

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING THE)	ORDINANCE NO. 12-1288
EMPLOYMENT AND INDUSTRIAL AREAS)	
MAP OF TITLE 4 OF THE URBAN GROWTH)	Introduced by Councilor Shirley Craddick
MANAGEMENT FUNCTIONAL PLAN UPON)	
APPLICATION BY CITY OF HAPPY VALLEY)	

WHEREAS, subsection 3.07.450H of Title 4 of the Urban Growth Management Functional Plan provides for amendment of the Employment and Industrial Areas Map by the Metro Council at the request of a city or a county and sets forth criteria for amendments; and

WHEREAS, the City of Happy Valley applied to amend the map to change the designation of 136.2 acres in southwest Happy Valley from Regionally Significant Industrial Area to Employment Area and Neighborhood; and


WHEREAS, the Council held a public hearing on the application on October 18, 2012; and

WHEREAS, the Council reviewed the city's application and finds that the proposed changes to the Title 4 map meet the criteria in subsection 3.07.450H, as addressed in Exhibit B; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. The Employment and Industrial Areas Map of Title 4 of Metro's Urban Growth Management Functional Plan is hereby amended as shown on Exhibit A, attached to this ordinance.
2. The Council adopts the findings of fact and conclusions of law in Exhibit B, attached to this ordinance, to explain how the map amendment complies with applicable law.

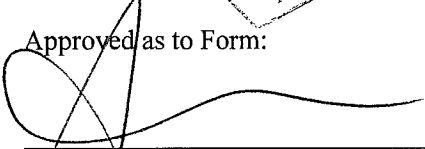
ADOPTED by the Metro Council this 18th day of October 2012.

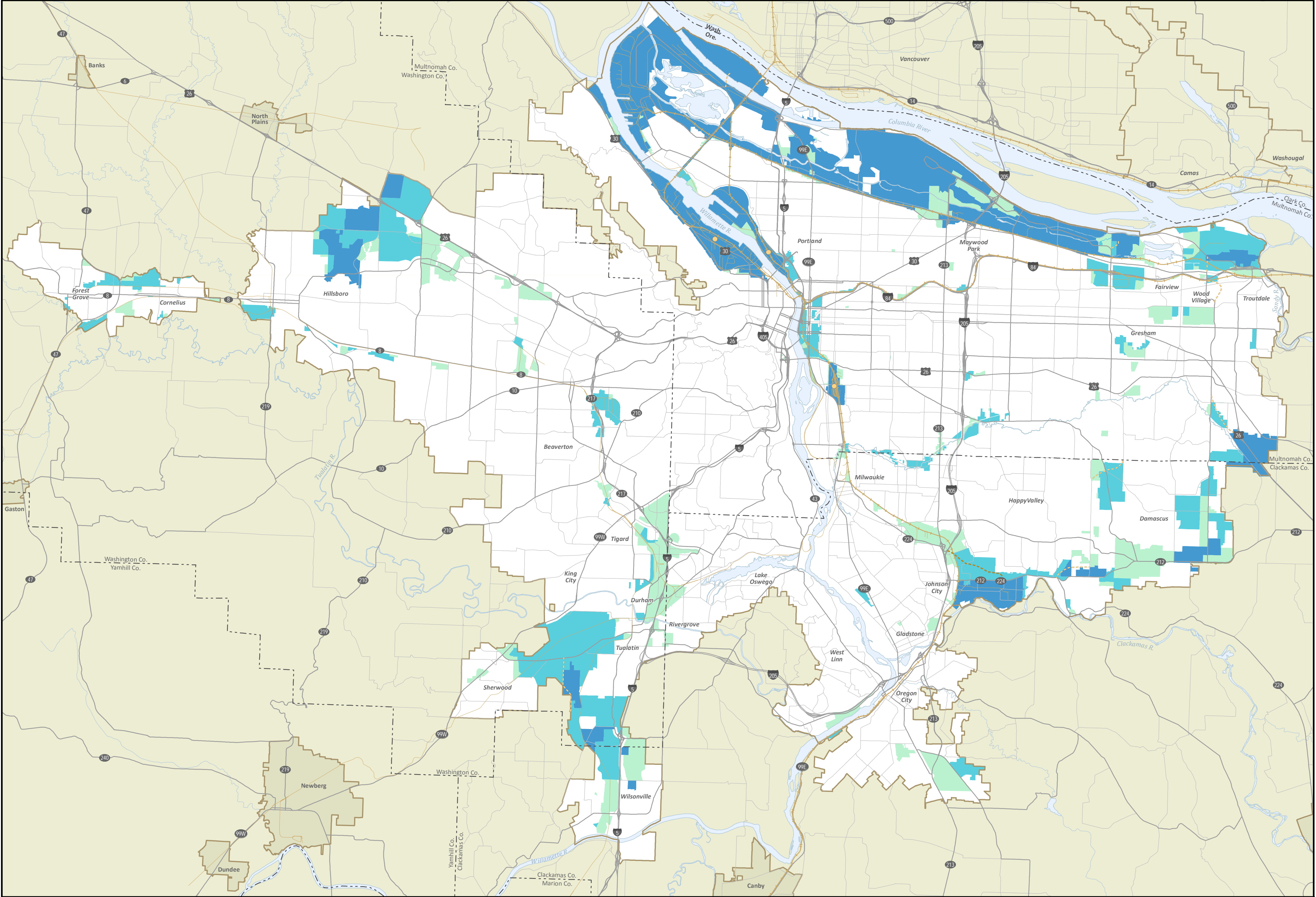

Approved
Tom Hughes, Council President
COUNCIL
Metro Council

Attest:


Kelsey Newell, Regional Engagement Coordinator

Approved as to Form:

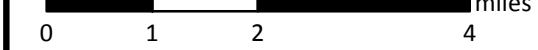

Allison Kean Campbell, Metro Attorney



Title 4, Industrial and Other Employment Areas

PROPOSED CHANGES, EXHIBIT A TO ORDINANCE 12-1288

September 2012 UGB pending LCDC acknowledgment



The information on this map was derived from digital databases on Metro's GIS. Care was taken in the creation of this map. Metro cannot accept any responsibility for errors, omissions, or positional accuracy. There are no warranties, expressed or implied, including the warranty of merchantability or fitness for a particular purpose, accompanying this product. However, notification of any errors are appreciated.












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|---|---|---|------------------------------|---|-------------------------|
|  | Employment areas |  | Proposed main roadway routes |  | Rail yards |
|  | Industrial areas |  | Proposed road connectors |  | County boundaries |
|  | Regionally significant industrial areas |  | Mainline freight |  | Urban growth boundaries |
| | |  | Branch line freight |  | Neighbor cities |



Exhibit B to Ordinance No. 12-1288

Findings of Fact and Conclusions of Law

Title 4 of the Urban Growth Management Functional Plan (UGMFP) authorizes local governments to seek amendments to Title 4's map of industrial and other employment areas. Title 4 prescribes criteria that local governments must satisfy for an amendment to the map. The Metro Council adopts and incorporates the staff report dated October 18, 2012 (the "Staff Report"), and makes the following findings and reaches the following conclusions to address the criteria, found at Metro Code 3.07.450H:

Criterion A: the amendment would not reduce the jobs capacity of the city below the number shown on Table 3.07-1 of Title 1 of the UGMFP

The Metro Council accepts the analysis of city compliance with this criterion in the Staff Report. The Council concludes that the amendment complies with Criterion A

Criterion B: the amendment would not allow uses that would reduce off-peak performance on Major Roadway Routes and Roadway Connectors shown on Metro's 2004 Regional Freight System Map below standards in the Regional Transportation Plan, or exceed volume-to-capacity ratios on Table 7 of the 1999 Oregon Highway Plan for state highways, unless mitigating action is taken that will restore performance to RTP and OHP standards within two years after approval of uses.

The Metro Council accepts the analysis of city compliance with this criterion in the Staff Report. The Council concludes that the amendment complies with Criterion B.

Criterion C: the amendment would not diminish the intended function of the Central City or Regional or Town Centers as the principal locations of retail, cultural and civic services in their market areas

The Metro Council accepts the analysis of city compliance with this criterion in the Staff Report. The Council concludes that the amendment complies with Criterion C.

Criterion D: the amendment would not reduce the integrity or viability of a traded sector cluster of industries

The Metro Council accepts the analysis of city compliance with this criterion in the Staff Report. The Council concludes that the amendment complies with Criterion D.

Criterion E: the amendment would not create or worsen a significant imbalance between jobs and housing in a regional market area

The Metro Council accepts the analysis of city compliance with this criterion in the Staff Report. The Council concludes that the amendment complies with Criterion E.

Criterion F: if the subject property is designated Regionally Significant Industrial Area, would not remove from that designation land that is especially suitable for industrial use due to the availability of specialized services, such as redundant electrical power or industrial gases, or due to proximity to freight transport facilities, such as trans-shipment facilities

The Metro Council accepts the analysis of city compliance with this criterion in the Staff Report. The Council concludes that the amendment complies with Criterion E.

Regional Framework Plan: Title 4 of the UGMFP implements the policies of the RFP. Because the proposed amendment complies with Title 4, the Council concludes that it also complies with the RFP. Metro Code 3.07.450I.

Statewide Planning Goals

Goal 1: Metro followed the procedures for map amendments in Title 4, the Metro charter and the post-acknowledgment plan amendment process. The Council held a public hearing following publication of the agenda and materials, including the staff report at the Metro website. These actions provided opportunities for public involvement in the process of amendment of the Title 4 map and complied with Goal 1.

Goal 2: This matter came before the Metro Council on application of the city of Happy Valley. Coordination with the city has been accomplished through the process. As noted above, the proposed amendment is consistent with the Regional Framework Plan and the Urban Growth Management Functional Plan.

Goal 3: The proposed amendment involves land inside the regional UGB. Goal 3 does not apply.

Goal 4: The proposed amendment involves land inside the regional UGB. Goal 4 does not apply.

Goal 5: The Council relies upon the findings and conclusion on Goal 5 and city implementation measures made by the city of Happy Valley in its order approving amendments to its comprehensive plan and land use regulations prior to its application for an amendment to the Title 4 map. The proposed map amendment complies with Goal 5.

Goal 6: The Council relies upon the findings and conclusion on Goal 6 and city implementation measures made by the city of Happy Valley in its order approving amendments to its comprehensive plan and land use regulations prior to its application for an amendment to the Title 4 map. The proposed map amendment complies with Goal 6.

Goal 7: The Council relies upon the findings and conclusion on Goal 7 and city implementation measures made by the city of Happy Valley in its order approving amendments to its comprehensive plan and land use regulations prior to its application for an amendment to the Title 4 map. The proposed map amendment complies with Goal 7.

Goal 8: The Council relies upon the findings and conclusion on Goal 7 and city implementation measures made by the city of Happy Valley in its order approving amendments to its comprehensive plan and land use regulations prior to its application for an amendment to the Title 4 map. The proposed map amendment complies with Goal 8.

Goal 9: The Council relies upon the findings and conclusion on Goal 9 and city implementation measures made by the city of Happy Valley in its order approving amendments to its comprehensive plan and land use regulations prior to its application for an amendment to the Title 4 map. Goal 9 does not apply to Metro. Nonetheless, the proposed map amendment complies with Goal 9.

Goal 10: The Council relies upon the findings and conclusion on Goal 10 and city implementation measures made by the city of Happy Valley in its order approving amendments to its comprehensive plan

and land use regulations prior to its application for an amendment to the Title 4 map. The proposed map amendment complies with Goal 10.

Goal 11: The Council relies upon the findings and conclusion on Goal 11 and city implementation measures made by the city of Happy Valley in its order approving amendments to its comprehensive plan and land use regulations prior to its application for an amendment to the Title 4 map. The proposed map amendment complies with Goal 11.

Goal 12: The Council relies upon the findings and conclusion on Goal 12 and city implementation measures made by the city of Happy Valley in its order approving amendments to its comprehensive plan and land use regulations prior to its application for an amendment to the Title 4 map. The proposed map amendment complies with Goal 12.

Goal 13: The Council relies upon the findings and conclusion on Goal 13 and city implementation measures made by the city of Happy Valley in its order approving amendments to its comprehensive plan and land use regulations prior to its application for an amendment to the Title 4 map. The proposed map amendment complies with Goal 13.

Goal 14: The proposed amendment to the Title 4 map does not involve the regional UGB. Nor does it involve the use of “urbanizable” land as described in the statewide planning goals. Goal 14 does not apply to the proposed amendment.

Goal 15: The properties involved in the proposed Title 4 map amendment do not lie within the Willamette River Greenway. Goal 15 does not apply to the proposed amendment.

STAFF REPORT

IN CONSIDERATION OF ORDINANCE NO. 12-1288, FOR THE PURPOSE OF AMENDING THE EMPLOYMENT AND INDUSTRIAL AREAS MAP OF TITLE 4 OF THE URBAN GROWTH MANAGEMENT FUNCTIONAL PLAN UPON APPLICATION BY CITY OF HAPPY VALLEY

Date: October 18, 2012

Prepared by: Ray Valone
503-797-1808
ray.valone@oregonmetro.gov

BACKGROUND INFORMATION

PETITIONER:

City of Happy Valley

APPLICABLE REVIEW CRITERIA:

Metro Code section 3.07.450 H

The Regional Framework Plan calls for a strong regional economy. To improve the regional economy, Title 4, Industrial and Other Employment Areas, of the Urban Growth Management Functional Plan seeks to provide and protect a supply of sites for employment by limiting the types and scale of non-industrial uses in Regionally Significant Industrial Areas (RSIAs), Industrial and Employment Areas. Title 4 also seeks to provide the benefits of "clustering" to those industries that operate more productively and efficiently in proximity to one another than in dispersed locations. The title further seeks to protect the capacity and efficiency of the region's transportation system for the movement of goods and services and to encourage the location of other types of employment in Centers, Employment Areas, Corridors, Main Streets and Station Communities. Title 4 is implemented through city and county comprehensive plans and zoning.

The City of Happy Valley requests that the Metro Council amend the Employment and Industrial Areas Map to conform to existing public uses and authorize uses not allowed under Title 4. The proposed map amendment would apply to 136.2 acres in the City of Happy Valley's Rock Creek Employment Center (RCEC), including two sites totaling 76.1 acres and 60.1 acres. The two sites and the proposed Title 4 changes are shown in Attachment 1. Both sites were designated as Regionally Significant Industrial Area on Metro's Employment and Industrial Areas Map after being brought into the UGB in 2002. The parcels within Site #1 were purchased by the North Clackamas School District and North Clackamas Parks and Recreation District prior to annexation to the City. They have been developed with two schools and a regional park with active recreation facilities. Site #2, directly to the north and east of Site #1, is currently undeveloped.

In 2011, the City completed and adopted a Goal 9 Economic Opportunity Analysis (EOA). This analysis shows that the City needs 200 acres to 333 acres of employment land to meet its 20-year need; however, it finds 204 surplus acres in the land supply for industrial and employment/office categories. It also expressed concerns with the suitability of some of the land in the RCEC area and identified strategies related to the type of businesses that should be targeted for this area. Based on the above information, Happy Valley requests that the 76.1 acres (Site #1) be taken off the Title 4 in recognition of the institutional uses of public schools and a regional park; and that the 60.1 acres within Site #2 be re-designated from RSIA to Employment to recognize the constraints of the site and allow for the recommended targeted business clusters.

On July 17, 2010, the Happy Valley City Council adopted Ordinance No. 427, which amended the Happy Valley Comprehensive Plan/Zoning Map and Land Development Code to reflect the designations that prompt this request for a Title 4 map amendment. The ordinance was not appealed and so has, by default, been acknowledged as compliant with Statewide Planning Goals pursuant to ORS 197.625(1). The City's ordinance appropriately contains a condition making the July 17, 2012 re-designation contingent upon an amendment by the Metro Council to the Title 4 map.

The City of Happy Valley's letter requesting the map change, comprehensive plan/zone change ordinance and staff report with findings, are included as Attachment 2. This application and its findings serve as application for the proposed Title 4 Map amendment.

APPLICABLE REVIEW CRITERIA

The criteria for amendments to the Employment and Industrial Areas Map are contained in Metro Code 3.07.450 H. The criteria (**in bold**), summary of petitioner responses to the criteria (*in italics*), and staff analysis follow.

To approve an amendment, the Metro Council must conclude that the amendment:

Criterion 1: Would not reduce the jobs capacity of the city or county below the number shown on Table 3.07-1 of Title 1 of the Urban Growth Management Functional Plan

Petitioner Response

Site #1: The City's zone change from Industrial Campus (IC) to Institutional Public Use (IPU) recognizes the existing non-conforming public uses on Site #1. The number of jobs for this site would remain the same under the existing zoning or the proposed new zoning.

Site #2: The City's zone change from IC to Mixed Use Employment (MUE) is intended to better ensure that these lands are used for employment uses that help meet the Economic Opportunity Analysis (EOA) objectives with a focus on targeted business clusters. This change, including removal of barriers to industrial development, e.g. eliminating the 1000-foot buffer requirement between residential and industrial uses, and allowing limited commercial uses, will result in more buildable employment land than previously. The buildable area is expected to increase for this site from 17.1 acres to 30 acres. The City conducted a land use and development analysis based on these changes and calculated that the job capacity under the existing zoning would be 38 jobs and the capacity under the proposed zoning would be 218 jobs.

Metro Staff Analysis

Site #1: Since the proposed change to the Title 4 design type designation for Site #1 is merely recognizing the fact that the existing public uses were allowed prior to annexation of the land and subsequent zoning by the City, Metro staff concludes that there will be no impact on the jobs capacity with removing the RSIA designation from the site.

Site #2: The City's EOA recommends that the City take proactive steps by adopting policies to mitigate the risks identified in the report. Under Goal 4 (Facilitate Development of the RCEC) of the report, one objective is to optimize overall site development potential by evaluating "...locations with relatively steep slopes (i.e., over 10%) that are not conducive to industrial development, and implement zoning amendments that allow more flexible mixed-use development types that are compatible with adjacent industrial and/or employment areas." A significant portion of Site #2 includes slopes of over 10% grade (Attachment 3). The City's proposed MUE district implements this recommendation through code

language that still allows industrial uses, but also balances them with other ones more in line with the EOA, along with limited supportive uses.

Based on review of the City's action of July 12, 2012, including code language changes, supplemental material and the findings, Metro staff concurs with the petitioner's assessment that the proposed comprehensive plan/zoning code changes would result in capacity for more jobs. The increased capacity stems from the changes to the code, including those mentioned above, that will yield more buildable acres than currently exist. The proposed change to the Title 4 map, which is based on the City's July actions, would not, therefore, have the effect of reducing the employment capacity of the City of Happy Valley.

Metro staff believes that this criterion is met.

Criterion 2: Would not allow uses that would reduce off-peak performance on Major Roadway Routes and Roadway Connectors shown on Metro's 2004 Regional Freight System Map below standards in the Regional Transportation Plan ("RTP"), or exceed volume-to-capacity ratios on Table 7 of the 1999 Oregon Highway Plan ("OHP") for state highways, unless mitigating action is taken that will restore performance to RTP and OHP standards within two years after approval of uses

Petitioner Response

Highway 212 south of the proposed rezone area is a main roadway route within the regional freight network. According to the City's consultant, the proposed land use changes would result in approximately 196 additional trips during the midday peak (12 to 1:00 PM). This would have a nominal impact on the performance of this route during the non-peak hour. The analysis showed the additional traffic would slightly increase the delay at the three intersections studied by a few tenths of a second per vehicle. This increase would not, however, cause the intersections to fall below the level of service in the RTP nor affect the overall ability for these intersections to function within the specified mobility standard of 0.90 volume-to-capacity ratio in the year 2035 under the proposed zoning.

Metro Staff Analysis

Site #1: Since the proposed change to the Title 4 design type designation for Site #1 is merely recognizing the fact that the existing public uses were allowed prior to annexation of the land and subsequent zoning by the City, Metro staff concludes that there will be no impact to the off-peak performance on freight routes from removing the RSIA designation from site.

