# BEFORE THE METRO COUNCIL

Recording Secretary		Daniel B. Cooper, Metro Attorney			
ATTEST:		Approved	as to Form:		
	j		Vithd Raw N gdon, Council President		
ADO	PTED by the Metro Council this	3 da <sub>`</sub>	y of2003.		
3.	The Chief Operating Officer shall submit this ordinance and its exhibits to the Land Conservation and Development Commission no later than June 30, 2004, as part of Metro's completion of Task 2 of periodic review pursuant to LCDC's Partial Approval and Remand Order 03-WKTASK-001524 dated July 7, 2003.				
2.	The Findings of Fact and Conclusions of Law in Exhibit B, attached and incorporated into this ordinance, explain how these amendments comply with the Regional Framework Plan and state planning laws.				
1.	Title 4 (Industrial and Other Employment Areas) of the UGMFP, is hereby amended as indicated in Exhibit A, attached and incorporated into this ordinance, to improve the implementation of Title 4 by cities and counties of the region.				
THE METRO	O COUNCIL ORDAINS AS FO	LLOWS:			
of Title 4 to a	id in its implementation and to	correct cer	tain provisions in the title; now, therefore		
WHEREAS, local governments and others have asked for clarification of some of the provisions					
amendments	to the title as part of Metro's cur	rrent perio	dic review; and		
WHE	EREAS, the purpose section of T	Γitle 4 decl	ared the Council's intention to consider		
uses to locate	e in Centers and other 2040 Grov	wth Conce	pt design types; and		
in order to in	crease the capacity of Industrial	Areas for	industrial uses and to encourage non-industrial		
4 (Industrial	and Other Employment Areas) o	of the Urba	in Growth Management Functional Plan (UGMFP)		
WHI	EREAS, by Ordinance No. 02-96	69B on De	cember 5, 2002, the Metro Council amended Title		
FUNCTION PROTECTION	AL PLAN TO IMPROVE ITS ON OF INDUSTRIAL LAND A CORRECTIONS	j	Introduced by Michael J. Jordan, Chief Operating Officer with the concurrence of David Bragdon, Council President		
	URPOSE OF AMENDING TIT BAN GROWTH MANAGEME		Ordinance No. 03-1021 <u>A</u>		

#### Exhibit A to Ordinance No. 03-1021A

#### TITLE 4: INDUSTRIAL AND OTHER EMPLOYMENT AREAS

#### 3.07.410 Purpose and Intent

The Regional Framework Plan calls for a strong economic climate. To improve the region's economic climate, the plan seeks to protect the supply of sites for employment by limiting incompatible uses within the types and scale of non-industrial uses in Regionally Significant Industrial Areas, Industrial Areas and Employment Areas. To protect the capacity and efficiency of the region's transportation system for movement of goods and services and to promote the creation of jobs in centers, the plan encourages efficient patterns and mixes of uses within designated Centers and discourages limits certain kinds of commercial retail development outside Centers. It is the purpose of Title 4 to achieve these policies. Given the need for flexibility in planning for future industrial and commercial development, Metro will consider amendments to this title in order to make the title consistent with new policies on economic development adopted evaluate this title, using performance measures and indicators established pursuant to Title 9 (Performance Measures), as part of its periodic review analysis of the urban growth boundary pursuant to ORS 197.299.

#### 3.07.420 Protection of Regionally Significant Industrial Areas

- A. Regionally Significant Industrial Areas are those areas that offer the best opportunities for family-wage industrial jobs. Each city and county with land use planning authority over areas shown on the Generalized Map of Regionally Significant Industrial Areas adopted in Ordinance No. 02-969

  Employment and Industrial Areas Map shall derive specific plan designation and zoning district boundaries of the areas from the Map, taking into account the location of existing uses that would not conform to the limitations on non-industrial uses in subsections C<sub>7</sub> and D and E of this section and the need of individual cities and counties to achieve a mix of types of employment uses.
- B. Each city and county with land use planning authority over an area designated by Metro on the 2040 Growth Concept Map, as amended by Ordinance No. 02-969B, as a Regional Significant Industrial Area shall, as part of compliance with Section 3.07.1120 Title 11 (Planning for New Urban Areas) of the Urban Growth Management Functional Plan, derive plan designation and zoning district boundaries of the areas from the Growth Concept Map.
- C. After determining boundaries of Regionally Significant Industrial Areas-pursuant to subsections A and B as prescribed in this section, the city or county shall-adopt implementing ordinances that limit development in the areas to industrial uses, uses accessory to industrial uses, offices for industrial research and development and large corporate headquarters in compliance with subsection E of this section, utilities, and those non-industrial uses necessary to serve the needs of businesses and employees of the areas. Ordinances shall not allow financial, insurance, real estate or other professional office uses unless they are accessory to an industrial or other permitted use, revise its implementing ordinances to limit uses to the following:
  - 1. Industrial uses;
  - 2. Offices for industrial companies, including research and development; and
  - 3. Uses that support industrial activities, such as utility facilities and services, employee training facilities, and occupational rehabilitation clinics; and

- 4. The following non-industrial uses:
  - a. Retail commercial uses, such as stores and restaurants, subject to subsection D of this section;
  - b. Processing centers, such as call centers, and offices for non-industrial companies
     and services, such as corporate headquarters, professional services, and medical
     clinics, all subject to subsection D of this section;
  - c. Retail sales of products manufactured on the site; and
  - d. Within the boundaries of a public use airport subject to a facilities master plan, customary airport uses, uses that are accessory to the travel-related and freight movement activities of airports, hospitality uses, and retail uses appropriate to serve the needs of the traveling public.
- D. Notwithstanding subsection C, a A city or county shall not approve:
  - A commercial retail use with more than A retail commercial use described in
     3.07.420C(4)(a) that would occupy more than 20,000 square feet of retail sales area in a single building or in multiple buildings that are part of the same development project; or
  - 2. Commercial relation commercial uses described in 3.07.420C(4)(a) or processing centers or offices described in 3.07.420C(4)(b) that would occupy more than five percent of the net developable portion of all contiguous land within that portion of any Regionally Significant Industrial Areas subject to its land use planning jurisdiction.
- E. As provided in subsection C of this section, a city or county may approve an office for industrial research and development or a large corporate headquarters if:
  - 1. The office is served by public or private transit; and
  - 2. If the office is for a corporate headquarters, it will accommodate for the initial occupant at least 1,000 employees.
- FE. A city or county may allow division of lots or parcels into smaller lots or parcels as follows:
  - 1. Lots or parcels less than 50 acres may be divided into any number of smaller lots or parcels.
  - 2. Lots or parcels <u>larger than</u> 50 acres <u>or larger</u> may be divided into smaller lots and parcels <u>pursuant to a master plan approved by the city or county</u> so long as the resulting division yields <u>the maximum number of lots or parcels</u> at least one lot or <u>parcel</u> of at least 50 acres.
  - 3. Lots or parcels 50 acres or larger created pursuant to paragraph (2) of this subsection may be divided into any number of smaller lots or parcels pursuant to a master plan approved by the city or county so long as at least 40 percent of the lot or parcel has been developed with industrial uses described in 3.07.420C(1) or (2).

- 34. Notwithstanding paragraphs 2, 3 and of this subsection, any lot or parcel may be divided into smaller lots or parcels or made subject to rights-of-way for the following purposes:
  - a. To provide public facilities and services;
  - b. To separate a portion of a lot or parcel in order to protect a natural resource, to provide a public amenity, or to implement a remediation plan for a site identified by the Oregon Department of Environmental Quality pursuant to ORS 465.225;
  - c. To separate a portion of a lot or parcel containing a nonconforming use from the remainder of the lot or parcel in order to render the remainder more practical for a permitted use;
  - d. To reconfigure the pattern of lots and parcels pursuant to subsection G of this section; or
  - <u>ed</u>. To allow the creation of a lot for financing purposes when the created lot is part of a master planned development.
- G. A city or county may allow reconfiguration of lots or parcels less than 50 acres in area if the reconfiguration would be more conducive to a permitted use and would result in no net increase in the total number of lots and parcels. Lots or parcels 50 acres or greater in area may also be reconfigured so long as the resulting area of any such lot or parcel would not be less than 50 acres.
- HF. Notwithstanding subsections C and D of this section, a city or county may allow the lawful use of any building, structure or land at the time of enactment of an ordinance adopted pursuant to this section to continue and to expand to add up to 20 percent more floor area and 10 percent more land area. Notwithstanding subsection—F\_E of this section, a city or county may allow division of lots or parcels pursuant to a master plan approved by the city or county prior to December 31, 2003. A city or county may allow a change from industrial use to a non-industrial use described in 3.07.420C(4) so long as the changes falls within the limitation prescribed in subsection D(2) of this section.
- By December 31, 2003, Metro shall, following consultation with cities and counties, adopt a map of Regionally Significant Industrial Areas with specific boundaries derived from the Generalized Map of Regionally Significant Industrial Areas adopted in Ordinance No. 02-969B, taking into account the location of existing uses that would not conform to the limitations of non-industrial uses in subsections C, D and E of this section and the need of individual cities and counties to achieve a mix of types of employment uses. Each city and county with land use planning authority over the area shall use the map in the application of the provisions of this section, until the city or county adopts plan designations and zoning district boundaries of the area as provided by subsection A of this section. If the city or county adopts a map that depicts boundaries of a Regionally Significant Industrial Area that are different from those on the Employment and Industrial Areas map as provided by subsection A of this section, the city or county shall use that map in its application of the provisions of this section.

#### 3.07.430 Protection of Industrial Areas

- A. In Industrial Areas mapped pursuant to Metro Code section 3.07.130 that are not Regionally Significant Industrial Areas, cities and counties shall limit new and expanded retail commercial uses to those appropriate in type and size to serve the needs of businesses, employees and residents of the Industrial Areas.
- B.—In an Industrial Area, a city or county shall not approve:
  - 1. A commercial retail commercial use with described in 3.07.420C(4)(a) that would occupy more than 20,000 square feet of retail sales area in a single building or in multiple buildings that are part of the same development project; or
  - 2. Commercial rRetail commercial uses described in 3.07.420C(4)(a) or processing centers or offices described in 3.07.420C(4)(b) that would occupy more than ten percent of the net developable portion of the area or any adjacent land within that portion of any Industrial Area subject to its land use planning jurisdiction.
- C. Notwithstanding subsection B of this section, a city or county may allow the lawful use of any building, structure or land at the time of enactment of an ordinance adopted pursuant to this section to continue and to expand to add up to 20 percent more <u>floorspace floor area</u> and 10 percent more land area. A city or county may allow a change from industrial use to another use so long as the change falls within the limitation prescribed in subsection B(2) of this section.

#### 3.07.440 Protection of Employment Areas

- A. Except as provided in subsections C, D and E, in Employment Areas mapped pursuant to Metro Code Section 3.07.130, cities and counties shall limit new and expanded commercial retail uses to those appropriate in type and size to serve the needs of businesses, employees and residents of the Employment Areas.
- B. Except as provided in subsections C, D and E, a city or county shall not approve a commercial retail use in an Employment Area with more than 60,000 square feet of gross leasable area in a single building, or commercial retail uses with a total of more than 60,000 square feet of retail sales area on a single lot or parcel, or on contiguous lots or parcels, including those separated only by transportation right-of-way.
- C. A city or county whose zoning ordinance applies to an Employment Area and is listed on Table 3.07-4 may continue to authorize commercial retail uses with more than 60,000 square feet of gross leasable area in that zone if the ordinance authorized those uses on January 1, 2003.
- D. A city or county whose zoning ordinance applies to an Employment Area and is not listed on Table 3.07-4 may continue to authorize commercial retail uses with more than 60,000 square feet of gross leasable area in that zone if:
  - 1. The ordinance authorized those uses on January 1, 2003;
  - 2. Transportation facilities adequate to serve the commercial retail uses will be in place at the time the uses begin operation; and

- 3. The comprehensive plan provides for transportation facilities adequate to serve other uses planned for the Employment Area over the planning period.
- E. A city or county may authorize new commercial retail uses with more than 60,000 square feet of gross leasable area in Employment Areas if the uses:
  - 1. Generate no more than a 25 percent increase in site-generated vehicle trips above permitted non-industrial uses; and
  - 2. Meet the Maximum Permitted Parking Zone A requirements set forth in Table 3.07-2 of Title 2 of the Urban Growth Management Functional Plan.

#### **STAFF REPORT**

FOR THE PURPOSE OF AMENDING TITLE 4 OF THE URBAN GROWTH MANAGEMENT FUNCTIONAL PLAN TO IMPROVE ITS PROTECTION OF INDUSTRIAL LAND AND TO MAKE CORRECTIONS ORDINANCE NO. 03-1021A

FOR THE PURPOSE OF AMENDING THE
EMPLOYMENT AND INDUSTRIAL AREAS MAP
TO ADD REGIONALLY SIGNIFICANT
INDUSTRIAL AREAS IN COMPLIANCE WITH
SUBSECTION J OF SECTION 3.07.420 OF TITLE
4 (INDUSTRIAL AND OTHER EMPLOYMENT AREAS)
OF THE URBAN GROWTH MANAGEMENT
FUNCTIONAL PLAN

ORDINANCE NO. 03-1022A Introduced by Michael Jordon, Chief Operating Officer with the concurrence of David Bragdon, Council President

Date: October 22, 2003 Prepared by: Mary Weber

#### BACKGROUND

The Metro Council adopted new measures to protect and maintain the supply of industrial land for future industrial uses. Ordinance 02-969B, adopted on December 5, 2002, amended the Title 4 Industrial and Other Employment Areas regulations in order to increase the capacity of industrial areas for industrial uses and to encourage non-industrial uses to locate in Centers and other 2040 design type areas. Also in this ordinance the Metro Council created a new 2040 design type entitled Regionally Significant Industrial Areas (RSIA). The Metro Council adopted a generalized map of RSIAs depicting certain industrial areas that lay within the urban growth boundary (UGB). The new Title 4 language requires that the Metro Council delineate specific boundaries for the RSIAs derived from the generalized map by December 31, 2003. Together these two ordinances, Title 4 regulations, Ordinance 03-1021 and mapping of the RSIAs, Ordinance 03-1022, address the State requirements to show how the region is using its industrial lands efficiently.

The new Title 4 regulations specifically limit the amount and square footage of retail and office uses that might otherwise find industrial locations suitable for business. The 2002-2022 Urban Growth Report: An Employment Land Need Analysis (UGR) estimates that approximately 2,800 acres of the supply/need vacant industrial land is developed for non-industrial uses. The UGR assumes a potential savings of 1,400 acres of industrial land from implementing the new measures.

As reported in the UGR, the total vacant industrial land need is 9,366 net acres. The industrial land need estimate assumes that 2,800 acres of the industrial land is consumed by non-industrial uses.

	Net Vacant Acres
Demand	9,366
Supply	3,681
Deficit	5,685
(Net need)	
RSIA Policy	1,400
Savings	
Adjusted Deficit	4,285
2002 Decision	2,317
Deficit	1,968

Staff has been working with local governments to identify Title 4 Industrial lands as RSIAs for the pre-2002 UGB area. As part of this process, local governments identified several implementation issues that they asked Metro to address. Several local governments were reluctant to work with Metro on mapping the RSIAs until the code issues were addressed. Primarily, the issues had to do with clarification of the code. The issues are:

- clarification of what are accessory uses and whether they are counted as part of the 5% commercial
- retail cap;
- clarification of how to treat airport facilities
- how to calculate the retail sales cap for RSIAs that cross multiple jurisdictions
- locating corporate headquarters of industrial uses in a location different than the main manufacturing facility
- reuse of office buildings in industrial zones and three implementation issues, (1) creating non-conforming uses, (2) financing and (3) enforcement, and;
- do large parcels (50 acres) stay large parcels forever, or can they be subdivided over time with conditions

Staff also took this opportunity to do some housekeeping changes to Title 4 code. The recommended code changes are contained in proposed Ordinance 03-1021.

Metro staff, after consultation with cities, counties and other interests, developed a set of factors to consider in the identification of RSIAs. These factors reflect the locational and siting characteristics from Metro Council Resolution No. 03-3341A. As directed by Title 4, Metro staff worked with cities and counties in the region to apply the factors to designated Industrial Areas within their jurisdictions. Several local governments, Portland, Gresham, Wilsonville and Clackamas County, submitted recommended Industrial Areas for consideration as RSIAs. Striving for region-wide consistency, Metro staff also applied the factors to areas in cities and counties that chose not to submit candidate areas. The factors are:

- Distribution Area serves as support industrial land for major regional transportation facilities such as marine terminals, airports and rail yards.
- Services Availability and access to specialized utilities such as specialty gases, triple redundant power, abundant water, dedicated fire and emergency response services
- Access Within 3 miles of I-5, I-205, I-84 (within the UGB), State Route 224 (within the UGB)
- Proximity Located within close proximity of existing like uses
- Use Predominantly industrial uses

#### Ordinance 03-1021 – Code Changes

Staff has worked with local governments to resolve most of the implementation issues. The recommended changes to the Title 4 code represents this work. Two issues remain unresolved to the satisfaction of some local governments and that is the issue of subdivision of 50+ acre parcels overtime and reuse of new industrial office buildings. The Metro Council stated that these two issues are policy issues not clarification issues and that at the next periodic review cycle the Metro Council would evaluate Title 4. Included in this staff report as attachment 1 are written comments from local government regarding the code language.

#### Ordinance 03-1022 – Mapping RSIAs

Staff conducted a general assessment of the areas on the *Potentially Regionally Significant Industrial Area* map (included as attachment 2) and found that the following areas meet the factors and are also lands that meet the general site and location criteria for industrial uses.

- Areas 1 Hillsboro industrial area, south of Highway 26
- Areas 2, 3-4, 5 and 6 Northwest Industrial Area, Rivergate, Swan Island and Columbia Corridor
- Area 12 Clackamas distribution area around Hwy 212/224
- Area 14 Brooklyn Yards

As part of the analysis staff also presented to the Metro Council areas to be considered in the future for designation as RSIAs:

- Area 9, Wilsonville industrial area
- Area 10. Tualatin industrial area
- Area 7, Troutdale industrial area

These areas, as they exist today, are local industrial districts. In the case of Wilsonville and Tualatin, if additional lands were added to the UGB for industrial uses and the I-5/99W connector improved truck access to I-5 then these areas would be appropriate for designation as RSIAs. In regard to Troutdale, the uses are local in nature and there is no opportunity to expand the industrial area or connect it to the Columbia South Shore industrial area. However, if the Reynolds Metals site were to redevelopment as an intermodal facility, much of the area would redevelop into uses supporting an intermodal facility. If this were the case then the Troutdale industrial area would also be appropriate for designation as a RSIA.

The Metro Council at their worksession on October 21 directed staff to include the local government recommendations, Metro staff recommendations and also add to the map accompanying the Ordinance 03-1022, Area 7 in Troutdale, Area 10 in Tualatin and Area 9 in Wilsonville and a portion of Area 15, the "Brickyards site" in Gresham from the *Potentially Regionally Significant Industrial Area* map. The Metro Council draft Title 4 map that includes the recommended RSIAs is attachment 3.

To better estimate the savings gained in efficiency from the Title 4 regulations, Metro staff recommends taking additional time to calculate the savings. This analysis will be completed prior to the Metro Council's UGB decision in June, 2004.

#### **Known Opposition**

A number of local jurisdictions have concerns regarding the perceived loss of flexibility from the adopted RSIA regulations. Staff was able to work with local staff to resolve several of the implementation issues. However, there are two outstanding issues that were not resolved. The issues are:

- Reuse of new industrial office building by non-industrial uses
- Subdivision over time of parcels that are 50 acres or larger

#### **Legal Antecedents**

Title 4 is part of the adopted and acknowledged Growth Management Functional Plan. Authority to amend the 2040 Growth Concept map comes from ORS 268.380 and ORS 268.390(5). The authority to amend the Employment and Industrial Areas Map comes from Ordinance No. 02-969B.

#### **Anticipated Effects**

Adoption of Ordinance 03-1022 will result in fulfilling the requirements in Metro code section 3.07.420I, which requires Metro to adopt a map of Regionally Significant Industrial Areas with specific boundaries that is derived from the Generalized Map of Regionally Significant Industrial Areas adopted in Ordinance No. 02-969B.

Adoption of Ordinance 03-1021 resolves several implementation issues and gives local governments clearer instructions as to the Metro Council's intent.

The effective date of the new Title 4 regulations is March 5, 2004. Local governments have one year to adopt a local map and make changes to their codes. Local government compliance is anticipated for March 5, 2005.

#### **Budget Impacts**

The new regulations go into effect in March of 2004. Metro Council regularly budgets for planning staff to work with local government on compliance issues. Additional excise tax will be needed for Data Resource Center research services to establish the amount of commercial retail development that exists in the Title 4 RSIAs and Industrial areas. This analysis is needed so that Metro can give guidance to local governments about the amount of commercial retail development that may be allowed on the vacant industrial lands in these areas. Sections 3.07.420D(2) and 3.07.430B(2) of the Metro code limits commercial retail uses to five or ten percent of the net developable portion of all contiguous RSIAs and Industrial areas. It will be necessary to establish a "base line" from which to evaluate proposals

#### RECOMMENDED ACTION

Adopt Ordinances 03-1021A and 03-1022A.

