



# **PLANNING COMMISSION**

## **WEDNESDAY, NOVEMBER 13, 2024**

### **ADMINISTRATIVE MATTERS**

1. Consideration of the October 9, 2024 PC Meeting Minutes



**Wilsonville Planning Commission  
Regular Meeting Minutes  
October 9, 2024**

Wilsonville City Hall & Remote Video Conferencing  
<https://www.ci.wilsonville.or.us/meetings/pc>

**CALL TO ORDER - ROLL CALL**

**Chair Karr** called the meeting to order at 6:00 pm.

Present: Andrew Karr, Ron Heberlein, Sam Scull, Nicole Hendrix, Matt Constantine, and Yana Semenova (arrived after Roll Call via Zoom)

Excused: Jennifer Willard

Staff Present: Daniel Pauly, Miranda Bateschell, Amanda Guile-Hinman, Amy Pepper, Zach Weigel, Kerry Rappold, Cindy Luxhoj and Mandi Simmons

**PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was recited.

**CITIZEN INPUT**

There was none.

**ADMINISTRATIVE MATTERS**

1. Consideration of the September 11, 2024 Planning Commission Minutes

The September 11, 2024 Planning Commission minutes were accepted as presented.

**PUBLIC HEARING**

2. Frog Pond East and South Implementation-Development Code (Continued from July 10) (Pauly)

**Chair Karr** reconvened the public hearing at 6:04 pm.

**Daniel Pauly, Planning Manager**, reminded tonight's public hearing was a continuation of the hearing from July 10, 2024 and announced that the criteria applicable to the application could be found in Attachment 2 to the Staff report, which had been entered into the record. Copies of the report were made available to the side of the room and on the City's website.

**Planning Manager Pauly** acknowledged the efforts of the Planning Commission, several consultant teams, and Metro, State, and City Staffs in the development of the proposed Frog

Pond East and South Development Code Amendments, which he presented via PowerPoint as follows:

- Public involvement in this process built on a broader effort that culminated in the December 2022 adoption of the Frog Pond East and South Master Plan, which featured extensive public engagement. Central to this were mini work sessions with the Planning Commission and City Council, along with numerous meetings with stakeholders, particularly West Hills Development and AKS Engineering. Information was also published on the *Let's Talk, Wilsonville!* website, and standard public hearing notices were sent out.
- Background. He reviewed the locations of Frog Pond East and South (Slide 6), noting planning for these areas was part of the City's broader ongoing effort to thoughtfully plan for growth and housing needs, though the Master Plan was independent of the ongoing Housing Our Future project. The housing data informing this project came from the 2014 Housing Needs Analysis and a separate affordable housing analysis conducted as part of the Frog Pond Master Plan. (Slide 7)
- The proposed Development Code amendments were tied to the 2022 Frog Pond East and South Master Plan, which reflected both State and Regional requirements, as well as input from the Wilsonville community and other interested stakeholders. The proposed implementation of the Development Code edits could be grouped into three buckets:
  - Amendments with specific direction and prewritten in the Master Plan, involving added details and integrating with existing or proposed Code text.
  - Amendments with clear direction in the Master Plan, but that are less specific.
  - Amendments related or accessory Code edits not directly called for in the Master Plan but were necessary pieces of the larger puzzle to support the Master Plan's implementation.
- After working on the residential code, it made sense to add some additional amendments into the current Code writing effort.
- The process for the different buckets of Development Code amendments varied. For amendments directly reflecting specific direction, language was brought over from the Master Plan into the Code with additional detail and contextual language as necessary. For amendments requiring more direction and decision making, guiding principles were established during mini work sessions.
  - Staff first assessed the existing Code to see what would work well and what would appropriately apply. If no existing Code was appropriate, the City looked for precedence elsewhere in Wilsonville. If these examples were not available, the City and consultants tried to research and market information in Wilsonville and as necessary, surrounding suburban areas. Testing and revising the different iterations based on feedback resulted in the Code amendments presented before the Commission tonight.
- Even prior to the Master Plan, State and Regional requirements were very evident in the amendments presented. When Metro added the land that is Frog Pond East and South to the urban growth boundary (UGB) in 2018, the Master Plan and implementing actions were required to legally conform to a number of conditions, including allowing townhouses,

duplexes, triplexes, and fourplexes in all zones that permitted single-family housing, and disallowing private covenants from limiting housing more than zoning, both of which were reinforced by new State law that required the same or similar provisions, most notably House Bill 2001 in 2019, known as the Middle Housing law. (Slide 10)