Site #2: The applicable freight routes in the vicinity of the proposed zone change are Highway 212, a main roadway route and SE 172nd Avenue, a road connector. Off-peak hours are assessed since those are the times when freight transport is most likely to occur in order to avoid delays from commute hour traffic. As part of its petition, the City conducted a traffic analysis to address this criterion, which can be found as Attachment 4 to this staff report. The three intersections analyzed for determining compliance with this criterion in Title 4 included:

- Sunnyside Road at SE 172nd Avenue
- SE 172nd Avenue at Rock Creek Boulevard
- SE 172nd Avenue at Highway 212

Metro's transportation engineer reviewed the consultant's analysis and conclusions and concurs that the proposed changes would not reduce off-peak performance on the facilities or intersections below standards contained in the RTP or OHP. As documented in the City's analysis, the proposed land use changes are expected to have a negligible off-peak traffic impact.

Metro staff believes that this criterion is met.

Criterion 3: Would not diminish the intended function of the Central City or Regional or Town Centers as the principal locations of retail, cultural and civic services in their market areas

Petitioner Response

The RCEC was brought into the UGB in 2002 as part of the 12,000-acre expansion in Clackamas County. The property was primarily designated as Regionally Significant Industrial Area, with the balance as Industrial Area. Since that time, the City has annexed the area and applied zoning. In 2011, the City completed a Goal 9 Economic Opportunity Analysis and subsequent economic development mission statement, policy objectives and conceptual vision for this area. The action taken by the City in July 2012 included code amendments to realize the objectives and vision through provision of expanded industrial and office employment uses with ancillary services and some workforce housing. The RCEC area will not compete with or diminish the intended function of the Regional Center or Town Center, given the limitations of commercial development and limited locations for residential development.

Further, the City's proposed changes will aid in "syncing" the two Center areas, providing for future trip reduction and multi-modal travel opportunities between future employment lands and the commercial services found within the Happy Valley Town Center, which is just the beginning stages of becoming a "14-hour Community".

Metro Staff Analysis

Site #1: Since the proposed change to the Title 4 design type designation for Site #1 is merely recognizing the fact that the existing public uses were allowed prior to annexation of the land and subsequent zoning by the City, Metro staff concludes that approving the proposal to remove the RSIA designation would not diminish the function of centers from the existing situation.

Site #2: Recently, the City adopted a higher-density Town Center plan and boundaries just to the north of the RCEC. The City's 2011 TSP master plan shows an additional arterial connection from the Town Center to the RCEC via a SE 162nd Avenue extension. Based on these actions and the code amendments that the City adopted in July 2012 to increase light industrial job opportunities, tech flex and office, while limiting commercial development in the RCEC employment area, staff concurs that the zone change will not diminish the intended function of the Town Center. The proposed rezone of Site #2 is, in fact, consistent with Metro's Employment Area design type and not a center designation.

Metro staff believes that this criterion is met.

Criterion 4: Would not reduce the integrity or viability of a traded sector cluster of industries

Petitioner Response

The 2011 City of Happy Valley Economic Opportunities Analysis (EOA) makes several key findings related to land needs, policies and code amendments. Key EOA findings and recommendations include:

- *Land Needs. The total 20-year forecasted Happy Valley employment land need is from 200 acres (low growth) to 333 acres (high growth). The city's existing land supply is adequate to accommodate the high growth scenario for the industrial and office categories; but is somewhat constrained for commercial uses beyond the medium growth forecast.*
- *Strategic Clusters. The Happy Valley EOA recommends strategies for retaining and attracting a mix of existing and emerging business clusters that pay above average wages. This includes a mix of existing established and emerging clusters, including:*
 - *Health services and biomedical research and development*

- Professional and business services
- Advanced manufacturing (metals, machinery, testing devices, etc.)
- Advanced learning (public and private higher education establishments)

All of the above-mentioned uses will continue to be allowed within the RCEC. The proposed development code amendments will actually enhance the ability of the RCEC to provide traded-sector job growth by reducing the extent of buffers between residential uses and future buildings within IC land area, and limiting outdoor warehouse/storage uses.

Within Site # 2, the area is proposed for re-zoning from IC to MUE. The proposed zone will still allow development of the aforementioned traded sectors. The zone change will allow for more intensive use of the land due to the ability to develop on moderately-sloped land and the higher intensity of uses allowed. Therefore, the proposed development code amendments are expected to enhance the ability of Happy Valley to attract viable traded-sector businesses.

Metro Staff Analysis

Site #1: Since the proposed change to the Title 4 design type designation for Site #1 is merely recognizing the fact that the existing public uses were allowed prior to annexation of the land and subsequent zoning by the City, Metro staff concludes that removing the RSIA designation would have no effect on the integrity or viability of a traded sector cluster of industries.

Site #2: Traded-sector industries are those in which member firms sell their goods or services into markets for which national or international competition exists. Firms in these sectors are important to the regional economy since they bring wealth into the region by exporting goods or services. These types of companies tend to cluster because they draw competitive advantage from their proximity to competitors, to a skilled workforce, to specialized suppliers and to a shared base of knowledge.

As stated in the petitioner response to Criterion 4, Happy Valley's EOA recommends that the City focus on retaining and attracting a mix of existing and emerging business clusters, which includes the list shown in that response. This list represents traded sector industries. The July 2012 action taken by the City includes, in part, code language to facilitate the mix of employment uses and site flexibility to create clusters of these business industries.

Metro staff concludes that the proposal does not reduce the integrity or viability of a traded sector cluster of industries. Thus, this criterion is met.

Criterion 5: Would not create or worsen a significant imbalance between jobs and housing in a regional market area

Petitioner Response

The City of Happy Valley is currently well below the regional average of jobs per household; the proposed development code amendments are intended to help Happy Valley correct that imbalance. Based on Metroscope Generation 2.3 estimates, the City had only 0.5 jobs per household in 2005, well below the tri-county regional average of 1.5 jobs per household. Future housing and job projections by Metro assume Happy Valley will capture approximately 3.5% of the tri-county household growth and 1.8% of the tri-county job growth over the 2005-2035 period. This level of growth in Happy Valley would improve the jobs to housing ratio to 0.8 by 2030. The proposed development code amendments would help result in better utilization of the RCEC area for future employment growth than what would likely occur under existing condition, thereby improving the overall jobs to housing ratio in the City.

Metro Staff Analysis

Site #1: Since the proposed change to the Title 4 design type designation for Site #1 is merely recognizing the fact that the existing public uses were allowed prior to annexation of the land and subsequent zoning by the City, Metro staff concludes that removing the RSIA designation from the site would not affect the balance between jobs and housing.

Site #2: As mentioned in previous criteria, the City's proposed changes to its comprehensive plan and zoning code would result in a greater buildable land area for employment uses, as well as removing restrictions to allow for a more intense level of industrial and other mixed employment uses. Based on these proposed changes, Site #2 would allow more types of employment uses that yield higher jobs per acre and a greater number of acres of such uses than under the existing code. For this reason, Metro staff believes that this criterion is met.

Criterion 6: If the subject property is designated Regionally Significant Industrial Area, would not remove from that designation land that is especially suitable for industrial use due to the availability of specialized services, such as redundant electrical power or industrial gases, or due to proximity to freight transport facilities, such as trans-shipment facilities.

Petitioner Response

The land proposed for rezoning is not especially suitable for industrial use due to the natural resources and topographic constraints and the existing schools and park that have already been built. The areas that are more suitable for industrial use, south of Rock Creek Boulevard, would retain their industrial zoning.

Metro Staff Analysis

Site #1: The proposed change to the Title 4 design type designation for Site #1 is merely recognizing the fact that there are two existing schools and an active regional park in place. In addition, there isn't now nor ever were any specialized services in place for industrial uses.

Site #2: Because of Site #2's location, site characteristics and lack of essential urban services, this site is not suitable for industrial uses, especially those that require specialized services. It has no transportation network to access the area and has major topographic constraints with Rock Creek and its associated steep slopes.

Metro staff believes that this criterion is met.

SUMMARY OF APPLICABLE CRITERIA

Based on the petitioner's responses and supplemental information provided by City staff, Metro staff concludes that all six criteria have been met.

The City requests that Site #1 be removed from the RSIA designation, but did not specify which 2040 Growth Concept design type designation should be applied. Metro staff, in consultation with the Metro Attorney Office, believes that the Metro Neighborhood design type would best reflect the public institutional uses of two public schools and a public regional park.

ANALYSIS/INFORMATION

Known Opposition [identify known opposition to the proposed legislation]

There is no known opposition.

Legal Antecedents [identify legislation related to the proposed legislation, including federal, state, or local law and Metro Code, using appropriate resolution or ordinance numbers, ballot measure numbers, etc.]

Designated RSIA in 2002 by Metro Ordinance No. 02-969B; Authorization by Metro Council to change the Title 4 map by Metro Code section 3.07.450 (Employment and Industrial Areas Map), amended by Metro Ordinance No 07-1137A.

Anticipated Effects [identify what is expected to occur if the legislation is adopted]

Proposed changes to the City's comprehensive plan/zoning map and development code text become effective, allowing a mix of employment uses including industrial, commercial and office, along with limited residential on Site #2.

Budget Impacts [identify the cost to implement the legislation]

There is no significant budget impact. Implementation would consist of updating the Employment and Industrial Areas Map.

RECOMMENDED ACTION

The petitioner seeks to amend the Title 4 Employment and Industrial Areas Map. Metro staff believes that the petitioner has provided sufficient evidence to demonstrate that the criteria are satisfied.

Staff recommends, therefore, that the Metro Council approve this ordinance.

ATTACHMENTS

Attachment 1: Map of proposed amendment

Attachment 2: City of Happy Valley request, ordinance and staff report with findings

Attachment 3: Topographic map of Site #2

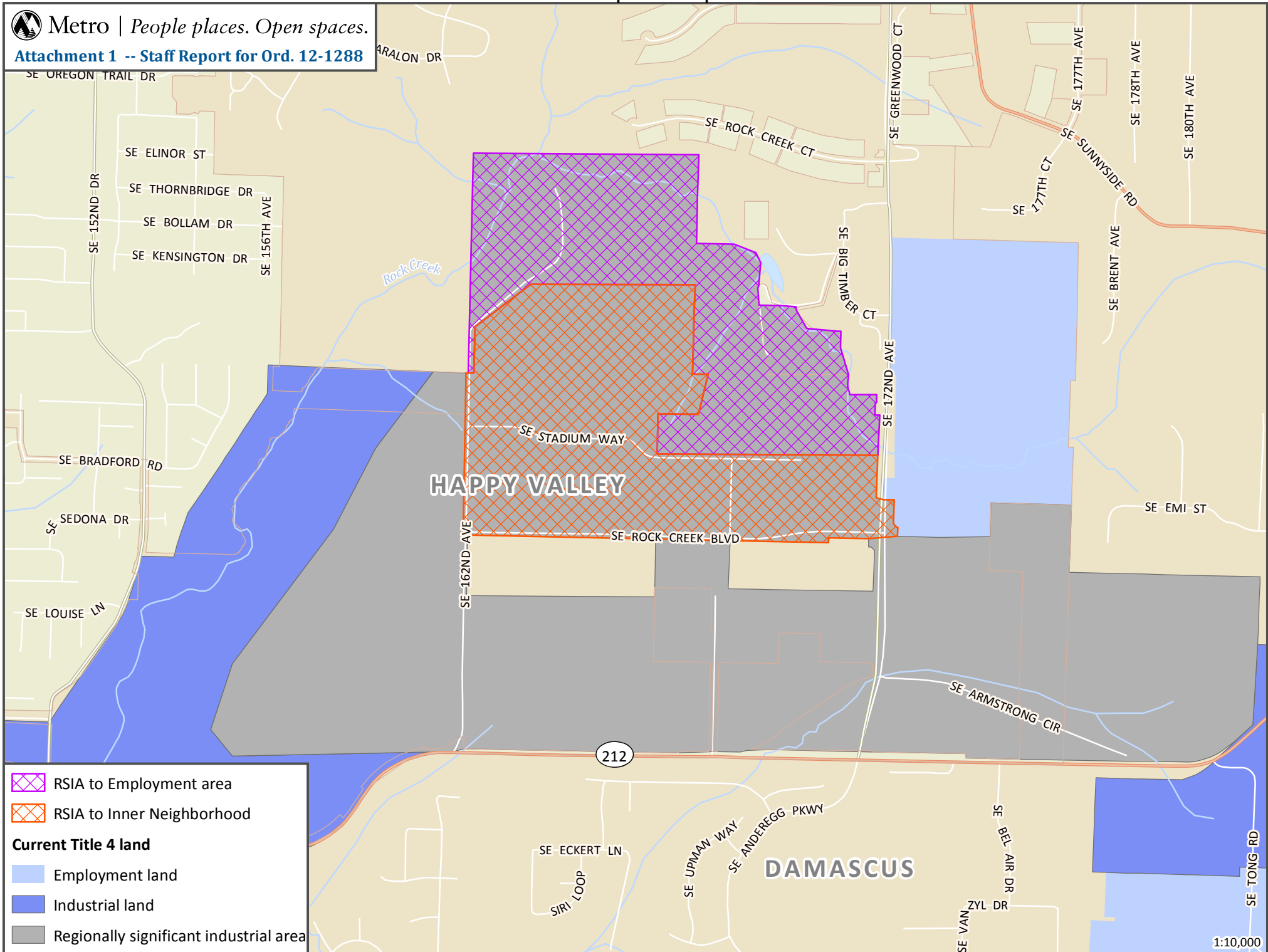
Attachment 4: Traffic analysis of City's comprehensive plan/zone change proposal

Staff Report Map



Metro | *People places. Open spaces.*

Attachment 1 -- Staff Report for Ord. 12-1288



The information on this map was derived from digital databases on Metro's GIS. Care was taken in the creation of this map. Metro cannot accept any responsibility for errors, omissions, or positional accuracy. There are no warranties, expressed or implied, including the warranty of merchantability or fitness for a particular purpose, accompanying this product.

Mayor
Honorable Lori DeRemer



City Manager
Jason A. Tuck

July 25, 2012

Metro
Attn: Martha Bennett, CEO
600 NE Grand Ave.
Portland, OR 97232

Dear Ms. Bennett:

Hello, I am writing you today in regard to the City of Happy Valley's recent efforts to better link the recently designated Happy Valley Town Center and the "Rock Creek Employment Center" (RCEC) area that includes Title 4 lands, to the south. Specifically, the City, with the assistance of our consultant (Angelo Planning Group) has followed up on recommendations within our Economic Opportunities Analysis (funded by a DLCD Technical Assistance Grant) in regard to the lack of viability of industrial zoning within portions of the greater RCEC area due to slope and natural resource constraints. The City believes the proposed amendments from Industrial Campus (IC) to Mixed-Use Employment (MUE) as illustrated within the map (below) will better facilitate future development opportunities and provide for a broader range of uses that are more realistic considering these constraints, as well as providing more opportunity to "sync" with the Town Center area.

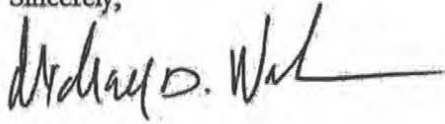
In addition, the conversion of the publicly owned lands (North Clackamas Parks & Recreation District and North Clackamas School District #12) to an Institutional & Public Use (IPU) zone will more accurately reflect the uses in place within those lands that were established prior the implementation of the East Happy Valley Comprehensive Plan.

As part of these efforts, and as detailed in the attached findings addressing the Metro Title 4 criteria (an augmented version of the full findings found within the staff report), the City proposes Comprehensive Plan/Zoning Map amendments – the final implementation of which are dependent upon amendments to the regional Title 4 maps (see Condition of Approval No. 1, page 36 of the staff report) and the provision required by the Transportation Planning Rule analysis for a "trip cap" (see Condition of Approval No. 2).

Please consider our request to have the Title 4 maps amended to match these amendments – we have coordinated with Ray Valone and Ted Reid in regard to the proposed changes. We have, and will continue to, provide all necessary products to your staff. Further, we would be glad to meet to discuss the proposed changes prior to any future hearing before the Metro Council.

16000 SE Misty Drive
Happy Valley, Oregon 97086-4288
Telephone: (503) 783-3800 Fax: (503) 658-5174
Website: www.ci.happy-valley.or.us

Sincerely,

A handwritten signature in black ink, appearing to read "Michael D. Walter", with a long horizontal stroke extending to the right.

Michael D. Walter, AICP
Economic & Community Development Director

cc: Jason A. Tuck, City Manager (via e-mail)
Ray Valone, Principal Planner (via e-mail)
Cathy Corliss, Angelo Planning Group (via e-mail)

The following Titles from METRO Chapter 3.07 (Urban Growth Management Functional Plan) are applicable to this request:

"TITLE 4: INDUSTRIAL AND OTHER EMPLOYMENT AREAS"

The criteria for amendment of the Employment and Industrial Areas Map are contained in Metro Code 3.07.450 H.

3.07.450 Employment and Industrial Areas Map

H. Upon request from a city or a county, the Metro Council may amend the Employment and Industrial Areas Map by ordinance to consider proposed amendments that exceed the size standards of paragraph 6 of subsection C of the section. To approve an amendment, the Council must conclude that the amendment:

- 1. Would not reduce the employment capacity of the city or county;*

Staff Response:

The proposal to amend the Metro Employment and Industrial Areas Map would not reduce the employment capacity of Happy Valley based on the following:

- a. The proposed text amendments are intended to better ensure remaining employment lands are used for employment uses that help the City meet EOA Objective 2.2 (Recruit businesses that offer living wages that are higher than the statewide average for all private business establishments) with a focus on targeted business clusters. By removing barriers to industrial development (e.g., the 1000' buffer between residential and industrial uses) and prohibiting or limiting some commercial activities, the text amendments help enhance the short-term and long-term land supply available for industrial and employment uses.
- b. The proposed rezoning in Map Amendment Area 1 recognizes existing non-conforming institutional uses. The proposed rezone in Area 1 is on lands occupied by an existing middle school and an existing elementary school and an existing community park. The uses on these lands are public facilities and the land use zone should be changed to recognize that such uses are allowed.
- c. The proposed rezoning in Map Amendment Area 2 includes a rezone of 60.1 gross acres from Industrial Campus (IC) to Mixed Use Employment (MUE). This zoning amendment is consistent with the Happy Valley EOA and acknowledges a more suitable and compatible use for the property. Steep slopes and resource areas make this hilly location north of the existing park and schools difficult to develop for an industrial use. The change of zoning from IC to MUE is expected to result in more buildable land than would otherwise occur with IC land due to the utilization of moderate slopes. The buildable land area is expected to increase from 17.1 to 30.0 acres (an increase of 12.9 acres) with the zone change. The proposed zone change is expected to result in more employment activity on this site than would occur with IC zoning (due to the increase in buildable area and the higher density of the allowed office uses relative to typical industrial development); hence total employment on this site would be at levels equal to or greater than what may occur with existing zoning.

Therefore, per the proposed provision for the implementation ordinance that requires subsequent approval by Metro of amendments to the applicable Title 4 maps, this criterion is satisfied by the subject request.

