycles. Fundamentally, however, this activity is a sign that local and region plans and investments are working. I think it makes sense to show a vote of confidence in those plans and see little risk in doing so.
- Damascus appears likely to disincorporate in the next year and its western areas are likely to annex to Happy Valley. This appears to enhance the likelihood of growth in this location.
- We heard from staff that a new growth forecast conducted today would look similar to the one in the draft 2014 Urban Growth Report.
- These are the type of questions meant to be reviewed and revisited as part of our ongoing growth management process so we may need to adjust as these trends play out.

## **Employment growth**

Consistent with my recommendation to plan for the midpoint of the population and household range forecasts, I recommend that the Council plan for the midpoint of the employment forecast range. This midpoint represents healthy job growth that is commensurate with the amount of population growth expected. MTAC and MPAC members expressed more divergent views on the employment forecast range, with some citing the need for setting higher aspirations for employment growth.

As the Council is aware, choosing a higher or lower employment forecast won't make it so. I suggest that policymakers focus on two particular economic challenges that would not be resolved by choosing a higher employment forecast or by adding land to the UGB:

- Creation of a greater share of middle-income jobs should be a priority.
- Particular focus should be given to job creation for the region's younger generation and populations of color, many of whom are underemployed or are struggling to get by.

My thoughts on this topic are included in Recommendation Number Six.

*SUMMARY OF GROWTH CAPACITY RECOMMENDATION*

Based on Council discussions to date, I recommend that the Council plan for the midpoint of the forecast range. For the 2015 to 2035 timeframe, I recommend that the Council plan for the following numbers of homes and jobs inside the existing UGB. These numbers reflect staff’s revised estimates of the growth capacity in the area now in the City of Damascus as summarized in Appendix 1:

- 195,500 new homes, consisting of:
  - 75,000 additional single-family homes
  - 120,500 multifamily homes
- 260,000 new jobs

If the Council concurs with this recommendation it would mean that, at this time, there is no need to expand the UGB for jobs or housing.

The midpoint I have recommended reflects a 1.12 percent annual average population growth rate for the 7-county area. However, the Council may wish to consider planning for lower or higher growth. If so, I recommend that the Council consider a narrower forecast range than what is presented in the draft Urban Growth Report since the narrower range around the midpoint has a higher probability than the outer ends of the forecast range. A “medium-low” forecast has a growth rate of 1.06 percent and a “medium-high” forecast has a growth rate of 1.18 percent. As noted, I recommend planning for a point in the range between these two forecasts. If directed by the Council, staff will conduct additional analysis of the implications of these alternative growth rates for land needs or surpluses. Staff will seek that direction at the September 15 Council work session. Staff will need that direction before completing a final Urban Growth Report for Council consideration this fall.

**Housing needs**

At the midpoint of the forecast range, there is a surplus of growth capacity for all housing types. Table 1 summarizes the numbers that lead to that conclusion and incorporate revised estimates of growth capacity in the City of Damascus.

TABLE 1: METRO UGB RESIDENTIAL NEEDS 2015 TO 2035 EXPRESSED IN DWELLING UNITS

|                       | Dwelling units           |                        |                          |         |
|-----------------------|--------------------------|------------------------|--------------------------|---------|
|                       | Buildable land inventory | Market-adjusted supply | Market – adjusted demand | Surplus |
| Single-family housing | 113,200                  | 85,200                 | 74,900                   | +10,300 |
| Multifamily housing   | 274,100                  | 130,900                | 120,500                  | +10,400 |

*Notes:*

- *The buildable land inventory has been adjusted to reflect Council discussions on the viability of Damascus. Compared to the draft Urban Growth Report, there are 3,876 fewer housing units of capacity included in the updated buildable land inventory. This is the net of 807 more units in mixed use zones and 4,683 fewer single-family units.*
- *As reflected in the market-adjusted supply, only a portion of the redevelopment and infill supply included in the buildable land inventory is deemed market-feasible over the next 20 years. This was also the case in the draft Urban Growth Report.*

### Employment land needs

At the midpoint of the forecast range, there is a surplus of growth capacity for commercial and industrial employment. Table 2 summarizes the numbers that led to that conclusion and incorporates revised estimates of growth capacity in the City of Damascus.

