

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING THE)	ORDINANCE NO. 25-1522
INDUSTRIAL AND OTHER EMPLOYMENT)	
AREAS MAP OF TITLE 4 OF THE URBAN)	Introduced by Chief Operating Officer
GROWTH MANAGEMENT FUNCTIONAL)	Marissa Madrigal with the Concurrence of
PLAN FOR THE MONTGOMERY PARK)	Council President Lynn Peterson
AREA OF THE CITY OF PORTLAND)	

WHEREAS, the Regional Framework Plan (RFP) includes policies to protect a supply of suitable sites in the region for industrial uses and living-wage jobs, with such sites determined through the aid of local governments in the region; and

WHEREAS, the RFP also has policies to: promote, in cooperation with local governments and community residents, revitalization of existing city and neighborhood centers that are currently underutilized; recognize that social and economic decay in central areas of the region are threats to our region's quality of life and to the health of the regional economy; and ensure that all neighborhoods and all people have access to opportunity and share the benefits, as well as the burdens, of economic and population growth in the region; and

WHEREAS, the RFP has additional policies to: promote a compact urban form as a key climate action strategy; pursue opportunities for development and redevelopment of existing urban land to ensure that the prospect of living, working, and doing business in existing urban areas remains attractive to a wide range of households and employers; and promote walking, biking, transit use, access to parks, and mixed-use neighborhoods where residents can access daily needs, such as jobs, education shopping, services, recreation, and social and cultural activities, close to home; and

WHEREAS, RFP policies are implemented by Metro's functional plans, including the Urban Growth Management Functional Plan (UGMFP), which is codified as Metro Code Chapter 3.07; and

WHEREAS, Title 4, *Industrial and Other Employment Areas*, of the UGMFP has requirements for cities and counties to prohibit or limit certain non-industrial land uses in areas designated on the 'Industrial and Other Employment Areas Map' of Title 4 (i.e., the "Title 4 Map"), including in the nearly 42 acres designated Regionally Significant Industrial Area (RSIA) and in the nearly 17 acres designated Employment Area in the Montgomery Park neighborhood of Portland between NW Nicolai St and NW Vaughn St; and

WHEREAS, UGMFP Subsection 3.07.450(g) authorizes the Metro Council to amend the Title 4 Map at any time in order to better achieve RFP policies; and

WHEREAS, the City of Portland's 'Montgomery Park Area Plan' looks to transition the Montgomery Park neighborhood from an underdeveloped area around the former ESCO steel foundry into a transit-oriented, mixed-use district that supports job growth and housing development near an extension of streetcar service through the neighborhood, with a focus on equity and affordability; and

WHEREAS, removing the RSIA and Employment Area designations from the Montgomery Park neighborhood portion of the Title 4 Map would allow the City of Portland to permit parks, community centers, and retail commercial uses in the neighborhood without Title 4 restrictions on such non-industrial uses; and

WHEREAS, such non-industrial uses can support the job growth and residential uses that the Montgomery Park Area Plan envisages, and allowing such non-industrial uses in conjunction with new employment and housing opportunities in the neighborhood would better achieve RFP policies, as further outlined in Exhibit B to this ordinance; and

WHEREAS, the Metro Technical Advisory Committee voted on October 16, 2024, to recommend that the amendments in Exhibit A be recommended for adoption by the Metro Council; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. The 'Industrial and Other Employment Areas Map' of Urban Growth Management Functional Plan Title 4, *Industrial and Other Employment Areas*, (i.e., the "Title 4 Map") is hereby amended as shown in Exhibit A, attached to and incorporated into this ordinance, to remove approximately 42 acres of Regionally Significant Industrial Area designation and approximately 17 acres of Employment Area designation between NW Nicolai St and NW Vaughn St.
2. The Findings of Fact and Conclusions of Law in Exhibit B, attached to and incorporated into this ordinance, demonstrate how the amendments to the Title 4 Map in Exhibit A comply with applicable state and Metro requirements.

ADOPTED by the Metro Council this 16th day of January 2025.