## BEFORE THE METRO COUNCIL

OF THE URB	RPOSE OF AMENDING TITL! AN GROWTH MANAGEMEN L PLAN TO IMPROVE ITS	,	Ordinance No. 03-1021  Introduced by Michael J. Jordan, Chief Operating	
	NOF INDUSTRIAL LAND AN	ID )	Officer with the concurrence of David Bragdon, Council President	
WHER	REAS, by Ordinance No. 02-969	9B on De	cember 5, 2002, the Metro Council amended Title	
4 (Industrial ar	nd Other Employment Areas) of	the Urba	n Growth Management Functional Plan (UGMFP)	
in order to incr	rease the capacity of Industrial A	Areas for	industrial uses and to encourage non-industrial	
uses to locate i	n Centers and other 2040 Grow	th Conce	pt design types; and	
WHEF	REAS, the purpose section of Ti	tle 4 decl	ared the Council's intention to consider	
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THE METRO	COUNCIL ORDAINS AS FOL	LOWS:		
1.		ed and inc	ent Areas) of the UGMFP, is hereby amended as corporated into this ordinance, to improve the counties of the region.	
2.			of Law in Exhibit B, attached and incorporated amendments comply with the Regional Framework	
3.	The Chief Operating Officer shall submit this ordinance and its exhibits to the Land Conservation and Development Commission no later than June 30, 2004, as part of Metro's completion of Task 2 of periodic review pursuant to LCDC's Partial Approval and Remand Order 03-WKTASK-001524 dated July 7, 2003.			
ADOP	TED by the Metro Council this	da	ay of 2003.	
		David Br	agdon, Council President	
ATTEST:		Approve	d as to Form:	
Recording Secretary		Daniel B. Cooper, Metro Attorney		

#### Exhibit A to Ordinance No. 03-1021

#### TITLE 4: INDUSTRIAL AND OTHER EMPLOYMENT AREAS

#### 3.07.410 Purpose and Intent

The Regional Framework Plan calls for a strong economic climate. To improve the region's economic climate, the plan seeks to protect the supply of sites for employment by limiting incompatible uses within the types and scale of non-industrial uses in Industrial and Employment Areas. To protect the capacity and efficiency of the region's transportation system for movement of goods and services and to promote the creation of jobs in centers, the plan encourages efficient patterns and mixes of uses within designated Centers and discourages certain kinds of commercial retail development outside Centers. It is the purpose of Title 4 to achieve these policies. Given the need for flexibility in planning for future industrial and commercial development, Metro will consider amendments to this title in order to make the title consistent with new policies on economic development adopted evaluate this title, using performance measures and indicators established pursuant to Title 9, as part of its periodic review analysis of the urban growth boundary pursuant to ORS 197.299.

#### 3.07.420 Protection of Regionally Significant Industrial Areas

- A. Regionally Significant Industrial Areas are those areas that offer the best opportunities for family-wage industrial jobs. Each city and county with land use planning authority over areas shown on the Generalized Map of Regionally Significant Industrial Areas adopted in Employment and Industrial Areas Map, amended by Ordinance No. 02-969 03-1022 shall derive specific plan designation and zoning district boundaries of the areas from the Map, taking into account the location of existing uses that would not conform to the limitations on non-industrial uses in subsections C, D and E of this section and the need of individual cities and counties to achieve a mix of types of employment uses.
- B. Each city and county with land use planning authority over an area designated by Metro on the 2040 Growth Concept Map, as amended by Ordinance No. 02-969B, as a Regionally Significant Industrial Area shall, as part of compliance with Section 3.07.1120 of the Urban Growth Management Functional Plan, derive plan designation and zoning district boundaries of the areas from the Growth Concept Map.
- C. After determining boundaries of Regionally Significant Industrial Areas pursuant to subsections A and B, the city or county shall adopt implementing ordinances that limit development in the areas to industrial uses, uses accessory to industrial uses, offices for industrial research and development and large corporate headquarters in compliance with subsection E of this section, utilities, and those non-industrial uses necessary to serve the needs of businesses and employees of the areas. Ordinances shall not may allow financial, insurance, real estate or other professional office uses in a building authorized by final land use approval prior to July 7, 2004, but not in a building or an expansion authorized after that date unless they are accessory to an industrial or other permitted use. Within the boundaries of a public use airport subject to a master plan, ordinances may also allow customary airport uses, uses that are accessory to the travel-related and freight movement activities of airports, hospitality uses, and retail uses appropriate to serve the needs of the traveling public.

- D. Notwithstanding subsection C, a city or county shall not approve:
  - 1. A commercial retail use with more than 20,000 square feet of retail sales area in a single building or in multiple buildings that are part of the same development project; or
  - 2. Commercial retail uses that would occupy more than five percent of the net developable portion of all contiguous land within that portion of any Regionally Significant Industrial Areas subject to its land use planning jurisdiction. Retail sales of products of industrial uses or uses accessory to industrial uses need not be counted as part of the five percent so long as the sales take place in a building whose principal occupant is a use authorized by subsection C.
- E. As provided in subsection C of this section, a city or county may approve an office for industrial research and development or a large corporate headquarters if:
  - 1. The office is in the same Regionally Significant Industrial Area as industrial uses operated by the company that would be the principal occupant of the office; or
  - 42. The office is served by public or private transit; and
  - 23. If the office is for a corporate headquarters, it will accommodate for the initial occupant at least 1,000 employees.
- F. A city or county may allow division of lots or parcels into smaller lots or parcels as follows:
  - 1. Lots or parcels less than 50 acres may be divided into any number of smaller lots or parcels;
  - 2. Lots or parcels <u>larger than</u> 50 acres <u>or larger</u> may be divided into smaller lots and parcels so long as the resulting division yields the maximum number of lots or parcels of at least 50 acres;
  - 3. Notwithstanding paragraphs 2, 3 and 1 and 2 of this subsection, any lot or parcel may be divided into smaller lots or parcels or made subject to rights-of-way for the following purposes:
    - a. To provide public facilities and services;
    - b. To separate a portion of a lot or parcel in order to protect a natural resource, to provide a public amenity, or to implement a remediation plan for a site identified by the Oregon Department of Environmental Quality pursuant to ORS 465.225;
    - c. To separate a portion of a lot or parcel containing a nonconforming use from the remainder of the lot or parcel in order to render the remainder more practical for a permitted use;
    - d. To reconfigure the pattern of lots and parcels pursuant to subsection G of this section; or
    - e. To allow the creation of a lot for financing purposes when the created lot is part of a master planned development.

- G. A city or county may allow reconfiguration of lots or parcels less than 50 acres in area if the reconfiguration would be more conducive to a permitted use and would result in no net increase in the total number of lots and parcels. Lots or parcels larger than 50 acres or greater in area may also be reconfigured so long as the resulting area of any such lot or parcel would not be less than 50 acres.
- H. Notwithstanding subsections C and D of this section, a city or county may allow the lawful use of any building, structure or land at the time of enactment of an ordinance adopted pursuant to this section to continue and to expand to add up to 20 percent more floor area and 10 percent more land area. Notwithstanding subsection F of this section, a city or county may allow division of lots or parcels pursuant to a master plan approved by the city or county prior to December 31, 2003.
- I. By December 31, 2003, Metro shall, following consultation with cities and counties, adopt a map of Regionally Significant Industrial Areas with specific boundaries derived from the Generalized Map of Regionally Significant Industrial Areas adopted in Ordinance No. 02-969, taking into account the location of existing uses that would not conform to the limitations of non-industrial uses in subsections C, D and E of this section and the need of individual cities and counties to achieve a mix of types of employment uses. Each city and county with land use planning authority over the area a Regionally Significant Industrial Area shown on the Employment and Industrial Areas Map amended by Ordinance No. 03-1022 shall use the map in the application of the provisions of this section until the city or county adopts plan designations and zoning district boundaries of the area as provided by subsection A of this section. If the city or county adopts a map that depicts boundaries of a Regionally Significant Industrial Area that are different from those on the Employment and Industrial Areas map as provided by subsection A of this section, the city or county shall use its map in the application of the provisions of this section.

#### 3.07.430 Protection of Industrial Areas

- A. In Industrial Areas mapped pursuant to Metro Code section 3.07.130 that are not Regionally Significant Industrial Areas, cities and counties shall limit new and expanded retail commercial uses to those appropriate in type and size to serve the needs of businesses, employees and residents of the Industrial Areas.
- B. In an Industrial Area, a city or county shall not approve:
  - 1. A commercial retail use with more than 20,000 square feet of retail sales area in a single building or in multiple buildings that are part of the same development project; or
  - 2. Commercial retail uses that would occupy more than ten percent of the net developable portion of the area or any adjacent Industrial Area. Retail sales of products of industrial uses or uses accessory to industrial uses need not be counted as part of the ten percent so long as the sales take place in a building whose principal occupant is a use authorized by subsection C of Section 3.07.420.
- C. Notwithstanding subsection B of this section, a city or county may allow the lawful use of any building, structure or land at the time of enactment of an ordinance adopted pursuant to this section to continue and to expand to add up to 20 percent more floorspace floor area and 10 percent more land area.

#### 3.07.440 Protection of Employment Areas

- A. Except as provided in subsections C, D and E, in Employment Areas mapped pursuant to Metro Code Section 3.07.130, cities and counties shall limit new and expanded commercial retail uses to those appropriate in type and size to serve the needs of businesses, employees and residents of the Employment Areas.
- B. Except as provided in subsections C, D and E, a city or county shall not approve a commercial retail use in an Employment Area with more than 60,000 square feet of gross leasable area in a single building, or commercial retail uses with a total of more than 60,000 square feet of retail sales area on a single lot or parcel, or on contiguous lots or parcels, including those separated only by transportation right-of-way.
- C. A city or county whose zoning ordinance applies to an Employment Area and is listed on Table 3.07-4 may continue to authorize commercial retail uses with more than 60,000 square feet of gross leasable area in that zone if the ordinance authorized those uses on January 1, 2003.
- D. A city or county whose zoning ordinance applies to an Employment Area and is not listed on Table 3.07-4 may continue to authorize commercial retail uses with more than 60,000 square feet of gross leasable area in that zone if:
  - 1. The ordinance authorized those uses on January 1, 2003;
  - 2. Transportation facilities adequate to serve the commercial retail uses will be in place at the time the uses begin operation; and
  - 3. The comprehensive plan provides for transportation facilities adequate to serve other uses planned for the Employment Area over the planning period.
- E. A city or county may authorize new commercial retail uses with more than 60,000 square feet of gross leasable area in Employment Areas if the uses:
  - 1. Generate no more than a 25 percent increase in site-generated vehicle trips above permitted non-industrial uses; and
  - 2. Meet the Maximum Permitted Parking Zone A requirements set forth in Table 3.07-2 of Title 2 of the Urban Growth Management Functional Plan.

#### STAFF REPORT

FOR THE PURPOSE OF AMENDING TITLE 4 OF THE URBAN GROWTH MANAGEMENT FUNCTIONAL PLAN TO IMPROVE ITS PROTECTION OF INDUSTRIAL LAND AND TO MAKE CORRECTIONS ORDINANCE NO. 03-1021

FOR THE PURPOSE OF AMENDING THE
EMPLOYMENT AND INDUSTRIAL AREAS MAP
TO ADD REGIONALLY SIGNIFICANT
INDUSTRIAL AREAS IN COMPLIANCE WITH
SUBSECTION J OF SECTION 3.07.420 OF TITLE
4 (INDUSTRIAL AND OTHER EMPLOYMENT AREAS)
OF THE URBAN GROWTH MANAGEMENT
FUNCTIONAL PLAN

ORDINANCE NO. 03-1022 Introduced by Michael Jordon, Chief Operating Officer with the concurrence of David Bragdon, Council President

Date: October 22, 2003

Prepared by: Mary Weber

#### **BACKGROUND**

The Metro Council adopted new measures to protect and maintain the supply of industrial land for future industrial uses. Ordinance 02-969B, adopted on December 5, 2002, amended the Title 4 Industrial and Other Employment Areas regulations in order to increase the capacity of industrial areas for industrial uses and to encourage non-industrial uses to locate in Centers and other 2040 design type areas. Also in this ordinance the Metro Council created a new 2040 design type entitled Regionally Significant Industrial Areas (RSIA). The Metro Council adopted a generalized map of RSIAs depicting certain industrial areas that lay within the urban growth boundary (UGB). The new Title 4 language requires that the Metro Council delineate specific boundaries for the RSIAs derived from the generalized map by December 31, 2003. Together these two ordinances, Title 4 regulations, Ordinance 03-1021 and mapping of the RSIAs, Ordinance 03-1022, address the State requirements to show how the region is using its industrial lands efficiently.

The new Title 4 regulations specifically limit the amount and square footage of retail and office uses that might otherwise find industrial locations suitable for business. The 2002-2022 Urban Growth Report: An Employment Land Need Analysis (UGR) estimates that approximately 2,800 acres of the supply/need vacant industrial land is developed for non-industrial uses. The UGR assumes a potential savings of 1,400 acres of industrial land from implementing the new measures.

As reported in the UGR, the total vacant industrial land need is 9,366 net acres. The industrial land need estimate assumes that 2,800 acres of the industrial land is consumed by non-industrial uses.

	Net Vacant Acres
Demand	9,366
Supply	3,681
Deficit	5,685
(Net need)	
RSIA Policy	1,400
Savings	
Adjusted Deficit	4,285
2002 Decision	2,317
Deficit	1,968

Staff has been working with local governments to identify Title 4 Industrial lands as RSIAs for the pre-2002 UGB area. As part of this process, local governments identified several implementation issues that they asked Metro to address. Several local governments were reluctant to work with Metro on mapping the RSIAs until the code issues were addressed. Primarily, the issues had to do with clarification of the code. The issues are:

- clarification of what are accessory uses and whether they are counted as part of the 5% commercial
- retail cap;
- clarification of how to treat airport facilities
- how to calculate the retail sales cap for RSIAs that cross multiple jurisdictions
- locating corporate headquarters of industrial uses in a location different than the main manufacturing facility
- reuse of office buildings in industrial zones and three implementation issues, (1) creating non-conforming uses, (2) financing and (3) enforcement, and;
- do large parcels (50 acres) stay large parcels forever, or can they be subdivided over time with conditions

Staff also took this opportunity to do some housekeeping changes to Title 4 code. The recommended code changes are contained in proposed Ordinance 03-1021.

Metro staff, after consultation with cities, counties and other interests, developed a set of factors to consider in the identification of RSIAs. These factors reflect the locational and siting characteristics from Metro Council Resolution No. 03-3341A. As directed by Title 4, Metro staff worked with cities and counties in the region to apply the factors to designated Industrial Areas within their jurisdictions. Several local governments, Portland, Gresham, Wilsonville and Clackamas County, submitted recommended Industrial Areas for consideration as RSIAs. Striving for region-wide consistency, Metro staff also applied the factors to areas in cities and counties that chose not to submit candidate areas. The factors are:

- Distribution Area serves as support industrial land for major regional transportation facilities such as marine terminals, airports and rail yards.
- Services Availability and access to specialized utilities such as specialty gases, triple redundant power, abundant water, dedicated fire and emergency response services
- Access Within 3 miles of I-5, I-205, I-84 (within the UGB), State Route 224 (within the UGB)
- Proximity Located within close proximity of existing like uses
- Use Predominantly industrial uses

#### Ordinance 03-1021 – Code Changes

Staff has worked with local governments to resolve most of the implementation issues. The recommended changes to the Title 4 code represents this work. Two issues remain unresolved to the satisfaction of some local governments and that is the issue of subdivision of 50+ acre parcels overtime and reuse of new industrial office buildings. The Metro Council stated that these two issues are policy issues not clarification issues and that at the next periodic review cycle the Metro Council would evaluate Title 4. Included in this staff report as attachment 1 are written comments from local government regarding the code language.

#### Ordinance 03-1022 – Mapping RSIAs

Staff conducted a general assessment of the areas on the *Potentially Regionally Significant Industrial Area* map (included as attachment 2) and found that the following areas meet the factors and are also lands that meet the general site and location criteria for industrial uses.

- Areas 1 Hillsboro industrial area, south of Highway 26
- Areas 2, 3-4, 5 and 6 Northwest Industrial Area, Rivergate, Swan Island and Columbia Corridor
- Area 12 Clackamas distribution area around Hwy 212/224
- Area 14 Brooklyn Yards

As part of the analysis staff also presented to the Metro Council areas to be considered in the future for designation as RSIAs:

- Area 9, Wilsonville industrial area
- Area 10, Tualatin industrial area
- Area 7, Troutdale industrial area

These areas, as they exist today, are local industrial districts. In the case of Wilsonville and Tualatin, if additional lands were added to the UGB for industrial uses and the I-5/99W connector improved truck access to I-5 then these areas would be appropriate for designation as RSIAs. In regard to Troutdale, the uses are local in nature and there is no opportunity to expand the industrial area or connect it to the Columbia South Shore industrial area. However, if the Reynolds Metals site were to redevelopment as an intermodal facility, much of the area would redevelop into uses supporting an intermodal facility. If this were the case then the Troutdale industrial area would also be appropriate for designation as a RSIA.

The Metro Council at their worksession on October 21 directed staff to include the local government recommendations, Metro staff recommendations and also add to the map accompanying the Ordinance 03-1022, Area 7 in Troutdale, Area 10 in Tualatin and Area 9 in Wilsonville and a portion of Area 15, the "Brickyards site" in Gresham from the *Potentially Regionally Significant Industrial Area* map. The Metro Council draft Title 4 map that includes the recommended RSIAs is attachment 3.

To better estimate the savings gained in efficiency from the Title 4 regulations, Metro staff recommends taking additional time to calculate the savings. This analysis will be completed prior to the Metro Council's UGB decision in June, 2004.

#### **Known Opposition**

A number of local jurisdictions have concerns regarding the perceived loss of flexibility from the adopted RSIA regulations. Staff was able to work with local staff to resolve several of the implementation issues. However, there are two outstanding issues that were not resolved. The issues are:

- Reuse of new industrial office building by non-industrial uses
- Subdivision over time of parcels that are 50 acres or larger

#### Legal Antecedents

Title 4 is part of the adopted and acknowledged Growth Management Functional Plan. Authority to amend the 2040 Growth Concept map comes from ORS 268.380 and ORS 268.390(5). The authority to amend the Employment and Industrial Areas Map comes from Ordinance No. 02-969B.

#### **Anticipated Effects**

Adoption of Ordinance 03-1022 will result in fulfilling the requirements in Metro code section 3.07.420I, which requires Metro to adopt a map of Regionally Significant Industrial Areas with specific boundaries that is derived from the Generalized Map of Regionally Significant Industrial Areas adopted in Ordinance No. 02-969B.

Adoption of Ordinance 03-1021 resolves several implementation issues and gives local governments clearer instructions as to the Metro Council's intent.

The effective date of the new Title 4 regulations is March 5, 2004. Local governments have one year to adopt a local map and make changes to their codes. Local government compliance is anticipated for March 5, 2005.

#### **Budget Impacts**

The new regulations go into effect in March of 2004. Metro Council regularly budgets for planning staff to work with local government on compliance issues. Additional excise tax will be needed for Data Resource Center research services to establish the amount of commercial retail development that exists in the Title 4 RSIAs and Industrial areas. This analysis is needed so that Metro can give guidance to local governments about the amount of commercial retail development that may be allowed on the vacant industrial lands in these areas. Sections 3.07.420D(2) and 3.07.430B(2) of the Metro code limits commercial retail uses to five or ten percent of the net developable portion of all contiguous RSIAs and Industrial areas. It will be necessary to establish a "base line" from which to evaluate proposals

#### RECOMMENDED ACTION

Adopt Ordinances 03-1021 and 03-1022.

#### Attachments

- Attachment 1 Local government comments on the Title 4 code
- Attachment 2 Potentially Regionally Significant Industrial Areas map (02-969B)
- Attachment 3 Draft Title 4 map
- Attachment 4 October 21, 2003 memorandum titled An Assessment of Potential Regional Significant Industrial Areas
- Attachment 5 June 30, 2003 memorandum to MTAC regarding factors for identifying RSIAs
- Attachment 6 July 29, 2003 memorandum summarizing the results of the meetings held with local jurisdictions



# **Community & Economic Development Department**

# Community Planning <u>Comprehensive Planning • Transportation Planning</u> Community Revitalization

TO:

Marci La Berge, Associate Regional Planner, Metro

FROM:

John Pettis, Associate Planner, City of Gresham

RE:

Title 4 RSIA Standards

DATE:

July 7, 2003

The purpose of this memo is to express a number of concerns that the City of Gresham has about the Metro Title 4 standards for Regionally Significant Industrial Areas. We believe the current standards could hamper the City in its efforts to bring family wage jobs and high value economic development to the region.

With the adoption of Ordinance 02-969B last December, Metro Council adopted standards to protect Regionally Significant Industrial Areas (RSIA) and other employment lands from incompatible land uses and land divisions. It is our understanding that by December 2003, Metro will be adopting a map that will show the RSIAs to which the standards would apply. In addition, Metro staff indicated at the June 13 Title 4 Workshop that they are open to suggestions that would "fine tune" the RSIA standards. The City appreciates the opportunity to provide input.

While we do support the effort to prevent industrial zoned lands from certain uses (e.g., "big box" stores) that would degrade the potential for the highest forms of economic development, the RSIA standards do seem to be overly prescriptive and restrictive. They do not offer jurisdictions enough flexibility to meet the individual economic development objectives within a framework of regional goals. Moreover, we have not been provided information on any research that was done concerning current industrial development trends. For example, the traditional distinctions between offices, research and development, manufacturing and certain forms of commercial development are becoming increasingly blurred. Regional standards need to reflect these trends if they are to be effective and if our region is to be economically competitive with other regions.

In particular, our concerns/questions are the following:

1. Section 3.07.420 D of Ordinance No. 02-969B states: "Notwithstanding subsection C, a city or county shall not approve: 1. A commercial retail use with more than 20,000 square feet of retail sales area in a single building or in multiple buildings that are

part of the same development project, or 2. Commercial retail uses that would occupy more than five percent of the net developable portion of all contiguous Regionally Significant Industrial Areas."

