

PTA/PMA 22-0001

BASALT CREEK EMPLOYMENT (BCE) ZONE CODE PROJECT

Update

Tualatin City Council • February 27, 2023



Discussion Topics

- **Project Background and Purpose**
- **Public Outreach Findings**
- **Code Scenarios**
- **Planning Commission Recommendation to Council**
- **Next Steps**

Project Scope and Team

Code audit of existing MP zone

HHPR



Economic analysis

Leland Consulting Group



Transportation Planning Rule Analysis

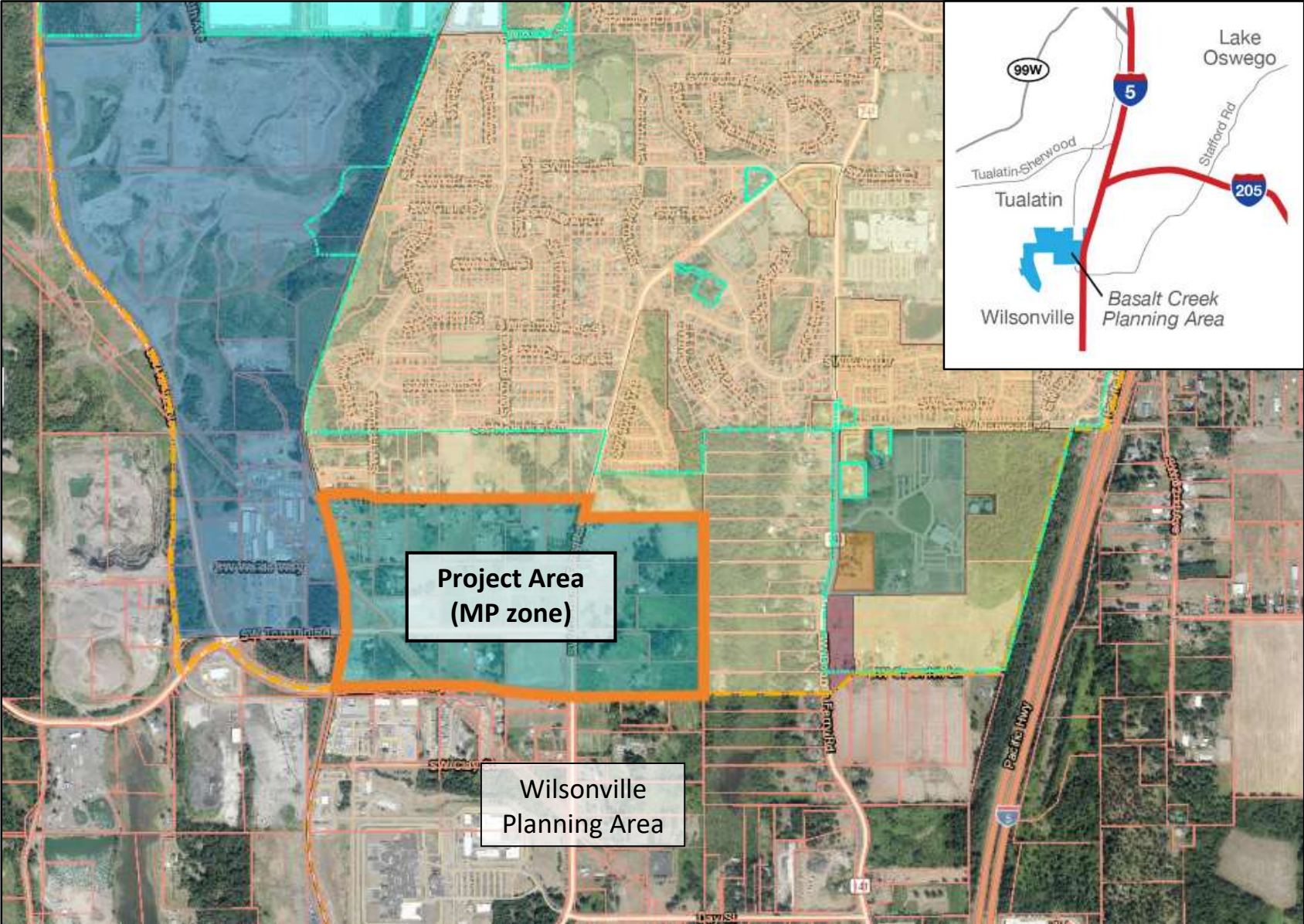
DKS Associates



Draft code amendments

Project Team

Project Area



Existing Conditions

- Topography
- Varied parcel sizes
- Infrastructure needs

Manufacturing Park (MP) Zone Code Audit



Intended for large-scale manufacturing and research facilities

Limited light-industrial uses

Landscaping and setback requirements to create “park or campus like grounds”