Lynn Peterson, Council President

Attest:

Approved as to form:

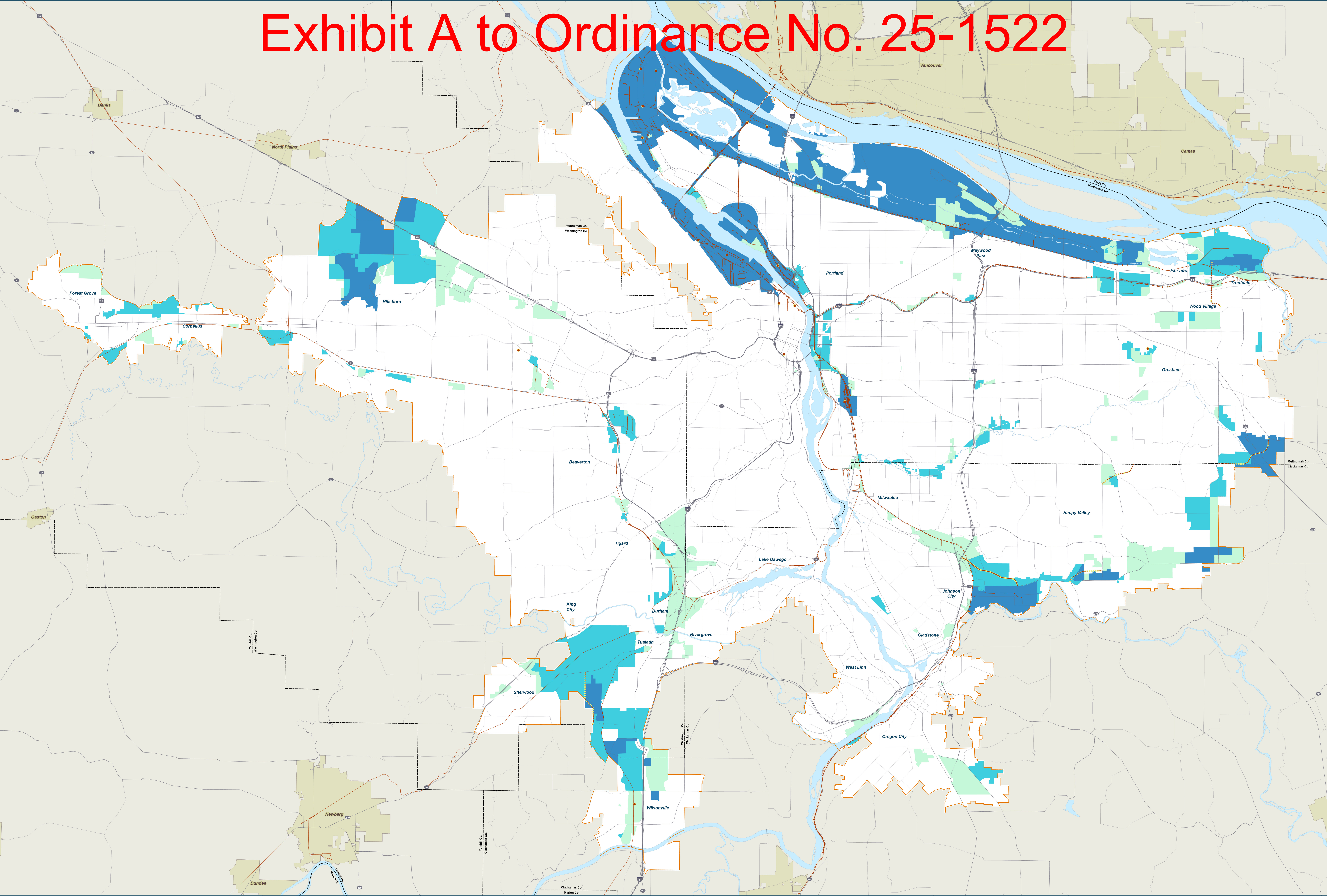


Georgia Langer, Recording Secretary

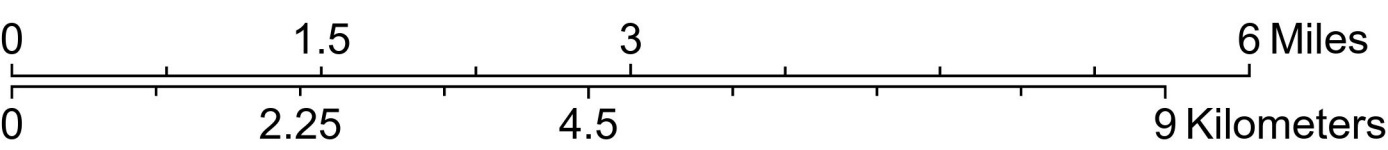


Carrie MacLaren, Metro Attorney

Exhibit A to Ordinance No. 25-1522



Title 4 Industrial and other Employment Areas



- Employment area
- Industrial area
- Regionally significant industrial area
- Proposed main roadway route
- Proposed road connector
- Mainline freight
- Branch line freight
- Rail yard
- County boundary
- Metro urban growth boundary
- Neighbor city



STAFF REPORT

IN CONSIDERATION OF ORDINANCE NO. 25-1522, FOR THE PURPOSE OF AMENDING THE INDUSTRIAL AND OTHER EMPLOYMENT AREAS MAP OF TITLE 4 OF THE URBAN GROWTH MANAGEMENT FUNCTIONAL PLAN FOR THE MONTGOMERY PARK AREA OF THE CITY OF PORTLAND

Date: December 23, 2024
Department: Planning, Development & Research

Prepared by: Glen Hamburg
Senior Regional Planner

BACKGROUND

On December 11, 2024, the Portland City Council voted unanimously to approve the City's "Montgomery Park Area Plan" (MPAP), which includes City land use plan changes for, and an extension of streetcar service through, the roughly 74-acre Montgomery Park area south of NW Nicolai St, north of NW Vaughn St, and west of Hwy 30. MPAP looks to transition the neighborhood into a new transit-oriented, mixed-use district that supports job growth and housing development with a focus on equity and affordability. The MPAP area is outlined in red in Attachment 2 and includes the former ESCO steel foundry.

Local adoption of MPAP follows from Federal Transit Administration (FTA) funded Metro grants to study the impacts of possible transit system expansions. It also follows years of community engagement activities led by the City, including in-person and virtual open houses, surveys, printed mailers, and dedicated outreach to Community Based Organizations and representatives of underserved communities. The City Council's decision to adopt MPAP was consistent with a recommendation from the City's Planning Commission.