Does "retail sales area" refer to only the sales floor area of a store and not the area devoted to storage, offices, etc.? Also, we need clarification about the meaning of the "same development project." For example, does this standard apply to each parcel? A development under a single building permit? All development within a geographic area under the same ownership? How will this standard work over time if a vacant industrial parcel that is originally part of an industrial subdivision with 20,000 sq. ft. of commercial development and is then divided, sold and developed independently, does it then qualify for the maximum 20,000 sq. ft. of commercial development? Finally, upon what research were these specific commercial limitations based on? Why was the overall commercial development cap in RSIAs set at 5%? The City wholeheartedly recognizes and supports the need to prevent retail/commercial encroachment upon productive industrial lands. However, we would like the flexibility to carry out the overall goal in a way that works best for our jurisdiction.

2. Section 3.07.420 E states: "As provided in subsection C of this section, a city or county may approve an office for industrial research and development or a large corporate headquarters if: 1. The office is served by public or private transit; and 2. If the office is for a corporate headquarters, it will accommodate, for the initial occupant, at least 1,000 employees."

We do not understand why research and development (R&D) uses are being treated differently from manufacturing uses. In today's "knowledge based" economy they are becoming inseparable and are found to coexist in a synergistic relationship (such as in the biotech sector) in many of the successful industrial areas of the country. Often R&D and manufacturing are part of the same business, either in the same building or in separate buildings. Also, we question the validity of the 1,000 employee threshold. Again we ask, where is the research that justifies this particular number? Why should we reject a corporate headquarters in our industrial areas with 800 or 500 employees?

Also, the transit requirement puts suburban communities such as Gresham at a disadvantage for attracting R&D. Gresham's future industrial expansion area, Springwater, will not have the potential ridership levels to justify the extension of public transit lines for many years. This provision will prevent R&D firms and manufacturers with R&D office buildings from locating in Springwater.

Finally, we feel that Title 4 needs to broaden its scope of the kinds of offices allowed in the RSIAs, beyond just R&D and corporate office headquarters. For example, one of Gresham's largest employers is the U.S. Bancorp loan processing center which is located at N.E. 181<sup>st</sup> Ave. and Sandy Blvd. It employs 1,600 people and is located near some of our major manufacturers such as Boeing of Portland and Boyd's Coffee. Designating this area as RSIA would make it a non-conforming use and place severe

restrictions on any expansion and could prevent rebuilding the facility in the event of a fire, etc. Such offices cannot locate in our mixed-use centers because of a lack of adequately sized sites. Creating a disincentive (non-conforming use status) for the loan center to continue business in Gresham could result in a significant negative impact on the City's property tax base/revenues and a loss of many jobs.

3. Section 3.07.420 F states: "A city or county may allow division of lots or parcels into smaller lots or parcels as follows: 1. Lots or parcels less than 50 acres may be divided into any number of smaller lots or parcels; 2. Lots or parcels 50 acres or larger may be divided into smaller lots or parcels so long as the resulting division yields the maximum number of lots or parcels of at least 50 acres." Following the above subsections, subsection #3 offers some exceptions for subdividing 50 acre+ parcels into smaller lots. These relate to providing public facilities, protecting environmental areas, separating a non-conforming use from permitted uses, reconfiguring lots, and creating a lot for financing purposes ("mortgage lot") for master planned developments.

We realize that there is a lack of 50 acre and larger vacant industrial zoned parcels in the region and that the above requirements are meant to preserve such parcels for large scale industrial uses. However, again we are concerned about the lack of flexibility that may prevent jurisdictions from accommodating changes in trends and the next wave of industrial development.

An example of the need for flexibility, is the Southshore Corporate Center which was recently developed in Gresham and Portland along the I-84/Columbia River south shore industrial corridor. It is a master planned industrial business park with a variety of manufacturing and distribution uses. There are 21 lots with lot areas varying between 5 and 17 acres. Had the area been designated RSIA, this development would not have happened because the original property was larger than 50 acres and would not have been dividable into more than two or three lots. The small and midsize industrial companies that are in this park may represent the future of industrial development in Oregon, especially if the growth of "home grown" companies replace the trend of larger companies relocating from other states. We would like to see the Title 4 standards allow for master planned developments such as Southshore that have separately owned lots down to five acres in size.

# RECENT SOUTHSHORE CORPORATE PARK RECRUITMENTS SINCE 2000:

Danner Profile: Distribution and customer service center

70 employees, 55,000 sq ft facility

Staples Profile: Filling center for Office Supply orders

• 200 employees, 200,000 sq ft facility

Fuji Film Profile: Film processing center

100 employees, 30,000 sq ft facility

Synetics Profile: Specializes in airflow products for the semiconductor industry and Robotics

200 employees, 133,000 sq ft facility

Kinco International Profile: Distributor of industrial and safety work gloves

• 35 employees, 60,000 sq ft facility

NIR Inc. Profile: Specializes in manufacturing point of purchase display units

• 25 employees, 96,000 sq ft facility

Innovion Profile: Provides the most extensive and highest quality foundry ion implant services to the world's leading semiconductor manufacturers

63 employees, 55,000 sq ft facility

4. Finally, we have a question regarding the benefits local jurisdictions might receive from having an RSIA designation. The 6/30/03 memo from Mary Weber to MTAC seems to leave open the possibility of transportation projects proposed within RSIAs of receiving priority over projects in other industrial/employment areas during the MTIP process. The memo also states that industrial areas outside of RSIAs would qualify for priority MTIP allocations. We are concerned that as currently adopted, Metro Title 4 will provide disadvantages to industrial development in the City of Gresham and Springwater (to be annexed into Gresham). We would appreciate additional information on the advantages that will be provided to the regional through implementation of Title 4.

We encourage Metro, in concert with the region's jurisdictions and representatives from the industrial development community, to redraft the Title 4 provisions in a way that offers more flexibility to respond to changing economic conditions. As a starting point, there should be a thorough economic trends study and analysis of how industrial development has changed in recent years in the nation, state and region. Just as such an economic trends analysis is required of local jurisdictions by Statewide Planning Goal 9 (Economic Development) as a basis for their economic development policies and standards, it should also be the foundation of the Metro Title 4 standards. Only by doing this kind of preliminary research can one be sure that the standards will be responding to reality rather than misconceptions.

We also would like to see the standards be a less prescriptive "one size fits all" approach to one that is more performance oriented and tied to the Purposes and Intent section of Title 4. The latter approach would offer a range of options to comply. Jurisdictions would then be able to choose those options that are compatible with their particular economic development program and context within the region.

We look forward to working with Metro on this issue. We feel that until the above trends analysis is done and Title 4 is reworked to offer more flexibility, etc., it would be premature to designate RSIAs. Thank you for this opportunity to state our position.

TO:

**MPAC** 

FROM:

Wink Brooks, Planning Director

City of Hillsboro

DATE:

July 23, 2003

RE:

Title 4/Mapping of Regionally Significant Industrial Areas (RSIAs) and

associated restrictions

City of Hillsboro staff has had several discussions about the new Title 4 language adopted by the Metro Council last December as part of the overall UGB expansion package. At first blush, we thought it would not be too difficult to identify potential RSIAs and started delineating properties in the City's northern industrial area. However, as we studied an aerial photograph of this area more closely, it became apparent that there was already significant parcelization in this vicinity, which is largely developed. In addition, where industrially zoned lands appear to be vacant, the vacant portions are being held, or have already been planned, for future expansion of existing industries on those sites. These circumstances led us to examine the new Title 4 restrictions more closely, and we became concerned that the additional standards and requirements could have a negative impact on the future of the City's well-established and thriving industrial base.

#### 1. For example, Section 3.07.420 (F) states that:

"A city or county may allow division of lots or parcels into smaller lots or parcels as follows: 1. Lots or parcels less that 50 acres may be divided into amt number of smaller lots or parcels; 2. Lots or parcels 50 acres or larger may be divided into smaller lots or parcels so long as the resulting division yields the maximum number of lots or parcels of at least 50 acres."

Our concern is that this standard may be overly prescriptive and have the result of turning away economic development that might otherwise be attracted to these areas. There are other ways to ensure a supply of large industrial lots, and yet still maintain needed flexibility, that have not been fully considered by Metro and warrant a closer look. A "real world" example of Hillsboro's method of retaining large industrial lots over time, while at the same time allowing development of small and medium industrial uses, is described on the following page.

### Hillsboro Special Industrial District Zoning

The overlay zone applied to the City's industrial sanctuary, M-P (SID) (Special Industrial District) has provided for both the preservation of large lots and the flexibility to accommodate small and medium size uses all in proximity to one another. This overlay district includes a 30-acre minimum lot size, but makes provision for staged development creating lots smaller than 30 acres (down to a minimum of one-acre) when certain conditions have been met, while retaining at least one 30 acre site for a single major industrial user. The 30 acre minimum lot size was a condition imposed by Metro in 1986 as part of UGB amendments approved at that time.

In our experience, this overlay district has been very effective in facilitating the development of the integrated mix of large primary industries and smaller support industries, as shown on the attached map. The application of the staged development requirements over time allowed the City to retain at least one 30-acre lot, which is located in the Westmark industrial park north of Hwy 26. There are no special use restrictions in the SID overlay, other than the requirement that all development be consistent with the provisions of the M-P Industrial Park zone, which allows traditional light industrial uses, offices, and an array of complementary commercial support services that are limited in scale to serve the needs of the employees of the surrounding industrial uses.

An analysis of approximately 1600 acres in Hillsboro's northern industrial area (see attached map) reveals an average lot size of 10.24 acres. The larger primary high tech industrial businesses in this area are surrounded by dozens of smaller supportive and related uses that provide the critical mass and synergy required to maintain and foster continued growth in the westside high tech cluster. It is likely that the successful growth and evolution of one of the most vibrant high tech centers in the country could not have occurred had restrictions, such as those imposed by the new Title 4 language, been in place over the last 20 years.

## 2. The City also has concerns about the language in Section 3.07.420 (E):

"As provided in subsection C of this section, a city or county may approve an office for industrial research and development or a large corporate headquarters if: 1. The office is served by public or private transit; and 2. If the office is for a corporate headquarters, it will accommodate, for the initial occupant, at least 1,000 employees."

The provision of public transit in the region's outlying industrial areas is substandard, and no plans/funding to extend transit to these areas are in place. The requirement to provide private transit might not be too onerous to some businesses, but others might be inclined to look at sites elsewhere without this restriction. We also share the City of Gresham's concerns, as stated in a memo to MTAC, dated July 7, 2003, about the validity of limiting corporate headquarters to those with a minimum of 1,000 employees. What research or reasoning supports that number? We assert that it is erroneous to assume that a company shopping for a new corporate

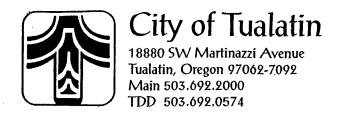
headquarters site to house 800 employees will automatically look for higher priced land in a center when informed they cannot locate in our industrial areas.

We cannot force businesses to locate in centers in the Metro region by precluding them from our industrial areas. Hillsboro is home to a regional center and two town centers, and fully supports development of centers throughout the region, but we are by no means convinced that there is a cause and effect relationship between stimulating development in centers by imposing the overly strict Title 4 restrictions on industrial lands. Incentives may be necessary to encourage location of businesses in centers that may otherwise locate in industrial areas. Regulating businesses out of industrial areas does not assure that these businesses would automatically locate in centers. Options throughout the nation and world abound.

We further concur with Gresham that Title 4 overly restricts the types of offices that can locate in RSIAs and could have a dampening effect on expansion of existing businesses. We also agree with Gresham's argument regarding the trend toward an increasing blurring of traditional distinctions between offices, research and development, manufacturing and certain forms of commercial development. For example, Intel has an approved master plan for a 90-acre site in the Westmark industrial park north of Hwy 26 (in the special industrial district overlay) that includes a research and development campus that would employ approximately 7,000 to 8,000 people at much higher than traditional manufacturing wages. The site also includes three buildings for general office uses. The scale of these buildings would not be compatible in our centers. Other types of office uses may also not be appropriate for centers, and would not locate in those anyway due to higher land costs. Do we really want to turn away all of these types of economic development opportunities when our unemployment rates are consistently among the highest in the nation?

There are many other concerns that the City has with the Title 4 language that have come to light as we tried to identify areas on the map that we wanted to designate as RSIAs. We are willing to work with Metro and our jurisdictional partners to revise Title 4 to provide the flexibility we believe is needed to prevent the potential stagnation and further decline of the region's economy. We urge Metro to delay adopting a map of RSIAs until thorough research on the impacts of the new Title 4 restrictions has been conducted and local jurisdictions have opportunity to reconsider the language.

Thank you for the opportunity to comment on this important process that is critical to the economic well being of our community and the region as a whole.



August 11, 2003

Metro Council President David Bragdon Metro 600 NE Grand Avenue Portland, Oregon 97232

RE: Regionally Significant Industrial Areas

Dear Council President Bragdon:

Thank you for the opportunity to comment on the new Title 4, Regionally Significant Industrial Areas design type concept map and standards. I appreciate the opportunity to explore the effects of the new standards on Tualatin and garner input from the industrial property owners of the City.

After review, discussion with staff and input from property owners, the City of Tualatin questions why any of the land in Tualatin should bear the Regionally Significant Industrial Area design type. Our reasons are as follows:

 Over the past year and a half, the City of Tualatin has been working with industrial property owners to retain industrial land for industrial uses based on local circumstances. The first Plan Text Amendment (PTA) addressing this is PTA-02-07. City Council approved this PTA on November 25, 2002. This PTA requires a greater separation between service and cardlock fueling stations; requires these stations to be set back from SW 124<sup>th</sup> and SW Pacific Highway; and eliminates certain commercial uses from industrial lands.

Additionally, Tualatin Council passed PTA-02-10 on March 24, 2003. This PTA restricts or eliminates certain commercial uses in industrial areas, creates a special commercial setback on two arterial streets and creates two commercial service overlay districts where auto-oriented commercial uses already exist and may continue to exist without being considered a non-conforming use.

Last, PTA-03-03, currently under development, would limit commercial uses as defined by Tualatin in the "Quarry Sector" of Tualatin. This is located in the northwest corner of the city, near Pacific Highway and SW 124<sup>th</sup> Avenue. The City Council will review this PTA on October 13, 2003.

Metro Council President David Bragdon August 11, 2003 Page 2 of 3

With all three of these PTAs, citizen involvement was critical to the formation and adoption of the code language. This input has helped to shape the new code language in a way that meets the City's and industrial property owners' needs. Only through this collaborative process has the City of Tualatin been able to implement more protective standards on industrial lands.

2. On July 17, 2003, City staff held an open house with industrial property owners to discuss the RSIA design type. Of the 250 industrial property owners notified of the open house, thirteen people attended; an additional six people who could not attend called staff to discuss this issue. None wanted the RSIA designation on their property.

First, the property owners felt that the time frame in which to provide comments back to Metro regarding the first round of applying this designation was too short to understand all the ramifications of the design type. The attendees agreed that more outreach was necessary to the 250 industrial property owners in Tualatin. Second, the attendees felt the RSIA standards did not allow enough flexibility to recognize what jurisdictions are already doing to protect industrial lands. Third, the RSIA language could ultimately prevent an industrial operation from having a little retail show room if the five percent limit of commercial areas were to be met. The attendees identified this small retail area as a key component of their businesses and did not want to see it threatened. Additionally, the attendees voiced concern that there is no agreed upon definition of 'Industrial'. The nature of industrial development has changed markedly over the past decade and many jobs that appear as a typical office job are really industrial in nature. Last, the attendees felt that the language did not acknowledge the current market forces and the demand for land.

3. The City Council discussed RSIA at its July 14, 2003 and August 4, 2003 work sessions. While the Tualatin City Council recognizes the potential problem associated with the loss of industrial lands to non-industrial uses, the Council remains skeptical that the new Title 4 regulations will protect industrial lands in a way that works at the local level for job creation. The Council continues to wonder what the benefit of RSIA designation is for the City of Tualatin. Additionally, the Council asserts that the degree of public involvement Tualatin put into its efforts on industrial land issues is lacking in the Metro process.

Tualatin staff presented maps to the City Council showing the extent of Tualatin's industrial lands, areas where the designation should not apply for various reasons (i.e. industrial business parks, urban renewal blocks, commercial service overlays, etc.) and the overlay of wetlands and greenways over the industrial area. The wetlands and greenways divide many industrial lots into smaller pieces, making larger scale development harder to accomplish. This fracturing of industrial lands by wetlands and greenways does not appear to lend the area to being a RSIA.

- 4. Tualatin staff presented the RSIA language to the Tualatin Planning Advisory Committee (TPAC) on July 10, 2003 for its consideration. TPAC raised several questions: What impact do wetlands have on designation? How much commercial use is there now? What benefits does Tualatin get from this designation? Can the Metro Council apply more conditions to these lands in the future above what is currently in Title 4? Ultimately, TPAC did not see the local benefit of RSIA.
- 5. Last, City of Tualatin staff has concerns about the proposed language, many of which were voiced by other interested parties. Staff is concerned about the lack of flexibility in the Metro language and disregard of local efforts to protect industrial lands. The management of the commercial inventory in RSIAs will be extremely difficult as RSIAs cross jurisdictional boundaries. Staff believes that there has been insufficient time for adequate public outreach and to explain the new design type to those who could be affected by it. More public outreach is needed to educate the industrial property owners in Tualatin on the new standards and to learn of their position on this new design type. The 1,000-employee cut-off point for headquarters also seems arbitrarily selected. Last, staff desires a clear definition of what is meant by "Industrial" prior to considering the RSIA designation for any lands in the region.

Staff also has concerns about the development of the standards themselves. In 2002, MTAC crafted the new Title 4 standards as a kind of placeholder, knowing that the language must be revisited and refined prior to adopting a map identifying specific areas as RSIA. This has not yet been done.

While the City of Tualatin understands the need to establish regulations to protect industrial lands, the City has already developed standards that address industrial lands. The additional Metro requirements do not adequately address the local situation and establishes limitations that do not work with the local or regional market. Thank you for the opportunity to comment on the RSIA design type and its application to the City of Tualatin.

Regards

Mayor Lou Ogden

c: City of Tualatin Council
Steve Wheeler, City Manager
Doug Rux, Community Development Director
Stacy Hopkins, Associate Planner
Mary Weber, Metro



# City of Tualatin

18880 SW Martinazzi Avenue Tualatin, Oregon 97062-7092 Main 503.692.2000 TDD 503.692.0574

August 20, 2003

Ms. Mary Weber Metro 600 NE Grand Avenue Portland, OR 97232

RE:

August 14, 2003 RSIA meeting with Tualatin

Dear Ms. Weber:

Thank you for coming to Tualatin last week to discuss the Regionally Significant Industrial Areas (RSIA) design type and language with the City of Tualatin. I found the discussion beneficial as it clarified some vague points of the Title 4 RSIA language. I hope you and Dick Benner found the discussion enlightening on Tualatin's model for addressing industrial land development. I look forward to reviewing the Title 4 language again once it is edited based on discussions with jurisdictions in the Metro area.

As indicated at the meeting, Tualatin has a few questions it would like to have Metro respond to in writing. First, the City wants to know exactly what the benefit of designating lands as RSIA is for the City. After much thought and conversation on RSIA, City staff and City Council are still uncertain of the benefits to the City of designating lands as RSIA given our existing land use regulations. Second, the City wants to know if the Metro Council can or could designate lands as RSIA without a local jurisdiction's consent.

Last, during our conversation last Thursday, the subject of substantial compliance arose. As I described at the meeting, Tualatin's Code is already quite strict on the uses allowed on industrial lands. The City has taken great efforts to develop an industrial lands program that is appropriate for the City, our industrial landowners and companies and Tualatin's unique circumstances. The City of Tualatin would like to see Metro evaluate and possibly adopt a substantial compliance clause in the Title 4 language.

Thank you again for the opportunity to discuss RSIA with you. I look forward to continuing this conversation in the upcoming months.

Regards,

Doug Rux, AICP

**Community Development Director** 

Cc:

Dick Benner, Metro

Steve Wheeler, City Manager Stacy Hopkins, Associate Planner



TO:

ANDY COTUGNO, LYDIA NEILL, MARY WEBER AND DICK BENNER

FROM:

BRIAN CAMPBELL, SUSIE LAHSENE, PORT OF PORTLAND PLANNING STAFF

SUBJECT:

TITLE 4 IDENTIFIED ISSUES AND POTENTIAL SOLUTIONS

DATE:

8/29/2003

Following is a list of issues we see as problematic with the existing Title 4 language, and some potential ideas for solutions. Most of these issues are the result of a rather quick adoption process last fall, and upon reflection and further review of how they would actually work, it is evident that the language does need some adjustment. That being said, it is important for Metro staff and Councilors to understand that Port staff is 100% behind the concepts imbedded in Title 4. It is extremely critical that the region protect its valuable supply of industrial land.

Overarching recommendation - Metro staff has been talking to a number of jurisdictions around the region about ideas for fixes to Title 4. In addition to this process, we believe it will be absolutely critical to the workability of Title 4 for Metro staff to also take the lead in negotiating solutions among key players in the debates over language. That cannot be done at MTAC, or especially MPAC. It must be done in a small group setting, with an exchange of information on revision ideas and how they will actually work. Our suggestion is that Metro organizes a set of meetings in September to ensure timely resolution of this issue.

#### **Issues & Recommendations**

#### 3.07.420 Section C.

<u>Definition of Industrial Use</u>. Until GMELS can put a more definitive answer to this perennial question, should Metro attempt to supply its own answer for the decision in December? Since all jurisdictions have latitude in Title 4 to answer it within their own code, we're not sure that it's a problem for the RSIA exercise, or that Metro needs to answer it at this point. Perhaps Metro could, at a minimum, put together a compendium of what is and isn't allowed in each jurisdiction's code to help inform the discussion.

Airports are not generally an industrial use, although they are presumed to be an important component of RSIAs. This issue needs to be addressed by acknowledging airports, and the array of accessory uses that normally go with them, as a specifically allowed use within RSIAs. We will suggest specific language on how best to do this.