- In the proposed Code, the Master Plan directed:
  - Two approaches to Housing Affordability:
    - Require certain target unit types for lower-cost, market-rate housing.
    - Remove regulatory barriers for below-market housing to provide more opportunities for partnerships in those efforts moving forward.
  - Regulation based on subdistricts, a concept of neighborhood within neighborhoods. Subdistrict boundaries, established in the Master Plan and refined into the Development Code, were considered during master planning, being defined by existing and planned edges and boundaries, such as the BPA corridor, riparian corridors, and framework streets, and generally designed to encompass approximately 20 acres. The purpose of the subdistricts as a community design concept to promote neighborhoods within neighborhoods was specifically addressed on Page 47 of the Master Plan.
    - The Master Plan also directed a number of standards, including minimum unit type, housing variety, and green focal points or some open space requirements, be applied at a subdistrict level based on the neighborhood within neighborhood concept. This addition ensures housing variety is throughout the development rather than segregation and close gathering places for all future residents of Frog Pond East and South. The subdistrict approach mirrored a similar approach in Villebois, which used specific areas for neighborhoods with the same neighborhood within neighborhoods design concept.
  - Land Use Variety and especially a wide variety of housing throughout, as well as the commercial area. The variety includes a transect of form with a central peak of more urban-like development around the park and BPA corridor, and a center in Frog Pond South, tapering into less intense form.
  - The proposed regulatory approach to housing variety and diversity differed from previous methods used in the city due to updated State statute and rules, but remained clear and objective, and results in similar variety and diversity requirements as other areas, such as Villebois. The approach also aligns with other master planned areas of the region being planned and emerging regulatory requirements.
    - Villebois' success provided confidence in the feasibility of similar requirements for Frog Pond East and South. The Middle Housing requirement in Villebois was just over 20%, while Frog Pond East and South had an assumed minimum of 19.3%. Approximately 16% of units in Villebois met the mobility-ready definition compared to about 10% as proposed in Frog Pond East and South. The percentage of detached homes was about 60% in Villebois, with Frog Pond East and South anticipated to have 50% to 60%. The Frog Pond East and South Master Plan required a lot fewer housing types, potentially as few as three, compared to the Villebois Master Plan, which had 13 housing types, 11 of which were actually built. The City also reviewed

similar contemporary master plans in the Metro region with similar concepts and ideas, as noted in the Findings.

- Three urban form types within the proposed design standards. These forms considered building bulk, such as height and width, as well as setbacks, the space between buildings and streets, and lot coverage. The key was that any housing type could fit within these urban form types as long as it met the urban form criteria in the design standards. (Slides 15-16)
  - Urban Form Type 1 had less setbacks and larger buildings.
  - Urban Form Type 2 had moderate setbacks and moderate-sized buildings.
  - Urban Form Type 3 had more setbacks and smaller buildings.
- The testing, feedback, and revision process involved work sessions with City Council, feedback from developers, consultants, City Staff, and testing by an urban design firm. Examples of the revisions included rewording and refining the definition of net development area and introducing the concept of allowing a percentage of mobility-ready units to serve as primary units, even if parts were accessed by stairs, as long as all the necessary living facilities were available on one floor. Other modifications addressed standards regarding stormwater, sideyard fences, garage widths, allowing articulation for certain multifamily buildings of the maximum building width in Urban Form 2 rather than separating the buildings and introducing the concept of business-integrated dwelling units for added flexibility in the Mixed-Use Commercial area, as well as ensuring standards for multifamily in Urban Form 3 could accommodate multifamily in areas that would otherwise be served by a private sewer pump station; allowing three-story townhouses in Urban Form 3 for added flexibility; providing a clear number of units for each subdistrict and tax lot, rather than using formulas; optimizing flexibility for different types of units to count toward target units, which are middle housing, small units, and mobility ready units; allowing flexibility across subdistrict lines to help meet the different minimum standards; adding language allowing minimum requirements to be reduced if the net development area was lower than expected; adding special language for calculating the area around the commercial main street to be sure things like commercial parking areas were excluded; adding the allowance for early waivers for Frog Pond East and South.
- The proposed amendments specific to Frog Pond East and South were reviewed as follows:
  - Housing Variety Implementation. (Slide 19) The geographies were established, with subdistricts being the largest. Each subdistrict contained various tax lots, providing flexibility for developers over time in terms of consolidating lots. Additional detail was added to the subdistricts to ensure they were clear and objective, and could be easily mapped with no question of where the boundaries exist.
    - The combination of housing variety standards and geographic extent of the subdistricts ensured variety on each block, or the adjacent block, consistent with the Master Plan's language.
    - The variety standards were specific and targeted to outcomes directed by the Master Plan and allowed multiple ways to meet each of the variety requirements, allowing more flexibility than prescriptive master plans used before, such as in Villebois. As least two or three housing types or configurations could meet each