Hearings leading up to the City's decision saw a range of testimony, including from property owners and business operators in the area, as well as from other interested parties. While the opinions expressed in the testimony were varied, testimony included advocacy for allowed residential uses in the area to be paired with certain retail commercial uses (e.g., a grocery store), a community center, and a park, particularly a park serving the wider Northwest Portland area.

Metro regulations did not prohibit the City from choosing to allow residential land uses in the Montgomery Park area. However, provisions in Title 4, *Industrial and Other Employment Areas*, of the Urban Growth Management Functional Plan (UGMFP) do require the City to prohibit/limit certain public, recreational, commercial, and service uses in the area as part of a program to protect a supply of sites in the region for industrial and other middle-wage jobs. Such non-industrial and non-residential uses, if allowed by Metro, may nonetheless be supportive of planned residential land uses, facilitate the development of transit-oriented complete communities in an underdeveloped but central area of the region, and advance other important Regional Framework Plan (RFP) policies. Allowing such uses could also be responsive to comments expressed in public testimony and supportive of the City's adopted vision for the Montgomery Park neighborhood.

Removing Metro's Title 4 prohibitions/limitations on certain public, recreational, commercial, and service uses requires an ordinance of the Metro Council amending the Title 4 'Industrial and Other

Employment Areas Map’ (a.k.a., the ‘Employment and Industrial Areas Map’ or the ‘Title 4 Map’, which is Attachment 1) to no longer designate territory in the Montgomery Park area as ‘Regionally Significant Industrial Area’ (RSIA) or ‘Employment Area’. At a July 23, 2024, work session, Metro Councilors expressed support for elements of the MPAP and the Metro Council directed Metro Staff to propose such an ordinance amending the Title 4 Map in order to better achieve policies of the RFP. Subsequently, the Metro Technical Advisory Committee (MTAC) and the Metro Policy Advisory Committee (MPAC) both voted to recommend adoption of the Title 4 Map amendments by the Metro Council.