#### Section E.

1000 employee corporate office requirement. From our discussions with real estate professionals and others it is clear that there is a great deal of misunderstanding about how this provision would actually work. Metro should clarify exactly which kind of corporate offices this applies to in order to ensure that the debate is focused on any real issues, rather than on perceptions.

#### Section F.

Application of the 50 acre minimum provision to both vacant and developed land. The original stated need for the changes to Title 4 had to do with preserving large blocks of land for development. Some version of this certainly needs to apply to vacant or low value improvement land. However, areas that already have industrial development are very difficult to re-develop with industrial uses under the best of circumstances, usually needing large subsidies to remain industrial. They have already been platted for the existing use, so most areas would not be subject to this provision in any case, but adding this provision to any existing industrially developed property seems like another large impediment to continuing the property in industrial use. We recommend eliminating this provision for existing industrially developed parcels.

After the remnant parcels less than 50 acres are sold, there is no provision for allowing additional property to be subdivided below 50 acres. We see this as a practical problem that needs to be discussed among jurisdictions that have some history with industrial land divisions. We think it is not unreasonable, for instance, to allow an ownership to further divide one of the remaining 50 acre parcels after the other remnants are sold in order to allow a number of smaller industrial support firms to co-locate with larger firms. Existing city or county ordinances needs to be looked at closely to see whether any can serve as a model, or whether a different approach is warranted.

## Section G.

The first sentence appears to be unnecessary, since the ordinance already allows the division of lots less than 50 acres in size. The second sentence may present practical problems to a jurisdiction trying to accommodate a number of smaller industrial users, or trying to create appropriately sized lots for the industries that are developing. It may be better to have an "escape" provision that allows a jurisdiction to require a developer to master plan a large piece of property and preserve an appropriate number of larger parcels, depending on the overall size and configuration of the property in question. This might be the same solution as the one for Section F.

# **MEMORANDUM**

TO:

Andy Cotugno, Metro

FROM:

Rich Faith, City of Troutdale

DATE:

October 22, 2002

**TOPIC:** 

Comments and Suggestions Regarding Proposed Title 4 Amendments -

Regionally Significant Industrial Lands

The following redline version of the proposed Title 4 amendments reflects my suggested changes to the proposal. My rationale for these changes is given in italics.

# Title 4 – Industrial and Other Employment Areas DRAFT

## 3.07.420 Protection of Regionally Significant Industrial Areas

- A. Regionally Significant Industrial Areas are areas with site characteristics relatively rare in the region that render them especially suitable for industrial use. Each city and county with land use planning authority over areas shown on the 2040 Growth Concept Map as Regionally Significant Industrial Areas shall derive plan designation and zoning district boundaries of the areas from the general locations on the 2040 Growth Concept Map.
- B. Each city and county with land use planning authority an area designated by Metro on the 2040 Growth Concept Map as Regional Significant Industrial Area shall as part of compliance with the concept planning requirements of section 3.07.1120 of the Urban Growth Management Functional Plan, derive plan designation and zoning district boundaries of the areas from the general locations on the 2040 Growth Concept Map.
- C. After determining boundaries of Regionally Significant Industrial Areas pursuant to subsection A and B, the city or county shall adopt implementing ordinances to limit development in the areas to industrial uses, uses accessory to industrial uses, and those non-industrial uses necessary to serve the needs of businesses and employees of the area-, unless approved as a conditional use or through a public hearing process. For purposes of this Title, research and development companies, experimental and testing laboratories, and trade or commercial schools shall be regarded as industrial uses.

(It seems that exceptions to the rule are often necessary. It is impossible to anticipate uses that may come along that are a legitimate need in these areas but are not industrial in nature, nor accessory to industrial uses, nor necessary to serve the needs of businesses and employees of the area. Uses that fall into this category should only be allowed through a public hearing process such as a conditional use.

So that there is no doubt that research and development activities, etc. are permitted with regionally significant industrial areas, I propose adding language that specifically states this.)

D. Notwithstanding subsection C of this section, a city or county shall not approve the following as an outright permitted use:

(If a larger scale commercial use is compatible with, or complementary to, a regionally significant industrial area, then local jurisdictions should have the opportunity to allow these by conditional use or similar public hearing process. The conditional use process alone acts as an obstacle to discourage many proposals that are not suitable or appropriate for the area in question.)

1. A commercial retail use with more than 20,000 square feet of gross leasable area in a single building or in multiple buildings within close physical proximity that are part of the same development project;

(I'm merely trying to give more specificity to what I think is meant by "within close physical proximity".)

- 2. Commercial retail uses with a total of more than 20,000 square feet of gross leasable area on a single lot or parcel, or on contiguous lots or parcels, including those separated only by transportation right-of-way; or
- 3. Commercial retail uses that would occupy more than five percent of the net developable portion of the area.
- E. Notwithstanding subsection C of this section, a city or county may approve <u>as an outright permitted use</u> a commercial office use that is not accessory to industrial uses in the area if:
  - 1. The office is for research and development and is served by public or private transit; or (This becomes unnecessary in light of my suggested change to 3.07.420C.)
  - 2. The office is for an owner-occupied corporate headquarters on a lot or parcel of at least 25 acres, is subject to a master plan that sets forth plans for long-term use of the tract, and is served by public or private transit.

- F. A city or county may allow division of lots or parcels into smaller lots or parcels as follows:
  - 1. Lots or parcels 20 acres or smaller may be divided into smaller lots or parcels without limitation on the size of resulting lots or parcels.
  - 2. Lots or parcels 50 acres or larger shall be subject to a 50-acre minimum lot size.
  - 3. Lots or parcels larger than 20 acres, but smaller than 50 acres shall be subject to a 1510-acre minimum lot size.

(The way this was written it makes it impossible to divide lots between 20 and 30 acres in size. Lots less than 20 acres can be divided; lots 30 to 50 acres in size can be divided with a 15-acre minimum lot size; but those between 20 and 30 acres in size are stuck unless the 15-acre minimum is reduced to 10 acres. It's out of fairness to any 20-30 acre parcels that I suggest this change.)

- 4. Notwithstanding paragraphs 2 and 3 of this subsection, any lot or parcel may be divided into smaller lots or parcels for the following purposes:
  - a. To facilitate provision of public facilities and services to an industrial use;
  - b. To protect a natural resource;
  - c. To separate a portion of a lot or parcel containing a nonconforming use form the remainder of the lot or parcel in order to render the remainder more practical for industrial use; or
  - d. To reconfigure the pattern of lots and parcels pursuant to subsection F of this section.
- G. A city or county may <u>allow</u> reconfiguratione <u>of</u> lots or parcels less than 50 acres in area if the reconfiguration is more conducive to industrial use and results in no net increase in the total number of lots and parcels over the number prior to reconfiguration. Lots or parcels 50 acres or greater in area may also be reconfigured so long as the resulting area of any such lot or parcel is not less than 50 acres.
- H. Notwithstanding subsections C and D of this section, a city or county may allow the lawful use of any building, structure or land at the time of enactment of an ordinance adopted pursuant to this section to continue and to expand to add up to 10 percent more floorspace.

#### 3.07.430 Protection of Industrial Areas

- A. In Industrial Areas mapped pursuant to Metro Code section 3.07.130 that are not Regionally Significant Industrial Areas, cities and counties shall limit new and expanded non-industrial uses to those appropriate in type and size to serve the needs of businesses and employees in the Industrial Areas.
- B. In an Industrial Area, a city or county shall not approve allow as an outright permitted use:

(My rationale is the same as that given under 3.07420D.)

1. A commercial retail use with more than 60,000 square feet of gross leasable area in a single building or in multiple buildings—within close physical proximitythat are part of the same development project;

(Same comment as given under 3.07.420D1.)

- 2. Commercial retail uses with a total of more than 60,000 square feet of gross leasable area on a single lot or parcel, or on contiguous lots or parcels, including those separated only by transportation right-of-way;
- 3. Schools, churches or those institutional and community services uses intended to serve people who do not work or reside in the Area.

(There may be instances when institutional and community service uses have a legitimate need to be within industrial areas. I do not think they should be prohibited.)

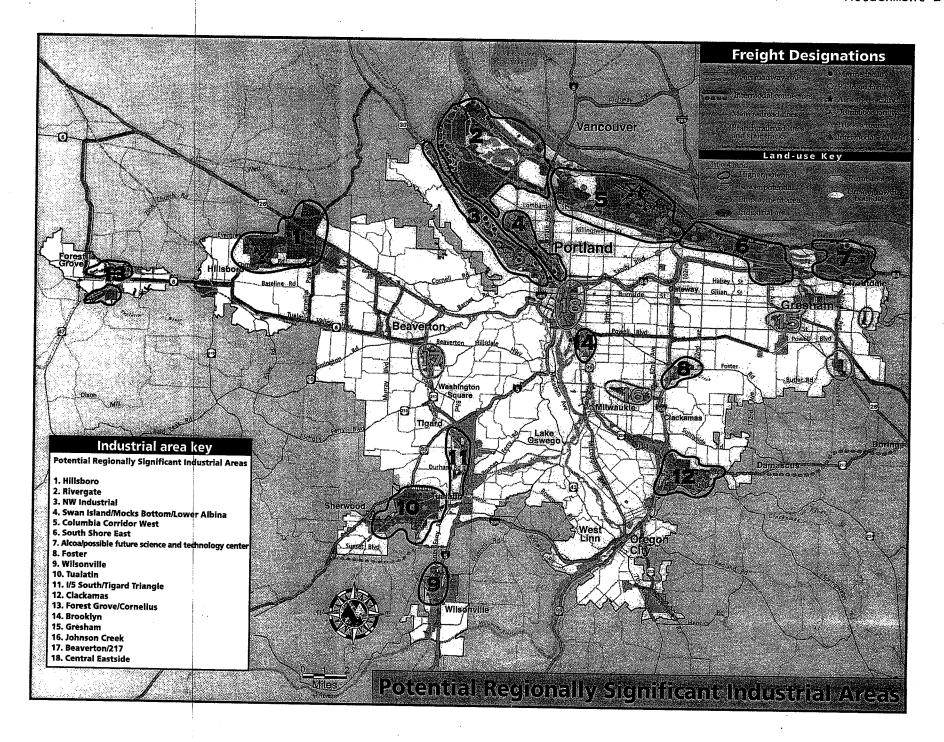
# 3.07.440 Protection of Employment Areas

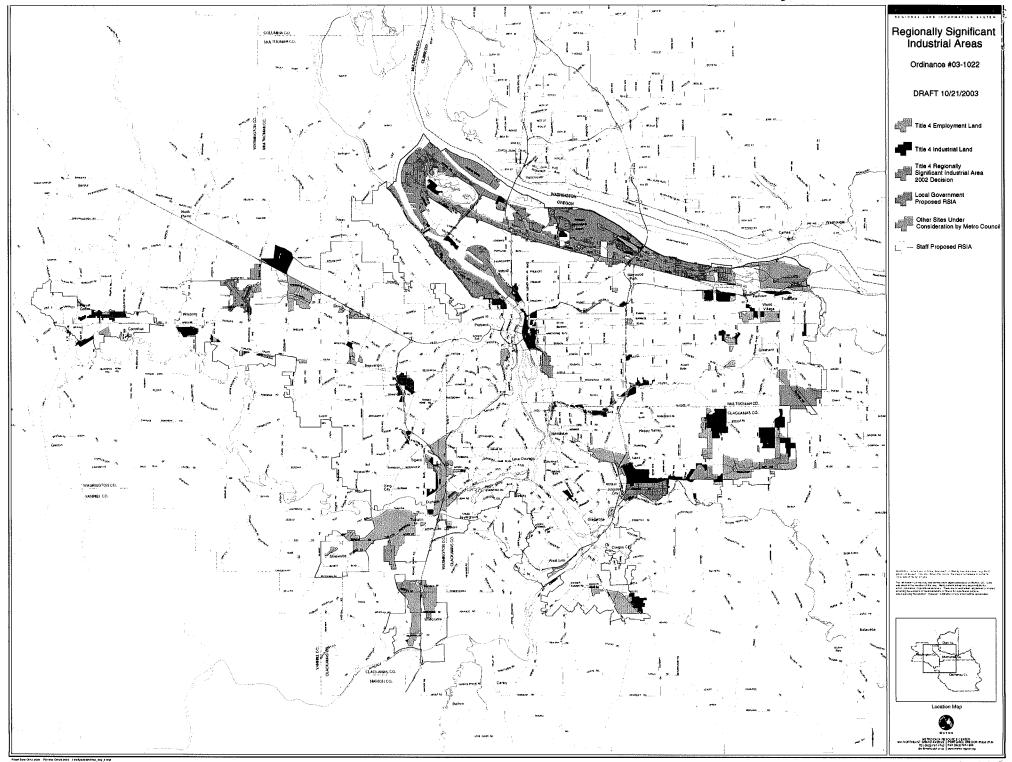
- A. Except as provided in subsections C, D and E, in Employment Areas mapped pursuant to Metro Code section 3.07.130, cities and counties shall limit new and expanded commercial retail uses to those appropriate in size to serve the needs of businesses, employees and residents of the Employment Areas.
- B. Except as provided in subsections C, D and E, a city or county shall not approve a commercial retail use as an outright permitted use in an Employment Area with more than 60,000 square feet of gross leasable area in a single building, or commercial retail uses with a total of more than 60,000 square feet of gross leasable area on a single lot or parcel, or on contiguous lots or parcels, including those separated only by transportation right-of-way.
- C. A city or county whose zoning ordinance applies to an Employment Area and is listed on Table 3.07-4 may continue to authorize individual commercial

- retail uses with more than 60,000 square feet of gross leasable area in that zone if the ordinance authorized those uses on January 1, 2003.
- D. A city or county whose zoning ordinance applies to an Employment Area and is not listed on Table 3.07-4 may continue to authorize commercial retail uses with more than 60,000 square feet of gross leasable area in that zone if:
  - 1. The ordinance authorized those uses on January 1, 2003;
  - 2. Transportation facilities adequate to serve the commercial retail uses will be in place at the time the uses begin operation; and
  - 3. The comprehensive plan provides for transportation facilities adequate to serve other uses planned for the Employment Area.
- E. A city or county may authorize new commercial retail uses in Employment Areas if the uses:
  - 1. Generate no more than a 25 percent increase in site-generated vehicle trips above permitted non-industrial uses; and
  - 2. Meet the Maximum Permitted Parking Zone A requirements set forth in Table 3.07-2 of Title 2 of the Urban Growth Management Functional Plan.
  - (This strikes me as an administrative nightmare to try to apply. I'd rather see it deleted.)

### 3.07.460 Government Offices

- A. Cities and counties shall encourage the siting of government offices and other appropriate government facilities in Centers and Station Communities by taking action pursuant to section 3.07.620 to eliminate or reduce unnecessary physical and regulatory barriers to development and expansion of government offices in Centers and Station Communities.
- B. Cities and counties shall discourage the siting of government offices outside Centers and Station Communities by requiring a demonstration by the applicant government agency that sites within Centers cannot reasonably accommodate the proposed office due to characteristics of the office other than parking for employees.
- (There are many legitimate purposes for siting government offices outside centers and stations areas. I do not think it is reasonable or necessary to require this. Subsection A should be adequate to address this issue.)







## METRO

Date:

October 21, 2003

To:

Richard Benner, Interim Regional Planning Director

From:

Mary Weber, Community Development Manager W

Re:

An Assessment of Potential Regionally Significant Industrial Areas

## **Background**

The Metro Council amended Title 4 to afford a higher level of protection to Regionally Significant Industrial Areas (RSIAs) than to Industrial Areas in general. The Metro Council took this action based upon information the Metro Council received about industrial land during the periodic review analysis and hearings process – principally the Regional Industrial Lands Study (RILS) and Metro's own "Urban Growth Report: An Employment Land Need Analysis" (UGR-Jobs). The information showed that much industrial capacity had been absorbed by the economic expansion of the mid-1990s. It also showed that much of the remaining capacity was constrained: divided into parcels too small for the growth industries of the future; converted to non-industrial use; regulated to protect wetlands or floodplains and; inadequately served by water, sewer or transportation facilities.

The Metro Council aimed its amendments of Title 4 at conversion of industrial land to non-industrial uses. In the UGR-Jobs (page 31), the Council noted both positive and negative effects of this conversion. On the positive side, conversion (1) allows commercial uses to provide retail services to industrial employees and reduce trips; (2) provides opportunities for infill and redevelopment of aging industrial areas; and (3) allows flexibility of use that may provide the margin for industrial profitability. On the negative side, conversion (1) increases the cost of land for industrial use; (2) introduces uses that generate conflicts with industrial practices; and (3) may force relocation of industrial uses to less suitable sites. The Metro Council hopes to take advantage of the positive consequences of conversion in Industrial Areas and prevent the negative consequences in RSIAs.

## Which lands should be designated RSIA?

There is guidance from the Regional Framework Plan, the Regional Transportation Plan, Title 4 of the Urban Growth Management Functional Plan, Periodic Review Ordinance No. 02-969B, Metro Council Resolution No. 03-3341A, the UGR-Jobs, MetroScope and the factors the Metro staff developed in consultation with cities and counties to help identify RSIAs.

1. Regional Framework Plan: Policies 1.4.1 and 1.4.2 of the Regional Framework Plan (RFP) speak of RSIAs as those areas "with site characteristics that make them especially suitable for the particular requirements of industries that offer the best opportunities for family-wage jobs." The RFP leaves a more specific determination of RSIAs to implementation of Title 4 by the Metro Council and local governments.

- 2. Regional Transportation Plan: Policy 15.0 states as Objectives (a) "Provide high-quality access between freight transportation corridors and the region's freight intermodal facilities and industrial sanctuaries..."; and (b) "Coordinate public policies to reduce or eliminate conflicts between current and future land uses, transportation uses and freight mobility needs, including those relating to: Land use changes/encroachments on industrial lands; and Transportation and/or land use actions or policies that reduce accessibility to terminal facilities or reduce the efficiency of the freight system." The policy recognizes the critical relationship between freight transportation and conflicting land uses. Although the Regional Transportation Plan (RTP) does not define "industrial sanctuary", it seems clear that the policy contemplates industrial areas in which commercial or residential uses do not dominate the transportation system.
- 3. <u>Title 4</u>: Title 4 also draws attention to the relationship between industrial land and the transportation system. One purpose of Title 4 is: "To protect the capacity and efficiency of the region's transportation system for movement of goods and services...."
- 4. Ordinance No. 969B, UGR-Jobs, MetroScope: By adoption of the UGR-Jobs and the Generalized Map of RSIAs, the Council made clear that RSIAs are to be derived from those lands designated as Industrial Areas on the 2040 Growth Concept map, and that not all Industrial Areas should be designated RSIA. The UGR-Jobs speaks of some industrial areas that are in the midst of transition to mixed-use areas (page 31). MetroScope modeling identified areas of industrial job loss during the planning period. In general the gains are the areas identified as having greater potential as RSIAs. These areas are the large industrial areas comprised of the Columbia South Shore Industrial Area, the Portland Harbor, the Clackamas Industrial District, the Tualatin/Wilsonville Industrial District and the Hillsboro Industrial District. While conversely, industrial losses (identified as having lower potential) are likely to occur in the Central City, Eastside Industrial area, Highway 217 corridor and Vancouver CBD. Maps from the MetroScope analyses are attached.

The UGR-jobs offers further guidance. The UGR-Jobs translates the regional economic forecast into demand for industrial land for particular building types: tech/flex, warehouse/ distribution and general industrial. These building types and the industries that occupy them need sites with certain locational and siting characteristics. The UGR-Jobs finds that sites with these characteristics are in very short supply in the urban growth boundary (UGB).

If these are the industries likely to add family-wage industrial jobs in the future, and sites with the locational and siting characteristics they need are in short supply, then land in Industrial Areas with these characteristics are logical candidates for designation as RSIA. Moreover, if the region is looking for sites with these characteristics outside the UGB, state planning law may require Metro to designate areas inside the UGB with these characteristics as RSIAs.

5. <u>Resolution No. 03-3341A</u>: The Metro Council, considering information from industry representatives, industrial land brokers and studies on clustering, directed the Metro

staff to study for possible inclusion in the UGB land that is (1) close to freeway interchanges; (2) relatively flat; and (3) near existing industrial areas.

This information indicated that the warehouse and distribution industry needed sites with the following characteristics:

- Freeway access within 3-5 miles of an interchange
- · Large enough areas to accommodate of number of uses
- Slopes less 5 percent
- Highway routes are key: I-5, I-84 and I-205
- Highway 26 is not desirable due to congestion

General industrial site characteristics are:

- Freeway access within 3 miles of an interchange
- Net parcel sizes between 1-5 acres and 10-20 acres
- Location near other firms (labor pool)
- Stable soils and flat sites
- Manufacturing sites greater that 20 acres must have slopes less that 2 to 3 percent
- Manufacturing sites between 1-5 acres, slopes no more than 5 to 10 percent

For tech flex industrial uses the location and site characteristics are:

- Net parcel size greater than 10 acres
- Availability of specialized utilities
- Stable soils
- Proximity to existing high tech companies and suppliers
- Access to airport no more than 45 minutes mid-day (passengers)
- Some rolling topography but slope not more than 5 percent
- 6. <u>Factors</u>: The Metro staff, after consultation with cities, counties and other interests, developed a set of factors to consider in the identification of RSIAs. These factors reflect the locational and siting characteristics from Metro Council Resolution No. 03-3341A. As directed by Title 4, Metro staff worked with cities and counties in the region to apply the factors to designated Industrial Areas within their jurisdictions. Some cities and counties submitted candidate RSIAs to Metro based upon the factors. Striving for region-wide consistency, Metro staff also applied the factors to areas in cities and counties that chose not to submit candidate areas. The factors are:
  - Distribution Area serves as support industrial land for major regional transportation facilities such as marine terminals, airports and rail yards.
  - Services Availability and access to specialized utilities such as specialty gases, triple redundant power, abundant water, dedicated fire and emergency response services
  - Access Within 3 miles of I-5, I-205, I-84 (within the UGB), State Route 224 (within the UGB)
  - Proximity Located within close proximity of existing like uses
  - Use Predominantly industrial uses

## Reasons not to designate an industrial area as a RSIA

Not all industrial areas need additional restrictions that come with the RSIA designation. Here are a few examples of reasons why an industrial area should not be designated as a RSIA.