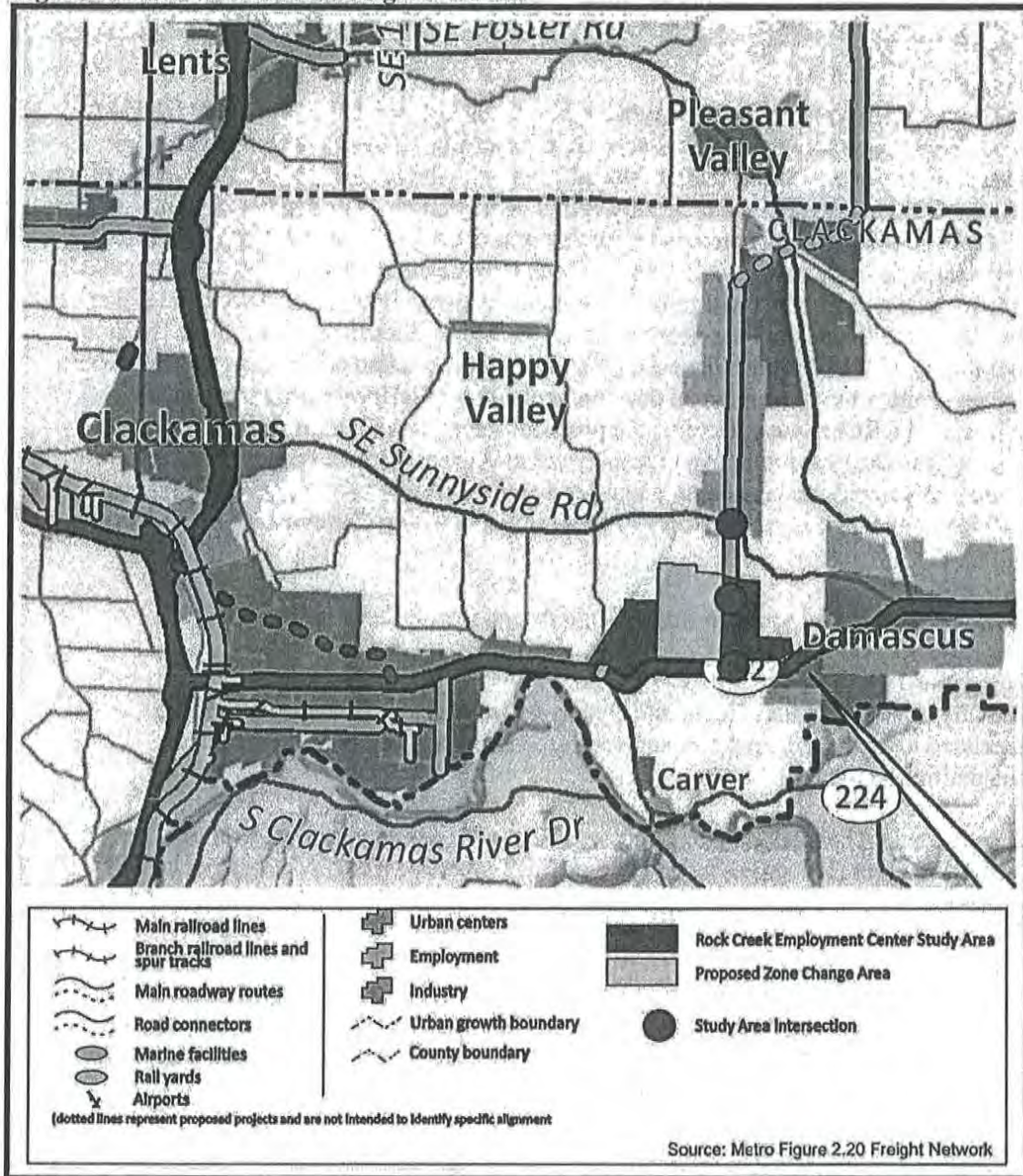
- 2. Would not allow uses that would reduce off-peak performance on Main Roadway Routes and Roadway Connectors shown on the Regional Freight Network Map in the Regional*

Transportation Plan below volume-to-capacity standards in the plan, unless mitigating action is taken that will restore performance to RTP standards within two years after approval of uses;

Staff Response:

Highway 212 south of the rezone area is a main roadway route within the regional freight network (see Figure 1: Rock Creek Area Freight Network). The Damascus TSP and the Highway 212 Corridor Study will better define solutions in this corridor. The proposal to reduce industrial zoning by a net 136.2 acres, increase institutional zoning by 76.1 acres and increase mixed use employment zoning by 60.1 acres is expected to have a nominal impact on traffic trips. The proposed land use changes would result in approximately 196 additional trips during the midday (12 to 1 PM). The additional traffic from the Rock Creek Employment Center would slightly increase the delay at the study intersections by a few tenths of a second per vehicle. However, this increase would not affect the overall ability for these intersections to function within the specified mobility standard of 0.90 v/c ratio during the midday peak hour. No significant effect to off-peak (9 AM to 3 PM) traffic operations would be expected to occur along the designated regional freight network (SE 172nd Avenue and OR 212) as a result of the proposed amendment.

Figure 1: Rock Creek Area Freight Network



Regional Freight Network

3. Would not diminish the intended function of the Central City or Regional or Town Centers as the principal locations of retail, cultural and civic services in their market areas;

Staff Response:

The Rock Creek Employment Center was brought into the Urban Growth Boundary (UGB) in 2002 as part of an approximately 12,000-acre UGB expansion. The property was primarily designated as a Regionally Significant Industrial Area, with the balance in industrial land. Since that time, the City has annexed the area and applied urban zoning. The recent completion of the Happy Valley EOA in 2011 has prepared a current economic development mission statement, policy objectives and conceptual vision for the Rock Creek Employment Center. The proposed development code amendments will provide additional opportunities for industrial and office employment uses with ancillary services and some workforce housing opportunities. The area will not compete with or diminish the existing and intended function of the Happy Valley Town Center given limitations of commercial development and limited locations for residential development in the RCEC area. Further, the proposed changes will aid in "syncing" the two Center areas, providing for future trip reduction and multi-modal travel opportunities between future employment lands and the commercial services found within the Happy Valley Town Center, which is just the beginning stages of becoming a "14-hour Community". This criterion is met.

4. Would not reduce the integrity or viability of a traded sector cluster of industries;

Staff Response:

The 2011 City of Happy Valley Economic Opportunities Analysis (EOA) makes several key findings related to land needs, policies and code amendments. Key EOA findings and recommendations include:

- Land Needs. The total 20-year forecasted Happy Valley employment land need is from 200 acres (low growth) to 333 acres (high growth). The city's existing land supply is adequate to accommodate the high growth scenario for the industrial and office categories; but is somewhat constrained for commercial uses beyond the medium growth forecast.
- Strategic Clusters. The Happy Valley EOA recommends strategies for retaining and attracting a mix of existing and emerging business clusters that pay above average wages. This includes a mix of existing established and emerging clusters, including:
 - Health services and biomedical research and development
 - Professional and business services
 - Advanced manufacturing (metals, machinery, testing devices, etc.)
 - Advanced learning (public and private higher education establishments)

All of the above-mentioned uses will continue to be allowed within the Rock Creek Employment Center. The proposed development code amendments will actually enhance the ability of the Rock Creek Employment Center to provide traded-sector job growth by reducing the extent of buffers between residential uses and future buildings within IC land area, and limiting outdoor warehouse/storage uses.

Within Map Amendment Area 2, the area is proposed for re-zoning from IC to MUE. The proposed zone will still allow development of the aforementioned traded sectors. The zone change will allow for more intensive use of the land due to the ability to develop on moderately sloped land and the higher intensity of uses allowed. Therefore, the proposed development code amendments are expected to enhance the ability of Happy Valley to attract viable traded-sector businesses.

5. *Would not create or worsen a significant imbalance between jobs and housing in a regional market area.*

Staff Response:

Happy Valley is currently well below the regional average of jobs per household; the proposed development code amendments are intended to help Happy Valley correct that imbalance. As indicated in Table 2, based on MetroScope Generation 2.3 estimates, Happy Valley had only 0.5 jobs per household in 2005, well below the tri-county regional average of 1.5 jobs per household. Future housing and job projections by Metro assume Happy Valley will capture approximately 3.5% of the tri-county household growth and 1.8% of the tri-county job growth over the 2005-2035 period. This level of growth in Happy Valley would improve the jobs to housing ratio to 0.8 by 2030. The proposed development code amendments would help result in better utilization of the Happy Valley Employment Center for future employment growth than what would likely occur under existing conditions; thereby improving the overall jobs to housing ratio in Happy Valley.

Table 2: Happy Valley Jobs to Household Ratio

Happy Valley	0.5	0.8	0.8
Clackamas County	1.0	1.0	1.0
Multnomah County	1.7	1.9	1.9
Washington County	1.4	1.7	1.7
Total 3-County Region	1.5	1.6	1.6

Source: Metro Generation 2.3 estimates and forecasts, extrapolated to 2035 by FCS GROUP.

6. *If the subject property is designated Regionally Significant Industrial Area, would not remove from designation land that is especially suitable for industrial use due to the availability of specialized services, such as redundant electrical power or industrial gases, or due to proximity to freight transport facilities, such as trans-shipment facilities."*

Staff Response:

The Rock Creek Employment Center is a designated Regionally Significant Industrial Area (RSIA). The land proposed for rezoning is not especially suitable for industrial use due to the natural resources and topographic constraints and the existing schools and park that have already been built. The areas that are more suitable for industrial use, south of Rock Creek Boulevard, would retain their industrial zoning.

Proposed Map Amendments



Source: RLIS, February 2012

CITY OF HAPPY VALLEY
ORDINANCE NO. 427

AN ORDINANCE INCORPORATING AMENDMENTS TO TITLE 16 OF THE CITY'S MUNICIPAL CODE (DEVELOPMENT CODE); AND, COMPREHENSIVE PLAN MAP/ZONING MAP AMENDMENTS IN ORDER TO IMPLEMENT CHANGES ENVISIONED WITHIN THE ROCK CREEK EMPLOYMENT CENTER (RCEC) PLAN AREA, AS WELL AS MISCELLANEOUS ADMINISTRATIVE AMENDMENTS. DUE TO THE NEED TO IMPLEMENT THESE AMENDMENTS IN A TIMELY MANNER, AN EMERGENCY IS DECLARED.

THE CITY OF HAPPY VALLEY ORDAINS AS FOLLOWS:

WHEREAS, the City has coordinated with the Oregon Department of Transportation (ODOT); Oregon Department of Conservation and Development (DLCD); Metro; and, Clackamas County in the development of the proposed amendments within the RCEC Area; and

WHEREAS, incorporation of the RCEC changes requires amendments to the Comprehensive Plan/Zoning Map and a number of changes within the City's Land Development Code that have been discussed in a citizen involvement process that included direct mail (including Measure 56 Notice), an Open House and the Planning Commission public hearing on June 12, 2012; and

WHEREAS, the Planning Commission recommended the City Council approve the amendments associated with the RCEC and miscellaneous Development Code amendments as detailed in the Staff Report to the Planning Commission dated June 12, 2012; and

WHEREAS, the Council of the City of Happy Valley, Oregon, has determined that it is reasonable, necessary and in the public interest to make the proposed amendments as detailed within Staff Report to the Planning Commission dated June 12, 2012 and as discussed at the regular meeting of the City Council on July 17, 2012; and

NOW, THEREFORE, based on the foregoing,

THE CITY OF HAPPY VALLEY ORDAINS AS FOLLOWS:

Section 1. The City of Happy Valley declares that the incorporation of the changes envisioned within the RCEC area are supported by the proposed amendments to the City's Comprehensive Plan/Zoning Map and Land Development Code, to be amended as set forth within the Staff Report to the Planning Commission dated June 12, 2012.

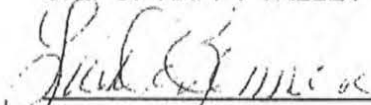
Section 2. The City of Happy Valley declares that the Findings of Fact included within the Staff Report to the Planning Commission dated June 12, 2012 are hereby adopted in conjunction with this Ordinance.

Section 3. The City of Happy Valley declares that the changes to the RCEC area are adopted and that the comprehensive plan designations/zoning districts be applied to the properties illustrated in Exhibit "A" that are currently annexed within the existing city limits.

Section 4. An emergency is declared to exist and as provided by Section 17 of the Happy Valley City Charter this ordinance takes effect on July 17, 2012.

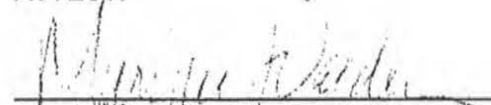
COUNCIL APPROVAL AND UNANIMOUS ADOPTION AT ONE MEETING: [July 17, 2012]

CITY OF HAPPY VALLEY



Mayor Lori DeRemer

ATTEST:



Marylee Walden, City Recorder

Mayor
Honorable Lori DeRemer



City Manager
Jason A. Tuck

CITY OF HAPPY VALLEY

STAFF REPORT TO THE PLANNING COMMISSION

JUNE 12, 2012

ROCK CREEK EMPLOYMENT CENTER AREA RELATED AMENDMENTS AND
GENERAL ADMINISTRATIVE AMENDMENTS (FILE NO. CPA-05-12/LDC-05-12)

AMENDMENTS TO TITLE 16 OF THE CITY'S MUNICIPAL CODE (DEVELOPMENT
CODE); AND, COMPREHENSIVE PLAN MAP/ZONING MAP AMENDMENTS IN ORDER
TO IMPLEMENT CHANGES ENVISIONED WITHIN THE
ROCK CREEK EMPLOYMENT CENTER (RCEC) PLAN AREA, AS WELL AS
MISCELLANEOUS ADMINISTRATIVE AMENDMENTS

I. GENERAL INFORMATION:

APPLICABLE CRITERIA:

Applicable Statewide Planning Goals; OAR 660-012-0060 of the Oregon Administrative Rules; Title 4 of Metro Chapter 3.07 (Urban Growth Management Functional Plan); applicable Goals and Policies from the City of Happy Valley Comprehensive Plan; and applicable Sections of Title 16 (Development Code) of the City of Happy Valley Municipal Code, including 16.67.015, 16.67.020, and 16.67.060.

EXHIBITS:

- A. Staff Report and Findings of Fact
- B. Proposed Development Code Text Amendments
- C. Proposed Comprehensive Plan/Zoning Map Amendments
- D. Rock Creek Employment Center Comprehensive Plan Amendment Future Traffic Analysis by DKS Associates dated April 2, 2012
- E. Metro (Title 4 Map Amendments) Traffic Analysis by DKS Associates dated April 11, 2012
- F. Letter from Charles E. Schlimpert dated June 1, 2012
- G. Letter from Oregon Department of Transportation (ODOT) dated June 5, 2012
- H. Memorandum from DKS Associates dated June 6, 2012
- I. Published Notice
- J. Measure 56 Notice

16000 SE Misty Drive
Happy Valley, Oregon 97086
Telephone: (503) 783-3800 Fax: (503) 658-5174
Website: www.ci.happy-valley.or.us

BACKGROUND:

- The primary subject of the proposed amendments is further analysis of the greater geographic region in the southeast quadrant of the City of Happy Valley herein referred to as the Rock Creek Employment Center (RCEC). The subject area is roughly 450 gross acres in size and was brought into the Urban Growth Boundary (UGB) in 2002 as part of an approximately 12,000-acre UGB expansion. At the time of the UGB expansion, most of the Rock Creek Employment Center was designated as Regionally Significant Industrial Area (RSIA), the remainder was designated as Industrial Land. The City of Happy Valley adopted the Rock Creek Mixed Employment Comprehensive Plan (2008) and the East Happy Valley Comprehensive Plan (2009), which includes the majority of the Rock Creek Employment Center area, and has applied urban zoning to all of the properties that have opted to annex within the city limits. The designations specified by the Rock Creek Mixed Employment Comprehensive Plan and the East Happy Valley Comprehensive Plan are consistent with the Metro industrial designations. However, since completing the East Happy Valley Comprehensive Plan, the City has conducted more detailed analyses of the area, including an adopted Economic Opportunity Analysis (EOA) in 2011.

The recently adopted EOA identified some strategies related to the type of businesses that should be targeted in the Rock Creek Employment Center as well as concerns with the suitability of some of the land for industrial use. The Development Code text and Comprehensive Plan Map/Zoning Map amendments proposed in this staff report specifically address strategies related to Objective 2.2 (Recruit businesses that offer living wages that are higher than the statewide average for all private business establishments) and Objective 4.3 (Optimize Overall Site Development Potential) including:

Strategies

- Focus on targeted business clusters for more proactive marketing outreach efforts. The targeted business clusters identified in the Happy Valley EOA include: health services and biomedical research and development; advanced manufacturing (including metals and medical devices/ equipment); and professional business services (including consultants, engineers, etc.).
- Evaluate locations with relatively steep slopes (i.e., over 10%) that are not conducive to industrial development, and implement zoning amendments that allow more flexible mixed-use development types that are compatible with adjacent industrial and/or employment areas.

OBSERVATIONS:

PROPOSED RCEC RELATED DEVELOPMENT CODE TEXT AMENDMENTS

- The proposed text amendments to the City of Happy Valley Land Development Code: Section 16.25.010 Industrial Districts are summarized below. The actual proposed amendments are shown in highlight/strikethrough in Exhibit A.

The IC District is a Title 4 RSIA compliant industrial zone and the EC District is a Title 4 Employment compliant industrial zone. The EC zone is used in two locations in the City of Happy Valley outside the Rock Creek Employment Center, and the IC zone is intended for use in other locations in the City of Happy Valley. The other areas designated EC have similar issues to the EC zoned areas within the Rock Creek Employment Center; therefore, text amendments to that zone will be applicable wherever it is applied. The amendments to the IC zoning district, however, have been crafted so as to limit the impact to the Rock Creek Employment Center. However, in both cases, the proposed text amendments are intended to better ensure remaining employment lands are used for employment uses that help the City meet EOA Objective 2.2 (Recruit businesses that offer living wages that are higher than the statewide average for all private business establishments) with a focus on targeted business clusters. Proposed text amendments to accomplish this include the following:

Employment Center (EC)

- Change “Major Event Entertainment” and “Commercial Outdoor Recreation” from a conditional use to prohibited use.
- Reduce the allowable size of “Retail Sales” and “Commercial Service” from 60,000 square-feet (sf) to 30,000 sf.
- Establish a size limit (30,000 sf) for all of the following uses: “Colleges”; “Institutional uses; educational institutes and trade schools; art, music or dance studios; radio and television studios, excluding transmission towers”; “Churches, synagogues, temples or places of worship, library, post office, community center, etc.”; and “Public and private schools (includes commercial day care, dancing and music schools)”.
- Similar to other industrial uses, specify that “Research and Development Activities”, and “Repair, Finishing, and Testing”, that are not fully enclosed are subject to conditional use approval.
- Footnote 5: Remove the prohibition on fully enclosed industrial uses within 1,000 feet of residential districts and reduce the limitation on all other industrial uses near residential from 1,000 ft to 200 ft. NOTE: Because of the proximity of residential, the current restriction would preclude industrial uses in almost all of the Rock Creek Employment Center.
- Delete the maximum building setback standard of 25 feet to allow for campus style development.
- Increase maximum building height from 35 feet to 45 feet

Industrial Campus (IC)

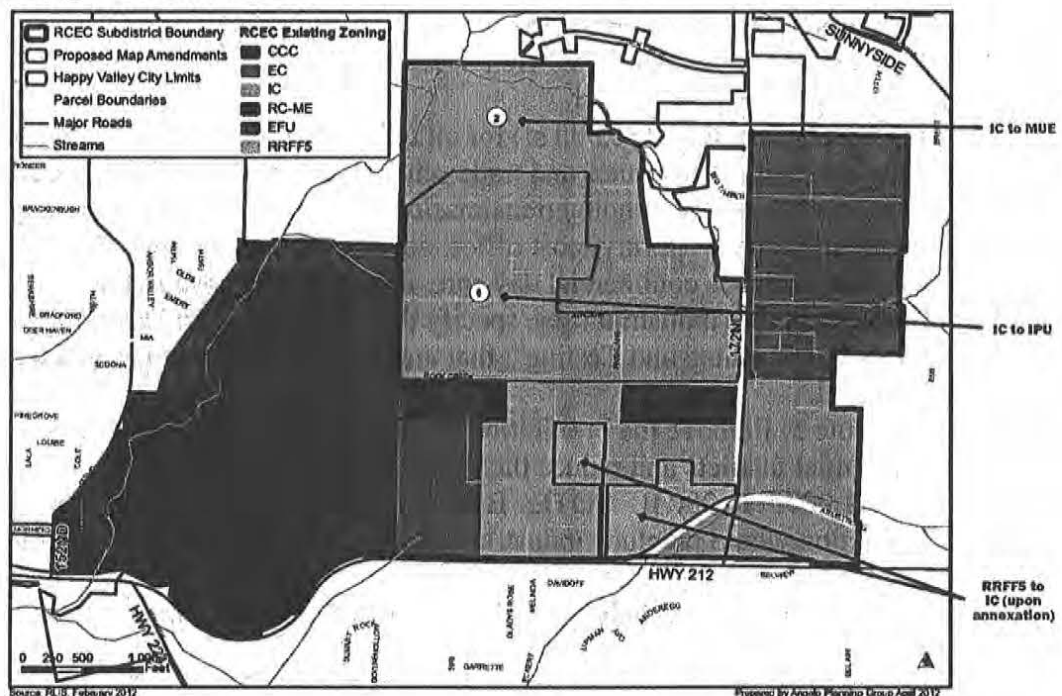
- Change “Parking Lots (when not an accessory use)” and “Self Service Storage” from a permitted use to a prohibited use in the Rock Creek Employment Center.
- Establish a size limit for “Quick vehicle servicing or vehicle repair” of 20,000 sf similar to that applied to retail sales.
- Change “Distribution Activities and Warehousing and Freight Movement” from a permitted use to permitted only as an accessory use (up to 20% of site area) in the Rock Creek Employment Center.
- Change “Waste Related” and “Mining” from a conditional use to a prohibited use in the Rock Creek Employment Center.