variety requirement, including types historically built in suburban Portland markets, including Wilsonville.

- The City analyzed the impact of all proposed variety standards on housing costs. Housing Variety requirements in the tables of the proposed Code do require additional unit types than might otherwise be built, which could increase certain design and construction costs; however, the standards were carefully crafted to avoid excessive granularity or unduly decrease industry efficiencies in design and construction.
- When weighed with the variety standards ensuring production of lower-cost unit types, the potential for added cost of producing more unit types of units is offset. In weighing these considerations, the City found it is better to have relatively higher design and construction costs on lower cost units than only having more higher cost housing, but be more efficient in the design and construction.
- Specific ways the City approached minimizing such impact included:
  - Not generally requiring variety within a block but allowing the block level variety discussed in the Master Plan to be met within a subdistrict, which worked by default.
  - Exempting small developments from certain requirements, such as small-unit and mobility-ready minimums to avoid forcing too many units in a small area
  - Allowing each variety requirement to be met by a variety of housing units, avoiding prescriptive requirements that certain housing types must be built in a specific location.
  - Allowing a single unit to be counted in meeting multiple requirements; for example, a cottage and cottage cluster could meet Middle Housing, small unit, mobility-ready requirements and meeting all these requirements opened more flexibility to the rest of the land as well.
- The proposed design standards used existing City standards, including those that made sense from Frog Pond West versus standards that apply citywide, particularly the new residential design standards the City adopted with the recent Middle Housing Project. Parking remained consistent with other residential areas, which have no minimum parking requirement per State rules; however, the City was not doing anything to discourage the provision of parking either. (Slide 20)
- Siting standards reflected residential development in other zones, and a number of the standards varied by urban form. For example, the lot size is defined as being large enough to meet the other standards, rather than having it separate and potentially conflicting the numeric limit defined as traditionally used in residential codes. Additionally, the maximum building width was defined, which was a key element to differentiating between urban forms. (Slide 21)
- Parks and Open Space reflect what is in the Master Plan or the standard requirements for most residential development in Wilsonville.
- Other public realm elements, such as street trees, streetlights, signs and gateways were proposed as specifically directed in the Master Plan.

- The commercial area in Frog Pond East has always been part of the plan, as shown in the Frog Pond Area Plan, carried into the Master Plan, and the associated Comprehensive Plan amendment. As such, the Code needed to be carefully drafted to ensure the intent of the commercial area, while being flexible for mixed-use development. The proposed Code used precedence and other examples in the Code that worked. Wilsonville’s Town Center Zone had similar Code for commercial/residential development and became the basis for the simplified Code version proposed for Frog Pond East.
- An important consideration for the commercial area on SW Brisband St, the main street, was the allowed percentage of residential versus commercial on the ground floor. The City found it reasonable and to be consistent with other commercial areas to allow up to 50% of the ground floor to be residential. For additional flexibility along Brisband St, Business Integrated Dwelling Units (BIDU) were being allowed to count as commercial space accessory to a non-residential use.
- The meeting packet detailed every Code edit or update since the last work session and when the hearing was first opened in July. Key updates included:
  - Clarifying what “housekeeping facilities” are in the City’s dwelling unit definition to be more consistent with State statute and rules.
  - Updating the stormwater management standards, a key reason the hearing was continued in July.
  - Updating the waiver language to provide more certainty earlier in the design process but recognizing no development approvals would be granted at that juncture.
    - Typically, waivers are granted at the Stage II, when most all the detailed planning was complete, except the construction engineering drawings, and everything from the landscaping design to annexation is done as one package. As proposed, the applicant could do the annexation up to the Stage I and request certain waivers that affect site planning to have certainty before doing more detailed designs, which reduce the degree of flexibility allowed by the waivers.
    - Staff found waiver language scattered throughout the Development Code and created a worksheet that identified all the waiver standards, making it easier for applicants to understand the mandatory criteria and supporting factors for obtaining a waiver.
    - The City also wanted to make sure the waiver criteria changes stayed within the scope advertised in the public hearing and focused on Frog Pond East and South, and Staff was careful not to create a duplicative clear and objective path.
    - Consistent with Villebois, specific sideboards were included to limit how much an applicant could deviate from the Master Plan when using waivers, ensuring continued alignment with the community’s vision.
    - Staff’s memo dated today (Exhibit B) added more detail and clarification about what specific language in Chapter 6 of the Master Plan should be used as criteria in making findings for waivers for Frog Pond East and South versus more general language to consider when defending any other factors elsewhere in the Code. Section 4.140, for example, listed more purpose statement type language regarding