- The industrial site/area is bordered on several sides by residential uses. In this case it is unlikely that the area will expand or be maintained over time because of the conflicts with residential uses.
- Existing non-conforming uses make it unlikely that the conflict between uses will
  diminish and that over time the area might be better zoned for employment uses.
- Flexibility of employment uses on the site is important for redevelopment to occur. What follows is an analysis by area of the industrial land and how the characteristics of the area fit the RSIA factors. A map of each area is attached to this memorandum. The specific land data was derived from the 2000 vacant land supply. This is the inventory used for the 2002-2022 periodic review of the urban growth boundary.

## Areas appropriate for RSIA designation

A general assessment of the areas on the *Potentially Regionally Significant Industrial Area* map indicate that the following areas meet the factors and are also lands that meet the general site and location criteria for industrial uses.

- Areas 1 Hillsboro industrial area, south of Highway 26
- Areas 2, 3-4, 5 and 6 Northwest Industrial Area, Rivergate, Swan Island and Columbia Corridor
- Area 12 Clackamas distribution area around Highway 212/224
- Area 14 Brooklyn Yards

## Areas to consider for RSIA designation in the future

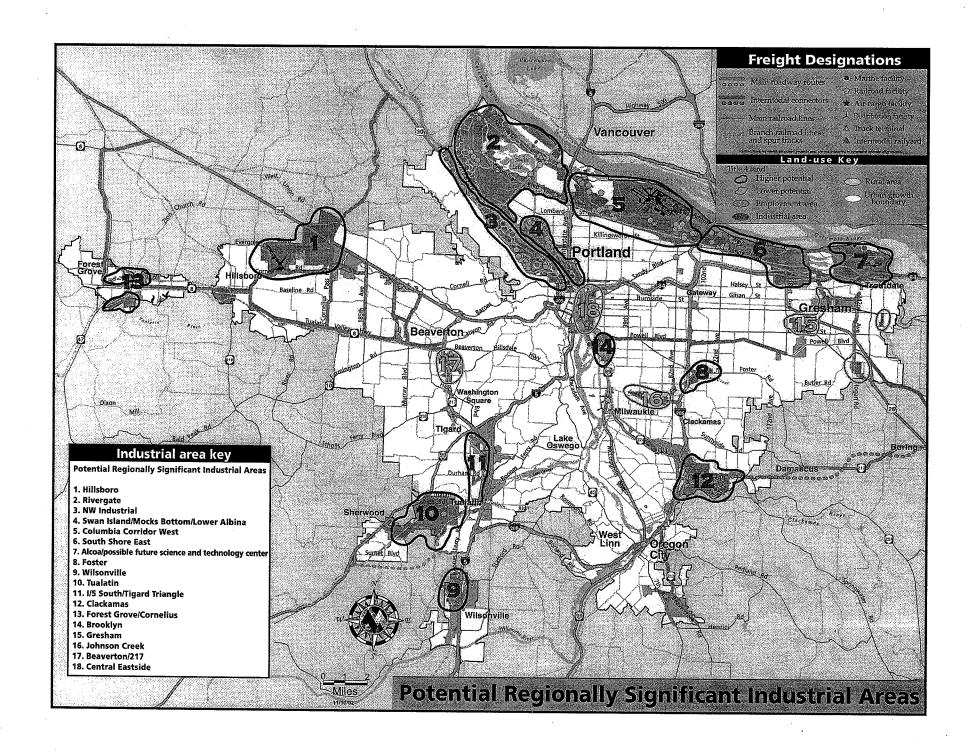
The areas may be appropriate for designation as RSIAs in the future:

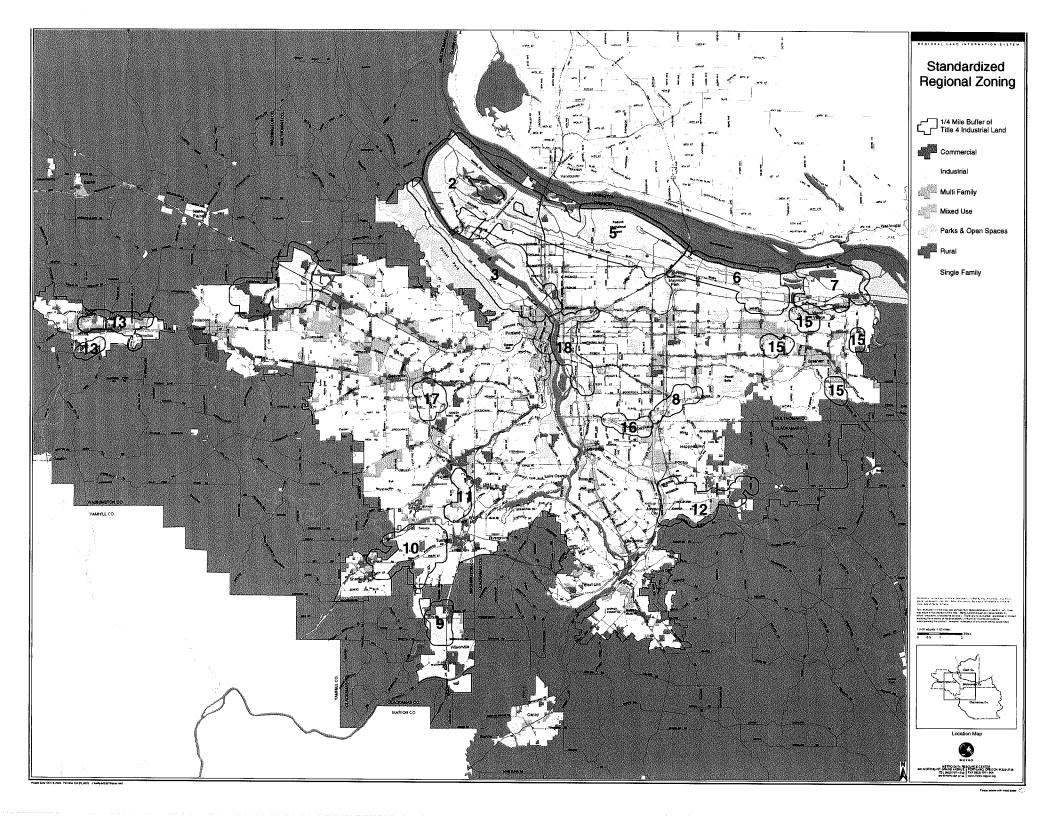
- Area 9. Wilsonville industrial area
- Area 10, Tualatin industrial area
- Area 7, Troutdale industrial area

These areas as they exist today are local industrial districts. In the case of Wilsonville and Tualatin, if additional lands were added to the UGB for industrial uses and the I-5/99W connector improved truck access to I-5 then these areas would be appropriate for designation as RSIAs. In regard to Troutdale, the uses are local in nature and there is no opportunity to expand the industrial area or connect it to the Columbia South Shore industrial area. However, if the Reynolds Metals site were to redevelopment as an intermodal facility, much of the area would redevelop to uses supporting an intermodal facility. If this were the case then the Troutdale industrial area would also be appropriate for designation as a RSIA.

#### **Area Assessments**

The acreage information is from the 2000 vacant land inventory. The buildable acres is displayed with the 2000 inventory. Local government submittals and area maps are attached. Also attached are the Standardized Zoning map for the region and the Title 4 Industrial Land with Slopes and Floodplain map.





## Area 1- Hillsboro Industrial Area

## **General Description**

Area 1 encompasses the City of Hillsboro's hi-tech industrial area. At the center of the area is the Hillsboro airport.

## **Factor Analysis**

#### Distribution

• The area does not serve as a regional warehouse or distribution area. The industrial area is within 3 miles of a Highway interchange but Highway 26 suffers from congestion that increases travel time to I-5, I-84 and Portland International Airport. Rail service is not available.

#### Services

 The industrial portion to the south of Highway 26 has access to specialty gases and triple redundant power from the PGE Sunset Substation. It is unlikely that these specialized utilities will be available to land to the north of Highway 26 because of the expense of extending these services north.

#### Access

Within 3 miles of Highway 26 and within minutes from the Hillsboro airport.

#### **Proximity**

The industrial area is part of the Hi-Tech Sunset Corridor.

### Use

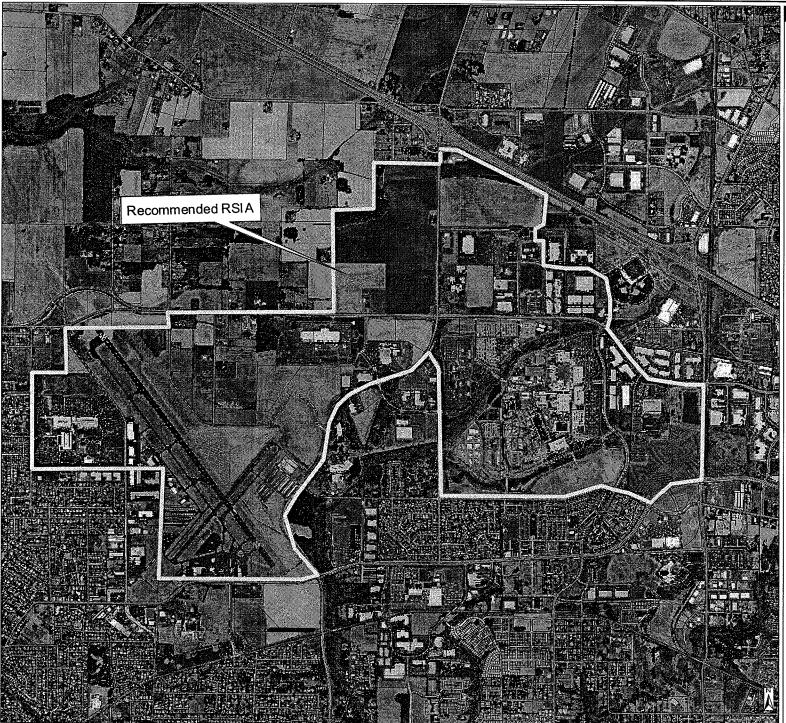
 The uses are predominately industrial with the exception of the commercial services associated with the Hillsboro airport. The industrial area to the north of Highway 26 forms the northern edge of the UGB and to the east is residential development.

## **Summary**

This industrial area consists of flat land with slopes less that 10 percent and no floodplain. Very little of the area has environment constraints. The area to south of Highway 26 has access to some of the most sophisticated utilities in the country that are required by hi-tech firms. Intel operates two large facilities, one at Ronler Acres and the other at Jones Farm.

Staff recommends that the industrial lands to the south of Highway 26 be considered as Regionally Significant. If the Council were to add new industrial land adjacent to the industrial area to the north of Highway 26, then this area might also be considered as Regionally Significant Industrial Land.





REGIONAL LAND INFORMATION SYSTEM

# Draft RSIA Boundary Recommendation

Study Area 1-Hillsboro

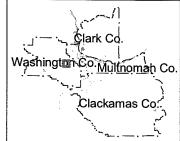
---- Urban growth boundary

☐ Taxlots

WARNING: some maps combine data layers of differing map accuracies, e.g. flood plains can be laid on tax lots. When this occurs, the map is not reliable to correctly show data at the tax lot level.

The information on this map was derived from digital distributions on Micros GIS. Care was taken is the creation of this map. Metro claimed scoate favy responsibility for errors, creations, or positional accuracy. There are no warranters, cross-said or implied, including the warrantery of introductibility of sheeps for a perfoculer preparal, economistry the product of towersay, updiffication of any errors will be appreciated.

1 inch equals 0.46 miles



Location Map

METRO DATA RESOURCE CENTER 600 NORTHEAST GRAND AVENUE | PORTLAND, OREGON 97232-2736 TEL (503) 797-1742 | FAX (503) 797-1909 dic@metro.dst.or.us | www.metro-region.org

# <u>Areas 2 – Northwest industrial Area, 3 & 4- Rivergate and Swan Island, 5 and 6 - Columbia Corridor to Gresham, 14- Brooklyn Yards - Portland</u>

## **General Description**

The City of Portland prepared a matrix that categorized the recommended factors and provided specific parameters for how they would apply to RSIAs, other industrial and mixed employment areas. The analysis included, location, area size, location advantages, industry mix, site sizes, facility types, neighbor sensitivity and infrastructure. The areas proposed by the city consist primarily of the Portland Harbor and Columbia Corridor industrial districts and makes up 94 percent of the industrial land designated in Portland's *Comprehensive Plan*.

## **Factor Analysis**

Distribution

 The areas are located at the main hub of Oregon's freight transportation system, where the shipping channels, main rail lines and yards, freeways, Olympic Pipeline, and Portland International Airport converge.

#### Services

May serve special power, water, sewer, and Telco needs.

#### Access

Most sites are within 1 mile of regional truck system.

## Proximity

 The areas are predominantly surrounded by industrial uses. Areas have a very small percentage of residential uses nearby.

#### Use

 These areas make up the largest concentration of manufacturing and distribution facilities in the state.

### Summary

The City of Portland is recommending approximately 12,500 gross acres in these areas for designation as RSIAs. Detailed information on the City's analysis is attached.

Metro staff generally concurs with the City's recommendation. Staff recommends that the Metro Expo Center property in the Columbia Corridor RSIA not be designated as a RSIA. The RSIA designation creates another conflict with the industrial zoning that recognizes the Expo Center as a non-conforming use. As more research about job land is undertaken, Metro should reexamine these areas to determine is all of these lands should be designated as RSIAs. Staff also recommends extending the RSIA designation to connect to the Gresham portion of the RSIA.









Draft RSIA Boundary

Recommendation

East Area 6

\_\_\_ Taxlots

----- Urban growth boundary

Streets

WARNING: some maps combine data layers of differing map accuracies, e.g. flood plains can be laid on tax lots. When this occurs, the map is not reliable to correctly show data at the tax lot level.

The information on this map was, derived from digital distributions on Micros GIS. Care was taken is the creation of this map. Metro cannot accept any responsibility for arron, unstainent, expessioned accuracy. There are no warrantes, expessioned accuracy. There are no warrantes, expensioned for implied, including the warranty of incrcharathility of threas for a particular proposal, excompanying this product. Stowering, indifficultion of any arrow of the page certain.

1 inch equals 0.54 miles



Location Map

METRO DATA RESOURCE CENTER 600 NORTHEAST GRAND AVENUE | PORTLAND, OREGON 97232-2736 TEL (503) 797-1742 | FAX (503) 797-1909 drogmetro dat.or.us | www.metro-region.org

## Area 6 - Gresham Portion - Columbia Corridor

## **General Description**

The area under consideration is in North Gresham between the railroad tracks and Marine Drive just east of 185<sup>th</sup>. Gresham shares a portion of this study area with the City of Portland.

## **Factor Analysis**

Distribution

· Rail access to the area.

#### Services

Basic services are available.

#### Access

• The area is within 3 miles of I-84.

#### Proximity

• The area is adjacent to industrial lands in Portland. To the east the area is bordered by residential uses and Fairview Lake and Blue Lake.

#### Use

• The majority of the area is zoned heavy industrial with a small section of light industrial.

#### Summary

Gresham recommends that this area be considered for RSIA designation based on its industrial zoning and adjacent industrial uses. The land north of Marine Drive is not recommended because it is envisioned for future mixed-use commercial and recreational waterfront development.

Metro staff recommends accepting the City's recommendation but also including the area south of the railroad to I-84 and east of Airport Way to 201<sup>st</sup>. See attached map.





## COMMUNITY PLANNING DIVISION

Long Range • Transportation • Development

To:

Mary Weber - Metro

From:

Rebecca Ocken

Re: Date: Proposed RSIA Site October 9, 2003

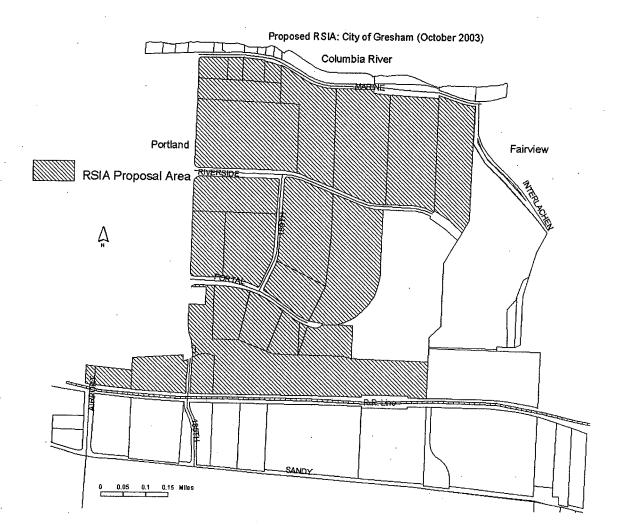
Cc:

Ed Gallagher, John Pettis, Terry Vanderkooy - City of Gresham

As requested, attached is a map of the area the City of Gresham is proposing for RSIA designation. The area for your consideration is in north Gresham between the railroad tracks and Marine Drive just east of 185<sup>th</sup>. A majority of the land is currently zoned heavy industrial with a small section of light industrial. The South Shore Corporate Park is located here.

We have chosen to exclude from our RSIA proposal the land north of Marine Drive. This land is envisioned for future mixed use commercial and recreational waterfront development.

If you have any questions, please don't hesitate to contact John Pettis at (503) 618-2778.



## Area 7 - Troutdale Industrial Area

## **General Description**

The Troutdale industrial area is bordered on the south by I-84, the Sandy River to the east, the Willamette River to the north and residential uses and Blue Lake and Fairview Lake to the west. While the area seems quite large, the dominate land uses are the Reynolds Aluminum Plant, the Troutdale airport and a Morse Bros. aggregate based productions operation. There is also a Glacier Northwest Redi-mix concrete site and a Swift Transportation truck facility in the area. The remaining uses include machine sales and service, engine repair and sheet metal fabrication.

## **Factor Analysis**

#### Distribution

• This area plays only a minor role for distribution. The Troutdale airport is a general aviation facility.

#### Services

Significant electrical power associated with aluminum plant. Rail is available.

#### Access

The area is within 3 miles of I-84.

## Proximity

 This area is large in size but is isolated from the Columbia Corridor industrial area with natural areas and residential uses serving as a barrier to possible integration with other industrial districts.

#### Use

 The uses are predominantly industrial uses but most of the area is very old with open storage yards, unimproved streets and wooden structures.

#### Summary

This is an older industrial area that has significant potential for redevelopment. There are some uses that would likely not relocate; they are the Morse Bros. facility and a ship repair yard. If the Reynolds property were to redevelop as an intermodal facility, many of the smaller older uses surrounding the plant would likely be redeveloped to support uses for the new facility. The same is true if the area is redeveloped as mixed commercial. At this time, it is not appropriate to designate this area as a RSIA. If in the future the site were to redevelop into an intermodal facility, this industrial area would better fit the region's policies.



## Area 8 - Lents/Foster Road

## **General Description**

This older industrial area is anchored at the west end by the Lents Town Center and goes northeast along Foster Road.

## **Factor Analysis**

Distribution

• The area does not support the major transportation facilities such as the marine terminals or airports.

#### Services

No specialized services are available

#### Access

• The area is within 3 miles of I-84, but the access route is congested.

## Proximity

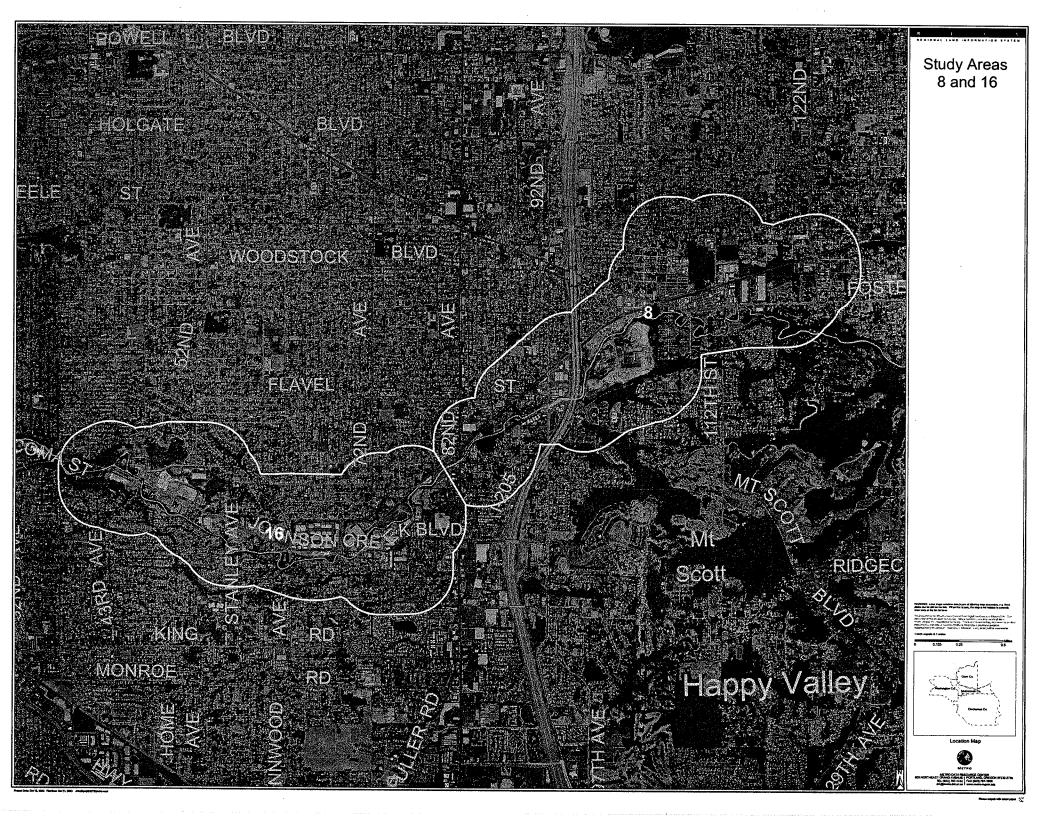
The area is surrounded by residential uses.