- Footnote 3: Delete the phrase: “that cater to everyday customers” for all IC zoned land in order to limit the potential discretion in applying that restriction.
- Footnote 5: Remove the prohibition on fully enclosed industrial uses within 1000 feet of residential districts and reduce the limitation on all other industrial uses near residential from 1,000 ft to 200 ft.

PROPOSED RCEC RELATED COMPREHENSIVE PLAN/ZONING MAP AMENDMENTS

- The proposed map amendments to the City’s Comprehensive Plan Map/ Zoning Map, which are summarized below, are shown in

Happy Valley Rock Creek Employment Center Proposed Map Amendments



The proposed map amendments are intended to help the City address EOA Objective 4.3 (Optimize Overall Site Development Potential) allowing more flexible mixed-use development types on sites with relatively steep slopes (i.e., over 10%) that are not conducive to industrial development. In addition, those parcels designated for IC that have already been converted to non-industrial uses should be rezoned to reflect their actual use.

Table 1: Summary of Proposed Map Amendments

Map No.	Area (acres)	Proposed Amendment	Discussion
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Map No.	Area (acres)	Proposed Amendment	Discussion
1	76.1	IC to IPU	Prior to annexation by the City of Happy Valley, the parcels within this subarea were purchased by the North Clackamas Parks and Recreation District and the North Clackamas School District. This subarea has since been developed as a middle school, elementary school and a regional park with active recreation facilities (e.g., ball fields). The current IC zoning is not appropriate for the current uses. Public and private schools are prohibited in the IC District. Given this, the City should consider changing all land within this subarea to Institutional and Public Use (IPU). The IPU District proposes to serve the need for the designation of areas for necessary institutional uses such as schools and churches, and public and semipublic uses such as parks, a local government center and other governmental and public service uses.
2	60.1	IC to MUE	Current IC zoning is incompatible with the topography and adjacent residential and park and school uses. Because of the significant constraints posed by the Rock Creek corridor, freight access for industrial uses would have to through the park and school sites, creating potential conflicts. Given the site and access issues, this subarea will be extremely challenging to develop whatever the zoning. The City's Mixed Use Employment (MUE) would allow employment uses as well as other uses; thus allowing the market the necessary flexibility to address site constraints.

Happy Valley Rock Creek Employment Center

Proposed Map Amendments



- 6

II. FINDINGS OF FACT

1. The following Statewide Planning Goals are applicable to the subject request:

"GOAL 1: CITIZEN INVOLVEMENT"

To develop a citizen involvement program that insures the opportunity for citizens to be involved in all phases of the planning process.

Staff Response:

The City, through the City of Happy Valley Land Development Code has created proper procedures to ensure citizens the opportunity to have input in any proposed text and map amendments. Opportunities for public input will be available in the hearings process prior to action on this proposal. Notification of this proposal and hearing is detailed in Exhibits F and G, above. In addition, a public open house was held on November 9, 2011.

The City has therefore met its obligation of providing for Citizen Involvement under Statewide Planning Goal 1, as defined through the City's adopted procedures.

GOAL 2: LAND USE PLANNING

To establish a land use planning process and policy framework as a basis for all decisions and actions related to use of land and to assure an adequate factual base for such decisions and actions.

Staff Response:

The City has established a land use planning process and policy framework as a basis for all decisions and actions related to use of land and to assure an adequate factual base for such decisions and actions. The City of Happy Valley Comprehensive Plan was adopted by the City and acknowledged by the Land Conservation and Development Commission (LCDC) as being in compliance with the statewide goals, state statutes and state administrative rules, in 1981. The RC-ME Comprehensive Plan was adopted in 2008, while the East Happy Valley Comprehensive Plan was found to be in compliance with the City's Comprehensive Plan and was adopted in 2009.

The proposed amendments to the Comprehensive Plan represent minor changes, and are based on special studies including the adopted EOA, traffic studies, and detailed investigation of existing site conditions.

The proposed amendments are consistent with existing City plan policies and are consistent with Statewide Planning Goal 2.

GOAL 5: OPEN SPACES, SCENIC AND HISTORIC AREAS, AND NATURAL RESOURCES

To conserve open space and protect natural and scenic resources.

Staff Response:

Applicability of Goal 5 to post-acknowledgment plan amendments is governed by OAR 660-023-0250. The proposed amendments do not modify the acknowledged Goal 5 resource list, or

that portion of the Happy Valley Development Code adopted to protect a significant Goal 5 resource, or a policy that addresses specific requirements of Goal 5. The proposed amendments do not allow uses that would conflict with a particular Goal 5 resource site on an acknowledged resource list.

The proposed map amendments are intended to enhance compatibility between allowed land uses and identified Goal 5 resources. Map Amendment Area 1 contains an existing regional park owned by Clackamas County Parks and Recreation. The proposed zone change from IC to IPU would acknowledge this existing use and allow its continued use as a park without requiring conditional use permits for modifications or expansions on land already owned by the Parks District. Map Amendment Area 2 contains a high concentration of natural resources including Habitat Conservation Areas and stream corridors. By designating this land for land uses that are better suited to flexible development types and are better able to avoid and protect natural resources than large industrial uses, the proposed map amendments will enhance conservation of natural resources. The proposed text amendments do not alter existing protections for natural resources codified in Chapter 16.34 (Natural Resources Overlay Zone) or Chapter 16.35 (Flood Management Overlay Zone).

The proposed map and text amendments are therefore consistent with Statewide Planning Goal 5.

GOAL 6 - AIR, WATER AND LAND RESOURCES QUALITY:

To maintain and improve the air, water and land resources of the state.

Staff Response:

The proposed amendments do not affect policies associated with Goal 6 established by the Happy Valley Comprehensive Plan. As reported in the previous findings for Goal 5, proposed map amendment 4 will enhance compatibility of new development with water resources. Approval of the proposed text and map amendments will not eliminate the requirement for future development to meet the conditions of LDC Chapter 16.34 (Natural Resources Overlay Zone) or, Chapter 16.51 (Surface Water Management) or any other section of the Happy Valley Land Development Code. Oregon Department of Environmental Quality (DEQ) regulates air, water and land with CWA Section 401 Water Quality, Water Quality Certificate, State 303(d) listed waters, Hazardous Wastes, Clean Air Act (CAA), and Section 402 NPDES Construction and Stormwater Permits. DSL and ACE regulate jurisdictional wetlands and CWA Section 404 water of the state and the country respectively. Clackamas County Water Environment Services (WES) coordinates storm water management, water quality and stream enhancement projects throughout the city. Future development will still need to comply with these state, national and regional regulations and protections for air, water and land resources quality.

The proposed map and text amendments are therefore consistent with Statewide Planning Goal 6.

GOAL 7: AREAS SUBJECT TO NATURAL DISASTERS AND HAZARDS

To protect life and property from natural disasters and hazards.

Staff Response:

The proposed map and text amendments do not affect policies associated with Goal 7 established by the City of Happy Valley Comprehensive Plan. Approval of the proposed amendments will not eliminate the requirement for future development to meet the conditions of LDC Chapter 16.32 (Steep Slopes Development Overlay Zone) or Chapter 16.35 (Flood Management Overlay Zone) or any other section of the Happy Valley Land Development Code.

The proposed map amendments are therefore consistent with Statewide Planning Goal 7.

GOAL 8: RECREATIONAL NEEDS

To satisfy the recreational needs of the citizens of the state and visitors and, where appropriate, to provide for the siting of necessary recreational facilities including destination resorts.

Staff Response:

The recreational needs of the Rock Creek Employment Area and the surrounding neighborhoods are already provided for in part by an existing regional park owned by Clackamas County Parks and Recreation. The proposed zone change from IC to IPU in Map Amendment Area 1 would acknowledge this existing use and allow its continued use as a park without requiring conditional use permits for modifications or expansions on land already owned by the Parks District. Proposed text amendments would prohibit the development of new Major Event Entertainment and Commercial Outdoor Recreation uses within the EC zone; however, usable open space and pedestrian paths would still be allowed. The existing recreational facilities provide ample recreation opportunities for employees of the Rock Creek Employment Area and the residents of Happy Valley.

The proposed map and text amendments are therefore consistent with Statewide Planning Goal 8.

GOAL 9: ECONOMIC DEVELOPMENT

To provide adequate opportunities through the state for a variety of economic activities vital to the health, welfare, and prosperity of Oregon's citizens.

Staff Response:

Goal 9 requires local comprehensive plans for urban areas to:

1. Include an analysis of the community's economic patterns, potentialities, strengths, and deficiencies as they relate to state and national trends;
2. Contain policies concerning the economic development opportunities in the community;
3. Provide for at least an adequate supply of sites of suitable sizes, types, locations, and policies;
4. Limit uses on or near sites zoned for specific industrial and commercial uses to those which are compatible with proposed uses.

Happy Valley completed its latest Goal 9 Economic Opportunity Analysis (EOA) in 2011 to address the above statewide requirements. Regarding items 1-3, the EOA sets forth the economic opportunities, policies and land need versus supply analysis for employment lands. The EOA found the City needs 200 acres (low growth) to 333 acres (high growth) of

employment land to meet its 20-year land needs. The city has adequate supply to accommodate the high growth scenario for the industrial and office categories; but is somewhat constrained for commercial uses beyond the medium growth forecast. Even with the high growth forecast, the EOA finds 204 surplus acres in the land supply for industrial and employment/office categories.

The proposed text amendments are intended to better ensure remaining employment lands are used for employment uses that help the City meet EOA Objective 2.2 (Recruit businesses that offer living wages that are higher than the statewide average for all private business establishments) with a focus on targeted business clusters. By removing barriers to industrial development (e.g., the 1000' buffer between residential and industrial uses) and prohibiting or limiting some commercial activities. The text amendments help enhance the short-term and long-term land supply available for industrial and employment uses.

The proposed rezoning north of the existing Hood View Park and schools from IP to MUE in Map Amendment Area 2 will help ensure that future uses in that area are compatible with existing school and park uses.

The proposed map and text amendments are therefore consistent with Statewide Planning Goal 10.

GOAL 10: HOUSING

To provide for the housing needs of citizens of the state.

Staff Response:

The proposed amendments do not impact any land designated for housing in the Comprehensive Plan. Proposed Map Amendment Area 2 would allow certain housing types, including senior housing, skilled nursing facilities, congregate housing, and multi-family housing (15 – 24 dwelling units per acre) in an area where they are currently not allow. This would serve to expand the potential for development of housing of different types to meet the need of Happy Valley residents and the region.

The proposed map and text amendments are therefore consistent with Statewide Planning Goal 10.

GOAL 11: PUBLIC FACILITIES AND SERVICES

To plan and develop a timely, orderly and efficient arrangement of public facilities and services to serve as a framework for urban and rural development.

Staff Response:

Water service is provided by the Sunrise Water Authority. Clackamas County Water Environment Services (WES) coordinates storm water management, water quality and stream enhancement projects. Coordination with these agencies regarding public facilities and services for the Rock Creek Employment Area was addressed as part of the East Happy Valley Comprehensive Plan. The proposed amendments will not increase the demand for utility infrastructure and services beyond what was anticipated in the RC-ME Comprehensive Plan or the East Happy Valley Comprehensive Plan. As addressed below under Goal 12, the proposed

amendments are expected to generate a modest increase in traffic, but the planned transportation system in the area can absorb the additional traffic with no need for additional improvements beyond those identified in the adopted TSP. No amendments to the public facilities plans are necessary in order to accommodate the proposed map and text amendments.

The proposed map and text amendments are therefore consistent with Statewide Planning Goal 11.

GOAL 12: TRANSPORTATION

To provide and encourage a safe, convenient and economic transportation system.

Staff Response:

See the finding under OAR 660-012-0060, below. As described below, the proposed amendments are consistent with Statewide Planning Goal 12.

GOAL 13: ENERGY CONSERVATION

To conserve energy."

Staff Response:

The proposed application text and map amendments do not necessarily affect policies associated with Goal 13 established by the Happy Valley Comprehensive Plan. However, the proposed amendments do support Goal 13 policies by allowing for a more efficient use of land within the current Urban Growth Boundary. By removing barriers to industrial development (e.g., the 1000' buffer between residential and industrial uses) and prohibiting or limiting some commercial activities, the text amendments help enhance the short-term and long-term land supply available for industrial and employment uses. Enhancing the land supply for industrial and employment uses will help the city achieve its jobs/housing balance. Further, the area within Map Amendment Area 2 has only 17.1 buildable acres of industrial land after deducting for constraints and slopes greater than 10%. This area would have approximately 30.0 buildable acres if the area was developed under MUE zoning, allowing for development of residential and office uses on land with moderate slopes (10%-25%). The MUE zone would also allow for mixed use development that could result in multi-family housing being developed in proximity to employment uses as well as existing parks and schools.

The proposed map and text amendments are therefore consistent with Statewide Planning Goal 13.

2. The following Oregon Administrative Rules (OAR) are applicable to the subject request:

"OAR Chapter 660, Division 12 (Transportation Planning)

660-012-0060

Plan and Land Use Regulation Amendments

(1) If an amendment to a functional plan, an acknowledged comprehensive plan, or a land use regulation (including a zoning map) would significantly affect an existing or planned transportation facility, then the local government must put in place measures as provided in section (2) of this rule, unless the amendment is allowed under section (3), (9) or (10) of this

rule. A plan or land use regulation amendment significantly affects a transportation facility if it would:

- (a) Change the functional classification of an existing or planned transportation facility (exclusive of correction of map errors in an adopted plan);*
- (b) Change standards implementing a functional classification system; or*
- (c) Result in any of the effects listed in paragraphs (A) through (C) of this subsection based on projected conditions measured at the end of the planning period identified in the adopted TSP. As part of evaluating projected conditions, the amount of traffic projected to be generated within the area of the amendment may be reduced if the amendment includes an enforceable, ongoing requirement that would demonstrably limit traffic generation, including, but not limited to, transportation demand management. This reduction may diminish or completely eliminate the significant effect of the amendment.*

(A) Types or levels of travel or access that are inconsistent with the functional classification of an existing or planned transportation facility;

(B) Degrade the performance of an existing or planned transportation facility such that it would not meet the performance standards identified in the TSP or comprehensive plan; or

(C) Degrade the performance of an existing or planned transportation facility that is otherwise projected to not meet the performance standards identified in the TSP or comprehensive plan.

(2) If a local government determines that there would be a significant effect, then the local government must ensure that allowed land uses are consistent with the identified function, capacity, and performance standards of the facility measured at the end of the planning period identified in the adopted TSP through one or a combination of the remedies listed in (a) through (e) below, unless the amendment meets the balancing test in subsection (2)(e) of this section or qualifies for partial mitigation in section (11) of this rule. A local government using subsection (2)(e), section (3), section (10) or section (11) to approve an amendment recognizes that additional motor vehicle traffic congestion may result and that other facility providers would not be expected to provide additional capacity for motor vehicles in response to this congestion.

(a) Adopting measures that demonstrate allowed land uses are consistent with the planned function, capacity, and performance standards of the transportation facility.

(b) Amending the TSP or comprehensive plan to provide transportation facilities, improvements or services adequate to support the proposed land uses consistent with the requirements of this division; such amendments shall include a funding plan or mechanism consistent with section (4) or include an amendment to the transportation finance plan so that the facility, improvement, or service will be provided by the end of the planning period.

(c) Amending the TSP to modify the planned function, capacity or performance standards of the transportation facility.

(d) Providing other measures as a condition of development or through a development agreement or similar funding method, including, but not limited to, transportation system management measures or minor transportation improvements. Local governments shall, as part of the amendment, specify when measures or improvements provided pursuant to this subsection will be provided.

(e) Providing improvements that would benefit modes other than the significantly affected mode, improvements to facilities other than the significantly affected facility, or improvements at other locations, if the provider of the significantly affected facility provides a written statement

that the system-wide benefits are sufficient to balance the significant effect, even though the improvements would not result in consistency for all performance standards.

(3) Notwithstanding sections (1) and (2) of this rule, a local government may approve an amendment that would significantly affect an existing transportation facility without assuring that the allowed land uses are consistent with the function, capacity and performance standards of the facility where:

(a) In the absence of the amendment, planned transportation facilities, improvements and services as set forth in section (4) of this rule would not be adequate to achieve consistency with the identified function, capacity or performance standard for that facility by the end of the planning period identified in the adopted TSP;

(b) Development resulting from the amendment will, at a minimum, mitigate the impacts of the amendment in a manner that avoids further degradation to the performance of the facility by the time of the development through one or a combination of transportation improvements or measures;

(c) The amendment does not involve property located in an interchange area as defined in paragraph (4)(d)(C); and

(d) For affected state highways, ODOT provides a written statement that the proposed funding and timing for the identified mitigation improvements or measures are, at a minimum, sufficient to avoid further degradation to the performance of the affected state highway. However, if a local government provides the appropriate ODOT regional office with written notice of a proposed amendment in a manner that provides ODOT reasonable opportunity to submit a written statement into the record of the local government proceeding, and ODOT does not provide a written statement, then the local government may proceed with applying subsections (a) through (c) of this section.

(4) Determinations under sections (1)-(3) of this rule shall be coordinated with affected transportation facility and service providers and other affected local governments.

(a) In determining whether an amendment has a significant effect on an existing or planned transportation facility under subsection (1)(c) of this rule, local governments shall rely on existing transportation facilities and services and on the planned transportation facilities, improvements and services set forth in subsections (b) and (c) below.

(b) Outside of interstate interchange areas, the following are considered planned facilities, improvements and services:

(A) Transportation facilities, improvements or services that are funded for construction or implementation in the Statewide Transportation Improvement Program or a locally or regionally adopted transportation improvement program or capital improvement plan or program of a transportation service provider.

(B) Transportation facilities, improvements or services that are authorized in a local transportation system plan and for which a funding plan or mechanism is in place or approved. These include, but are not limited to, transportation facilities, improvements or services for which: transportation systems development charge revenues are being collected; a local improvement district or reimbursement district has been established or will be established prior to development; a development agreement has been adopted; or conditions of approval to fund the improvement have been adopted.

(C) Transportation facilities, improvements or services in a metropolitan planning organization (MPO) area that are part of the area's federally-approved, financially constrained regional transportation system plan.