TABLE 2: METRO UGB EMPLOYMENT LAND NEEDS 2015 TO 2035 EXPRESSED IN ACRES

|                       | Acres                    |                        |        |         |
|-----------------------|--------------------------|------------------------|--------|---------|
|                       | Buildable land inventory | Market-adjusted supply | Demand | Surplus |
| Commercial employment | 3,750                    | 3,950                  | 3,570  | +380    |
| Industrial employment | 6,800                    | 4,690                  | 3,700  | +990    |

*Notes:*

- *The buildable land inventory has been adjusted to reflect Council discussions on the viability of Damascus. Compared to the draft Urban Growth Report, there are 510 fewer acres of industrial land and 450 fewer acres of commercial land included in the updated buildable land inventory. This is based on draft Damascus zoning concepts. Local policymakers may wish to consider other zoning designations to provide more employment land.*
- *Reflecting real market dynamic where commercial uses locate in industrial zones, the market adjustment shifts some of the region's industrial redevelopment supply into the commercial land supply. This was also the case in the draft Urban Growth Report.*
- *As reflected in the market-adjusted supply, only a portion of the redevelopment supply included in the buildable land inventory is deemed market-feasible over the next 20 years. This was also the case in the draft Urban Growth Report.*

### Large industrial site needs

The region's economic development strategy focuses on several sectors whose anchor firms sometimes use large industrial sites (over 25 buildable acres). These firms are important because they often pay higher-than-average wages, export goods outside the region (bringing wealth back), produce spinoff firms and induce other economic activity in the region. However, forecasting the recruitment of new firms or growth of existing firms that use large industrial sites is challenging since these events involve the specialized decisions of individual firms.



Under the entire range of forecast possibilities presented in the draft Urban Growth Report, there is a surplus of large industrial sites already inside the UGB. As described in the draft Urban Growth Report, the region has a surplus of 40 to 66 of these large industrial sites. However, that does not mean that these sites are all ready to accommodate job growth. Existing sites typically require actions such as infrastructure provision, wetland mitigation, site assembly, brownfield cleanup, annexation by cities and

planning needed to make these sites development-ready.<sup>4</sup> As described in Recommendation Number Six, I recommend that Metro continue to partner with other agencies and organizations to ensure that more of these sites become development-ready to meet the region’s economic development goals.

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RECOMMENDATION TWO: COMPLETE THE NEXT URBAN GROWTH REPORT EARLIER THAN REQUIRED

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Our region, like other metropolitan areas, is changing. People and businesses are returning to downtowns and main streets after decades of outward growth. Economic cycles of boom and bust will come and go, but there are several reasons – demographic shifts and infrastructure finance trends, to name two – to believe that when future growth does occur, much of it will be similar to what is happening in urban places like Orenco Station, Division Street, the Pearl District and the Lloyd District.

Recognizing this pace of change, the Council has directed staff to complete a new Urban Growth Report sooner than required by the law, but not until urban and rural reserves are acknowledged. Assuming urban and rural reserves are acknowledged in a timely fashion, I recommend we issue the next draft Urban Growth Report in the summer of 2017 with Council consideration of the report by the end of 2017 and a growth management decision by the end of 2018. During the intervening time, we can observe how housing and employment trends evolve coming out of the Great Recession.

While that work is happening, I also expect that cities that are interested in UGB expansion will do their part to complete concept plans for urban reserves. Metro remains committed to being a partner on those efforts, most tangibly in the Community Planning and Development Grant program that we administer. Metro has funded almost \$8 million in concept and comprehensive planning in the past and the Council reserved 25 to 30 percent of funds over the next six years to fund this work in the future.