PROPOSAL

Ordinance No. 25-1522 proposes to remove UGMFP Title 4 designations from approximately 59 acres¹ of territory in the Montgomery Park neighborhood, thereby removing Metro restrictions on parks schools, community centers, medical/dental facilities, and retail commercial uses (e.g., grocery stores) in the area in order to advance RFP policies.

ANALYSIS/INFORMATION

Known Opposition: As noted above, both MTAC and MPAC recommended approval of the proposed amendments to the Title 4 Map. However, at the December 11, 2024, MPAC meeting, two MPAC members opposed recommending approval of the amendments, with one commenting that nearby Forest Park and existing grocery stores could be adequate to serve future residents of the Montgomery Park neighborhood and that amendments to the Title 4 Map may have adverse impacts on the supply of industrial lands in the region.

Legal Antecedents:

- The 2040 Growth Concept, adopted by the Metro Council in 1995 by Ordinance No. 95-625A, is the long-range vision for the development of the region’s urban form. The 2040 Growth Concept Map is the geographic expression of that vision.
- The 2040 Growth Concept and Map were incorporated into the RFP adopted by the Metro Council in 1997 by Ordinance No. 97-715B. They are the unifying bases for the RFP’s various regional policies, including land use policies. RFP policies are implemented by Metro’s two functional plans: the UGMFP, which is Metro Code chapter 3.07; and the Regional Transportation Functional Plan (RTFP), which is Metro Code chapter 3.08.
- In 2010, Ordinance No. 10-1246 changed the Title 4 designation of approximately 17 acres of land in the Montgomery Park neighborhood from ‘Industrial Area’ to the present ‘Employment Area’.
- In 2024, Ordinance No. 24-1520 expanded Metro’s urban growth boundary (UGB) to include the roughly 1,200-acre Sherwood West urban reserve and to designate more than 270 acres of that territory as Title 4 ‘Industrial Area’. Ordinance No. 24-1520 is not effective until March 2025, so its UGB expansion and Title 4 designations are not reflected in this staff report’s attachments.

Anticipated Effects: Ordinance No. 25-1522 would remove UGMFP Title 4 restrictions from 59 acres of territory, which is equal to approximately 0.1 percent of all Title 4 designated lands in the region and

¹ Of those 59 acres, 42 are currently designated ‘Regionally Significant Industrial Area’ (RSIA) and the other 17 acres are designed ‘Employment Area’, as shown in Attachments 1 and 2.

nearly five times smaller than the area that Ordinance No. 24-1520 designated as Title 4 ‘Industrial Area’ in December 2024. Ordinance No. 25-1522 would not itself disallow industrial land uses or any other land use; it would, however, allow the City of Portland to permit certain non-industrial, non-residential uses such as parks, schools, places of assembly, medical/dental offices, and commercial retail uses, without the restrictions otherwise imposed by Title 4.

Having uses such as parks, community centers, medical/dental offices, and retail commercial uses in the Montgomery Park neighborhood, in conjunction with the planned streetcar extension and in close proximity to residential and employment land uses that are permitted by the City’s adopted plan for the area, could help future residents Montgomery Park and existing residents of the wider area to meet their daily needs closer to home and to be less reliant on motor vehicle transportation. Nearby park space, community centers, education and health services, and retail commercial uses could also contribute to a stronger sense of place and encourage denser residential development in an under-developed area already in the UGB, thereby helping to decrease the demand for more costly outward urban sprawl.