(D) *Improvements to state highways that are included as planned improvements in a regional or local transportation system plan or comprehensive plan when ODOT provides a written statement that the improvements are reasonably likely to be provided by the end of the planning period.*

(E) *Improvements to regional and local roads, streets or other transportation facilities or services that are included as planned improvements in a regional or local transportation system plan or comprehensive plan when the local government(s) or transportation service provider(s) responsible for the facility, improvement or service provides a written statement that the facility, improvement or service is reasonably likely to be provided by the end of the planning period.*

(c) *Within interstate interchange areas, the improvements included in (b)(A)-(C) are considered planned facilities, improvements and services, except where:*

(A) *ODOT provides a written statement that the proposed funding and timing of mitigation measures are sufficient to avoid a significant adverse impact on the Interstate Highway system, then local governments may also rely on the improvements identified in paragraphs (b)(D) and (E) of this section; or*

(B) *There is an adopted interchange area management plan, then local governments may also rely on the improvements identified in that plan and which are also identified in paragraphs (b)(D) and (E) of this section.*

(d) *As used in this section and section (3):*

(A) *Planned interchange means new interchanges and relocation of existing interchanges that are authorized in an adopted transportation system plan or comprehensive plan;*

(B) *Interstate highway means Interstates 5, 82, 84, 105, 205 and 405; and*

(C) *Interstate interchange area means:*

(i) *Property within one-quarter mile of the ramp terminal intersection of an existing or planned interchange on an Interstate Highway; or*

(ii) *The interchange area as defined in the Interchange Area Management Plan adopted as an amendment to the Oregon Highway Plan.*

(e) *For purposes of this section, a written statement provided pursuant to paragraphs (b)(D), (b)(E) or (c)(A) provided by ODOT, a local government or transportation facility provider, as appropriate, shall be conclusive in determining whether a transportation facility, improvement or service is a planned transportation facility, improvement or service. In the absence of a written statement, a local government can only rely upon planned transportation facilities, improvements and services identified in paragraphs (b)(A)-(C) to determine whether there is a significant effect that requires application of the remedies in section (2).*

(5) *The presence of a transportation facility or improvement shall not be a basis for an exception to allow residential, commercial, institutional or industrial development on rural lands under this division or OAR 660-004-0022 and 660-004-0028.*

(6) *In determining whether proposed land uses would affect or be consistent with planned transportation facilities as provided in sections (1) and (2), local governments shall give full credit for potential reduction in vehicle trips for uses located in mixed-use, pedestrian-friendly centers, and neighborhoods as provided in subsections (a)-(d) below;*

(a) *Absent adopted local standards or detailed information about the vehicle trip reduction benefits of mixed-use, pedestrian-friendly development, local governments shall assume that uses located within a mixed-use, pedestrian-friendly center, or neighborhood, will generate 10% fewer daily and peak hour trips than are specified in available published estimates, such as those provided by the Institute of Transportation Engineers (ITE) Trip Generation Manual that do not*

specifically account for the effects of mixed-use, pedestrian-friendly development. The 10% reduction allowed for by this section shall be available only if uses which rely solely on auto trips, such as gas stations, car washes, storage facilities, and motels are prohibited;

(b) Local governments shall use detailed or local information about the trip reduction benefits of mixed-use, pedestrian-friendly development where such information is available and presented to the local government. Local governments may, based on such information, allow reductions greater than the 10% reduction required in subsection (a) above;

(c) Where a local government assumes or estimates lower vehicle trip generation as provided in subsection (a) or (b) above, it shall assure through conditions of approval, site plans, or approval standards that subsequent development approvals support the development of a mixed-use, pedestrian-friendly center or neighborhood and provide for on-site bike and pedestrian connectivity and access to transit as provided for in OAR 660-012-0045(3) and (4). The provision of on-site bike and pedestrian connectivity and access to transit may be accomplished through application of acknowledged ordinance provisions which comply with OAR 660-012-0045(3) and (4) or through conditions of approval or findings adopted with the plan amendment that assure compliance with these rule requirements at the time of development approval; and

(d) The purpose of this section is to provide an incentive for the designation and implementation of pedestrian-friendly, mixed-use centers and neighborhoods by lowering the regulatory barriers to plan amendments which accomplish this type of development. The actual trip reduction benefits of mixed-use, pedestrian-friendly development will vary from case to case and may be somewhat higher or lower than presumed pursuant to subsection (a) above. The Commission concludes that this assumption is warranted given general information about the expected effects of mixed-use, pedestrian-friendly development and its intent to encourage changes to plans and development patterns. Nothing in this section is intended to affect the application of provisions in local plans or ordinances which provide for the calculation or assessment of systems development charges or in preparing conformity determinations required under the federal Clean Air Act.

(7) Amendments to acknowledged comprehensive plans and land use regulations which meet all of the criteria listed in subsections (a)-(c) below shall include an amendment to the comprehensive plan, transportation system plan the adoption of a local street plan, access management plan, future street plan or other binding local transportation plan to provide for on-site alignment of streets or accessways with existing and planned arterial, collector, and local streets surrounding the site as necessary to implement the requirements in OAR 660-012-0020(2)(b) and 660-012-0045(3):

(a) The plan or land use regulation amendment results in designation of two or more acres of land for commercial use;

(b) The local government has not adopted a TSP or local street plan which complies with OAR 660-012-0020(2)(b) or, in the Portland Metropolitan Area, has not complied with Metro's requirement for street connectivity as contained in Title 6, Section 3 of the Urban Growth Management Functional Plan; and

(c) The proposed amendment would significantly affect a transportation facility as provided in section (1).

(8) A "mixed-use, pedestrian-friendly center or neighborhood" for the purposes of this rule, means:

(a) Any one of the following:

- (A) *An existing central business district or downtown;*
- (B) *An area designated as a central city, regional center, town center or main street in the Portland Metro 2040 Regional Growth Concept;*
- (C) *An area designated in an acknowledged comprehensive plan as a transit oriented development or a pedestrian district; or*
- (D) *An area designated as a special transportation area as provided for in the Oregon Highway Plan.*
- (b) *An area other than those listed in subsection (a) above which includes or is planned to include the following characteristics:*
 - (A) *A concentration of a variety of land uses in a well-defined area, including the following:*
 - (i) *Medium to high density residential development (12 or more units per acre);*
 - (ii) *Offices or office buildings;*
 - (iii) *Retail stores and services;*
 - (iv) *Restaurants; and*
 - (v) *Public open space or private open space which is available for public use, such as a park or plaza.*
 - (B) *Generally include civic or cultural uses;*
 - (C) *A core commercial area where multi-story buildings are permitted;*
 - (D) *Buildings and building entrances oriented to streets;*
 - (E) *Street connections and crossings that make the center safe and conveniently accessible from adjacent areas;*
 - (F) *A network of streets and, where appropriate, accessways and major driveways that make it attractive and highly convenient for people to walk between uses within the center or neighborhood, including streets and major driveways within the center with wide sidewalks and other features, including pedestrian-oriented street crossings, street trees, pedestrian-scale lighting and on-street parking;*
 - (G) *One or more transit stops (in urban areas with fixed route transit service); and*
 - (H) *Limit or do not allow low-intensity or land extensive uses, such as most industrial uses, automobile sales and services, and drive-through services.*
- (9) *Notwithstanding section (1) of this rule, a local government may find that an amendment to a zoning map does not significantly affect an existing or planned transportation facility if all of the following requirements are met.*
 - (a) *The proposed zoning is consistent with the existing comprehensive plan map designation and the amendment does not change the comprehensive plan map;*
 - (b) *The local government has an acknowledged TSP and the proposed zoning is consistent with the TSP; and*
 - (c) *The area subject to the zoning map amendment was not exempted from this rule at the time of an urban growth boundary amendment as permitted in OAR 660-024-0020(1)(d), or the area was exempted from this rule but the local government has a subsequently acknowledged TSP amendment that accounted for urbanization of the area.*
- (10) *Notwithstanding sections (1) and (2) of this rule, a local government may amend a functional plan, a comprehensive plan or a land use regulation without applying performance standards related to motor vehicle traffic congestion (e.g. volume to capacity ratio or V/C), delay or travel time if the amendment meets the requirements of subsection (a) of this section. This section does not exempt a proposed amendment from other transportation performance standards or policies that may apply including, but not limited to, safety for all modes, network*

connectivity for all modes (e.g. sidewalks, bicycle lanes) and accessibility for freight vehicles of a size and frequency required by the development.

(a) A proposed amendment qualifies for this section if it:

(A) is a map or text amendment affecting only land entirely within a multimodal mixed-use area (MMA); and

(B) is consistent with the definition of an MMA and consistent with the function of the MMA as described in the findings designating the MMA.

(b) For the purpose of this rule, "multimodal mixed-use area" or "MMA" means an area:

(A) with a boundary adopted by a local government as provided in subsection (d) or (e) of this section and that has been acknowledged;

(B) entirely within an urban growth boundary;

(C) with adopted plans and development regulations that allow the uses listed in paragraphs (8)(b)(A) through (C) of this rule and that require new development to be consistent with the characteristics listed in paragraphs (8)(b)(D) through (H) of this rule;

(D) with land use regulations that do not require the provision of off-street parking, or regulations that require lower levels of off-street parking than required in other areas and allow flexibility to meet the parking requirements (e.g. count on-street parking, allow long-term leases, allow shared parking); and

(E) located in one or more of the categories below:

(i) at least one-quarter mile from any ramp terminal intersection of existing or planned interchanges;

(ii) within the area of an adopted Interchange Area Management Plan (IAMP) and consistent with the IAMP; or

(iii) within one-quarter mile of a ramp terminal intersection of an existing or planned interchange if the mainline facility provider has provided written concurrence with the MMA designation as provided in subsection (c) of this section.

(c) When a mainline facility provider reviews an MMA designation as provided in subparagraph (b)(E)(iii) of this section, the provider must consider the factors listed in paragraph (A) of this subsection.

(A) The potential for operational or safety effects to the interchange area and the mainline highway, specifically considering:

(i) whether the interchange area has a crash rate that is higher than the statewide crash rate for similar facilities;

(ii) whether the interchange area is in the top ten percent of locations identified by the safety priority index system (SPIS) developed by ODOT; and

(iii) whether existing or potential future traffic queues on the interchange exit ramps extend onto the mainline highway or the portion of the ramp needed to safely accommodate deceleration.

(B) If there are operational or safety effects as described in paragraph (A) of this subsection, the effects may be addressed by an agreement between the local government and the facility provider regarding traffic management plans favoring traffic movements away from the interchange, particularly those facilitating clearing traffic queues on the interchange exit ramps.

(d) A local government may designate an MMA by adopting an amendment to the comprehensive plan or land use regulations to delineate the boundary following an existing zone, multiple existing zones, an urban renewal area, other existing boundary, or establishing a new boundary. The designation must be accompanied by findings showing how the area meets

the definition of an MMA. Designation of an MMA is not subject to the requirements in sections (1) and (2) of this rule.

(e) A local government may designate an MMA on an area where comprehensive plan map designations or land use regulations do not meet the definition, if all of the other elements meet the definition, by concurrently adopting comprehensive plan or land use regulation amendments necessary to meet the definition. Such amendments are not subject to performance standards related to motor vehicle traffic congestion, delay or travel time.

(11) A local government may approve an amendment with partial mitigation as provided in section (2) of this rule if the amendment complies with subsection (a) of this section, the amendment meets the balancing test in subsection (b) of this section, and the local government coordinates as provided in subsection (c) of this section.

(a) The amendment must meet paragraphs (A) and (B) of this subsection or meet paragraph (D) of this subsection.

(A) Create direct benefits in terms of industrial or traded-sector jobs created or retained by limiting uses to industrial or traded-sector industries.

(B) Not allow retail uses, except limited retail incidental to industrial or traded sector development, not to exceed five percent of the net developable area.

(C) For the purpose of this section:

(i) "industrial" means employment activities generating income from the production, handling or distribution of goods including, but not limited to, manufacturing, assembly, fabrication, processing, storage, logistics, warehousing, importation, distribution and transshipment and research and development.

(ii) "traded-sector" means industries in which member firms sell their goods or services into markets for which national or international competition exists.

(D) Notwithstanding paragraphs (A) and (B) of this subsection, an amendment complies with subsection (a) if all of the following conditions are met:

(i) The amendment is within a city with a population less than 10,000 and outside of a Metropolitan Planning Organization.

(ii) The amendment would provide land for "Other Employment Use" or "Prime Industrial Land" as those terms are defined in OAR 660-009-0005.

(iii) The amendment is located outside of the Willamette Valley as defined in ORS 215.010.

(E) The provisions of paragraph (D) of this subsection are repealed on January 1, 2017.

(b) A local government may accept partial mitigation only if the local government determines that the benefits outweigh the negative effects on local transportation facilities and the local government receives from the provider of any transportation facility that would be significantly affected written concurrence that the benefits outweigh the negative effects on their transportation facilities. If the amendment significantly affects a state highway, then ODOT must coordinate with the Oregon Business Development Department regarding the economic and job creation benefits of the proposed amendment as defined in subsection (a) of this section. The requirement to obtain concurrence from a provider is satisfied if the local government provides notice as required by subsection (c) of this section and the provider does not respond in writing (either concurring or non-concurring) within forty-five days.

(c) A local government that proposes to use this section must coordinate with Oregon Business Development Department, Department of Land Conservation and Development, area commission on transportation, metropolitan planning organization, and transportation providers and local governments directly impacted by the proposal to allow opportunities for comments on

whether the proposed amendment meets the definition of economic development, how it would affect transportation facilities and the adequacy of proposed mitigation. Informal consultation is encouraged throughout the process starting with pre-application meetings. Coordination has the meaning given in ORS 197.015 and Goal 2 and must include notice at least 45 days before the first evidentiary hearing. Notice must include the following:

- (A) Proposed amendment.*
- (B) Proposed mitigating actions from section (2) of this rule.*
- (C) Analysis and projections of the extent to which the proposed amendment in combination with proposed mitigating actions would fall short of being consistent with the function, capacity, and performance standards of transportation facilities.*
- (D) Findings showing how the proposed amendment meets the requirements of subsection (a) of this section.*
- (E) Findings showing that the benefits of the proposed amendment outweigh the negative effects on transportation facilities”*

Staff Response:

The Happy Valley Transportation System Plan, adopted in 2011, designates 172nd Avenue and Rock Creek Boulevard as existing major arterial streets serving the Rock Creek Employment Center (see Figure 2: Rock Creek Area Existing and Planned Roadways). Additional future north-south collector streets are planned within the Rock Creek Employment Center area. The proposed map and text amendments will not affect the functional classification of the existing or planned transportation facilities in the area, nor will they affect the standards implementing the functional classification system.

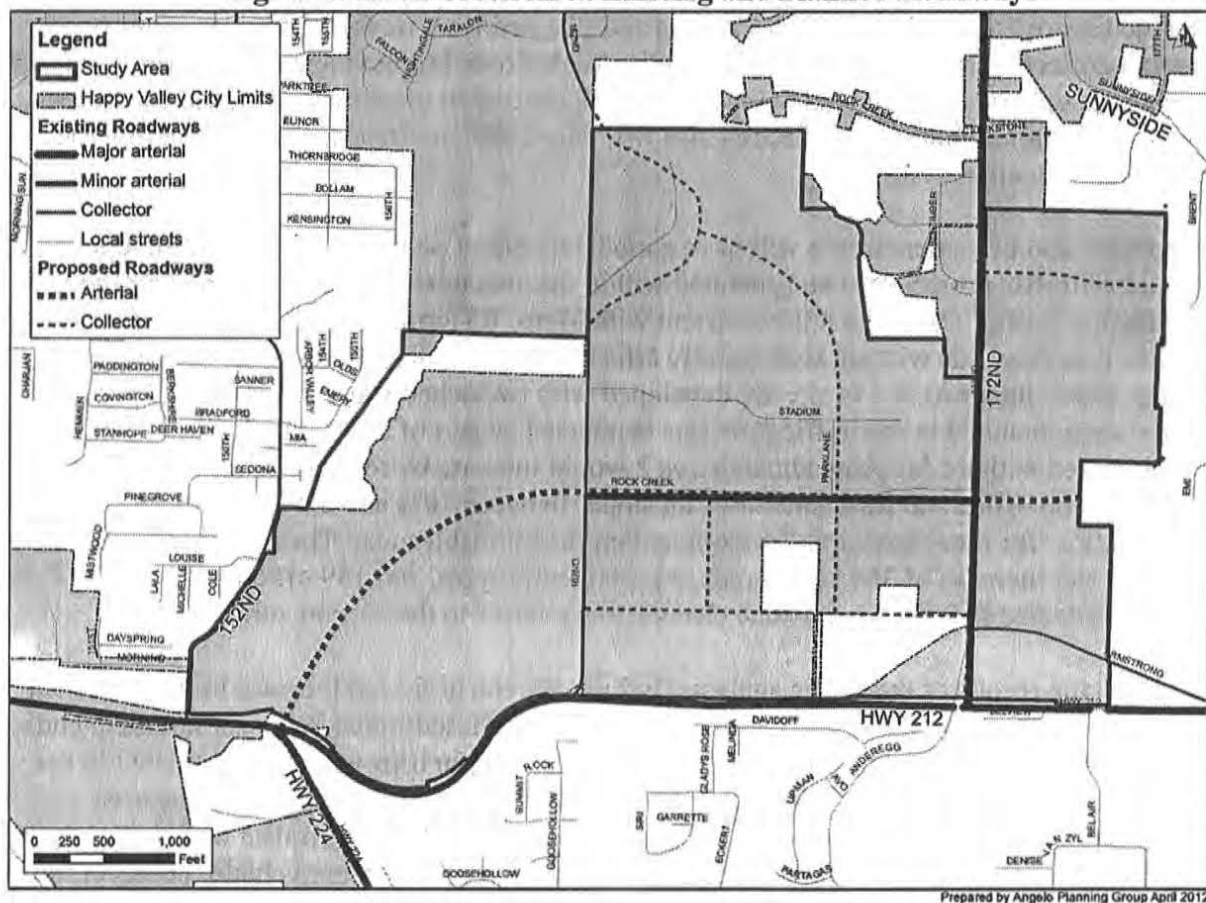
The proposed land use amendments will have a moderate effect on the level of development and the amount of traffic projected to be generated within the area relative to that assumed by the existing Happy Valley TSP, which is consistent with Metro RTP traffic modeling assumptions for growth; however, this will not significantly affect the planned transportation facilities in the area. Map Amendment Area 1 is already developed with two schools and a community park; these uses were included in the traffic forecasts conducted as part of the Happy Valley TSP. The developable area within Map Amendment Area 2 would increase by roughly 13 acres due to the ability to develop office and residential uses on slopes between 10% and 25%. The zone change would also allow for more intensive development on the buildable area. These changes would translate to a net increase of 384 households, 22 retail employees, and 159 office/industrial employees projected in 2035 for the zone change area relative to the current zoning.

According to the results of the traffic analysis (Exhibit D), the projected increase in development in Map Amendment Area 2 would result in approximately 231 additional PM peak hour trip ends in the study area in the 2035 horizon year. While this increase in trips was not anticipated in the adopted TSP, the traffic analysis indicates that the planned transportation system in the area would not be significantly affected by the additional trips. The additional traffic would slightly increase the delay at the study intersections by a few tenths of a second per vehicle; however, all of the study intersections that were projected meet the relevant performance standards based on the adopted TSP would continue to perform within the applicable performance standards. The 172nd Avenue/OR 212 intersection is not projected to meet the applicable performance standards (a volume to capacity or v/c ratio of 0.90) under the base case without the zone change. The

increase in traffic from the Rock Creek Employment Center would not be great enough to cause an increase in v/c ratio between the two scenarios. Further, as detailed within the Memorandum from DKS Associates dated June 6, 2012 (Exhibit "H") it is further proposed that "no significant effect" be found with the proposed comprehensive plan/zoning map amendments by the implementation of a "trip cap" associated with Man Area No. 2. The provision of the trip cap (and these findings), are supported by ODOT as evidenced in the Letter from ODOT dated June 5, 2012 (Exhibit "G"). Therefore, the proposed land use amendments would not allow types or levels of travel or access that are inconsistent with the functional classification of the existing or planned transportation facilities, nor would they degrade the performance of existing or planned transportation facility such that it would not meet the applicable performance standards, nor would they degrade the performance of an existing or planned transportation facility that is otherwise projected to not meet the applicable performance standards.

The proposed land use amendments, combined with the proposed requirement for an implementation ordinance including the trip cap are therefore consistent with Statewide Planning Goal 12 and the Transportation Planning Rule.

Figure 2: Rock Creek Area Existing and Planned Roadways



3. The following Titles from METRO Chapter 3.07 (Urban Growth Management Functional Plan) are applicable to this request:

"TITLE 4: INDUSTRIAL AND OTHER EMPLOYMENT AREAS"

The criteria for amendment of the Employment and Industrial Areas Map are contained in Metro Code 3.07.450 H.

3.07.450 Employment and Industrial Areas Map

H. Upon request from a city or a county, the Metro Council may amend the Employment and Industrial Areas Map by ordinance to consider proposed amendments that exceed the size standards of paragraph 6 of subsection C of the section. To approve an amendment, the Council must conclude that the amendment:

- 1. Would not reduce the employment capacity of the city or county;*

Staff Response:

The proposal to amend the Metro Employment and Industrial Areas Map would not reduce the employment capacity of Happy Valley based on the following:

a. The proposed text amendments are intended to better ensure remaining employment lands are used for employment uses that help the City meet EOA Objective 2.2 (Recruit businesses that offer living wages that are higher than the statewide average for all private business establishments) with a focus on targeted business clusters. By removing barriers to industrial development (e.g., the 1000' buffer between residential and industrial uses) and prohibiting or limiting some commercial activities, the text amendments help enhance the short-term and long-term land supply available for industrial and employment uses.

b. The proposed rezoning in Map Amendment Area 1 recognizes existing non-conforming institutional uses. The proposed rezone in Area 1 is on lands occupied by an existing middle school and an existing elementary school and an existing community park. The uses on these lands are public facilities and the land use zone should be changed to recognize that such uses are allowed.

c. The proposed rezoning in Map Amendment Area 2 includes a rezone of 60.1 gross acres from Industrial Campus (IC) to Mixed Use Employment (MUE). This zoning amendment is consistent with the Happy Valley EOA and acknowledges a more suitable and compatible use for the property. Steep slopes and resource areas make this hilly location north of the existing park and schools difficult to develop for an industrial use. The change of zoning from IC to MUE is expected to result in more buildable land than would otherwise occur with IC land due to the utilization of moderate slopes. The buildable land area is expected to increase from 17.1 to 30.0 acres (an increase of 12.9 acres) with the zone change. The proposed zone change is expected to result in more employment activity on this site than would occur with IC zoning (due to the increase in buildable area and the higher density of the allowed office uses relative to typical industrial development); hence total employment on this site would be at levels equal to or greater than what may occur with existing zoning.