different factors to consider, such as whether a better development would be created or that unique site characteristics would be addressed.

- Proposed amendments that would not only impact Frog Pond East and South, but would also be applicable more broadly citywide included:
  - A new multifamily review process and design standards allowed any multifamily developments of up to six units to be approved through a Class I Review, like a detached home or middle housing unit, with no public notice. Review and approval would be a Staff decision based on clear and objective, adopted design standards. Larger buildings over six units was still an Administrative Review, but notice was required to neighbors and a bit more process was involved than detached homes or middle housing.
  - Both current and proposed processes would require the Development Review Board (DRB) review for Stage II Plans, tentative plats and design of required open space, while building designs and landscaping not required would be go through administrative review by Staff. (Slide 30)
  - New updates to Accessory Dwelling Unit (ADU), most notably to allow all townhouses, regardless of lot size to be allowed as an ADU, opening up many possibilities, such as having a ground-level unit and another unit above. Currently only townhouses with a lot size equivalent to the minimum for a detached home in the zone were allowed as an ADU, such as Charbonneau houses that are attached to the garage. (Slide 31)
    - The land use review process was also updated to be consistent with detached homes and essentially every other type of housing. Currently, an additional land use process and fee were required that were not very meaningful.
    - The updates also ensured that larger setbacks required for accessory buildings were specifically reduced to be consistent with the setbacks allowed for cottage clusters, which were similarly sized buildings.

**Amy Pepper, Community Development Engineer**, presented the citywide updates to the residential stormwater design standards. (Slides 32-34) Currently, the City's Stormwater standards in the Development Code require applicants to submit a stormwater report and those standards were stuck in the Public Works Standards. The new design standards aimed to integrate some of those stormwater components into the Development Code. As stormwater design has continued to evolve from federal and state regulations to require more land-consuming facilities, unlike hidden water and sewer systems, stormwater facilities were becoming more visible like roads, which have strict standards in the Development Code because more land was required.

- The City was required to comply with state and federal regulations related to water and stormwater quality through its National Pollutant Discharge Elimination System (NPDES) Phase 1 Permit from Department of Environmental Quality (DEQ). One component of that permit was the City's post-construction Stormwater standards, which aimed to regulate and mitigate the impacts of development on stormwater. The latest permit, reissued in 2021, mandated prioritizing low-impact development (LID), which was a planning approach that integrated stormwater management into development planning to ensure smaller facilities



managed stormwater closer to its source. The intent of the design standards was to incorporate the LID concept into the development package.

- Given the State law of providing clear and objective criteria for residential housing, the standards are intended to provide clear criteria as well as flexibility with the infrastructure installed. Swales, planters, rain gardens, and ponds are allowed. The stormwater management standards prioritized integrating LID facilities into developments, focusing on medians, landscaping strips, and vegetated areas for stormwater management. The standards moved away from large regional detention ponds that were hard to maintain, incorporating stormwater features directly into site designs.
- The proposed standards also recognized potential conflicts with existing infrastructure, such as driveways, fire hydrants, streetlights, etc. which may take priority over stormwater facilities.
- While moving away from large regional facilities, the proposed Code amendment would allow for larger stormwater facilities serving up to four acres looking at development within Frog Pond West and around the city. The intent was to try to right-size where ponds might be placed, minimizing larger facilities yet avoiding stormwater facilities in everybody's front yard.
- Clear guidance was also provided about where waivers to the Stormwater standards should fit. The City's permit has clear post construction standards in allowing a separate process for City engineers to evaluate requested waivers based on technical or site constraints instead of routing them through the DRB.
- Some existing Stormwater standards remained unchanged and were simply integrated into the Development Code. Ownership and maintenance of stormwater facilities was done by homeowner associations (HOAs) or private parties, as the City had no mechanism for maintaining the facilities. The standards continued to require minimizing impervious areas and encouraged the use of permeable pavers where possible. Accessibility to stormwater facilities from the right-of-way was also still required to enable the City to maintain the facilities if not maintained by the HOA.