## Use

 A regional paper recycling facility is located in this area but there are no other regional facilities, only local industrial uses and pre-existing commercial uses.

## Summary

This is a very old industrial area with everything from a Smurfit paper recycling facility, to an auto junkyard and small engine repair facilities. Interspersed with the industrial uses are commercial uses. The area is surrounded by residential uses and the land is within the Johnson Creek floodplain. This area is of local significance as a jobs center, but is not appropriate as a RSIA.



## Area 9 - Wilsonville Area

## **General Description**

The areas under consideration for potential designation as RSIAs consist of parcels flanking I-5 and are north of the Willamette River. Wilsonville's analysis involved the development of a two-tiered system for evaluating industrial land. According to their analysis, Tier 1 lands are undeveloped parcels, of a size to permit reasonable industrial use, served by public facilities (with the possible exception of transportation facilities) and adjacent to other industrial campuses. Tier 2 areas are comprised of enclaves of existing industrial developments within the City and has land use approval including positive findings for concurrency.

## **Factor Analysis**

Distribution

 The industrial area is a distribution point for Rite Aid; Coca Cola, and a regional trucking operation. Wilsonville is a good distribution point but access is congested.

#### Services

Basic services are available.

#### Access

- This area is within 3 miles of I-5. Interchange access is limited and congested. Proximity
  - The Tier 1 area recommended by the City is within close proximity to industrial uses and is adjacent to industrial campuses. The industrial area on the west side of I-5 is the edge of the UGB. Opportunities for this area to growth are limited to expansions of the UGB.

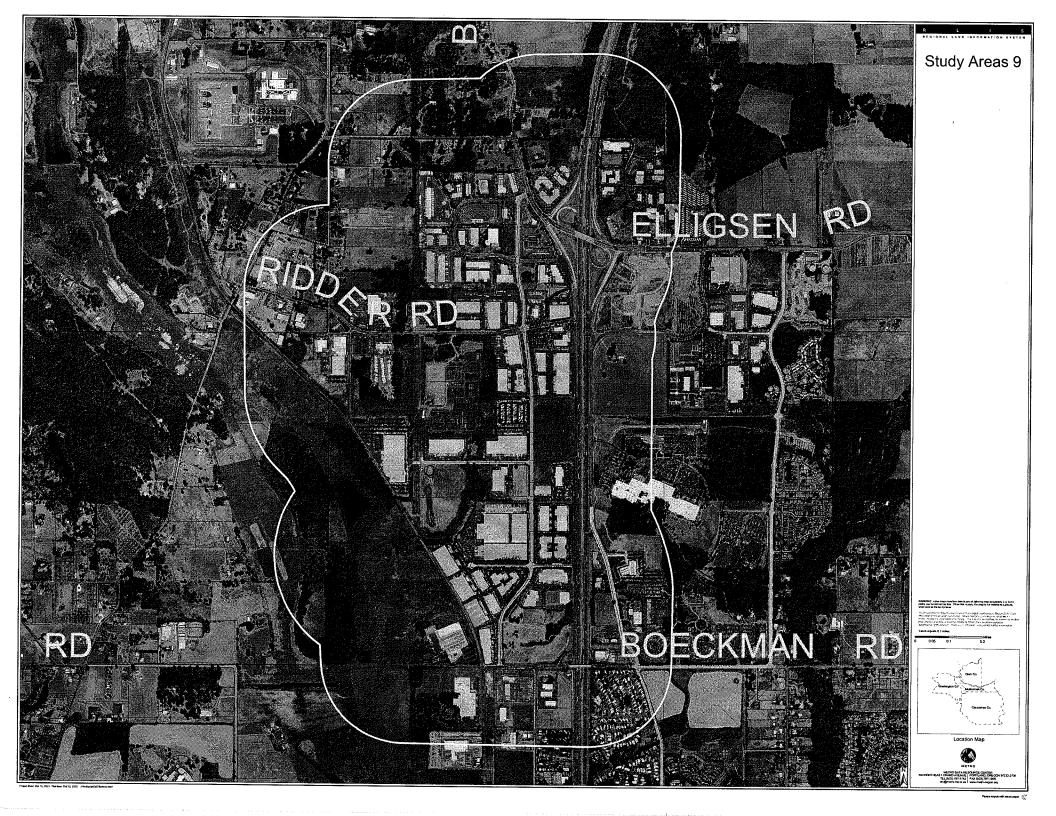
Use

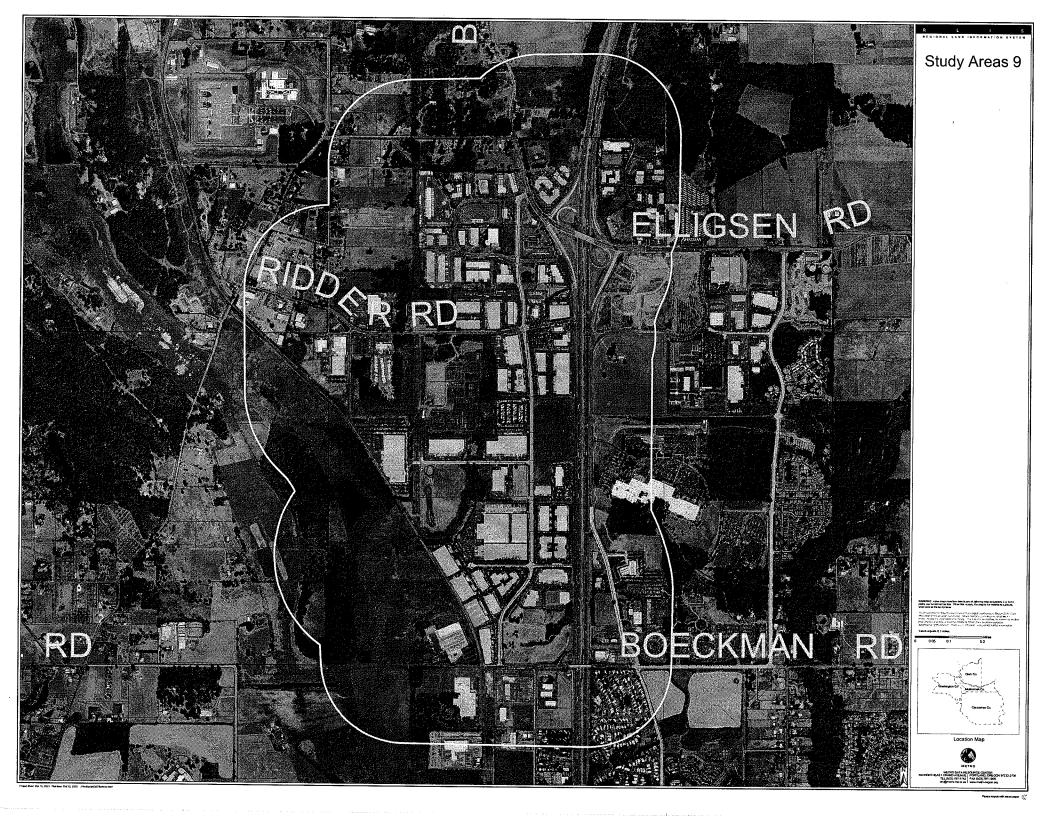
 The Tier 1 land recommended by the City is adjacent to industrial uses. The industrial area on the west side includes distribution facilities, small local manufacturing firms, local services and is the headquarters for Hollywood Video.

## Summary

The City of Wilsonville recommends that Tier 1 lands be designated as RSIAs due to their status as large, undeveloped parcels that are served by public facilities as well as the presence of adjacent industrial uses. They do not recommend Tier 2 lands for RSIA designation as these parcels are already developed and have some existing commercial uses. Tier 2 lands primarily consist of Planned Unit Developments. The City's submittal is attached. Staff does not concur with the City's recommendation. These industrial areas are not appropriate for designation as RSIAs.

If the character and size of the west Wilsonville industrial area did not change, staff would agree that this area is appropriate for designation as a RSIA. The Council in 2002 added approximately 350 acres to the north end of Wilsonville for industrial purposes. There are more exception lands north and west of this industrial area. If the Council were to add more industrial land to the UGB in this area, it would very much change the status of this industrial district. Along with more land, better access to I-5 and a connection to the Tualatin industrial areas, this area would be appropriate for designation as a RSIA.





## WILSONVILLE'S REGIONALLY SIGNIFICANT INDUSTRIAL AREA ANALYSIS

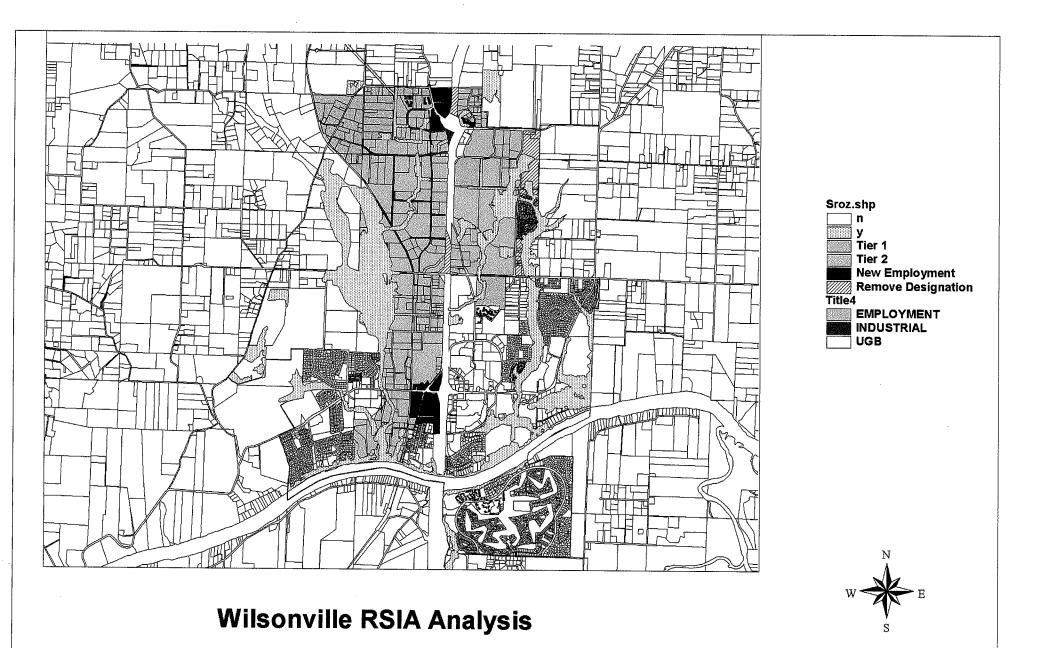
Per Exhibit F to Metro Ordinance No. 02-969B (Revisions to Title 4 of the Urban Growth Management Functional Plan), the City of Wilsonville has analyzed the requirements of Title 4 in regards to the City responsibility to identify lands that could be considered Regionally Significant Industrial Areas (RSIA). The City has developed a two-tier system for evaluating potential RSIA:

Tier 1 areas are undeveloped parcels, of a size to permit reasonable industrial use, served by public facilities (with the possible exception of transportation facilities), and adjacent to other industrial campuses. Required revisions to the City's Development Code would provide these properties with the protections required per section 3.07.420 of the UGMFP:

- Subject to specific plan designation and zoning district boundary
- Subject to limitations on uses other than industrial
- Subject to limitations on further subdivision of property

Tier 2 areas are comprised of enclaves of existing industrial developments within the City. The City is not proposing these properties be given the RSIA designation at this time. These properties have City land use approval, including positive findings for concurrency. In some cases, this approval has allowed commercial development within these industrial areas. These areas were also chosen for potential RSIA designation due to their job generation potential, their value-adding potential, and the diversity of industrial uses they represent. While industries currently operating on these lands may not provide family wage jobs desired by Title 4, it is the potential for these types of jobs that brought these areas into the consideration. Required revisions to the City's Development Code would provide these properties with the protections required per section 3.07.430 of the UGMFP, which include limitations on new and expanding retail commercial uses.

The City will need to develop Development Code language to enact the required Title 4 protections for RSIA.



## Area 10 - Tualatin Industrial Area

## **General Description**

The Tualatin industrial area begins west of 95<sup>th</sup> along Tualatin Sherwood Rd. north to Tualatin road and just south of Tualatin Sherwood Rd. to 120<sup>th</sup>. This is a very dense industrial area that is well served with internal road connections. The access points to Hwy 99W and I-5 are congested.

## **Factor Analysis**

Distribution

- This area does not serve as a support facility for the regional transportation facilities. Services
  - Basic services are available. Unknown if specialty gases or redundant electric power is available.

#### Access

• The area is within 3 miles of I-5

#### **Proximity**

 The area is not connected to other industrial areas. This area is bordered on the north and southwest by residential development. Directly to the west is downtown Tualatin and to the south is the UGB.

#### Use

 A range of local industrial uses is located in this area. The uses include a UPS facility, Air Liquide facility, Hansen Pipe, Lile Moving and Storage, Pacific Foods, Milgard Windows and machine parts fabrication.

#### Summary

The connection to I-5 is less than 3 miles but is congested. Because of the congestion at the access points to I-5 and 99W the area will not function as warehousing and distribution district. What exists now is general manufacturing. Hedges Creek, north of Tualatin Sherwood Rd. runs through the only vacant 50+-acre parcel in the area. At present this area is locally significant but not regionally significant.

The Council brought the Tigard Sand and Gravel site into the UGB in 2002. To south of the existing industrial area and adjacent to the quarry there are rural lands that would meet the criteria for industrial uses. Additional vacant land and the Highway 99W-I5 connector improving access to this area and north Wilsonville could result in connecting the two industrial areas and providing a Regional Significant Industrial Area that would anchor the south end of the region.



## **Area 11- Tigard-Durham Industrial Areas**

## **General Description**

Hunziker Road borders area 11 to the north, Boones Ferry Road to the south and east, and Hall Boulevard to the west. It is composed of three islands of Title 4 industrial land arranged in a loose column, with a small section on the top referred to as "A", a long narrow section in the middle "B" and a small section on the bottom of the grouping "C." Area A has a mixture of zoning around it including light industrial, residential and commercial. Area B has light and mixed-use industrial on the east and single and multifamily on the west. Area C is surrounded by a mixture of office commercial, light industrial and single and multifamily residential zoning.

## **Factor Analysis**

Distribution

 This area does not serve as support industrial land for major regional transportation facilities.

#### Services

Basic services are available.

#### Access

This area is within 3 miles of I-5.

#### Proximity

 This area is not located within close proximity of like uses. The uses around it are variedcommercial, residential, light industrial-they are not solely industrial in nature.

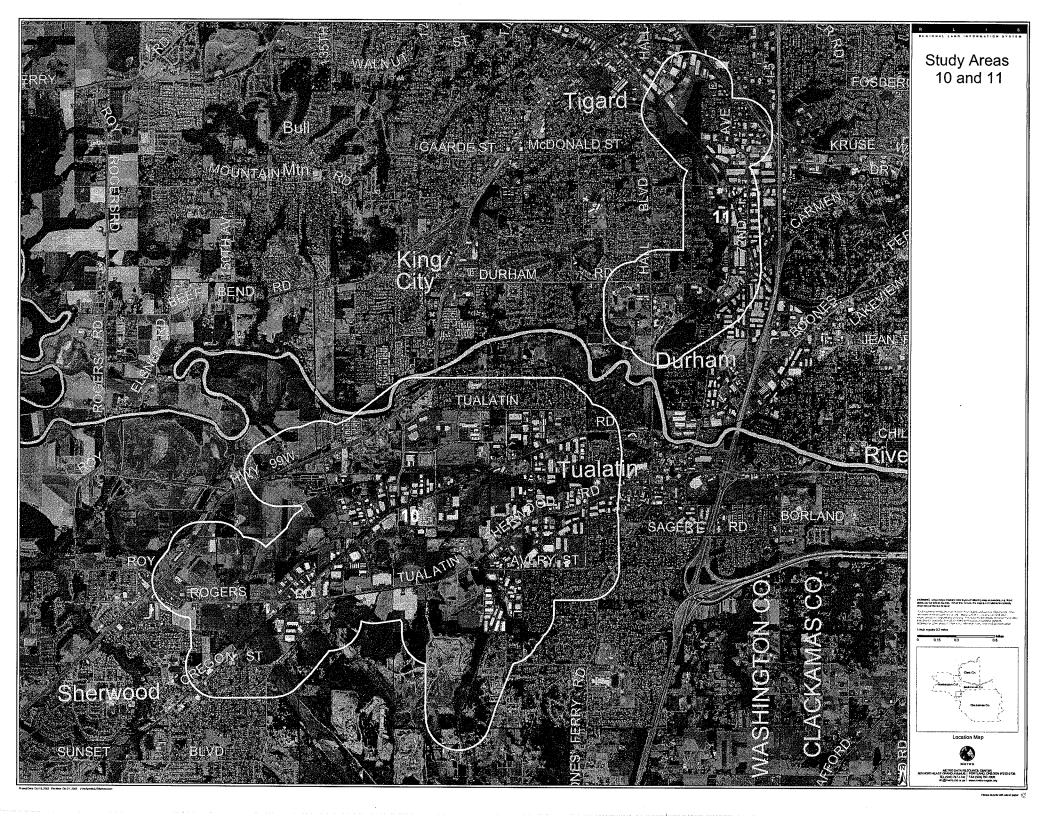
#### Use

 This area has general industrial uses and office parks. The uses are predominantly industrial.

## **Summary**

Area 11 is flanked by residential and commercial uses, and employment land on the east. It is a constrained linear area with office parks and other industrial uses. The three islands of Title 4 industrial land that comprise Area 11 are not in close proximity to each other, so it is unlikely the area will expand or be maintained over time due to the mosaic of zoning around it. The area does not serve to support industrial land for regional transportation facilities, it does not have specialized utilities and services, and it is not within close proximity to like uses due to the presence of residential and commercial zones. Area 11 in the City of Tigard primarily functions as a local industrial area and would not be appropriate as a RSIA. Comments from the City of Tigard and the City of Durham area attached.

Metro staff concurs with the City's recommendation not to designate this area as a RSIA.





City of Durham

17160 SW Upper Boones Ferry Rd.
P.O. Box 23483, Durham, Oregon 97281
Roel C. Lundquist - Administrator/Recorder

e-mail: durhamcity@aol.com (503) 639-6851 Fax (503) 598-8595

Linda Smith, Administrative Assistant

September 9, 2003

Tim O'Brien, AICP Associate Regional Planner Metro Regional Planning Division 600 NE Grand Avenue Portland, OR 97232

Re: Metro's Proposed Inclusion of Durham in Area 11 of Industrial Lands (Title 4)

Dear Tim:

I noticed that you were called upon to review the draft map on Identifying 2003 Industrial Land Alternatives Analysis Study Areas at the July 9<sup>th</sup> MPAC meeting. I was wondering if this relates to the *Potential Regionally Significant Industrial Areas* map that was adopted by Metro Ordinance NO. 02-969B. If so, you might be a resource person related to my concerns that the southern section of Area 11 on the map totally engulfs Durham. Of course, this is incorrect.

Based on the March 11<sup>th</sup> letter from Andy Cotugno, I realize that this *Generalized* map will be refined. My concern is that properties in Durham will not be incorrectly included on a more defined final inventory map.

Please advise if you are the proper contact person for this topic.

Sincerely,

Roél C. Lundquist City Administrator

C: K.J. Won, City Planner

July 18, 2003

Marci LaBerge, AICP Growth Management Services Metro 600 NE Grand Ave. Portland, OR 97232-2736



RE; RSIAs

To follow up on our meeting today, the factors need to be clearly stated and understandable. As written, they are left to interpretation. The list of "Reasons not to designate an industrial area as a RSIA" should also include: It does not meet one or more of the factors for designating an area as a RSIA.

With regard to the designated RSIA map, there were several points discussed. First of all, the entire area is built out with a few remaining vacant lots which are hindered by natural resources (Fanno Creek). The remaining vacant parcels of substantial size (2S1010000800 and 2S1010001100) include steep slopes making the property questionable for large industrial uses. For those reasons, we recommend removing this designation from the entire area.

The final point discussed addressed Title 4 and the employment area designation. As designated, the employment area centers on SW 72<sup>nd</sup> Avenue. The area is highly parcelized and developed. A majority of activities are relatively new and will not redevelop for several years at best. Current zoning for the area has been in effect prior to January 1, 2003. Otherwise, there would be numerous non-conforming uses. Also, Tigard is listed on Table 3.07-4 and is therefore exempted from Title 4 protection.

Thank you for meeting with us. Should you have any questions, please feel free to contact me.

Un any

Sincerely,

JAMES N.P. HENDRYX

Director of Community Development

राज्यपुर की ताल देवका करावे ते राष्ट्रिकारा कहा हुए। हुन्य तेत्र राज्यप्रकार सहस्र कारण विकास कुरा राष्ट्रिकारा करा हुए।

## Areas 12 and 16- Clackamas County Industrial

## Area 12 - 212/224 distribution area

The sub-section of area 12 being considered by Clackamas County staff for RSIA designation is located along Highway 212/224, north of the Clackamas River, between I-205 and 135<sup>th</sup> Avenue. The area consists of light industrial and general industrial zoning.

## **Factor Analysis**

Distribution

• The Southern Pacific Railroad serves land south of Highway 212/224. The area is within 20 minutes of Portland International Airport.