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RECOMMENDATION THREE: SEEK ACKNOWLEDGMENT OF URBAN AND RURAL RESERVES

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After many years of discussion and litigation, the region needs to finalize urban and rural reserves and obtain acknowledgment of those designations from LCDC. Doing so is the best way to provide certainty about where the region may grow and where it won’t. Finalizing these designations will require the collaboration and agreement of many parties.

Metro has existing IGAs with Clackamas County and Multnomah County establishing the location of urban and rural reserves in those counties. In order to obtain final acknowledgement of those reserve areas, Metro must jointly adopt findings with each of these counties in response to the issues identified by the Court of Appeals. Also, all three entities must agree on findings addressing certain region-wide requirements, including findings that the amount of land designated as urban reserve is sufficient to provide a 50-year regional supply. In the absence of agreement among Metro and the two counties

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<sup>4</sup> The inventory of 74 large industrial sites inside the UGB exceeds potential demand for 8 to 34 sites. 24 of the 74 sites are currently held by existing firms for potential future building expansions. The inventory is from the Regional Industrial Site Readiness Inventory completed in 2014 by Business Oregon, Metro, NAIOP, the Oregon Department of Land Conservation and Development, the Portland Business Alliance and the Port of Portland.

regarding the existing reserve maps and revised findings, the only urban reserves in the region will be those located in Washington County.

Below is my suggested timeline for acknowledgment. This proposed timeline is contingent on Metro, the counties and other parties acting in good faith to respond to the specific issues that were remanded by the Oregon Court of Appeals. The urban reserves were adopted after an exhaustive public process of identifying the region's needs for housing and employment lands and ensuring a supply of land for our region that will last for the next 50 years. There is no basis for a reassessment of that analysis now, only four years later.

Metro and each county will need to undertake a public process that results in the adoption of ordinances with joint findings addressing the remand issues and region-wide standards. My recommendation is to begin the public process that will be required for the adoption of ordinances in October, and conclude by adopting ordinances and findings no later than the end of January. This timeframe should ensure that the reserve designations could be acknowledged by LCDC in 2016.

- October 2015 – begin public process
- November-December – hold public hearings and prepare revised findings
- January 2016 – adopt joint findings via ordinances and submit to LCDC

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RECOMMENDATION FOUR: EXPLORE WAYS TO EVOLVE THE URBAN GROWTH  
MANAGEMENT PROCESS TO PROVIDE ADDITIONAL CERTAINTY TO THE REGION,  
COUNTIES, CITIES, AND STAKEHOLDERS

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Our current urban growth management process was largely built during the era before urban and rural reserves. Acknowledgment of urban reserves – when complete – will represent an important milestone for our region and will change the way we manage growth going forward. Unlike the past, we will have already decided as a region where the region may grow for the next several decades. This will allow us to focus more on why we would need to add land supply to the UGB, and how rapidly.

Future growth management decisions may also need to consider qualitative factors that traditionally have not received as much attention as the “numbers game” of capacity, units and acres. For example, many of the stakeholders we have worked with during this growth management cycle wonder whether we should look at how their communities are performing – in supplying infrastructure, in making decisions and in being market-ready – in addition to looking at regional land need. The Metro Council has indicated that they are interested in looking at these factors, but to consider them when making growth management decisions would require that we change our process.

Building on the work that our region has done to identify urban and rural reserves – those places that the region will or won't develop over the next 50 years – I recommend that Metro convene its partners to discuss how we might allow for regional consideration of modest city requests for residential UGB expansions into urban reserves. But identification and implementation of any such system will require that the region first resolve the status of urban and rural reserves.

Evolving our growth management process should carry forward the Metro Council’s policy to take an outcomes-based approach, refocusing our dialogue on the ingredients needed to get housing built (city governance, infrastructure finance and market feasibility) and who would benefit from that housing, rather than divisive arguments about whether there is a regional or local need for land.

A first step would be to convene a regional discussion, perhaps involving the Metro Policy Advisory Committee (MPAC) or a subcommittee including key stakeholders. However, I recommend first getting urban and rural reserves acknowledged before convening this discussion. Below are some proposed guiding principles for how this system could work.