Indeed, amending the Title 4 Map as proposed in Ordinance No. 25-1522 would allow the City to permit certain land uses that, together with the streetcar extension, active transportation facilities, mixed employment, and affordable, higher-density residential development planned for in MPAP, could advance the following RFP policies:

- 1.1.1 *Ensure and maintain a compact urban form within the UGB.*
- 1.1.3 *Facilitate infill and re-development [...] to use land and urban services efficiently, to support public transit, to promote successful, walkable communities, and to create equitable and vibrant communities.*
- 1.1.7 *Promote excellence in community design.*
- 1.1.8 *Promote a compact urban form as a key climate action strategy to reduce greenhouse gas emissions.*
- 1.8.1 *Identify and actively address opportunities for and obstacles to the continue development and redevelopment of existing urban land using a combination of regulations and incentives to ensure that the prospect of living, working, and doing business in those locations remains attractive to a wide range of households and employers.*
- 1.10.1 *Support the identity and functioning of communities in the region through:*
 - c. *Ensuring that incentives and regulations guiding the development and redevelopment of the urban area promote a settlement pattern that:*
 - ii. *Makes biking and walking the most convenient, safe, and enjoyable transportation choices for short trips, encourages transit use, and reduces auto dependence and related greenhouse gas emissions.*
 - iii. *Provides access to neighborhood and community parks, trails, schools, walkways, bikeways, and other recreational and cultural areas and public facilities.*

- iv. *Reinforces nodal, mixed use, neighborhood-oriented community designs to provide walkable access to a mix of destinations to support meeting daily needs, such as jobs, education, shopping, services, transit and recreation, social, and cultural activities.*
- v. *Includes concentrated, high-density, mixed-use urban centers developed in relation to the region's transit system.*
- vi. *Is responsive to needs for privacy, community, sense of place, and personal safety in an urban setting.*

Budget Impacts: There will be no significant budget impacts from this measure. Staff will update relevant maps to reflect any adopted amendments to the Title 4 Map.

RECOMMENDED ACTION

Staff recommends adoption of Ordinance No. 25-1522.

ATTACHMENTS

Attachment 1: Current Title 4 Map

Attachment 2: Aerial close-up of Montgomery Park area with current Title 4 designations

Attachment 3: Title 4 Map as proposed for amendment

Attachment 4: Close-up of Title 4 Map as proposed for amendment

Attachment 5: Aerial image close-up of Title 4 Map as proposed for amendment

Title 4 Industrial and other Employment Areas

September 2023

0 1.5 3 6 Miles
0 2.25 4.5 9 Kilometers

- Employment area
- Industrial area
- Regionally significant industrial area
- Proposed main roadway route
- Proposed road connector
- Mainline freight
- Branch line freight
- Rail yard
- County boundary
- Metro urban growth boundary
- Neighbor city

Metro


September 2023

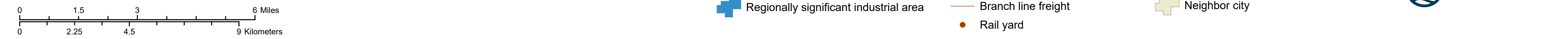
0 1.5 3 6 Miles
0 2.25 4.5 9 Kilometers

Industrial area
Regionally significant industrial area

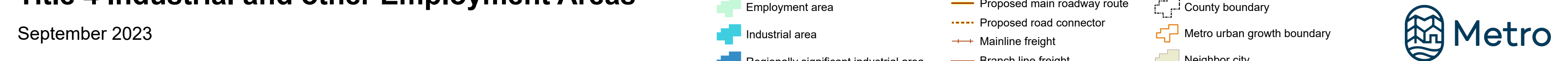
Proposed road connector
Mainline freight
Branch line freight
Rail yard