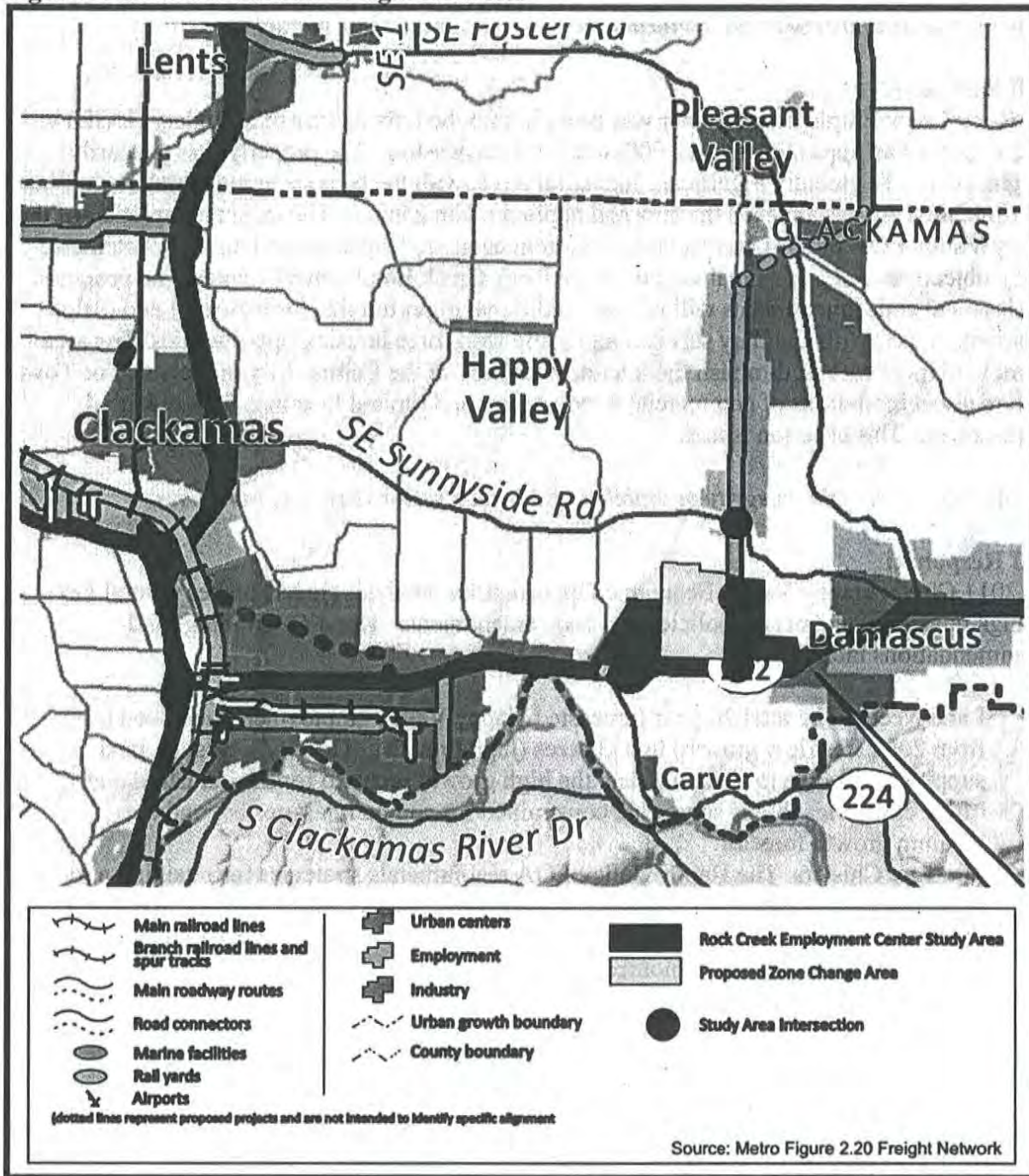
Therefore, per the proposed provision for the implementation ordinance that requires subsequent approval by Metro of amendments to the applicable Title 4 maps, this criterion is satisfied by the subject request.

2. Would not allow uses that would reduce off-peak performance on Main Roadway Routes and Roadway Connectors shown on the Regional Freight Network Map in the Regional Transportation Plan below volume-to-capacity standards in the plan, unless mitigating action is taken that will restore performance to RTP standards within two years after approval of uses;

Staff Response:

Highway 212 south of the rezone area is a main roadway route within the regional freight network (see Figure 3: Rock Creek Area Freight Network). The Damascus TSP and the Highway 212 Corridor Study will better define solutions in this corridor. The proposal to reduce industrial zoning by a net 136.2 acres, increase institutional zoning by 76.1 acres and increase mixed use employment zoning by 60.1 acres is expected to have a nominal impact on traffic trips. The proposed land use changes would result in approximately 196 additional trips during the midday (12 to 1 PM). The additional traffic from the Rock Creek Employment Center would slightly increase the delay at the study intersections by a few tenths of a second per vehicle. However, this increase would not affect the overall ability for these intersections to function within the specified mobility standard of 0.90 v/c ratio during the midday peak hour. No significant effect to off-peak (9 AM to 3 PM) traffic operations would be expected to occur along the designated regional freight network (SE 172nd Avenue and OR 212) as a result of the proposed amendment.

Figure 3: Rock Creek Area Freight Network



Regional Freight Network

3. Would not diminish the intended function of the Central City or Regional or Town Centers as the principal locations of retail, cultural and civic services in their market areas;

Staff Response:

The Rock Creek Employment Center was brought into the Urban Growth Boundary (UGB) in 2002 as part of an approximately 12,000-acre UGB expansion. The property was primarily designated as a Regionally Significant Industrial Area, with the balance in industrial land. Since that time, the City has annexed the area and applied urban zoning. The recent completion of the Happy Valley EOA in 2011 has prepared a current economic development mission statement, policy objectives and conceptual vision for the Rock Creek Employment Center. The proposed development code amendments will provide additional opportunities for industrial and office employment uses with ancillary services and some workforce housing opportunities. The area will not compete with or diminish the intended function of the Central City or Regional or Town Centers given limitations of commercial development and limited locations for residential development. This criterion is met.

4. Would not reduce the integrity or viability of a traded sector cluster of industries;

Staff Response:

The 2011 City of Happy Valley Economic Opportunities Analysis (EOA) makes several key findings related to land needs, policies and code amendments. Key EOA findings and recommendations include:

- Land Needs. The total 20-year forecasted Happy Valley employment land need is from 200 acres (low growth) to 333 acres (high growth). The city's existing land supply is adequate to accommodate the high growth scenario for the industrial and office categories; but is somewhat constrained for commercial uses beyond the medium growth forecast.
- Strategic Clusters. The Happy Valley EOA recommends strategies for retaining and attracting a mix of existing and emerging business clusters that pay above average wages. This includes a mix of existing established and emerging clusters, including:
 - Health services and biomedical research and development
 - Professional and business services
 - Advanced manufacturing (metals, machinery, testing devices, etc.)
 - Advanced learning (public and private higher education establishments)

All of the above-mentioned uses will continue to be allowed within the Rock Creek Employment Center. The proposed development code amendments will actually enhance the ability of the Rock Creek Employment Center to provide traded-sector job growth by reducing the extent of buffers between residential uses and future buildings within IC land area, and limiting outdoor warehouse/storage uses.

Within Map Amendment Area 2, the area is proposed for re-zoning from IC to MUE. The proposed zone will still allow development of the aforementioned traded sectors. The zone change will allow for more intensive use of the land due to the ability to develop on moderately sloped land and the higher intensity of uses allowed. Therefore, the proposed development code

amendments are expected to enhance the ability of Happy Valley to attract viable traded-sector businesses.

5. Would not create or worsen a significant imbalance between jobs and housing in a regional market area.

Staff Response:

Happy Valley is currently well below the regional average of jobs per household; the proposed development code amendments are intended to help Happy Valley correct that imbalance. As indicated in Table 2, based on Metroscope Generation 2.3 estimates, Happy Valley had only 0.5 jobs per household in 2005, well below the tri-county regional average of 1.5 jobs per household. Future housing and job projections by Metro assume Happy Valley will capture approximately 3.5% of the tri-county household growth and 1.8% of the tri-county job growth over the 2005-2035 period. This level of growth in Happy Valley would improve the jobs to housing ratio to 0.8 by 2030. The proposed development code amendments would help result in better utilization of the Happy Valley Employment Center for future employment growth than what would likely occur under existing conditions; thereby improving the overall jobs to housing ratio in Happy Valley.

Table 2: Happy Valley Jobs to Household Ratio

Happy Valley	0.5	0.8	0.8
Clackamas County	1.0	1.0	1.0
Multnomah County	1.7	1.9	1.9
Washington County	1.4	1.7	1.7
Total 3-County Region	1.5	1.6	1.6

Source: Metro Generation 2.3 estimates and forecasts, extrapolated to 2035 by FCS GROUP.

6. If the subject property is designated Regionally Significant Industrial Area, would not remove from designation land that is especially suitable for industrial use due to the availability of specialized services, such as redundant electrical power or industrial gases, or due to proximity to freight transport facilities, such as trans-shipment facilities."

Staff Response:

The Rock Creek Employment Center is a designated Regionally Significant Industrial Area (RSIA). The land proposed for rezoning is not especially suitable for industrial use due to the natural resources and topographic constraints and the existing schools and park that have already been built. The areas that are more suitable for industrial use, south of Rock Creek Boulevard, would retain their industrial zoning.

4. The following Land Use Policies from the City's general Comprehensive Plan Policies are applicable to this request:

"General Policies

Policy 10: Limit development in identified natural drainage-ways, floodplains, wetlands, steep slopes and landslide hazard areas. Housing development, and any other development intended for human occupancy, shall occur, to the greatest extent possible, on lands designated for development that are free from flood hazard, slope limitations, or other hazards.

Staff Response:

The proposed set of Comprehensive Plan Map/Zoning Map amendments would allow development forms that can better respond to and integrate with moderate slopes and natural areas than industrial development. The proposed amendments do not affect the city's existing protections for steep slopes, stream corridors, flood areas, or other natural features.

Policy 18: Existing road standards may be revised to reflect narrower width in resource areas and on steep slopes.

[...]

Staff Response:

Future collector streets are projected to carry north-south traffic as the Rock Creek Employment Center area develops. The proposal to allow mixed commercial and residential uses north of Rock Creek Boulevard will allow greater flexibility in design of local and internal roadways and building footprints relative to the requirements of typical industrial development.

Commercial and Employment Area Policies

Policy 54: To encourage compatible residential, commercial and light industrial development in both the City of Happy Valley and nearby Clackamas County that will provide jobs. The City supports the development of commercial and employment uses in the Hwy. 212/224 Corridor, Sunnyside Road Corridor and the Rock Creek Employment Center and in other areas, subject to design standards.

Staff Response:

The proposal supports compatible uses and jobs within the Rock Creek Employment Center, consistent with this plan policy.

Policy 54A: To reduce vehicle miles traveled and street congestion, and to provide local employment opportunities, Happy Valley will encourage home based businesses that show no outward signs of business activity and fully retain the residential character of existing neighborhoods.

Staff Response:

The proposal encourages multiple-family residential development on sloped lands, which may also accommodate home-based offices and businesses.

Policy 54B: To comply with Statewide Planning Goal 9 (Economy of the State) and to meet long-term neighborhood-oriented commercial and office needs for existing and future City residents in the Rock Creek Comprehensive Plan Area, Happy Valley has annexed existing and planned commercial and office sites served by Sunnyside Road in the Rock Creek Comprehensive Plan Area. In addition, to meet the long term needs of Happy Valley residents for local services and employment land, the City has created a broad range of commercial, employment and light industrial districts.

Staff Response:

The proposal is designed to maintain needed job growth on suitable lands, by proposing zoning that allows greater industrial development on lower slopes, and mixed use development with lesser impacts on greater slopes. The proposal includes appropriate Comprehensive Plan Map/Zoning designations for the Rock Creek Middle School, Duncan Elementary, and 162nd Avenue Park north of Rock Creek Boulevard; all vital community uses.

Policy 54C: Happy Valley shall ensure that all commercial and office centers are accessible by transit, bicyclists and pedestrians, generally as shown within the City's current Transportation System Plan.

Staff Response:

The subject area will develop with planned collector streets, including pedestrian/bike facilities and future transit facilities. The City's TSP shows an existing bicycle route on 172nd Avenue, a future trail along Rock Creek, and several future bus stops (Figure 4-6).

Figure 4: TSP Pedestrian Master Plan (Rock Creek Area)

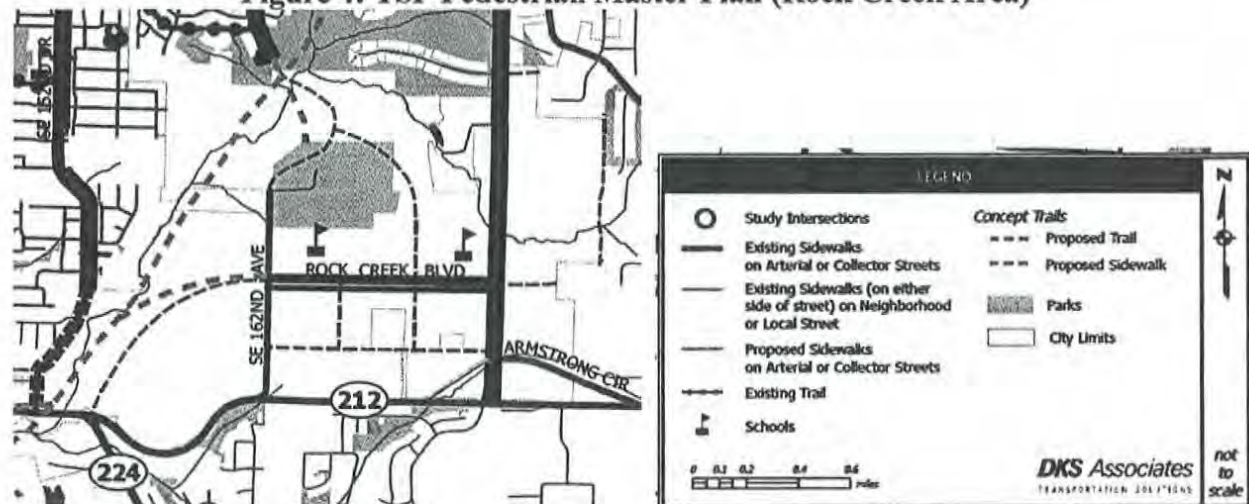


Figure 5: TSP Bicycle Master Plan (Rock Creek Area)

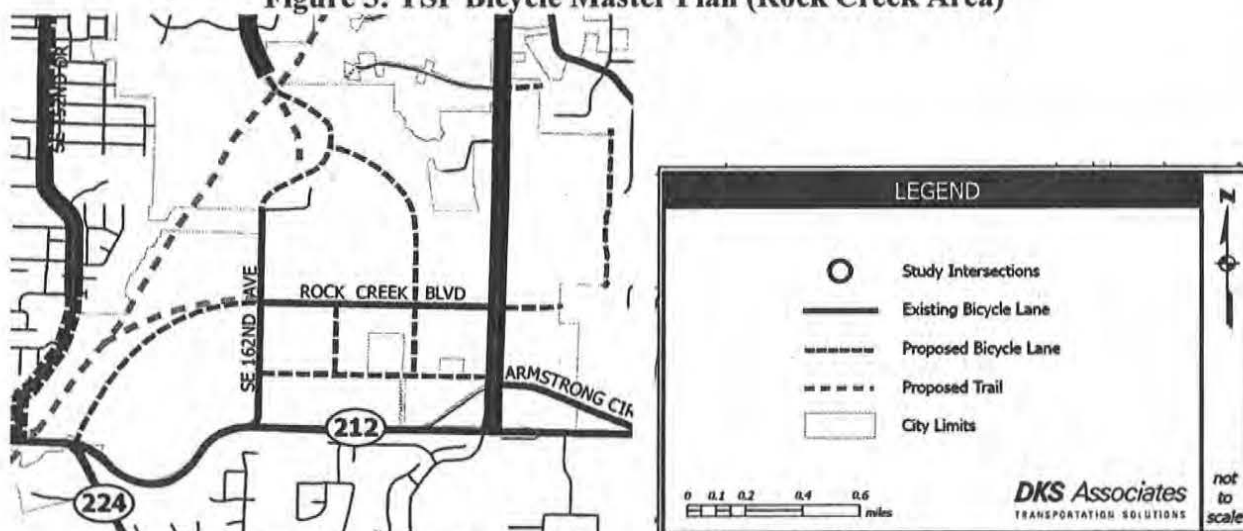
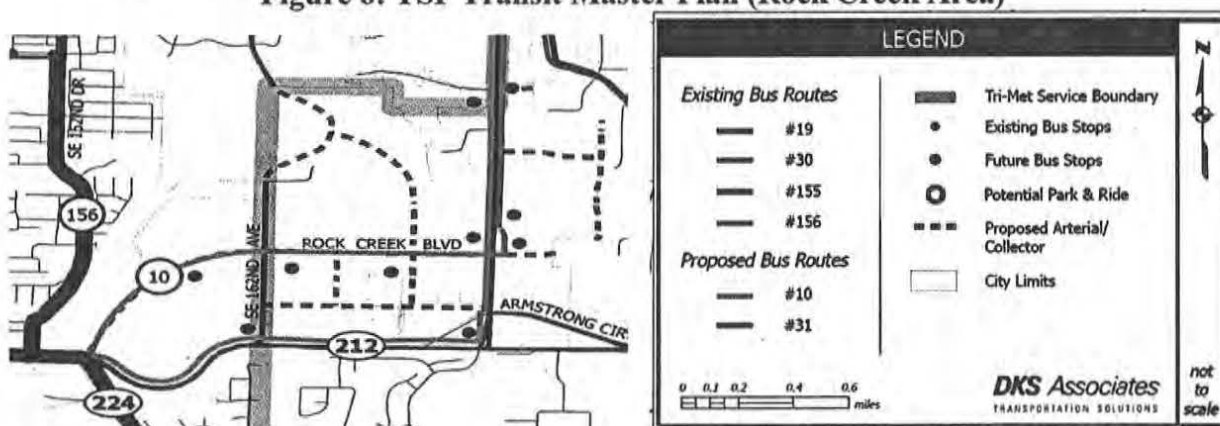


Figure 6: TSP Transit Master Plan (Rock Creek Area)



[...]

Policy 55D: *Employment Center. The Employment Center designation is intended to provide for a mix of employment opportunities, located where they are accessible by a variety of transportation modes, including transit service and safe and convenient pedestrian connections. These areas:*

- 1) *Provide transition between mixed use centers and residential areas;*
- 2) *Provide sites suitable for industrial, office, tech/flex, creative arts, high schools and technical schools (that meet code criteria for compatibility in employment areas), and other businesses in multi-tenant and (in some cases) multi-story buildings. The walkable character of the surrounding urban environment is a defining element.*
- 3) *Support limited retail and services serving their locales;*
- 4) *Allow housing as part of mixed use buildings and sites.*

Staff Response:

The proposed text amendments to the Employment Center (EC) zone continue to provide for a mix of employment opportunities, including industrial, office, tech /flex, and other businesses, as well as housing (when part of mixed use buildings or sites). Limited retail and services continue to be allowed, with smaller size limits to ensure that they are primarily local-serving. The proposed amendments would also continue to allow institutional uses; however, they would be subject to a 30,000 sf size limit in order to ensure that they do not consume a disproportionate share of the remaining available employment land in the area.

Policy 55E: Industrial Campus. The Industrial Campus designation is intended to provide employment opportunities consistent with Metro's Title 4 requirements. The district is Happy Valley's zone for implementing Metro's requirements for Regionally Significant Industrial Areas. IC districts are intended to:

- 1) Protect sites for larger scale industrial users, with exceptions for pre-existing parcels and committed areas.*
- 2) Provide industrial land near appropriate transportation facilities, specifically Highway 212/224.*
- 3) Retain land for industrial use, in part by limiting the size and location of new buildings for retail commercial uses (such as stores and restaurants) and retail and professional services that cater to daily customers (such as financial, insurance, real estate, legal, medical and dental offices) to ensure they serve primarily the needs of workers in the area. Non-industrial uses will not exceed 3,000 square feet in a single outlet, or 20,000 square feet in a multi-tenant building. Compatible public facilities will be permitted.*
- 4) Provide for public facilities, parks, education and related uses that are compatible with industrial areas.*

[...]