*PROPOSED GUIDING PRINCIPLES FOR EVOLVING THE REGION’S GROWTH MANAGEMENT PROCESS FOR HOUSING*

The following proposed guiding principles are for Council consideration though the Council does not necessarily need to come to an agreement on these at this time. Council’s decision will simply be whether to direct staff to begin a process to explore possible improvements to Metro’s growth management process once urban and rural reserves are acknowledged.

- Consistent with Oregon’s land use planning program, locally-adopted community plans and the public’s core values, the region remains committed to focusing most housing growth in its existing downtowns, main streets, corridors and station communities.
- Acknowledged urban reserves represent the maximum residential urban footprint for the region through the year 2060. Consistent with existing law, urban reserves will be revisited in 2031.
- Rural reserves will remain off limits to urban development through at least the year 2060.
- Carefully made residential UGB expansions into acknowledged urban reserves are consistent with the 2040 Growth Concept and can support its implementation. However, as growth management discussions and ongoing litigation illustrate, identifying a regional need for residential UGB expansions, as required under existing state law, is not a purely technical exercise.
- UGB expansion requests made by cities will be considered in a regional dialogue, with recommendations made by MPAC and decisions made by the Metro Council.
- UGB expansions into urban reserves will be considered based on the practical outcomes that they could produce for the region and requesting city. Policymakers will consider factors addressing topics such as governance, finance, market, housing choice and affordability.

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**RECOMMENDATION FIVE: SHIFT THE REGION’S EPISODIC FOCUS ON HOUSING, JOB GROWTH, AND CHANGE TO AN ONGOING DIALOGUE**

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Our region is approaching the halfway point for our regional vision, the 2040 Growth Concept, which laid out where housing and job growth should occur through 2040. Public support for the core values embodied in the plan remains strong. Nevertheless, we should all be aware of the challenges of implementing that vision, which is why I recommend that Metro monitor community development

trends on an ongoing basis. Using that information, Metro must continue to work with its partners to find innovative solutions to the challenges we see now and in the future.

This is one of the purposes of Metro’s Regional Snapshots program, which will be launched as a quarterly series beginning in September. The first installment of this series will focus on housing and can serve as an ongoing regional forum for identifying housing policy best practices. Subsequent quarterly themes will include transportation, jobs and community character and design before returning again to housing. These Regional Snapshots will use a variety of methods to bring forward the region’s challenges and opportunities in preparing for housing and job growth and are likely to include:

- Data on housing, job creation and transportation trends
- Case studies on community building efforts around the region
- Personal accounts of people from around the region
- Guest speakers at MPAC and other venues

In addition to monitoring and reporting on housing and job trends, Metro should continue to work with its partners to increase regional knowledge about housing market preferences through additional market research and analysis. While residential preferences are not the only objective that policymakers must address, it is an important, if complex, one. Policymakers should continue seeking solutions that find the balance between:

- Preferences for single-family homes
- Preferences for walkable communities with amenities nearby
- Strong public support for focusing most new housing in existing urban areas to protect farms and forests

Facilitating design innovations for new housing types holds potential. One design concept worth exploring is that of “missing middle housing<sup>5</sup>,” occupying that space between single-family homes and

### **What are Regional Snapshots?**

A series of quarterly check-ins on how the greater Portland region is growing, changing and getting around. Each Snapshot seeks to illuminate issues that matter to people and businesses in the region, using data and relevant storytelling. It’s not a report card or a magazine story, but somewhere in between. It lives primarily online and is clickable and shareable.



<sup>5</sup> See <http://missingmiddlehousing.com>

mid-rise housing. Examples include duplexes, townhomes, accessory dwelling units and courtyard housing. The region needs to explore how these less common housing types might provide desirable options for households of all types, whether 1- or 2-person, with children, lower-income or retiree.

Taken together, observing trends in the markets and researching housing preferences can inform the development of best practices for promoting housing that addresses challenges such as housing affordability. Metro’s current Equitable Housing Initiative is one example of such a program that is proceeding from a data-driven understanding of the current affordable housing situation to technical assistance delivery.