#### Services

 The area is provided with full urban services. The analysis does not indicate whether specialty services are available.

#### Access

• This area is approximately a quarter mile from I-205 and directly south of Highway 212/224.

#### **Proximity**

The area is in close proximity to light and general Industrial lands.

### Use

This area is predominantly industrial.

### Area 16- Harney Road/Johnson Creek Area

Area 16 is bordered by Harney/Clatsop on the north, Johnson

Creek/Brookside/Firwood/Overland on the south, 78<sup>th</sup> on the east and 40<sup>th</sup> on the west. On the north, south and west sides of area 16 the majority of land is zoned residential, on the east the zoning is multifamily and mixed use.

### **Factor Analysis**

Distribution

• This area does not serve as support industrial land for major regional transportation facilities such as marine terminals, airports and rail yards.

#### Services

This area does not have availability and access to specialized utilities.

#### Access

This area is within 3 miles of I-205.

#### Proximity

• This area is not located within close proximity to existing like uses; it is surrounded by residential uses.

#### Use

This area has predominantly industrial uses.

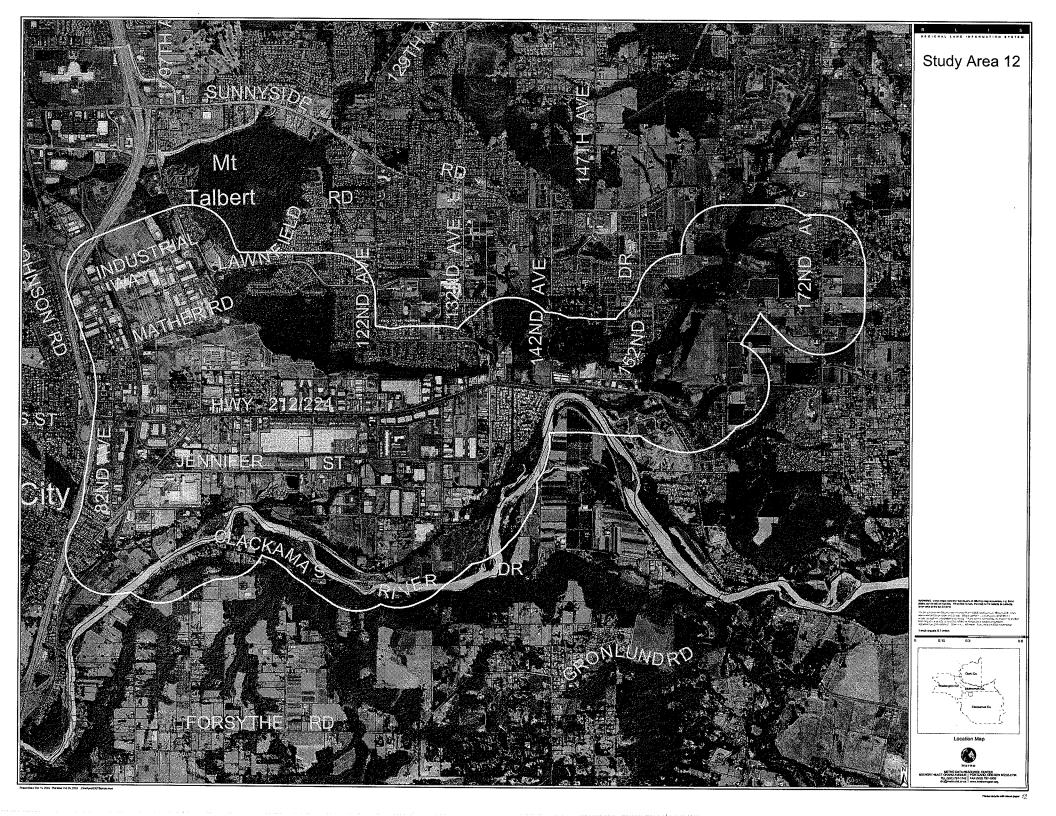
#### Summary: Area 12 & 16

Clackamas County prepared an assessment of Areas 12 and 16. The County found that area 12, south of Highway 212/224 functioned as a distribution area, provided full urban services and most of the uses are associated with warehousing and distribution activities. It is recommended by staff that the areas south be designated as a RSIA. The area north of Highway 212/224 was a mix of commercial, residential and industrial uses. The area north would also be impacted by construction of the Sunrise Facility. It is not recommended for designation as a RSIA.

Area 16 in the Johnson Creek area is served by rail and within 20 minutes of the airport. All lands surrounding the boundaries of Area 16 are developed with residential land uses and the area is completely developed with a variety of small manufacturing uses. Area 16 is not appropriate to be designated as a RSIA.

Metro Staff concurs with the County's analysis. More detailed information from the County is attached to this memorandum.





## Sunnybrook Service Center

October 9, 2003

TO: Mary Weber, Manager Community Development

FROM: Lorraine Gonzales, Planner; Doug McClain, Planning Director

RE: Title 4 Regionally Significant Industrial Areas

This memorandum is Clackamas County staff's response to Metro's request to identify Regionally Significant Industrial Areas (RSIA) within Clackamas County. Metro identified three candidate areas within the "old" UGB. We understand that the RSIAs in Damascus, recently added to the UGB, will be refined as part of the concept planning process. We believe the area south of Highway 212, generally known as the Clackamas Industrial Area, should be designated as a RSIA. Included with this memorandum is a map depicting our recommendation, and several aerial photographs that reveal the development pattern for the areas. The rationale for our recommendation follows.

## **Area Descriptions**

# Area / 2 Area 1 (Hwy 212/224):

This area is located along Hwy 212/224 north of the Clackamas River, between Hwy I-205 and 135<sup>th</sup> Avenue. Area 1 has 865.67 acres of Light Industrial (I-2) and 492.39 acres of General Industrial (I-3) land.

# Area 2 (Johnson Creek Industrial Area):

This area is located along Johnson Creek Blvd. between the 55<sup>th</sup> Avenue and SE Luther Ave. This area has 129.71 acres of Light Industrial (I-2) land and 129.69 acres of General Industrial (I-3) land.

### Area 3 (Lake Road Industrial Area):

This area is located north between Hwy. 224 and Lake Road and the railroad tracks, between I-205 and Harmony Road. This area has 22.00 acres of Light Industrial (I-2) land and 104.31 acres of General Industrial (I-3) land.

#### Evaluation

Our evaluation is based on Policies 1.4.1 and 1.4.2 of Title 4, and the "recommended

factors" provided by Metro staff in a June 30, 2003, memo to MTAC. Our evaluation follows the outline of recommended factors set forth in the Metro staff memo.

## **Distribution:**

**Area 1:** Land south of Hwy 212/224 is served by the Southern Pacific Railroad. The area is within 20 minutes of Portland International Airport.

**Area 2:** The Southern Pacific Railroad intersects this area. This area also is within 20 minutes of Portland International Airport.

**Area 3:** This area is served by rail, located on the northern boundary of the industrially-zoned properties. It is within 20 minutes of the Portland International Airport.

## Services:

All areas are provided with full urban services.

#### Access:

Areas 1: This area is approximately a quarter mile from I-205 and directly south of Hwy 212/224.

Area 2: Hwy 224 is directly south and abutting the area and I-205 is approximately ½ mile east of this area.

**Area 3:** I-205 is approximately one mile east. The area is located adjacent to SE Johnson Creek Blvd., a minor arterial.

## **Proximity and Use**

Areas 1: Land uses north of this area include additional I-2 and I-3 industrial lands. However, the north side of Hwy 212 has a mixture of residential and industrial zoning. The industrially-zoned area north of the Highway includes several small parcels, with a mix of industrial and non-conforming commercial uses. This area north of the Hwy 21/224 also will be impacted by construction of the Sunrise Facility. Further north, separated by a residential area and large mobile home park, is Camp Withycombe. North of Camp Withycombe is an area zoned I-2, that is developed with smaller manufacturing businesses.

The recommended RSIA area is bounded on the south by a bluff overlooking the Clackamas River; this bluff serves as a natural boundary. Zoning south of this bluff is Exclusive Farm Use (EFU), Open Space (OSM) and Residential (R-20). The rail line provides a boundary west. The area between I-205 and the industrial area is developed with general commercial uses, consistent with the zoning. The area to the east at 135<sup>th</sup> Ave. is zoned Community Commercial, a designation providing for commercial uses supportive of the industrial area. Two mobile home parks also are located east of the

#### recommended RSIA.

Land uses in the area recommended for designation as RSIA are predominately industrial. Many are associated with warehouse and distribution activities, although there are other general manufacturing activities also located in this area. There are very few residential uses in the area. As the aerial photos show, most of the area is developed. There are two surface mining sites in this area which may eventually be redeveloped.

Area 2: Lands north of the site are designated as Open Space Management (OSM) and are in public ownership. Most of the area adjacent on the north is in the floodplain of Mt. Scott Creek. The City of Milwaukie is located to the east, across SE Harmony Rd. The area within the City has a mix of commercial, office and industrial uses. The City is not intending to recommend the RSIA designation for this adjacent area. Land uses east of the site include a mix of commercial and industrial uses, reflecting the zoning pattern for the area. Hwy 224 is the southern boundary of this area; the area south of Hwy 224 is generally residential. The property within this area is completely developed with industrial uses.

**Area 3:** All lands surrounding the boundaries of Area 3 are developed with residential land uses. The industrially-zoned area is almost completely developed with a variety of small manufacturing uses.

# Reasons not to designate an industrial area as a RSIA.

The Metro memorandum dated June 30, 2003 gave the following four examples as reasons not to designate industrial land as a RSIA:

- The industrial site/area is surrounded on several sides by residential uses. In this case it is unlikely that the area will be expanded or maintained over time because of the conflicts with residential uses.
- Existing non-conforming uses located within the area make it unlikely that the
  conflict between uses will diminish and that over time the area might be better zoned
  for employment uses or mixed uses.
- Flexibility of employment uses on the site is important for redevelopment to occur.
- Is located in a high demand area for residential use and would be well served by transit if a transition was to occur.

The industrial lands north of Hwy 212/224 in Area 1 is not suitable for designation as a RSIA. These industrially-zoned properties are located within proximity to residential uses (the areas zoned R-7), and have an assortment of existing non-conforming uses on small parcels. These lands are not considered to be well-suited for large-scale industrial developments.

Area 2 should not be designated a RSIA. A majority of the lands within Area 2 are fully developed and do not allow flexibility for future regionally-scaled industrial development. This area also is small and isolated. If the area within the City of Milwaukie, on the west, was suitable for designation as a RSIA, it might make sense to include Area 2. Discussions with the City establish that this area is not suitable for such a designation.

Area 3 does not meet the standards for designation as a RSIA based on adjacent east, west, north and south residential developments. This area is small in size, characterized by small businesses located on small parcels, and is isolated by these surrounding residential uses.

## Conclusion:

We recommend designating the industrially-zoned area south of Highway 212/224 as a RSIA. The appropriate area is shown on the attached map.

## Area 13 - Forest Grove Industrial Areas

## **General Description**

Area 13 is in the City of Forest Grove. The industrial land is roughly bordered by NW Verboort on the north, Tualatin Valley Highway on the south, NW Cornelius-Schefflin Road on the east, and NW Sunset Drive on the west. The majority of the industrial land is on the north side of Pacific Avenue that cuts through the center of Forest Grove. This area is adjacent to agricultural land to the north and residential uses to the south including mobile home parks. The smaller portion of industrial land to the south is also adjacent to agricultural land. The area consists primarily of light and heavy industrial zoning.

### **Factor Analysis**

Distribution

• This area does not serve as support industrial land for major regional transportation facilities such as marine terminals or rail yards. The railroad runs through the area, but is not a major link. The Hillsboro airport is approximately 6 miles away.

#### Services

Basic services are available.

#### Access

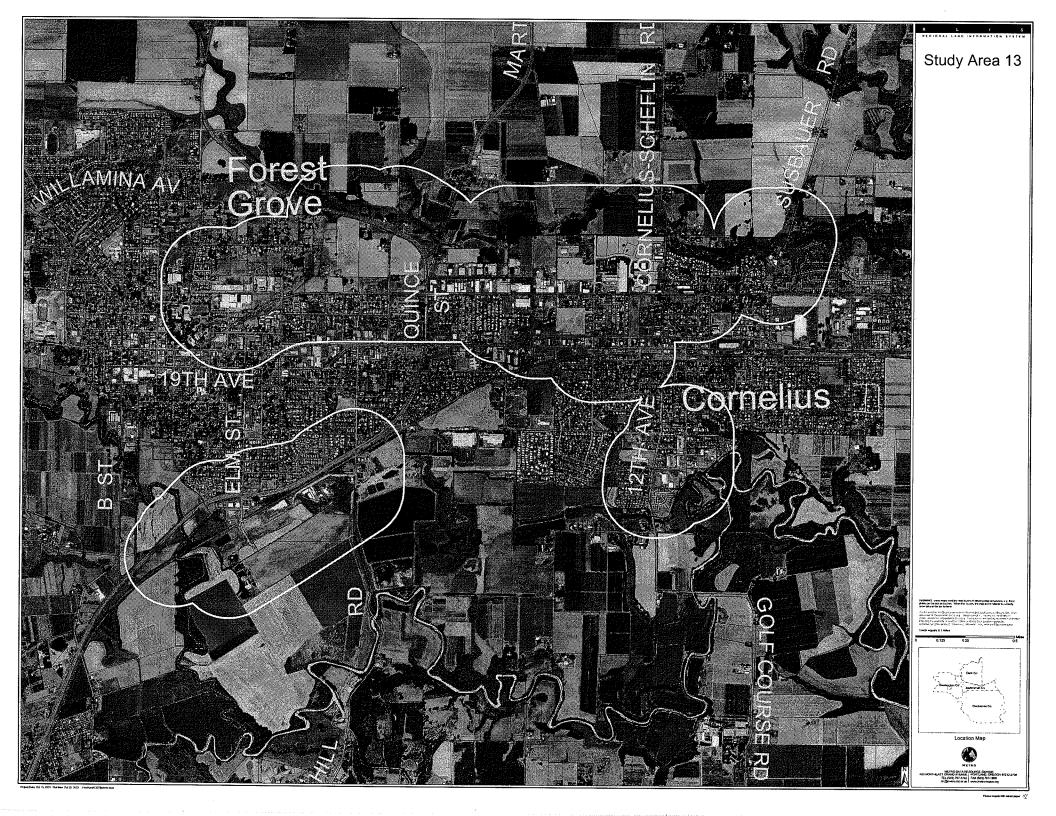
• This area is not within 3 miles of I-5, I-205 or I-84.

#### **Proximity**

- This area is in close proximity to high-tech uses in Forest Grove's employment areas. Use
  - The area is predominantly industrial with the exception of the undeveloped area south of Highway 47, which has some residential and non-conforming uses.

### Summary

Forest Grove does not recommend this area for RSIA designation because it does not serve as support industrial for major regional transportation facilities; it lacks specialized utilities and has poor access to major transportation infrastructure. Area 13 functions as a local industrial area, but would not be appropriate for RSIA designation. Metro staff does not recommend this area for designation as a RSIA.



## **Area 15 - East County Industrial Areas**

## **General Description**

Area 15 is comprised of four "islands" of land that are physically separate and located in four jurisdictions: Fairview, Gresham, Troutdale and Wood Village. The islands share few characteristics in common so are described individually.

Island A is bordered by Burnside on the north, Division on the south, Wallula on the east and 182<sup>nd</sup> on the west. It is located in the city of Gresham. The zoning in the area consists of multifamily and heavy and mixed-use industrial on the north, single family residential with mixed-use, and industrial on the south and mostly single and multifamily residential on the west.

Island B is bordered by Halsey on the north, Stark on the south, 242<sup>nd</sup>/Hogan on the east, and 210/202 on the west. It is located in the cities of Fairview and Gresham. The zoning in this area consists of park and open space and mixed use on the north, mixed use industrial on the east, single family residential and commercial on the south, and mixed use industrial on the west.

Island C is bordered by Stark on the north, Cochran on the south, Troutdale on the east, and Kane on the west. It is located in Troutdale. The zoning consists of multifamily residential and commercial on the north, rural residential with agricultural uses on the south, single family residential and a small amount of commercial on the east, and Mount Hood Community College on the west. Island C is undeveloped land.

Island D is bordered by Roberts/Palmquist on the north, Telford on the south, Palmblad on the east and Hogan/Cedar on the west. It is located in Gresham. The zoning in the area consists of multifamily on the north, single family and rural residential on the south, single family on the east, and industrial and single family on the west.

#### Factor Analysis

#### Distribution

• This area (A-D) does not serve as support industrial land for major regional transportation facilities such as marine terminals, airports or rail yards.

#### Services

 Micro Chip Technology Inc. and/or LSI Logic Corp, may have specialized utilities on island B. No specialized utilities on island C. It is doubtful that islands A and D have specialized utilities.

#### Access

This area is within 3 miles of I-84.

### **Proximity**

 Islands A, C and D are not within close proximity to existing like uses; they are surrounded by residential and institutional uses. Island B contains Micro Chip Technology Inc. and LSI Logic Corp which hold large parcels of land. This factor would apply to island B.

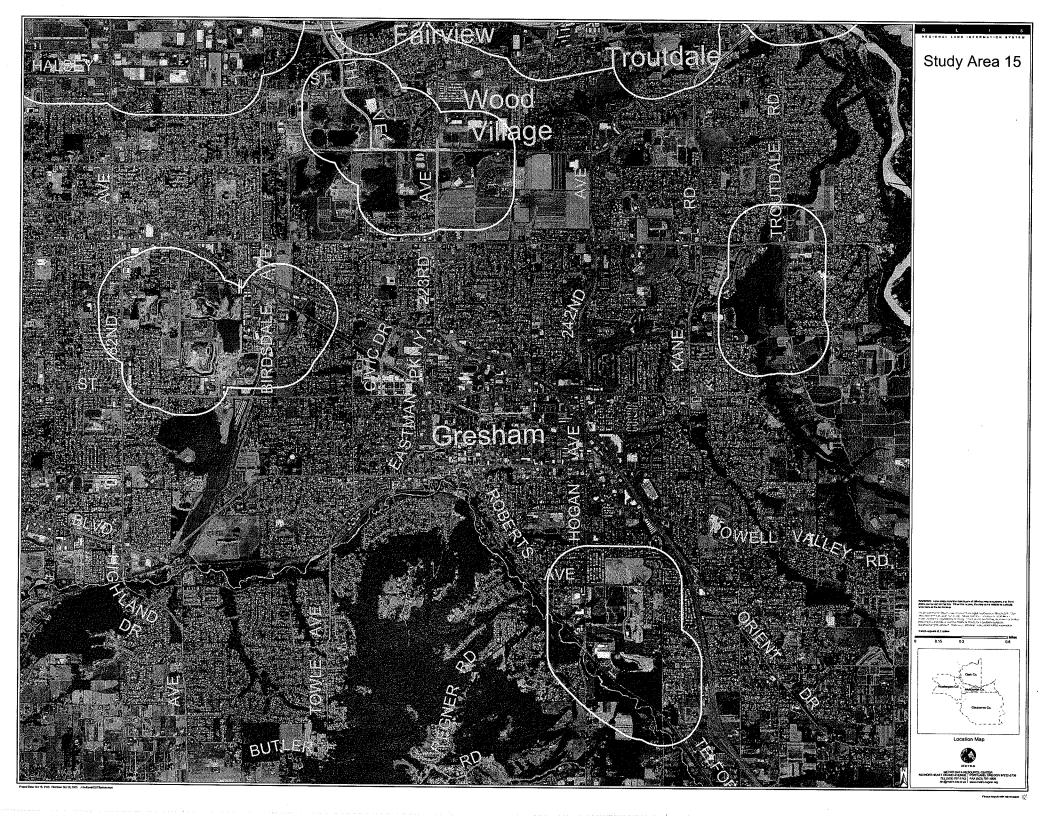
#### Use

• Islands A, B and D have primarily industrial uses. Island C is undeveloped land with an extensive tree canopy. This factor would not apply to island C.

## Summary

Area 15 is too geographically dispersed to function as a cohesive industrial district. Area 15 does not serve as support industrial land for major regional transportation facilities, but is within 3 miles of I-84. Islands examined individually also show little potential for RSIA designation. Islands A and D are surrounded on several sides by residential uses and it is unlikely that these areas will expand or be maintained over time as industrial due to conflicts with residential uses. Island C is undeveloped and flanked by a college on one side and housing on the other. The land will most likely develop as an accessory use to the college. Island B, with very little Title 4 industrial land, is flanked on the east and west by Title 4 employment land held in large parcels by Micro Chip Technology Inc. and LSI Logic Corp.

Metro staff does not recommend this area for designation as a RSIA.



## Area 17- Highway 217

## **General Description**

This area is bordered by Beaverton-Hillsdale Highway on the north, Scholls Ferry on the east, Lombard on the west and Hall Boulevard on the south. The zoning in the area is characterized by single family residential on the east and west with multifamily along Allen Boulevard. There are commercial and mixed-use zones on the north, and industrial and single family residential on the south.

### **Factor Analysis**

### Distribution

• This area does not serve as support industrial land for major regional transportation facilities such as marine terminals, airports or rail yards.

#### Services

• Basic services are available.

#### Access

This area is not within 3 miles of I-5, I-205 or I-84.

