



City of Tualatin

CITY OF TUALATIN Staff Report

TO: Tualatin Planning Commissioners

THROUGH: Steve Koper, AICP, Assistant Community Development Director

FROM: Erin Engman, Senior Planner

DATE: September 15, 2022

SUBJECT:

Tualatin Development Code Chapter 65 Basalt Creek Employment Zone (BCE)

EXECUTIVE SUMMARY:

The Planning Commission will be asked to make a recommendation to the City Council on the proposed adoption of amendments to the Tualatin Development Code establishing the Basalt Creek Employment Zone (BCE).

BACKGROUND:

In 2019, the City:

- Adopted the Basalt Creek Concept Plan which included roughly 92.95 acres of land zoned Manufacturing Park (MP), and is anticipated to accommodate 1,897 new jobs. The MP zone is located adjacent to future residential lands and transitions to our border with Wilsonville, to the south. The area is presently unincorporated and lacks City infrastructure.
- Adopted an Economic Opportunities Analysis (EOA), which found a deficit of 74 acres of industrial land. The EOA further recommended changes to zoning that encourage more efficient use of employment land, by specifically prohibiting new development that requires substantial amounts of land but results in little employment, such as warehouse and distribution uses.

In 2021, the City:

- Adopted a new urban renewal area: the Southwest and Basalt Creek Development Area to address the lack of infrastructure in the Basalt Creek Planning Area and to support future high-wage job growth.

Project Initiation

- The City Planning Division entered into a professional services contract with Harper Houf Peterson Righellis (HHPR) in February 2022 to assist with the preparation of a code audit and update to support priorities identified in the Basalt Creek Concept Plan and Economic Opportunities Analysis.
- HHPR's sub-consultant Leland prepared an Economic Analysis Report (Attachment 4) which analyzed Metro region's industrial trends and developed recommendations to implement in the code update. They found that recent leasing activity, rent and price growth, and historically low vacancy rates indicate near-term demand for new industrial development. Leland determined that the existing Manufacturing Park zone is narrowly defined and needs to be more inclusive. They further recommended that the code project include provisions to support multi-tenant and build-to-suit

industrial buildings with a focus on tech, manufacturing, and warehousing.

- During a work session held on May 23, City Council directed staff to continue work on a legislative amendment to the Tualatin Development Code to meet the goals identified in the adopted documents and apply it to MP land identified in the Basalt Creek Concept Plan.

Council shared the following feedback for staff to consider as part of the amendments:

- Limit warehousing uses and corresponding truck traffic, particularly on Boones Ferry Road
- Encourage flexible multi-tenant, multi-use development
- Desire neighborhood commercial uses
- Maintain greenspace or trail connectivity for employees to enjoy

Open House Webinar

Staff held an open house webinar on July 27 to discuss the project with property owners, stakeholders, and governing agencies. A summary is included as Attachment 5.

While comments were varied, there were a few themes around:

- **Noise:** Noise is a concern for neighboring residential areas; and therefore a range of landscape buffer and screening standards are recommended adjacent to residential uses. Sound barrier construction standards, similar to those found in the ML zone ([TDC 60.310\(3\)](#)) may serve as an additional consideration.
 - Additionally our Development Code regulates industrial noise in [Chapter 63](#) by recognizing limitations set by the city [Municipal Code 6-14](#) and the state- [Department of Environmental Quality](#).
- **Intensity of uses being considered:** There was interest expressed in smaller footprint/ flexible format development with flexibility for craft industrial uses. As a result, the draft code proposes to reduce the minimum lot size standards and setbacks established in the MP zone.
 - There was also concern expressed over trip generation and if it will remain consistent with the Basalt Creek Concept Plan assumptions. Staff will include a Transportation Planning Rule finding in the City Council packet that will confirm that the proposed zoning changes will be consistent with previously adopted maximum potential trip generation.
- **Development form:** Attendees noted that landscape percentages currently required by the MP zone are high for the region. There was also interest in encouraging human-scale development that is pedestrian and cyclist friendly. In response, our draft code includes a range of setback standards to make more efficient use of land and proposes a minimum landscape standard of 15%.

Summary of Zoning Chapter

The draft zoning Chapter 65 is included as Attachment 2. The purpose of the Basalt Creek Employment district is to implement the goals of the Basalt Creek Concept Plan, specifically to provide an environment conducive to the development and protection of employment uses that contribute to the local economy and support nearby residential uses.

The proposed zoning would permit:

- Light manufacturing, office, and incubator space that are compatible with nearby residential uses
- Warehousing and Freight Movement uses in conjunction with a permitted light manufacturing use on the same site and limited in scale. Smaller amounts would be listed as a Permitted use, larger amounts would require approval of a Conditional Use Permit to demonstrate compliance with the purpose of the BCE zone.
- Retail uses limited in intensity to maintain adequate employment development opportunities
- Lessen existing minimum lot size standards to encourage a flex-space development pattern
- Reduced setbacks
- Stepped maximum building height adjacent to residential zoning.

The project also includes proposed amendments to Tualatin Comprehensive Plan Chapters 4 and 10; and Tualatin Development Code Chapter 73B in support of the new zoning district.

RECOMMENDATION:

Staff is asking the Tualatin Planning Commission forward a recommendation of Approval of the proposed text and map amendments (PTA/ PMA 22-0001) to the City Council. Staff anticipates this recommendation may include edits or changes to the text from what is presented, should the Commission so choose. The future City Council hearing has been tentatively scheduled for November 14, 2022.

ALTERNATIVES TO RECOMMENDATION:

The Planning Commission may alternatively:

- Recommend denial of PTA/ PMA 22- 0001 to the City Council.
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ATTACHMENTS:

- Attachment 1: Presentation
- Attachment 2: Draft Code
- Attachment 3: Code Comparison
- Attachment 4: Economic Analysis Findings
- Attachment 5: Open House Summary