Metro urban growth boundary
Neighbor city

 Metro



- Title 4 Industrial and other Employment Areas**
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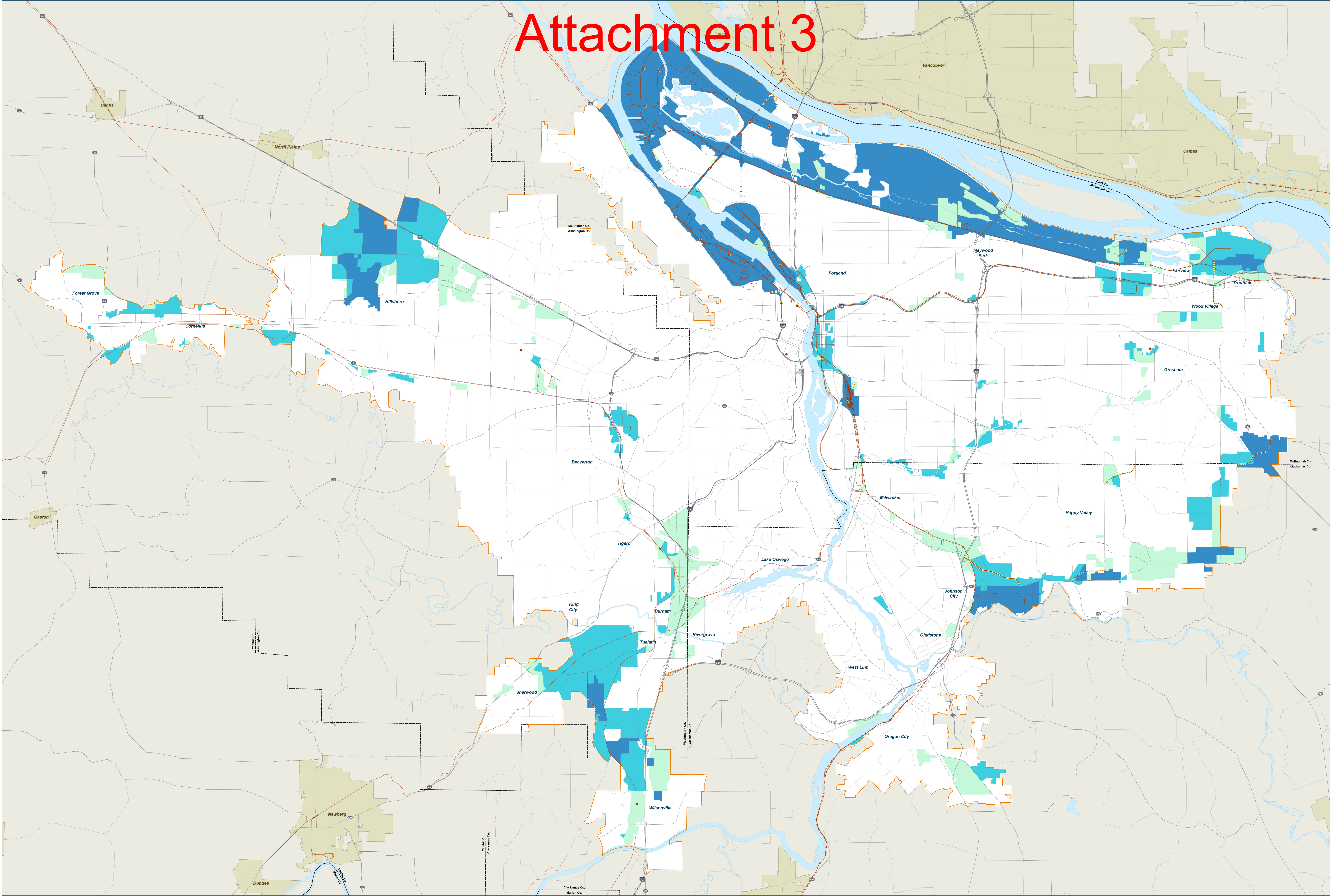


Attachment 2

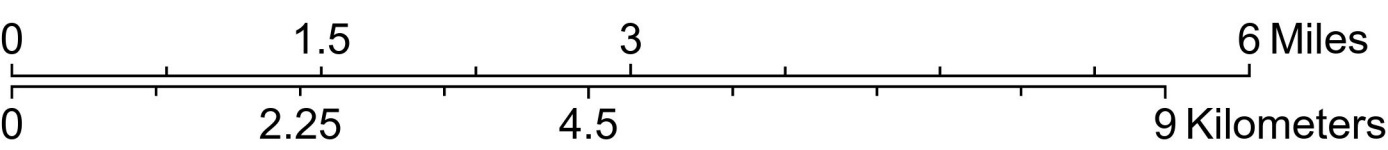
Close-up of Montgomery Park area, with existing Title 4 designations