### **Proximity**

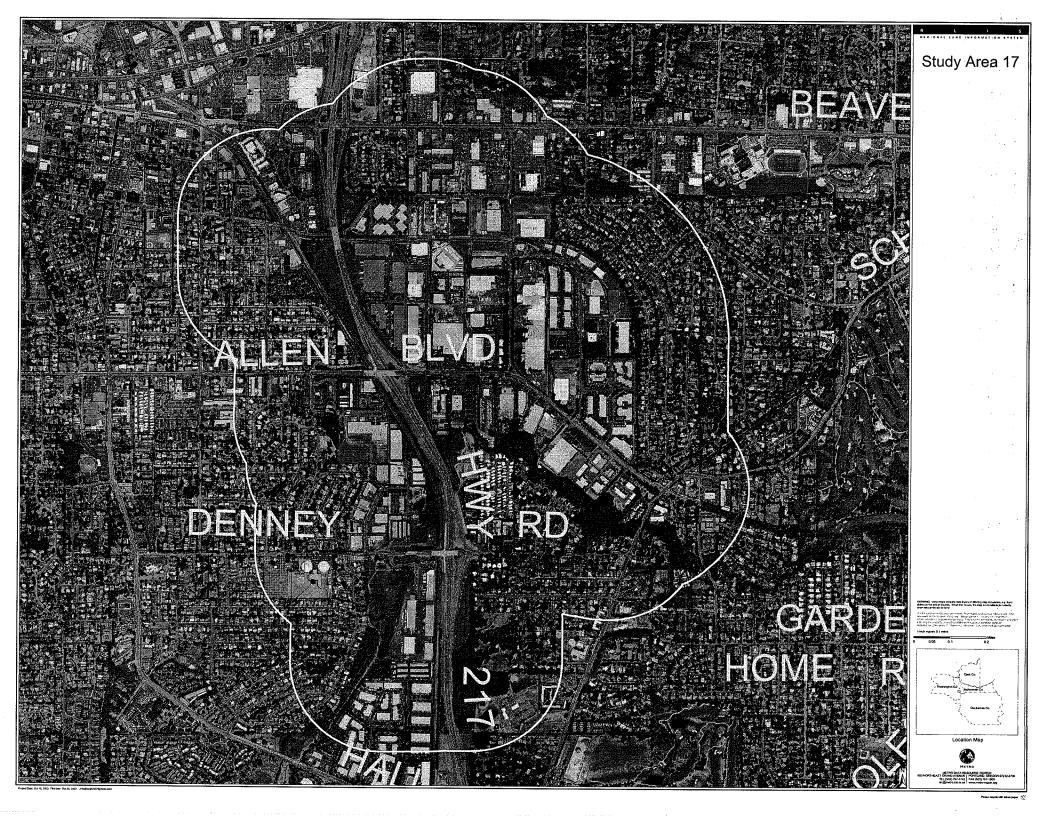
• This area is near an industrial area on the south, but is surrounded by residential, mixed use, and commercial uses.

#### Use

• This industrial area is converting to other uses that are not purely industrial. Many parcels are vacant or underutilized. Although it is changing, currently it is a viable industrial area.

## Summary

Area 17 is surrounded on several sides by residential uses. In this case it is unlikely that the industrial nature of this area will expand or be maintained over time because of conflicts with residential uses. It is not a good warehouse location due to poor truck access to major transportation facilities and lacks room for turning movement. It is not a purely industrial area and is going through a conversion to other uses, some of which are only temporary in nature. For example, there are vacant and underutilized lots, many of which are used to store cars by local automobile agencies. Area 17 works as a local industrial area and is not appropriate for designation as a RSIA.



## Area 18 - Central Eastside Industrial District

### **General Description**

Area 18 is bordered by I-84 on the north, Powell on the south, 12<sup>th</sup> on the east and the Willamette River on the west. On the north side of Area 18 the land is zoned mixed use, on the south it is zoned commercial and residential, on the east the zoning is residential and on the west are the Willamette River and Portland's Central Business District.

## **Factor Analysis**

### Distribution

• This area does not serve as support industrial land for major regional transportation facilities such as marine terminals, airports and rail yards.

### Services

• This area does not have availability and access to specialized utilities.

#### Access

• This area is within 3 miles of I-5 and I-84.

### Proximity

• This area is not located within close proximity to existing like uses; it is surrounded by residential uses.

## Use

 This area has a mixture of uses both commercial and industrial, but it is predominantly industrial in nature.

## Summary

Area 18 is also known as the Central Eastside Industrial District. It is an old industrial area with short blocks that constrain truck-turning movement. Although it is located near freeway facilities access is limited by a one-way couplet. The Willamette River on the west and residential uses on the east border for the length of the area. It is unlikely that the area will expand or be maintained for industrial uses over time because of the conflicts with residential and commercial uses. The area is located in a high demand area for residential development. The City is currently exploring opportunities to adjust the industrial zoning code to facilitate growth of industrial service firms, (e.g. engineering) and industrial like service firms (e.g. creative services and software development) that would conflict with the professional office limitation in Title 4. Metro staff concurs with the City of Portland's recommendation that this area is not appropriate for designation as a RSIA.

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June 30, 2003

To:

MTAC

From:

Mary Weber, Manager Community Development

Regarding:

Recommended Factors for identifying RSIAs

#### Introduction

As part of Ordinance 02-969B, Title 4 was amended to include Regionally Significant Industrial Areas (RSIA),

As reported in the *Urban Growth Report: An Employment Land Need Analysis 2002-2022*, the supply of industrial land is often eroded by commercial absorption. Historical experience suggests 15% to 20% of industrial land is consumed by commercial enterprises operating in industrial zones<sup>1</sup>. Under past practices and policies, Metro estimates about 2,800 net acres of industrial land would be converted commercial uses/development over the 20 year planning period. We estimate that about half (or 1,400 net acres) of the industrial land will be protected by the new regulations. As reported in the *Urban Growth Report: An Employment Land Need Analysis 2002-2022*, the industrial land shortfall is 5,684.9 net acres but with the additional RSIA protection limiting conversion by 1,400 net acres, the net shortfall of industrial land is 4,284.9 net acres<sup>2</sup>.

In concept RSIAs are industrial areas with unique industrial attributes that cannot be duplicated elsewhere in the region especially by the mere expansion of the UGB. Such places might include areas adjacent to the Port of Portland terminal facilities, near rail years, or adjacent to high tech locations need specialty gasses, electrical infrastructure and so on. A concept map depicting those industrial areas in the pre-expansion urban growth boundary was included in the ordinance. By December 31, 2003, Metro is required to adopt a map of RSIA land with specific boundaries derived from the generalized map adopted in Ordinance No. 02-969B.

As part of the discussion about these new regional regulations was the promise to relook at the new restrictions and possibly refine the code language before the Metro is required to adopt the RSIA map in December. As Metro and the jurisdictions work to identify the specific boundaries, MTAC may also choose to re-examine the regulatory language. A copy of the adopted code language is attached.

Finally, questions have arisen as to what if any benefits will the local jurisdiction receive if an industrial area is designated as an RSIA. In the MTIP, transportation projects can be award a higher percentage of the total project cost (89.73 versus 70 percent) if the project "highly benefits" industrial areas. However the resolution establishing this advantage does not differentiate between RSIA land and other industrial areas.

<sup>&</sup>lt;sup>1</sup> UGR page 31

<sup>&</sup>lt;sup>2</sup> UGR Addendum page 46

## **Drafting the Concept Map of RSIAs**

The RSIA concept map was developed by superimposing the Title 4 map, the RTP intermodal map, and the Industrial Employment Losses and Gains maps produced from the MetroScope base case model run covering the time period from 2000-2025. The results of this analysis are reflected in the concept map that shows the areas where these regulations might apply. In general the gains (circled on the map in red) are expected in the large industrial areas comprised of the Columbia Corridor, the Portland Harbor, the Clackamas Industrial District, the Tualatin/Wilsonville Industrial District and the Hillsboro Industrial District. While conversely, industrial losses (circled on the map in yellow) are likely to occur in the Central City, Eastside Industrial area, Highway 217 corridor, Highway 224 corridor and Vancouver CBD<sup>3</sup>.

#### **Ordinance Intent**

Code section 3.7.420 A states that:

Regionally Significant Industrial Areas are those areas that offer the best opportunities for family-wage industrial jobs. Each city and county with land use planning authority over areas shown on the Generalized Map of Regionally Significant Industrial Areas adopted in Ordinance No. 02-969 shall drive specific plan designation and zoning district boundaries of the areas from the Map, taking into account the location of existing uses that would not conform to the limitations on non-industrial uses in subsection C, D and E of the section and the need of individual cities and counties to achieve a mix of types of employment uses.

#### **Recommended Factors**

RSIAs are industrial areas with unique industrial attributes that cannot be duplication elsewhere in the regional especially by the expansion of the UGB. Industrial areas to consider for designation as Regionally Significant Industrial Areas conform to some or all of the following factors:

#### Distribution

 Areas serves as support industrial land for major regional transportation facilities such as marine terminals, airports and rail yards.

#### Services

 Availability and access to specialized utilities such as specialty gases, triple redundant power, abundant water, dedicated fire and emergency response services

#### Access

 Within three miles of I-5, I-205, I-84 (within the UGB), State Route 224 (within the UGB), the Columbia Corridor

#### Proximity

Located within close proximity of existing like uses

#### Use

Predominately industrial uses

<sup>&</sup>lt;sup>3</sup> Information is based on MetroScope modeling results

## Reasons not to designate an industrial area as a RSIA

Not all industrial areas need additional restrictions that come with the RSIA designation. Here are a few examples of reasons why an industrial area should not be designated as a RSIA.

- The industrial site/area is surrounded on several sides by residential uses. In this
  case it is unlikely that the area will expanded or be maintained over time because
  of the conflicts with residential uses.
- Existing non-conforming uses make it unlikely that the conflict between uses will diminish and that over time the area might be better zoned for employment uses.
- Flexibility of employment uses on the site is important for redevelopment to occur.

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DATE:

July 29, 2003

TO:

Mary Weber, Manger Community Development

FROM:

Marci La Berge, Associate Regional Planner

RE:

SUMMARY OF MEETINGS HELD DURING JULY 2003 WITH JURISDICTIONS REGARDING DISCUSSION OF TITLE 4, RSIA EVALUATION FACTORS, AND THE RSIA CONCEPT MAP.

## Introduction

The following information summarizes the meetings held with jurisdictions and agencies with potential RSIA lands, as shown on the concept map adopted in Ordinance 02-969B, as part of the December 2002 periodic review decision. Discussion at the meetings focused on three items: Title 4, RSIA evaluation factors, and the concept map.

There was little concern voiced about the evaluation factors, and most jurisdictions indicated they could work with them. The few specific comments made were regarding

- high degree of service of some items listed under Services,
- words that would better express factors or highways to be added to Access, and
- questioned number of the factors to be met.

The Title 4 RSIA discussion ranged from comments that the language allows jurisdictions flexibility, to the language is too restrictive and will inhibit development. Themes that were heard from more than one jurisdiction included:

- Concern about implementation of 5% commercial cap in RSIAs.
- Concern that Metro is doing regional zoning.
- Title 4 is too restrictive economic development re quires flexibility.
- The issue is land use planning versus market readiness.
- Jurisdictions currently have effective zoning that protects the industrial areas.
- What is the benefit of the RSIA designation, what is the incentive?
- Need incentives for businesses to locate in centers rather than desirable less expensive industrial areas.

During the discussion of refining the concept map, the following issues were expressed:

- The need to talk to industrial property owners to see if they would want a RSIA designation on their lands.
- The RSIA designation would prevent the jurisdiction from achieving future development goals that depart from an industrial use.
- Need incentives for jurisdictions to want to designate land as a RSIA.

Jurisdictions were not certain if they could meet with their councils, commissions, and industrial property owners by the December 2003 adoption schedule. Many were skeptical whether they could identify enough land with the right attributes for a RSIA. This was due to existing small

industrial parcels, mixed uses, environmental considerations, and incompatible uses. Where there are currently vacant or underutilized industrial properties jurisdiction staff indicated that the RSIA design type would restrict their development options.

## **Meeting Summaries**

#### Beaverton

Study Map Area: #17

Planning Staff: Hal Bergsma, Steve Sparks

#### Title 4 issues

• No problems with Title 4 language.

• Within the area of I-5, 217, near Western and Allen there are existing warehousing uses interspersed with other uses.

- The east side of Western is parcelized. It is a viable industrial area with conversion occurring. Due to poor truck access and constrained turning movements it is not a suitable warehouse location. Don't want to loose the industrial uses, but it is not appropriate for a RSIA designation. Considerable amount of industrial property is vacant or underutilized; for example, land is being used for vehicle storage by the many automobile businesses in Beaverton.
- To address the concerns about the workability of the 5% commercial cap in a RSIA (Title 4 section 3.07.420D.2), suggested Metro looks at Beaverton's Development Control Areas language (section 20.15.66). Adjacent jurisdictions could pre-agree to a quota; an intergovernmental agreement written into the code that describes how the 5% will be apportioned.

60

## **Clackamas County**

Study Map Area: #12, 16

Planning Staff: Greg Jenks, Doug McClain

## Title 4 issues

- Title 4 is too restrictive.
- The issue is land use planning versus market readiness.
- Large institutional uses such as hospitals with a research component should be an allowed use in a RSIA.
- Assembling of lots will probably not occur within the area of the potential RSIA.
- North side of highway 212 there are retail uses.
- South side of highway 212 are industrial uses, potential for RSIA designation.
- Federally owned Camp Withycome area would not be a RSIA.

## **Evaluation Factors**

• Under Services, abundant water is a high threshold to meet. Otherwise OK.

### Cornelius

Study Map Area: #13

Planning Staff: Richard Meyer

### Title 4 issues

• Has no problems with Title 4 language

• Would very much like industrial land designated as RSIA

- Cornelius has warehousing and manufacturing activities that support other industries in the western sector of the region. Stewart Stiles refrigerated warehouses for high tech needs and canning operations that support agriculture of region. Supportive industries that are important to key clusters.
- Sees RSIA designation as a very positive thing for Cornelius.

## **Evaluation Factors**

- Sees factors as too restrictive, would be difficult to meet them depending on how many had to be met.
- Area is six miles from US26, and US26 is not listed with other highways under the access factor.

## Fairview, Troutdale, Wood Village

Study Map Area: #6, 7

Planning Staff: John Andersen, Rich Faith, Sheila Ritz

## Title 4 issues

- Language is not flexible, and may prevent jurisdictions from implementing plans for future development of industrial areas located in potential RSIA land.
- Concerned about the workability of the 5% cap on commercial uses in a RSIA. How would commercial uses be divided between two or three adjacent jurisdictions, and how would it be monitored over time?
- Much of their land has Goal 5 considerations due to its proximity to the Columbia River.
   Would like to see those areas develop with recreational uses instead of manufacturing.
- Large parcel west of the former aluminum plant may be possible RSIA candidate.

## **Forest Grove**

Study Map Area: #13 Planning Staff: Jon Holan

## Title 4 issues

- No issue with commercial limits
- Lot limitation not an issue
- What is the incentive for industrial lands to be defined as a RSIA?
- Have some nonconforming residential uses in the industrial areas.

## **Factors**

• Thinks that triple redundancy power is unnecessary, double redundancy works fine for Forest Groves high tech firms.

### Gresham

Study Map Area: # 6, 7, 15

Planning Staff: John Pettis, Ron Bunch, Terry Vanderkooy.

#### Title 4 issues

Gresham produced a memo stating its concerns about the Title 4 standards for Regionally Significant Industrial Areas. Wanted to postpone discussion of evaluation criteria or drawing lines on the refined concept map until Title 4 concerns were addressed.

- Concerned that the lack of flexibility may prevent jurisdictions from accommodating changes in trends and the next wave of industrial development.
- How to implement (section 3.07.420D) 20,000 square foot cap and the 5% cap on commercial retail use.
- Why is Research and Development treated differently from manufacturing uses?
- The transit requirement puts suburban communities such as Gresham at a disadvantage for attracting R&D.
- Title 4 needs to broaden its scope of the kinds of offices allowed in the RSIAs beyond R&D and corporate office headquarters.
- Suggested creation of a model code for Title 4 with performance standards.

### **Evaluation Factors**

• Would not comment at this time.

## Hillsboro

Study Map Area: #1

Planning Staff: Karla Antonini, Wink Brooks

## Title 4 issues

- Can't put everything in Centers. Need incentives for businesses to locate there.
- Offer incentives to encourage uses to locate in Centers, without prohibiting them from locating in other areas.
- Uses such as call centers should be allowed in industrial areas, where rents are affordable.
- Commercial restrictions in Title 4 are not a problem for Hillsboro.
- Have problem with sections E, F and G of Title 4, as being too restrictive and would prevent Hillsboro from agreeing to a RSIA designation. Hillsboro has a myriad of plans for large development projects on the table. They have experience and success parcelizing large lots and also assembling small lots into large ones.

# Milwaukie

Study Map Area: #16

Planning Staff: John Guessner

## Title 4 issues

• Has no problem with Title 4 language.

• Would like to explore designating industrial land in two locations (perhaps as RSIA) on the Title 4 map. One north of the Milwaukie town center and another area (approximately 300 acres) on the north side of Highway 224.

# **Evaluation Factors**

• Add fiber optics to Services factor.

# **Oregon City**

Planning Staff: Dan Drentlaw, Commissioner Doug Neeley

## Title 4 issues

- Would like to designate approximately 250 acres of new land that was annexed into the 2002 UGB expansion.
- They believe RSIA designation can be a marketing tool.
- Being adjacent to a college, industry could use the school as a training base.
- Highway 213 is in close proximity of the area.

# **Evaluation Factors**

• Requested that Highway 213 be added to the Access factor.

### **Portland**

Study Map Area: #2, 3, 4, 5, 6, 8, 14, 18

Planning Staff: Bob Clay, Al Burns, Troy Doss, Elissa Gertler

## Title 4 issues

• Supportive of Title 4 language.

It is broad enough to allow flexibility to jurisdictions.

• Suggested leaving it flexible with no further use and lot size restrictions.

• The regional discussion comes down to market versus land use goals.

## **Evaluation factors**

Agreed that factors look good for now.

## Concept Map

Not ready to provide suggestions on locations of RSIAs. Will need to bring suggestions through the chain of command. Will provide information by July 28.

# Columbia Corridor Environmental and land use committee

Mary Gibson contact.

### Title 4 issues

- There needs to be citizen participation.
- There should be a tax lot based mailing so that property owners can fully participate in a public process
- Need to know what it means to be in a RSIA and out of a RSIA
- There should be more flexibility after Metro adopts its map and when jurisdictions go through their public process and adopt a map. Metro needs to honor the changes that come about after the public hearings.

## Port of Portland

Study Map Area: #1, 2, 3, 4, 5, 7

Planning Staff: Brian Campbell, Mary Gibson, Peggy Krause, Tom Bouillion

### Title 4 issues

- Strongly support the principles and concepts contained in Title 4. Need to look at finer points to get it right. Need to define terms.
- Perhaps there should be the designation of regionally significant transportation facilities for airports.
- PDX has retail
- How many 50 acres industrial lots are there in the region.

## **Evaluation factors**

- Highway 26 should be added to the list of Access factors.
- Under Access factor add Boulevard so that it reads Columbia Boulevard Corridor.

## Sherwood

Study Map Area: #10

Planning Staff: Dave Wechner

## Title 4 issues

- RSIA could work in Sherwood if connector is built between 99W and I-5. Tualatin Sherwood Road is a disincentive for business to locate in Sherwood.
- Railroad line is underutilized and trains are not very frequent. Needs a railroad siding.
- Sherwood has a large 90-acre plus parcel of land, but no one is coming in. There need to be incentives to attract industry.

## **Evaluation Factors**

• Under Access factor, suggests that travel time presents a more realistic measure than using distance (within three miles of a particular highway).

## **Tigard**

Study Map Area: #11

Planning Staff: Jim Hendryx, Barbara Shields, Dick Bewersdorff

## Title 4 issues

- Industrial area is already parcelized.
- Railroad goes through the area but is not a major link.
- General industrial uses, office incubator type spaces.
- Area on concept map is a linear constrained area with office parks and other industrial uses.
- Access close to freeway.
- Small industrial flex, office and services.
- Need definitions in Title 4 such as, what is a RSIA, industrial job, and office. difficult to know what Metro is talking about without clear definitions.
- Clarify language in Table 3.07-4. Tigard has five zones please list all zones or just say Tigard.
- RSIA not appropriate for this area.

# **Evaluation Factors**

- Suggest that under Reasons Not to Designate, should add another bullet that says "doesn't have any of the above"
- Terms need to be defined in bullets.

## Tualatin

Study Map Area: #10

Planning Staff: Doug Rux, Stacy Hopkins

#### Title 4 issues

- Conditions too constrained on commercial uses.
- RSIA is an unsophisticated answer to a complex problem that goes beyond land use issues.
- Need more thoughtful discussion regarding large lots and flexibility, not one size fits all.
- We don't know how the market works, its unpredictable.
- The limitation on locating corporate headquarters in RSIAs doesn't mean that they will choose to locate in Centers. Due to high cost and lack of adequate sized facilities to accommodate them, they will locate somewhere easier. Need financial carrots if Metro wants them to locate in Centers.
- There are no 50 plus acre sites in Tualatin.
- There are currently too many regulations on existing industrial land.
- Will the Metro Council place additional use restrictions or conditions, beyond those stated in Title 4, on industrial lands designated as RSIAs?

Tualatin will have an open house to meet with industrial property owners and discuss Title 4 and RSIAs with its city council.

#### **Factors**

- Factors are all right unless a certain number of them must be met.
- There should be consideration of level of service on roadways that feed freeways listed under the Access heading. For example, a large warehouse district on Tualatin Sherwood Road would create a traffic nightmare.

## Wilsonville

Study Map Area: #9 Planning Staff: Paul Cathcart, Maggie Collins

## Title 4 issues

- Feel good about Title 4; think standards are good
- Industrial zoning allows up to 30% commercial use.
- If industrial areas don't play out for RSIA, perhaps employment land would qualify.
- There are many green areas throughout the industrial area, may be Title 3 conflicts.
- Industrial area has warehousing district, small industrial, office, and car dealerships.

## **Evaluation factors**

Evaluation factors are general, but ok.