Staff Response:

The proposed text amendments better provide for industrial uses in the areas best suited for industrial use, including those areas closest to Highway 212, by removing restrictions on fully enclosed industrial uses adjacent to residential uses and reducing restrictions on all other industrial uses adjacent to residential areas. These changes will allow for a wider range of true industrial uses within the industrial area. The addition of a restriction on the size of "Quick vehicle servicing or vehicle repair" will add an additional limitation on non-industrial uses to protect the land for its intended purpose. Finally, while the IC zone will continue to provide for public facilities, parks, education and related uses that are compatible with the desired industrial uses, the proposed zone change from IC to IPU on the school and park properties recognize the committed school and park uses within the area that were developed prior to current zoning being applied.

Policy 56C: Overall Policy Framework for the East Happy Valley Comprehensive Plan. The following policies were derived from the goals and principles (originally dated July 13, 2004) of the Damascus/Boring Concept Plan. They are adopted as the overall policies guiding growth and livability in the East Happy Valley Comprehensive Plan area (East Happy Valley). Each policy is made up of its introductory goal-oriented statement, followed by the principles to be used during implementation.

Policy 56C.1: East Happy Valley Community

East Happy Valley will be a well-designed community with core mixed-use areas, livable neighborhoods and a range of job opportunities all integrated with the transportation system, natural environment, open space network and public facilities. Community elements will include:

- a) Neighborhoods as the basic "building blocks" of the community.*
- b) Mixed-use centers that encourage a sense of community.*
- c) A diverse range of job opportunities.*
- d) A mix of uses and transit supportive densities along transit streets.*
- e) A well-connected network of transportation, land uses and natural resource systems to support public transit, walking and bicycling.*
- f) An integrated system of open space, parks and natural areas throughout the community, using them as an organizing principle for land uses.*
- g) Pedestrian-friendly public spaces that accommodate outdoor activity and socialization within both residential and commercial districts.*

Staff Response:

The proposed map and text amendments support a diverse range of job opportunities in this important employment area of the East Happy Valley Comprehensive Plan Area. The proposed map amendments also support the development of a mixed use center that protects and preserves natural areas and open space while allowing more intense development than would have been possible under the existing industrial zoning.

Policy 56C.2: East Happy Valley Employment

East Happy Valley will include a diverse range and adequate amount of employment opportunities. Employment lands will provide:

- a) Reasonable amounts of industrial and employment areas to address the employment needs for those living within the area, as well as to contribute to sub-regional needs.*

- b) *Employment uses accessible by a full range of transportation modes (i.e.-automobile, freight, transit, shared ride, pedestrian and bicycle).*
- c) *A mix of retail, civic, and related uses and services to serve the daily needs of the local community.*
- d) *Employment uses that take advantage of and reflect the natural resource qualities of the land, including forested buttes, salmon bearing streams, agricultural products and beautiful views.*

[...]

Staff Response:

The proposed text amendments to the EC and IC zones ensure that those areas intended for industrial and employment use are able to be developed with industrial and employment uses. While limited retail uses are allowed in the EC and IC zones, the CCC zoning designations remain in place in the Rock Creek Employment Area, providing an opportunity for retail uses that serve the daily needs of the area's employees and residents. Proposed map amendment #1 would allow for a mix of employment uses as well as residential uses in the portion of the Rock Creek area that has the greatest concentration of natural resources, so that the types of uses that would get the greatest value from locating adjacent to streams and forested areas are permitted in that area.

Policy 56C.4: East Happy Valley Transportation

East Happy Valley will have an effective transportation system that provides a range of travel options. The transportation system will include:

- a) *A coordinated land use and transportation system to support a wide range of convenient and attractive transportation choices, including cars, transit, walking, bicycling and other forms of personal conveyance.*
- b) *A transportation system that is safe for all modes of travel.*
- c) *A well-connected network of arterial and collector streets that adequately serves local travel needs and regional and intrastate access and freight mobility needs.*
- d) *A cost-effective, aesthetic and feasible transportation system.*
- e) *A transportation system designed and located to minimize impacts to natural resources while providing for circulation for all modes of travel.*
- f) *A range of street design types that reinforces a sense of community, leaves the mixed-use areas intact and minimizes impact to neighborhoods to support community livability.*

- g) *An interconnected system of bicycle and pedestrian routes that directly connects to community destinations, with special pedestrian amenities on transit streets. In order to provide options for north south travel in the 172nd Avenue corridor, development on both sides of 172nd will provide a connected and continuous pattern of north-south streets that parallel 172nd Avenue.*
- h) *Direct and convenient freight access from employment and industrial areas to regional transportation facilities to reduce the potential for traffic intrusions into neighborhoods and rural areas.*
- i) *A regional and community transit service in mixed-use areas and on key streets that is supported by street design, a mix of land uses and transit-supportive densities.*
- j) *A coordinated transportation system with existing neighboring cities and counties and future planning areas.*
- k) *A transportation system in East Happy Valley that is consistent with Happy Valley's overall Transportation System Plan.*

Staff Response:

No changes are proposed to the planned transportation system for East Happy Valley. As described in Section 2 of these findings, the proposed amendments would add some trips, but the planned transportation infrastructure is robust enough to absorb the additional trips.

Policy 56C.5: East Happy Valley Natural Resources

East Happy Valley's transition to an urban area over time will also preserve, restore and/or enhance unique areas, natural features, fish and wildlife habitats and special places. As practicable, natural resource implementation will:

- a) *Protect, enhance and restore water and air quality by:*
 - *Achieving low levels of effective impervious area and high levels of forest protection and restoration;*
 - *Protecting steep slopes and undeveloped floodplains;*
 - *Protecting, restoring and enhancing riparian and upland habitat;*
 - *Preserving, restoring and enhancing headwaters, streams and groundwater systems to achieve clean water;*
 - *Maximizing opportunities to protect and enhance natural watershed functions and processes;*
 - *Managing stormwater to protect hydrology and natural resources, and promote recycling.*

- b) *Protect, restore and enhance ecologically viable fish and wildlife habitat that will sustain the area's native biodiversity and maintain wildlife habitat connectivity within the community and to adjacent natural areas.*
- c) *Minimize development impacts on natural hazard areas including floodplains, landslide areas, and steep slopes.*
- d) *Provide an ecologically linked system of parks, natural areas, farmland, trails and open spaces for community, recreation and natural resource values within the Damascus/Boring area that is connected to the Clackamas River and other natural areas within the region, and ensure adequate coordination with adjacent communities.*
- e) *Minimize impacts on habitat connectivity, ecological viability, air and water quality, and scenic views when developing an interconnected street, bicycle, pedestrian and transit system.*
- f) *Maximize opportunities to protect open spaces that can provide multiple public benefits such as stormwater facilities, parks, trails and utilities without compromising hydrology, habitat, or ecological functions.*
- g) *Seek opportunities to incorporate green street designs and green development practices into the community design and infrastructure plans to minimize negative impacts of development on the environment.*
- h) *For this policy, references to steep slopes shall be interpreted as follows: (1) slopes greater than 25% shall be protected from development, but shall be eligible for density transfers; (2) slopes 15-25% shall be protected through a combination of clustering, transfer of development rights, low density development and other techniques that balance conservation and development rights.*
- i) *Organize land uses to relate to green design elements, including:*
 - *Natural areas as focal points*
 - *Protection of the areas of Scouter's Mountain that are 15% and greater in slope. Transfer of density from area's 15% and steeper may result in clustering in other areas that exceed base zoning – this technique is allowed and encouraged.*
 - *Protection and restoration of vegetation along streams*
 - *Low impact building design and infrastructure*
- j) *Use the Damascus/Boring Concept Plan's Parks and Schools diagram to guide park and school locations, and, master planning for parks, schools, trails, and greenways. Coordinate development with parks and schools facility*

- plans. Public or private parks, with usable open space, should be within walking distance of all homes.*
- k) *Low impact development practices and infrastructure will be allowed and encouraged in East Happy Valley. The City will be proactive in proposing low impact public works projects.*

Staff Response:

Proposed Map Amendment Area 2 would help preserve and protect the natural resources in the Rock Creek area while also allowing for appropriate and compatible development. The uses allowed in the proposed zone are better suited to areas with moderate to steep slopes, habitat areas, and stream corridors, as large, flat, contiguous areas are not necessary for residential or office development as they often are for industrial development. None of the proposed map or text amendments would alter the city's existing protections for natural resources.

Policy 56C.6: East Happy Valley Public Facilities

Infrastructure in East Happy Valley will provide adequate and coordinated public facilities and services, including sewer, water, storm drainage, police, fire, parks and schools. Happy Valley supports:

- a) *Public education facilities in the neighborhoods and throughout the community.*
- b) *Public park, recreation and open space facilities.*
- c) *Police, fire and emergency facilities and services.*
- d) *Cost-effective and feasible sanitary sewer and public water facilities.*
- e) *Cost-effective and feasible surface water conveyance, treatment and storage.*
- f) *Recycling of storm water and gray water.*
- g) *Expansion of the Metro Greenspaces effort in East Happy Valley to preserve and link regionally significant open space areas, parks and regional trails.*
- h) *Minimizing the amount of land needed and reduce capital and operating costs by using land as efficiently as possible by collocating compatible public facilities.*
- i) *Coordinating with the private utilities to meet the need for adequate private utilities (telephone, electrical, natural gas, fiber optic cable, etc)."*

Staff Response:

The proposed Map Amendment Area 1 would recognize the existing public park and school facilities in the Rock Creek area and ensure that they can continue to expand on their existing sites in order to allow them to be as efficient as possible.

5. The following Sections from Title 16 of the City's Municipal Code (Development Code) are applicable to this request:

"Chapter 16.67 Comprehensive Plan Map, Specific Area Plans, Land Use District Map and Text Amendments"

16.67.015 Initiation of a plan amendment.

A. Any change in the text, map or implementing ordinances of adopted Happy Valley land use regulations may be initiated by the city, any resident of the city, property owners or authorized agent.... The City may, for the purposes of revising or updating plans to comply with statewide goals, legal guidelines or other necessary criteria, initiate a change in the map or text of any plan and this Land Development Code at any time.

Staff Response:

The City is initiating the proposed Comprehensive Plan Map/Zoning Map Amendments and Development Code amendments as recommended by the Happy Valley Economic Opportunity Analysis (EOA). The proposed amendments include:

- Text Amendments to the City of Happy Valley Development Code, Section 16.25.010 Industrial Districts
- Map Amendments to the Comprehensive Plan Map/Zoning Map to apply the zoning districts as shown in Figure 1.

16.67.020 Legislative Amendments

Legislative amendments are policy decisions made by City Council. Except in the case of expedited annexation, they are reviewed using the Type IV procedure in Section 16.61.050 and shall conform to the Transportation Planning Rule provisions in Section 16.67.060, as applicable.

Staff Response:

The proposed amendments are legislative in nature. They will be reviewed using the Type IV procedure and will be considered by the City Council. Compliance with the Transportation Planning Rule is addressed below.

[...]

16.67.060 Transportation Planning Rule Compliance

A. Review of Applications for Effect on Transportation Facilities. When a development application includes a proposed Comprehensive Plan amendment or land use district change, the proposal shall be reviewed to determine whether it significantly affects a transportation facility, in accordance with Oregon Administrative Rule (OAR) 660-012-0060 (the Transportation Planning Rule – TPR) and the traffic impact study provisions of Section 16.61.090. "Significant" means the proposal would:

- 1. Change the functional classification of an existing or planned transportation facility (exclusive of correction of map errors). This would occur, for example, when a proposal causes future traffic to exceed the levels associated with a "collector" street classification, requiring a change in the classification to an "arterial" street, as identified by the City's Transportation System Plan ("TSP"); or*
- 2. Change the standards implementing a functional classification system; or*

- 3. As measured at the end of the Transportation System Plan (TSP) period, allow types or levels of land use would result in levels of travel or access that are inconsistent with the functional classification of an existing or planned transportation facility; or*
- 4. Reduce the performance of an existing or planned transportation facility below the minimum acceptable performance standards identified in the TSP; or*
- 5. Worsen the performance of an existing or planned transportation facility that is otherwise projected to perform below the minimum acceptable performance standards identified in the TSP."*

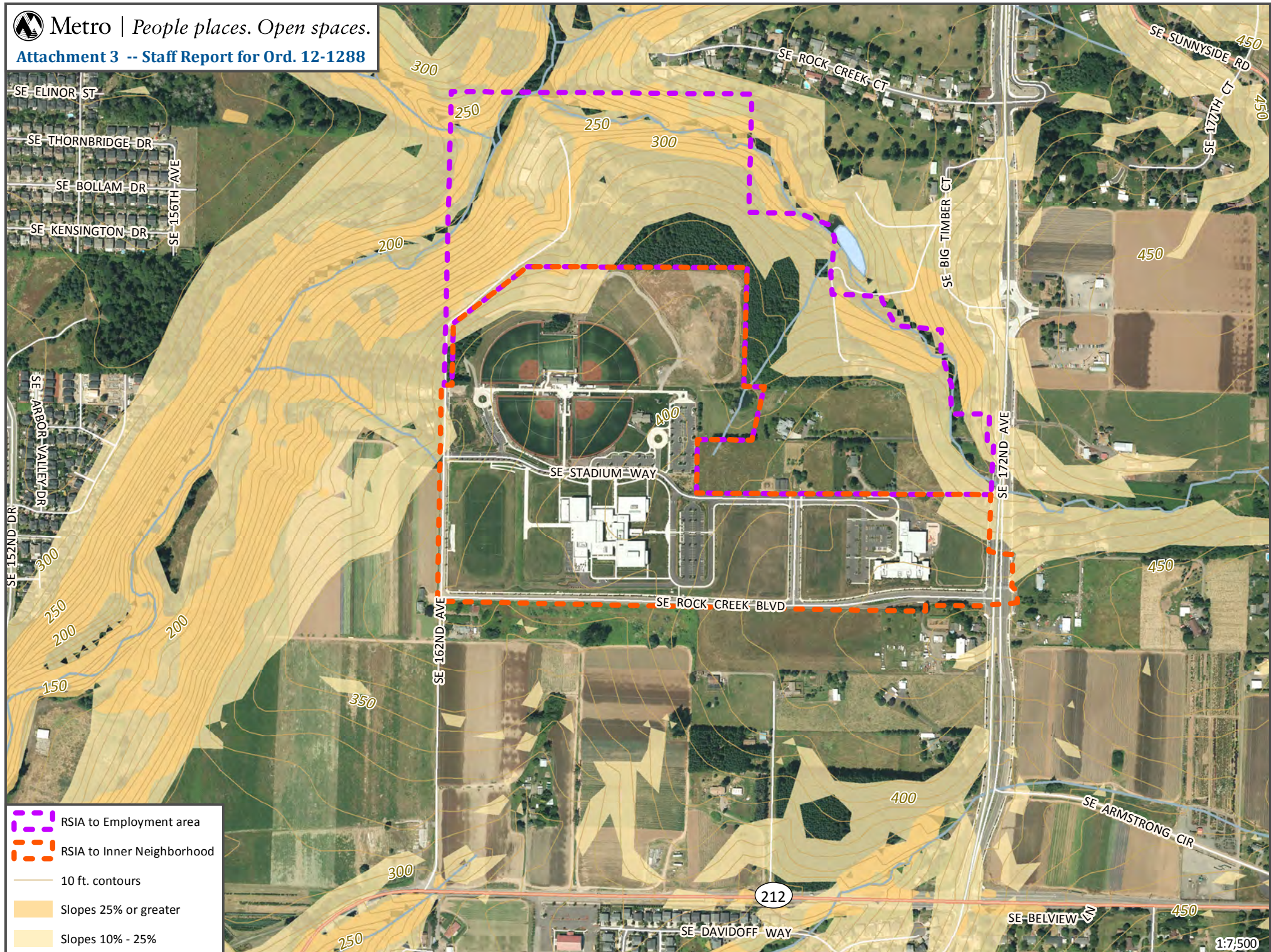
Staff Response:

Compliance with Statewide Planning Goal 12 (Transportation) and Oregon Administrative Rule (OAR) 660-012-0060 (Transportation Planning Rule – TPR) is addressed in Section 2 of these findings.

III. CONCLUSION:

Staff has determined that the above findings demonstrate that the proposed amendments to the City's Development Code and Comprehensive Plan/Zoning Map amendments satisfy the requirements of the Statewide Planning Goals, the Transportation Planning Rule, Metro Title 4, City of Happy Valley Comprehensive Plan Policies and the City's Land Development Code. Staff, therefore, recommends that the Planning Commission forward a recommendation of approval to the City Council on application CPA-05-12/LDC-05-12. If approved by the City Council, the implementing ordinance associated with CPA-05-12/LDC-05-12 shall include the following provisions:

1. That implementation of the proposed comprehensive plan map/zoning map amendments is dependent upon the approval of Metro to amendments to applicable Title 4 maps.
2. That a "trip cap" of 1,558 daily motor vehicle trips shall exist for "Map Area 2" as detailed in the Memorandum from DKS Associates dated June 6, 2012 (Exhibit H) until such time that future traffic analysis accommodates the additional trip generation allowed by the applicable comprehensive plan/zoning map amendments.



DRAFT MEMORANDUM

DATE: April 11, 2012
TO: Michael Walter, City of Happy Valley
FROM: Michael Tomasini, P.E., PTOE, DKS Associates
Mat Dolata, DKS Associates
SUBJECT: Rock Creek Employment Center Comprehensive Plan Amendment
Metro (Title 4 Map Amendments) Traffic Analysis

This memorandum summarizes the traffic analysis of the proposed Comprehensive Plan zoning amendment for the Rock Creek Employment Center located in Happy Valley, Oregon. The analysis has been performed to determine compliance with the Metro Urban Growth Management Functional Plan's Title 4 protections for industrial and employment areas. Updated trip patterns and traffic operations resulting from the land use change have been evaluated for 2035 horizon year conditions. The following sections present the methodology and assumptions for the analysis and summarize the findings.

Findings

The traffic analysis revealed four key findings, including:

- All study intersections currently perform within operational standards during the midday peak hour (from 2 to 3 PM).
- No significant effect to off-peak (9 AM to 3 PM) traffic operations would be expected to occur along the designated regional freight network (SE 172nd Avenue and OR 212) as a result of the proposed amendment.
- All of the study intersections would perform within identified mobility targets (0.90 v/c ratio) during the midday peak hour through the 2035 horizon year, with or without the proposed zoning amendment.

Background

In seeking to improve the regional economy, the Portland Metro Urban Growth Management Functional Plan¹ includes Title 4 (Industrial and Other Employment Areas) to protect access to regionally significant employment sites. Title 4 limits the types and scale of non-industrial uses in designated industrial and employment areas, including the Rock Creek Employment Area. Title 4 specifies that land use amendments maintain off-peak (i.e. midday) performance to within identified volume-to-capacity standards for key roadways identified in the Regional Freight Network Map.² In the event that off-peak performance standards are not met, mitigating actions would be necessary.

The Happy Valley Rock Creek Employment Center was brought into the Urban Growth Boundary in 2002 to provide land for industrial and employment development and identified as a Title 4 area by Metro. An economic opportunities analysis of the area conducted in 2011 identified concerns about the viability of the land for industrial uses due to the following factors:

- Non-industrial uses (schools and parks) have been recently built within the industrial zoned areas.
- Topography and natural resource constraints limit the ability for the area to support industrial activities.
- Areas that could potentially support industrial uses are currently zoned commercial.

Proposed Comprehensive Plan Amendment

To reflect the community's vision for development of the Rock Creek Employment Center, a land use amendment has been proposed to the East Happy Valley Comprehensive Plan. The proposed Comprehensive Plan amendment would change zoning and land use designations for two areas in the Rock Creek Employment Center. The land use would change from Industrial Campus (IC) to Mixed Use Employment (MUE) and Institutional and Public Use (IPU). Figures 1 and 2 illustrate the study area and identify the location of the proposed zoning changes. Table 1 summarizes the 2035 land use assumptions for the two areas under both proposed and current land use designations.