Restricts environmental impacts associated with industrial uses

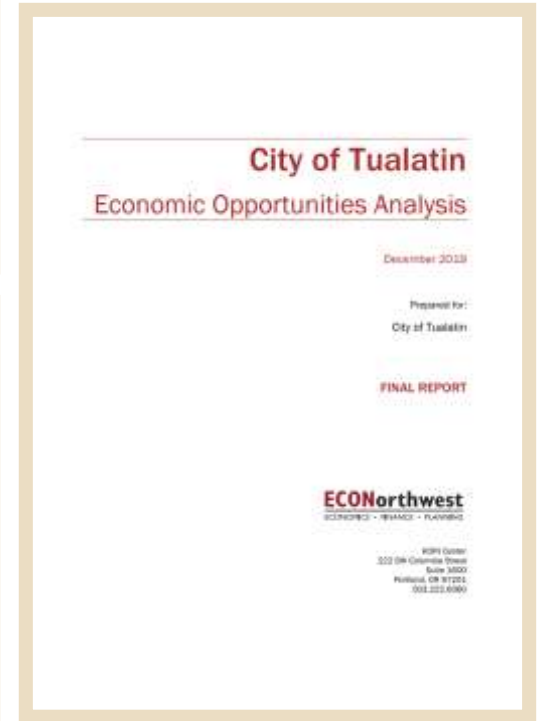
Distribution and warehousing not permitted

Previous Plans and Project Aspirations

High employment density

Funding for infrastructure improvements

Minimizing conflict between uses



City Council Direction (May 23, 2022)