Attachment 3



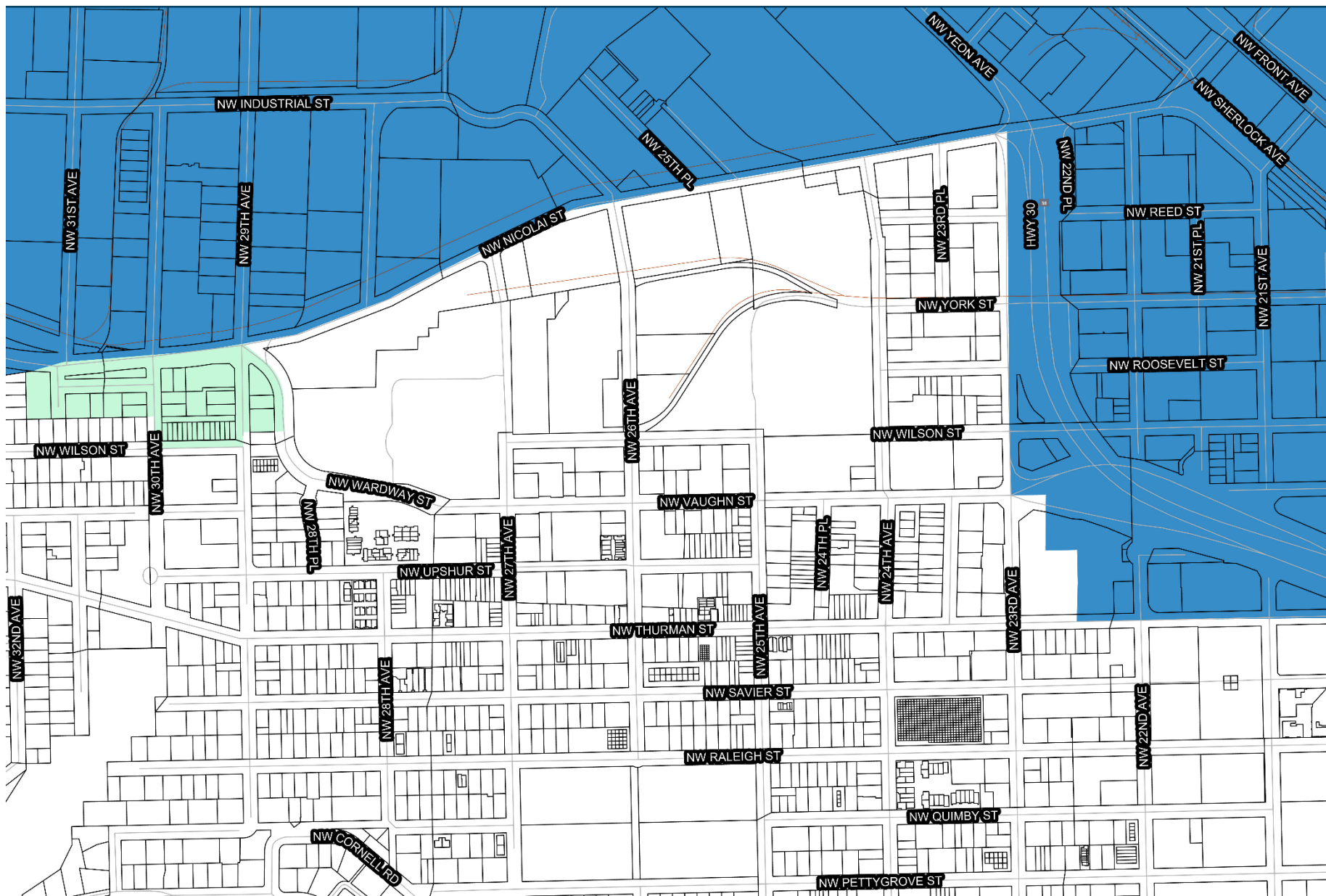
Title 4 Industrial and other Employment Areas



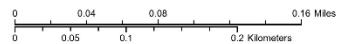
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Attachment 4



Title 4 Industrial and other Employment Areas



- Employment area
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Attachment 5



Title 4 Industrial and other Employment Areas



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