¹ Metro, Urban Growth Management Functional Plan, Effective January 18, 2012.

² Metro, Regional Freight Plan 2035, Figure 2.20: Regional Freight Network Map, June 2010.



Figure 1: Existing Zoning

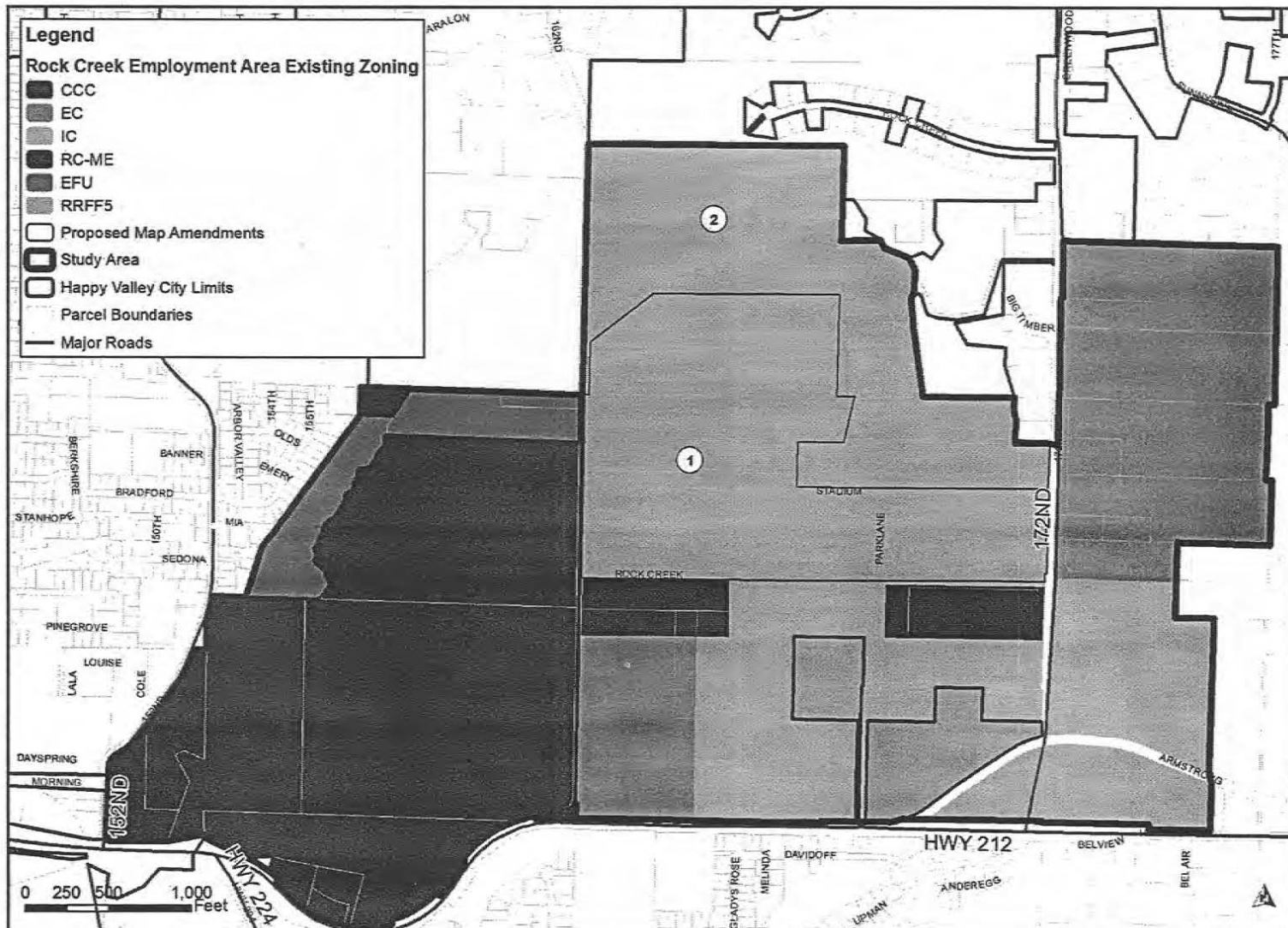


Figure 2: Proposed Zoning

Prepared by Angelo Planning Group, March 2012

Table 1 – Land Use Summary

Land Use Source	Households	Retail/Service Employees	Office/Industrial Employees
Current 2035 East Happy Valley Comprehensive Plan	0	0	38
Proposed 2035 East Happy Valley Comprehensive Plan	384	22	197
Net Change	+ 384	+ 22	+ 159

As shown in Table 1, the proposed zoning would result in 384 additional households and 65 employees. The increase in land use would result in an increase in vehicle trips within the area.

Analysis Methodology

This section describes the methodology and analysis of the potential impact of the proposed Happy Valley Rock Creek Employment Center comprehensive plan amendment. Topics covered include study area, intersection performance standards, traffic operations and future volume forecasting.

Study Area and Intersections

The Rock Creek Employment Center is generally located north of OR 212, between SE 152nd Avenue and the land use parcels east of SE 172nd Avenue. The regional freight network includes SE 172nd Avenue and OR 212 as key freight roadways in the area designated by Metro. Traffic impacts to the regional freight network have been evaluated based on the traffic operations at three study intersections:

- OR 212 at SE 172nd Avenue
- SE Rock Creek Boulevard at SE 172nd Avenue
- SE Sunnyside Road at SE 172nd Avenue

These locations were determined based on proximity between the proposed comprehensive plan amendment and Metro's Regional Freight Network and conversations with Metro³. Figure 3 shows the relationship between the study area and the study intersections imposed onto Metro's regional freight network.

³ Email from Anthony Butzek, received January 23, 2012.

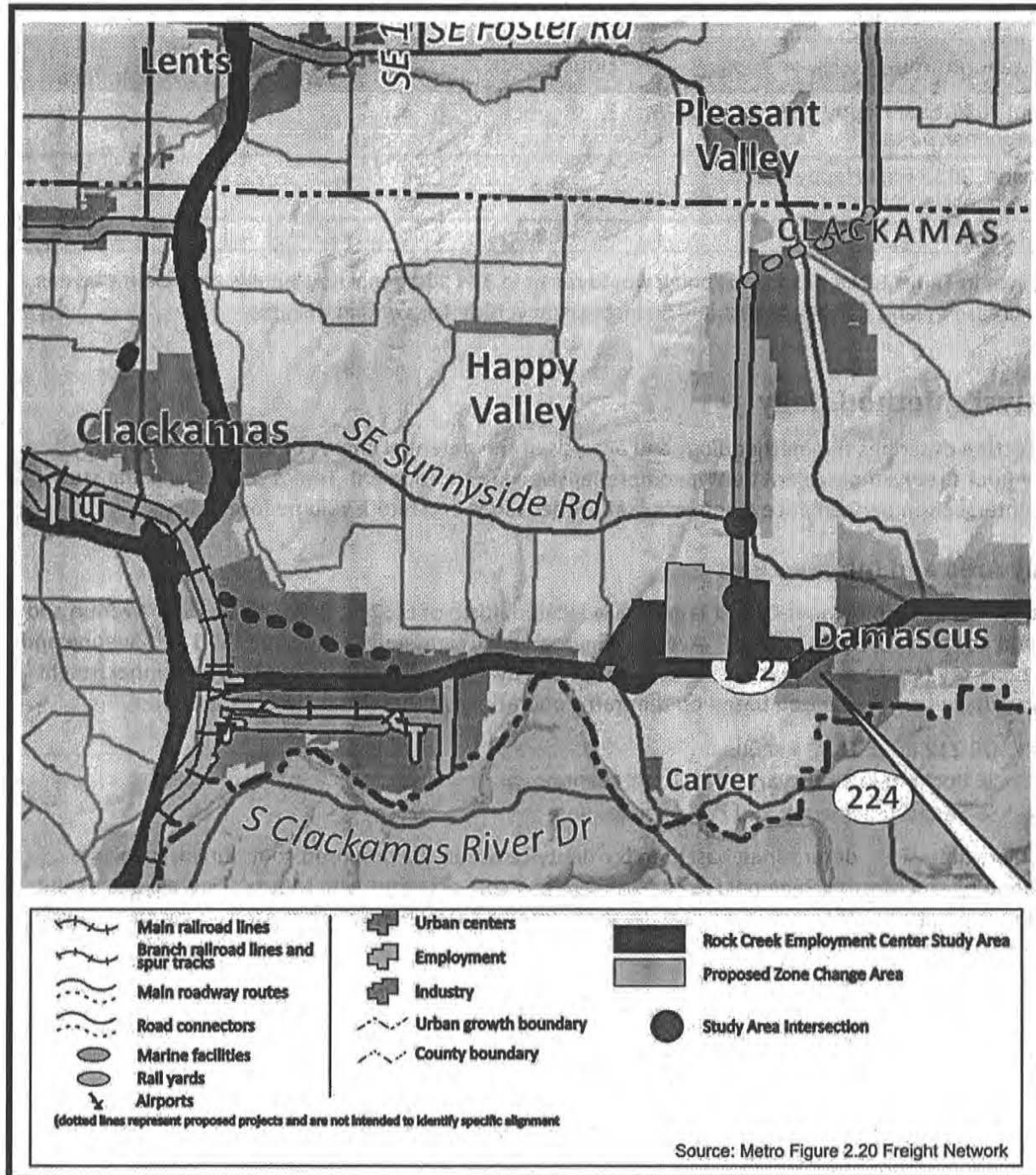


Figure 3: Study Area and Metro's Freight Network

Intersection Performance Standards

Intersection performance standards have been identified by Clackamas County and ODOT for intersections which fall under their jurisdiction. Clackamas County's performance standards have been described in the Clackamas County Comprehensive Plan.⁴ Level of service standards for roadways within the County's jurisdiction have been identified as LOS D. ODOT's Oregon Highway Plan⁵ indicates maximum volume to capacity (v/c) ratio of 0.90 for OR 212 as an acceptable performance standard for the midday peak hour. Under a Metro Title 4 Analysis intersection operations shall be compared to the Interim Regional Mobility Policy standards defined in the Regional Transportation Plan, which indicate an intersection may operate with a maximum 0.90 v/c ratio.

Traffic Operations

Traffic operations for the study intersections was evaluated using Synchro and Highway Capacity Manual (HCM) 2000 methodologies to be consistent with the East Happy Valley Comprehensive Plan.⁶ Operational analyses were conducted using midday peak hour turn movement counts for the existing (2012) scenario and future (2035) midday peak hour volumes were used for the future scenarios.

Future Volume Forecast Methodology

Future traffic volumes forecasting methodology was based on the relationship between the midday peak hour and the PM peak hour for the study intersections. The following sections validate the assumption that the existing ratio would also be valid for the future year 2035.

Traffic Operations and Future Volume Forecasting

This section of the memorandum includes details on existing traffic operations, the generation of the future year traffic volumes and the calculation of the future year traffic operations at the study intersections.

Existing Traffic Operations

The 2012 traffic performance was evaluated for the midday peak hour at the study intersections, based on intersection turn movement counts taken from 1 to 3 PM on Tuesday, January 31st, 2012. The existing intersection performance has been summarized in Table 2. All of the study intersections would perform within acceptable operations during the midday peak hour.

⁴ Clackamas County Comprehensive Plan, Transportation, V-10, 31.0, Amended March 2011.

⁵ Oregon Department of Transportation, 1999 Oregon OR Plan, Amended January 2012.

⁶ DKS Associates, November 2008.

Table 2: 2012 Study Intersection Level of Service (Midday Peak Hour)

Intersection	Standard	LOS	Delay	v/c
Sunnyside Road/172nd Avenue	LOS D	C	31.9	0.24
172nd Avenue/Rock Creek Boulevard	LOS D	D	37.2	0.13
172nd Avenue/OR 212	v/c 0.90	C	20.1	0.46

Note: LOS = Level of Service

Delay = Average delay per vehicle

v/c = volume to capacity ratio for intersection

Midday to PM peak hour Traffic Volume Relationship

To determine the relationship between the midday and PM Peak hour traffic volumes within the study area, daily volume counts were conducted on SE 172nd Avenue and OR 212.⁷ Figure 4 displays the results of the daily traffic counts for both locations. The traffic volume profiles follow similar patterns, with a morning traffic peak hour from 6 to 7 AM and an overall peak during the 4 to 5 PM hour. From the midday (9 AM to 3 PM) traffic volume count it was determined that the midday volumes in this location were the greatest between 2 to 3 PM.

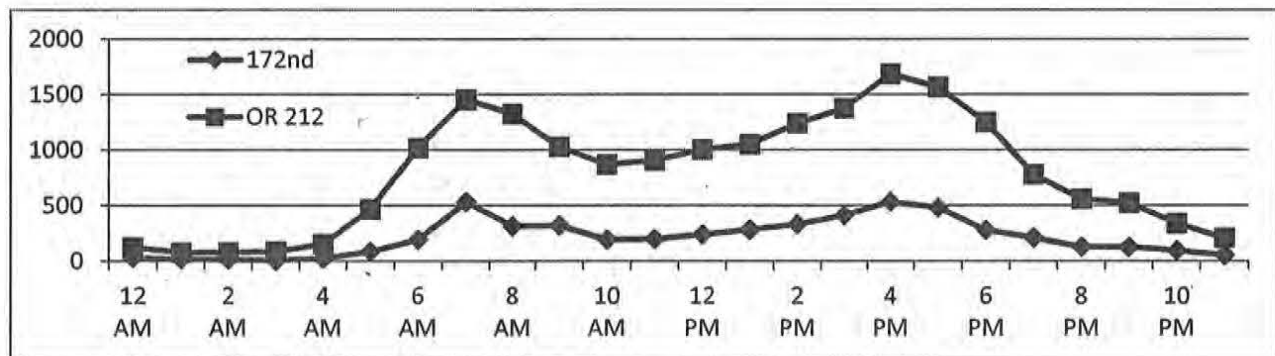


Figure 4: Daily Traffic Volume on SE 172nd Avenue and OR 212

The midday to PM peak hour traffic volume ratios were developed using the daily traffic volume data collected on SE 172nd Avenue and on OR 212. The factors were based on the existing ratio of the PM peak and midday roadway volumes. Table 3 shows the midday and PM peak hour the count volumes and ratios. Study area traffic volumes from 2 to 3 PM are approximately 60 to 75 percent of traffic volumes from 4 to 5PM.

⁷ The traffic counts were taken Thursday, January 26, 2012. The count on SE 172nd Avenue was taken just north of OR 212 and the OR 212 count was taken just west of SE 172nd Avenue.

Table 3: 2012 Traffic Volume by Time of Day

Time of Day	172 nd Avenue	OR 212
Midday (2 to 3 PM)	332	1241
PM Peak (4 to 5 PM)	532	1685
Ratio	0.62	0.74

Future Year 2035 Midday to PM peak hour Validation

The Metro travel demand model was used to validate the future year midday to PM peak hour traffic volume relationship developed previously. Table 4 identifies model trip generation for the adjacent Metro transportation analysis zones impacted by the proposed land use changes.⁸ These values would represent locally generated traffic in 2035. Table 4 also identifies the 2035 Travel Demand Model link volumes⁹ by time of day. Model link volumes reflect locally and regionally generated trips. This table represents the approximate relationship between study area traffic volumes during the PM peak and from 12 to 1 PM.

Table 4: 2035 Travel Demand Model Data

Time of Day	Trip Generation			Link Volumes		
	Zone 746	Zone 751	Average	172 nd Ave	OR 212	Average
Midday (12 to 1PM)	164	151	157	1376	2190	1783
PM Peak (4 to 5 PM) *	240	235	237	1762	3705	2733
Ratio	0.68	0.64	0.66	0.78	0.59	0.65

*Peak hour has been converted from model 2-hour PM peak period (4 to 6PM) by using a factor of 0.52

Source: Metro

The traffic volumes identified in Tables 2 and 3 generally reflect 20 to 40 percent lower volumes during the midday, compared to the PM peak hour. Since the ratios developed in Table 3 were from traffic counts and were shown to be similar to those developed in Table, the ratios from Table 3 were selected for use in the development of the 2035 midday peak hour volumes. The midday to PM peak hour ratios used included:

- 0.74 for the intersection of OR 212 at SE 172nd Avenue
- 0.62 for the intersection of SE Rock Creek Boulevard at SE 172nd Avenue
- 0.62 for the intersection of SE Sunnyside Road at SE 172nd Avenue

⁸ The trip generation values differ from those identified for Table 4 because the Metro transportation analysis zones cover a much larger area than the proposed land use amendments.

⁹ The Travel Demand Model link volumes represent raw link volumes that have not been post-processed or analyzed with the same level of analysis as the 2035 forecasted turn movements identified in the Comprehensive Plan.

Future Traffic Volume Generation

Future traffic volume forecasts were generated using the Metro travel demand model and the midday to PM peak hour traffic volume ratio developed in the methodology section of this memo. The trip rates also vary depending on the time of day. Estimated traffic generation for the current and proposed land uses during the midday (12 to 1 PM) and PM peak hour (between 4 to 6 PM) have been identified in Table 5. The estimates were based on applying average 2035 Metro model trip rates to the land uses identified in Table 1. The proposed land use changes would result in approximately 196 additional trips during the midday and 231 additional trips during the PM peak hour traffic volumes.

Table 5: Estimated Change in Traffic Generation

Land Use Source	Midday Trip Ends			PM peak hour Trip Ends*		
	In	Out	Total	In	Out	Total
Current 2035 East Happy Valley Comprehensive Plan	9	10	19	8	16	24
Proposed 2035 East Happy Valley Comprehensive Plan	111	104	215	143	112	255
Net Change	102	94	196	135	96	231

*Peak hour has been converted from model 2-hour PM peak period (4 to 6PM) by using a factor of 0.52

Future Year 2035 Trip Distribution

The distribution of additional trips was estimated based on the traffic assignment results included in the travel demand forecast model. Impacts to the study intersections were relatively small, with 10 to 20 percent of traffic routing via SE 172nd Avenue. The remainder was distributed east of SE 172nd Avenue, via Rock Creek Boulevard, SE 162nd Avenue, OR 212 and SE Sunnyside Road.

Future Year 2035 Volume Forecasts

Future year 2035 traffic volume forecasts were created using Metro's future year 2035 PM peak hour Travel Demand Model and the midday to PM peak hour ratio previously identified. The Metro 2005 PM peak base model and the adjusted Metro 2035 PM peak travel demand model were evaluated to estimate 30 years of traffic growth in the study area. The 30 year traffic growth increment was applied to the PM peak hour baseline traffic counts (2005 and 2006 data) to represent post-processed 2035 PM peak hour traffic volumes at the study intersections. These volumes were verified with the volumes produced for the East Happy Valley Comprehensive Plan¹⁰ to ensure concurrence between plans. Once the comparison was complete, the midday to PM peak hour volume ratio was applied to the turn movement counts to generate 2035 peak midday traffic volumes.

¹⁰ DKS Associates, November 2008

Future Midday Traffic Operations

The future midday traffic operation evaluation was based on the midday traffic volume forecasts under the current Comprehensive Plan and under the Proposed Comprehensive Plan. The assumed roadway network and intersection signal timings were the same as previously identified for the East Happy Valley Comprehensive Plan for both scenarios. Major projects assumed to be in place included the I-205 to Rock Creek Junction expressway and the 162nd bridge between the Rock Creek Employment Center and the Happy Valley Town Center. The future midday intersection performance has been summarized in Table 6. The applicable performance standard for these intersections under the Metro Title 4 Analysis would be a 0.90 v/c ratio.

Table 6: 2035 Study Intersection Level of Service (Midday Peak Hour 2 to 3 PM)

Intersection	Current Comprehensive Plan			Proposed Comprehensive Plan		
	Level of Service	Delay	Volume/Capacity	Level of Service	Delay	Volume/Capacity
Sunnyside Road/ 172 nd Avenue	D	36.4	0.51	D	36.6	0.52
172 nd Avenue/ Rock Creek Boulevard	C	33.7	0.60	C	34.3	0.60
172 nd Avenue/ OR 212	C	29.3	0.75	C	29.7	0.76

Note: LOS = Level of Service
Delay = Average delay per vehicle
v/c = volume to capacity ratio for intersection

The additional traffic from the Rock Creek Employment Center would slightly increase the delay at the study intersections by a few tenths of a second per vehicle. However, this increase would not affect the overall ability for these intersections to function within the specified mobility standard of 0.90 v/c ratio during the midday peak hour.