Limit warehouse uses



Encourage flex space

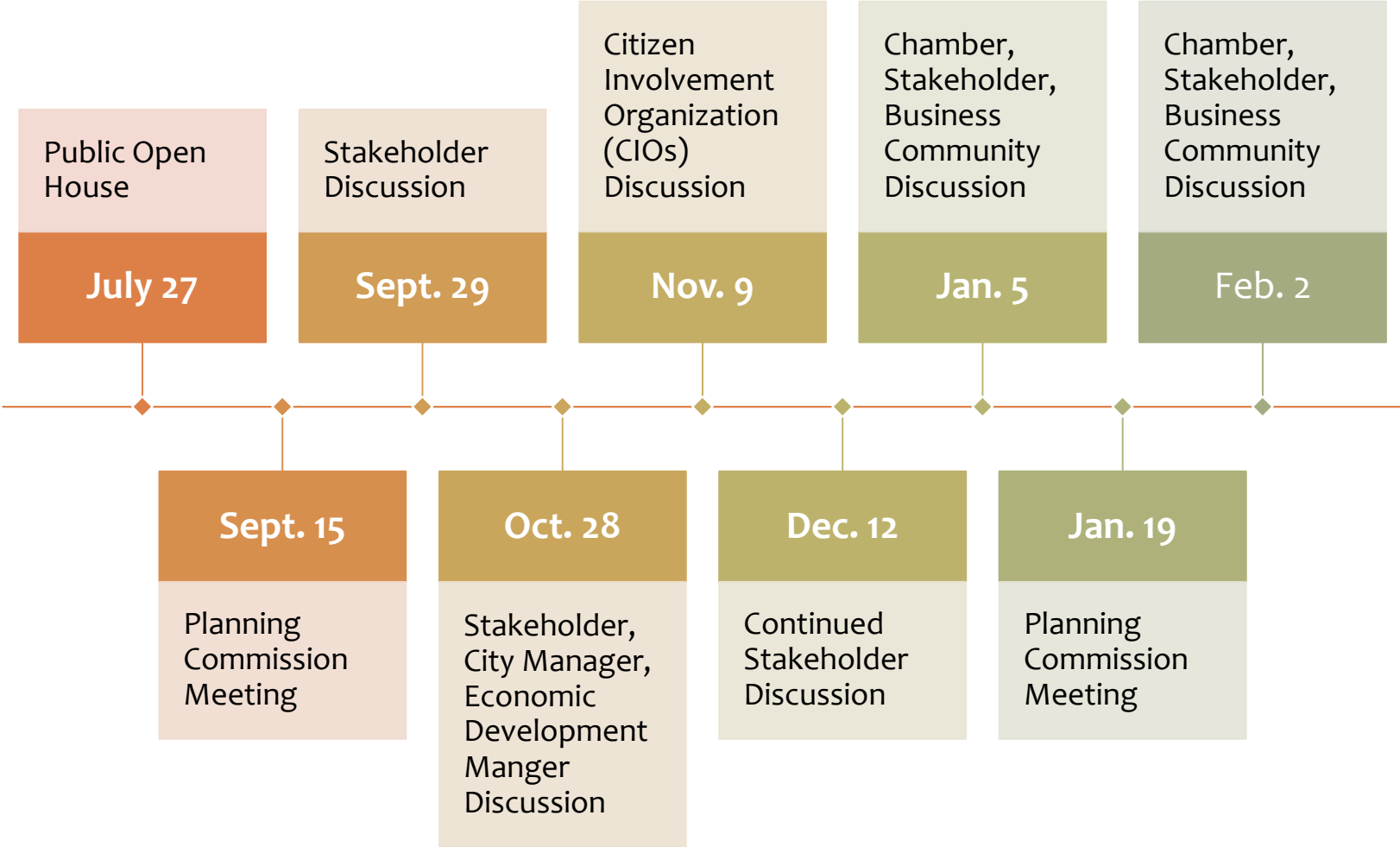


Incorporate commercial uses



Maintain greenspace

Outreach Opportunities



Public Feedback

- Byrom residents are concerned with traffic, noise, and pollution. Particularly:
 - Road maintenance when considering industrial truck traffic;
 - Require operations be conducted in a completely enclosed building;
 - Landscape buffer standards adjacent to residential areas;
 - Encourage uses that provide high wage jobs; and
 - Support commercial uses in the zone

Stakeholder Feedback

- Flexible tenant space (“spec” development) has replaced owner-occupied, purpose-build development.
- Development driven by tenant model requires greater flexibility to ensure tenant occupancy *and* to secure capital for construction.
- Many tenants require warehousing/wholesale components to support operations.

Stakeholder Feedback

- Original code draft was too aspirational and did not provide sufficient flexibility for market demand
- In response, staff prepared several code scenarios for consideration and review before the Planning Commission on January 19, 2023.
- These scenarios balance – to varying degrees - the previously expressed aspirations for the area **and** the current market trends.

Economic Analysis Summary

- Demand for industrial space is at an all time high, while land supply is critically constrained in Metro Region
- Multi-tenant industrial development is a growing market:
 - Caters to wide variety of uses (relatively job dense)
 - Smaller footprints (less than 150,000 sq ft)
- Development challenges in Basalt Creek
 - Lack of infrastructure

Economic Analysis Summary

- Recommendations include:
 - Expansion of industrial uses;
 - Flexible development standards, while controlling maximum building size; and
 - Restrictions to control future uses/ tenants

Traffic Analysis Summary

- When rezoning land, the state requires an evaluation of reasonable worst case trip generation
 - Studies maximum trip generation based on permitted uses
- Proposed BCE text amendments include an expansion commercial uses, however it is estimated that there will be a decrease in trip generation

Impacts on Urban Renewal Area

- The SW & Basalt Creek Development Area was adopted in 2021
 - Generates tax increment financing for capitol infrastructure (like water, sewer, roads)
 - If private developers provide this infrastructure, then money could be directed to other projects in the area

Planning Commission Direction (January 19, 2023)



Allow all manufacturing uses (“heavy” and light”)



Develop some design standards to create a pleasant street-facing environment



Protect and buffer the interface with yet-to-be-developed residential zoning (to the north)



Comply with Chapter 63 standards to protect public health, safety, and general welfare against noise, vibration, odors, heat/glare, and dangerous substances

Stakeholder
Scenario C
Supported by
Planning
Commission

- A maximum building size of 150,000 square feet to limit large-format warehousing uses;
- At least 30% of building square footage on a site is devoted to manufacturing uses;
- Up to 70% of building square footage on a site is permitted to be a flexible combination of warehousing and distribution and/or wholesale sales uses; and
- All uses would be fully enclosed except for parking and loading areas.

Planning Commission Requests Feedback

- The Planning Commission additionally found that the stakeholders' Scenario C supports the development of industrial “flex space” which meets the previously adopted policy objectives (employment density, support for infrastructure, high assessed value development) while balancing current economic trends.
- However, this finding may be interpreted as different from Council's previous guidance.
- Therefore, the Planning Commission is seeking Council feedback to determine if there is a consensus with this finding.

Next Steps

- **March 16 (tentative)**
Return to Planning Commission for a final recommendation
- **May/June (tentative)**
Legislative hearing for Basalt Creek Employment (BCE) Zone Project

Questions?