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**RECOMMENDATION SIX: CONTINUE TO IMPLEMENT THE COUNCIL’S STRATEGIC GOALS FOR MIDDLE AND UPPER INCOME JOB GROWTH**

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As noted earlier in my recommendations, choosing a higher or lower employment forecast won’t make it so. I suggest that policymakers focus on two particular economic challenges that would not be resolved by choosing a higher employment forecast or by adding land to the UGB:

- Creation of a greater share of middle-income jobs should be a priority.
- Particular focus should be given to job creation for the region’s younger generation and populations of color, many of whom are underemployed or are struggling to get by.

Solutions to these challenges are difficult and many extend beyond the influence of the Metro Council (from education and job training to improvements in global macroeconomic conditions). I recommend that Metro continue its strategic focus on projects, policies, programs and partnerships that enhance land readiness and improve mobility of people and goods.

**Metro investments in family-wage jobs**

Metro programs and activities are aligned to help the region create more family wage jobs.

**PROJECTS**

- RISE (Regional Infrastructure Supporting our Economy)
- Southwest Corridor and Powell Division Investment Areas
- Economic Value Atlas Initiative

**POLICIES**

- Past additions to the UGB for industrial land
- Protecting regionally significant employment areas from conflicting uses
- Freight and transit system planning

**PROGRAMS**

- Community Planning and Development Grants
- Metropolitan Transportation Improvement Program and Regional Flexible Funds
- Enterprising Places

**PARTNERSHIPS**

- Industrial Site Readiness Coalition
- Oregon Brownfields Coalition
- Greater Portland Inc 2020

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## RECOMMENDATION SEVEN: CONTINUE TO INVEST IN IMPLEMENTING REGIONAL AND LOCAL PLANS

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A thread that weaves through many of our recent efforts – whether Climate Smart Communities or the Council’s urban growth management decision – is that we intend to implement existing community plans. It is incumbent on us to do this to meet carbon reduction goals, create walkable communities, and make sure there is enough housing and jobs to meet expected growth.



The next update of the Regional Transportation Plan comes on the heels of the region’s adoption of the Climate Smart Strategy. During that process, cities, counties and the region all agreed that investments are critical to implementing our community visions. The 2018 update of the Regional Transportation Plan is an opportunity for us to make good on those plans. Likewise, the Southwest Corridor Plan and planning for the Powell-Division Corridor provide opportunities for making investments that advance community and regional goals. With scarce resources, this region needs to make the most of what it has.

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## CONCLUSION

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We are extremely fortunate to live in a region filled with great places and passionate people. Making decisions about the future of this place requires that we think deeply and listen carefully. It also requires that, while respecting the past, we squarely face the challenges and imperatives of the future.

With these thoughts in mind, I am pleased to make my recommendations, which represent my best judgment about how to embrace change while protecting the special qualities of this place we call home. I look forward to working with the Metro Council, with MPAC, with key stakeholders and with the people of our region as we consider these recommendations and conclude the 2015 urban growth management decision.

## NEXT STEPS

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These recommendations are intended to provide a framework for decision-making this fall. Following are some key dates for those discussions and decisions:

*Dates are preliminary and subject to change*

- July 28: Metro Council work session – discussion of Chief Operating Officer recommendation
- August 5: MTAC – discussion of Chief Operating Officer recommendation
- August 26: MPAC – discussion of Chief Operating Officer recommendation
- September 2: MTAC discussion (if needed)
- September 3: Metro Council work session (if needed)
- September 9: MPAC – recommendation to Metro Council
- September 15: Metro Council work session (provide direction to staff on point in range forecast and direction to finalize the Urban Growth Report and housing needs analysis based on that point forecast)
- September 24: First reading of ordinance and public hearing
- October 27: Proposed final Urban Growth Report available for review (reflecting point forecast)
- Dates TBD: Additional public hearings
- November 19: Metro Council adoption of final Urban Growth Report and legal findings