**Planning Manager Pauly** continued Staff's presentation, reviewing other citywide proposals that remained unchanged (Slide 35), noting through access for narrow fenced side yards ensured and encouraged increased maintenance and that clear and objective residential design standards adopted by the City trumped general site design review standards and process.

- Public comment was received, including the letter the City received today from Christe White, representing West Hills Development that was provided at the dais. He acknowledged West Hills' and AKS for their feedback throughout the Master Plan and subject Code amendment project, which led to some modifications to the originally proposed language and the resulting Code before the Commission.
  - As highlighted in the Findings, City Staff worked hard to incorporate West Hills' feedback while staying true to the Master Plan's direction and other requirements. Staff found the recommended Code amendments to be reasonable, appropriate, and thoroughly

thought through, balancing the various feedback received throughout the entire Master Plan and Code amendment process.

- Recognizing the variety of concerns in West Hills' comment letter, Staff clarified several were not part of the subject Code amendments proposed tonight, but acknowledged all the items were now in the record.
  - West Hills was looking toward entitlement of a specific development project on property it had an option on; however, tonight's public hearing was about adopting Code for reviewing future development applications and this process would not preliminarily approve or provide specific certainty about any particular plan.
  - Slide 37 noted certain content not relevant to tonight's hearing and already part of the City's current adopted policy or that would be addressed during development review, specifically anything related to a development's impact in determining the proportionate share of responsibility for infrastructure improvements. The City was committed to continuing these discussions with the applicant outside of tonight's hearing.
- The letter included a lot of comment on Housing Diversity and Housing Variety was a significant aspect of the Master Plan and the Code amendments before the Commission. The role and intentionality of regulating by subdistricts had been previously discussed by the Commission.
- West Hills raised concerns about the proposed waiver process, as it would allow developers to deviate from the Master Plan concerning variety throughout East and South as well as the block-level variety. Using the waiver process throughout the Master Plan area could result in segregated housing types in different areas; something the City was intentionally trying to avoid.
- He noted these viewpoints had been presented throughout the Master Plan and Development Code drafting process, discussed with the Planning Commission and duly considered along with other input, compliance with the Master Plan and other regulations. Based on the feedback received, significant changes had been made since the original drafts in early 2023, which had very granular block-level variety with rules of adjacency, similar to that seen for design, but lacked flexibility for moving things around between subdistricts.
  - The current amendments had no independent block-level variety standard, which was accomplished for the most part through the subdistrict-level regulations. Additionally, the proposed Code allowed reasonable flexibility by blending requirements along subdistrict boundaries and clearly allowed variations from housing variety requirements through the DRB waiver process.
  - As mentioned, the ground-floor retail requirements were consistent with other commercial areas and remained Staff's recommendation.
  - The standards required a size limit for detention ponds, and the proposed 4-acre size was a reasonable and defensible compromise. Staff did use Frog Pond West and other developments, but also looked at conceptual blocks in Frog Pond East when working to determine the pond size standard. The developments in Frog Pond and conceptual blocks were analyzed to determine appropriate sizes, and individual waivers were available for technical issues on a site-specific basis.

- He concluded the presentation, stating Staff recommended approval of the proposed Development Code Amendments, including the additional amendments noted in Exhibit B.

**Commissioner Heberlein:**

- Noted West Hills' letter requested an amendment to permit live/work units on the ground floor as a commercial use and confirmed with Staff that live/work units were defined and classified as a residential use.
- Inquired whether the Code mandated HOAs for the maintenance of stormwater facilities.
  - **Community Development Engineer Pepper** clarified the proposed Code did require HOAs to maintain stormwater facilities, and the Public Works standards required that the facilities be privately maintained; development essentially had to pay for development of these facilities. The City lacked funding, and the Stormwater Utility Fund was not big enough to cover maintenance of new facilities, so they were maintained by HOAs.

**Commissioner Hendrix:**

- Confirmed the Stormwater standards were tied to the Public Works standards and asked if updates to the Public Works standards would necessitate further revisions to the Development Code or if the Code simply referenced the Public Works standards.
  - **Community Development Engineer Pepper** explained Staff was currently in the process of updating the Public Works standards to ensure they were more clear and objective to be brought into alignment with the Development Code. Both sets of standards would apply, and Staff did not anticipate any related, future modifications to the Development Code.
- Appreciated Staff's great presentation, which summarized the 1,800-page meeting packet.

**Chair Karr** called for public testimony.

**Truman Whiting** stated he biked around the city a lot, especially in Villebois because it was planned well, but even Villebois lacked the bike and pedestrian infrastructure despite being based on a traditional French town. While he attributed this lack of infrastructure and subsequent lack of demand for active transportation to Villebois being on a large hill, Frog Pond was relatively flat and presented a great opportunity for achieving a grandiose bicycling and walking infrastructure. Incorporating better bike and pedestrian infrastructure in Frog Pond would reduce both financial stress and congestion on the city's roads, since the average bicyclist did about 20,000 times less damage to a given roadway than the average car. Secondly, better infrastructure would help people be healthier. Something needed to be done about the 35% of U.S. citizens who are obese and the gradual rise of that number expected over the next few years. Finally, active transportation encourages people to live more social lives. As people, or at least his generation, backed itself into a digital corner, the only way to communicate with friends was through digital media. A recent U.S. Census Bureau suggested Oregon was the second loneliest state in the union, so clearly more spaces needed to be built for people to interact and foster a sense of community.

- People might think, “Well, we build bike lanes and people barely use them.” This was mainly because the bike lanes were only 5-ft wide, and more like painted gutters. Bike lanes actually need to be part of the infrastructure for people to use them. For example, every collector road in Wilsonville should look like 5<sup>th</sup> St from Boones Ferry Rd to Kinsman Rd with a shared-use sidewalk protected from the road by a line of trees, and the protected, bike-friendly roundabout on Kinsman Rd.
- The current bike infrastructure plans in the Frog Pond East and South Master Plan were unacceptable. There should be separated, protected bike lanes, and protected, painted bike lanes, etc.
- In order for people to interact with one another, corner stores and coffee shops were needed for people to gather, and as third places. Each subdistrict should have a café or corner store near each green focal point. If the infrastructure was good enough, Amazon lockers or smart bike charging stations [inaudible] could be added, creating "subdistrict centers" which should be located less than a 1-minute bike ride or 5-minute walk for any Frog Pond resident.
  - Having such subdistrict centers would undoubtedly build a stronger sense of community, resulting in the subdistricts act more like villages—with fewer lonely people.

Several Commissioners commended Mr. Whiting for his well-prepared and thoughtful presentation and input, encouraging him to attend meetings more often and participate in the government process. Hopefully, Frog Pond developers would consider his feedback.

**Mimi Doukas, AKS Engineering**, representing West Hills Development, distributed Preliminary Layouts 42 and 43 for the Azar Property in Frog Pond with the comment letter from Christe C. White dated October 8, 2024 attached. Her comments were as follows:

- She noted West Hills’ site plan followed the framework for the Frog Pond East and South Master Plan with the main street along Brisband, mixed-use buildings creating an entrance off the roundabout, and ending in the visual vista of the park. A variety of housing was planned across the district, including attached, detached, and multifamily homes. Most of the single-family homes were alley-loaded.
- West Hills had one outparcel not part of its site on the west side of 63rd Ave, shown in gray as potential lots on the distributed layouts, and a wetland was located west of the outparcel West Hills had special considerations for how the site got laid out. She noted:
  - The frontage along Stafford Rd was a bit pinched where the wetland was located.
  - The primary difference between the distributed layouts was that one showed townhomes and the other showed walk-up apartments along Stafford Rd. The final build would depend on the market, and the Commission seemed to agree in general with those options.
- The stormwater had been updated in the plans. On either side of 60<sup>th</sup> Ave, little green rectangles represented swales along the street expected to accommodate stormwater in the central basin and drain to the south. However, some ponds were needed to finish the stormwater treatment and detention.

- While West Hills understood Staff's goals of minimizing ponds and treatment at the source special opportunities exist on the east and west sides of its project, especially along the BPA corridor, which would include a trail corridor, but was otherwise, not useable land. From the beginning, West Hills wanted the stormwater facility for the eastern drainage basin in the BPA corridor.
- The layouts showed more narrow rights-of-way on the western side than in the middle of the project to accommodate the swales because the rights-of-way in the middle of the project had to be widened to accommodate those swales. While that was a concept, a better priority would be to put a stormwater pond in the unusable/unbuildable land in the BPA corridor to retain the efficiency of the land that is in fact buildable.
  - The same concept applied to the west side in the wetland in the area adjacent to multifamily. The skinny strip of land was not buildable per se, and West Hills believed its highest and best use would be a pond.
- The layouts showed a variety of housing types across the entire plan. West Hills had talked previously that multifamily was not a housing type that could be scattered around a site like West Hills'. A commercial builder typically built such multifamily housing, managing the entire complex which had a consolidated footprint.
  - Meeting the housing variety standards in each subdistrict had been a struggle for West Hills. Single-family detached, single-family attached, and multifamily were pretty standard housing types, which West Hills had worked hard to accommodate.
  - The additional housing types in Table 6.B and 6.C, ADUs and cluster housing, were much more difficult. ADUs were particularly difficult with small lots, a majority of which was seen on the layout. A lot of housing was already being put on the small lots as maximizing the efficiency of the land was the goal, however not much space was left for ADUs. West Hills believed the limited ADUs were balanced out with the multifamily units.
  - In the total unit count, West Hills had accommodated a high number of dwelling units and achieved housing diversity across the entire district, which did not match the Code as currently drafted.

**Christe C. White, Land Use Counsel, West Hills Development**, acknowledged the lengthy and directional process and how cooperative and collaborative Staff had been with West Hills' iterative meetings, working through feedback, and presenting different ideas. She highlighted the few remaining issues and West Hills' reasons for requesting changes as follows:

- As stated, West Hills' property is unique given the large BPA easement and wetland area. Homes could not be built in either area, so using the areas more efficiently for stormwater ponds would help preserve the balance of the land to meet the housing density and diversity standards, as well as streets, parks, and open areas.
  - She appreciated the City's proposal to allow a combination of swales and ponds, which was very important for West Hills, which planned to build extensive swales in the central basin. However, West Hills asked that the 4-acre limitation be removed. Certainly, the City had studied that well, looked at the 2.5 to 3-acre ponds in Frog Pond West, and made the reasonable assumption that 4-acre ponds would work in East and South.

- However, West Hills' property had much larger areas that are not buildable and therefore not able to contribute to housing density and diversity. Removing the 4-acre limitation would enable West Hills to size the stormwater ponds to use the BPA easement and the wetlands area while preserving the rest for housing development.
- In looking at the layouts, the ponds were scattered and in reasonable sizes that in combination with swales allowed West Hills to retain enough buildable land outside of the easement and wetland areas to serve and meet the stormwater standards both for quality and quantity.
- West Hills understood the waiver process was available to upsize the stormwater ponds, of course, but would prefer to have it more objective and remove the limitation to ensure West Hills could proceed with the pond plan shown on Layout 42.
- Additionally, it seemed a 4-acre limit could lead to an undesired result, suggesting that multiple 4-acre ponds could be built, rather than one larger pond, which would increase costs and maintenance.
  - West Hills requested to be able to provide more language to give more certainty that through a waiver process or the alternative, West Hills would be able to size the ponds in the manner reflected on Layouts 42 and 43.
- Regarding housing density and diversity, she assured West Hills had no problem providing three housing types, noting more units of the three housing types would be provided than required across the plan area. She agreed the objective was not just more units, but more units and diversity. As noted, constraints exist with multifamily development and how it is managed.
  - As drafted, the Code requires counting the housing types by subdistrict and if so, West Hills would have two housing types in two subdistricts, and three housing types in the third subdistrict, but across all subdistricts, West Hills would have more units than the Code required with the same diversity.
    - For example, in Layout 42, 164 middle housing units would be built and 264 small/mobility units. The Code would only require 108 middle housing units and 28 small units and 55 mobility units. West Hills was doing a lot more with diversity across subdistricts as well as more units in each of those unit types.
    - As noted in the layouts, all the units across the subdistricts were served by the same roads and neighborhood amenities and were walkable to the same parks, fields and commercial uses, so the diversity would live on the ground as a neighborhood. While supportive of the density and diversity, West Hills needs to be able to execute it feasibly without increased costs.
    - West Hills requested that the waiver language be more objective. If they could hit a threshold of more units across all subdistricts and meet the diversity goal, West Hills could rise to that occasion, rather than leaving the diversity entirely discretionary.
- West Hills' mixed-use component would be 100% residential on the upper floors and the ground floor would be 50% residential and 50% live/work units.
  - Some jurisdictions treat live/work units as a commercial ground floor use, which was important because the ground floor units were designed to commercial standards, being a 12-ft floor to ceiling with commercial/retail frontage with glazing, and a main

entrance. Such units, being non-exclusive residential with office or retail uses in them, qualify for the Vertical Housing Tax Credit under State law, as commercial active ground floor.

- In other jurisdictions where the goal is to have active ground floor use for 50% of the frontage and to qualify for that tax credit, live/work units are treated in this commercial manner because it was at a scale that avoids vacancy and creates the active ground-floor that allows for future conversion, rather than a 'built it and they will come approach' resulting in dark storefronts. Some cities, including Portland, were removing the requirement for active ground floor commercial and allowing it to be replaced with residential to get rid of dark storefronts.
- West Hills requested that the City treat the live/work unit as 50% of the commercial frontage, which it would be with West Hills, and for the future since it would be designed to commercial standards. If the retail market rebounds and is supported in the area, the City could even intensify the 50% ground floor with more intense retail or office uses since it would be built to that standard. West Hills believed the ground floor, active, live/work unit could be a good result and resolution while building for any future and more intense commercialization.
- She requested an amendment to treat the ground floor live/work unit as commercial and contributing to the 50% requirement and allowing the remaining 50% to be residential.
- She agreed with Staff that the other issues, like transportation SDCs, were not part of tonight's discussion.
- In closing, she summarized West Hills requests for an amendment regarding the sizing of the ponds, further consideration of the housing density and diversity as presented in West Hills' letter, and acknowledgement that the commercial use requirement would be satisfied by live/work units.

#### **Commissioner Heberlein:**

- Asked about the sizes of the proposed stormwater ponds depicted in Subdistricts E4 and E6 at the BPA easement.
  - **Ms. White** stated the stormwater pond in the BPA easement would likely serve approximately 15 to 18 acres of residential area.
  - **Ms. Doukas** responded the tract for the pond was about four acres, but the pond itself included grading and mounding. The pond was more conceptual in nature as the facility's configuration could change, perhaps a long linear shape along the trail that followed the contours of the land. The issue was more about being able to do a regional pond within the BPA corridor. The pond would be approximately that size and the configuration could change, but it needed to be in that general location.
- **Ms. White** understood the pond would exceed 4-acres.
- Sought clarification on the expected size of the stormwater pond, as no scale was available to do some quick calculations.
  - **Ms. Doukas** stated the green square representing the pond on the layouts was approximately 4 acres, adding it would be treating a service area of about 15 to 20

acres. The pond, including the grading activity, fencing, access roads, etc. would be smaller than the green tract shown, so the actual pond would be about 2 to 3 acres.

- **Ms. White** noted the limitation on a 4-acre pond was that no more than 4-acres could be served. The ponds were not big, but they actually served more land than the Code requirements would allow.
- Wanted to confirm that Subdistricts E4 and E6 were the two subdistricts that only have two unit types, based on earlier statements.
  - **Ms. Doukas** confirmed Subdistrict E6 had single-family attached, single-family detached, and multifamily housing types. Subdistrict E5 included two housing types, attached and detached single-family homes, and Subdistrict E4 would have two housing types, either middle housing townhomes and elevator-served, multifamily mixed-use buildings, or the elevator-served, multifamily mixed-use building and walkup apartments.
  - She noted the middle district of Subdistrict E5 did not seem to satisfy the third housing type with the multifamily. West Hills had multifamily on the either side, but could not quite get there in Subdistrict #5.
  - **Ms. White** reminded that with the compressed timeline, West Hills' plan would be built within a three-to-five-year timeline, from occupancy of the first phase to occupancy of the last phase.

**Commissioner Scull** understood that 50% of the ground floor mix would be residential and 50% would be mixed-use with living and retail or commercial space. He asked if the 50% residential on the ground floor could be converted to commercial space.

- **Ms. White** stated that conceivably, if built to commercial standards with 12-ft floor to ceiling heights, conversion could be possible, but that would be difficult if the space was already occupied with residential. The other 50% would be occupied with live/work and easier to convert.

**Commissioner Semenova** inquired whether the pond would be allowed in the BPA easement, and how it might impede on BPA's ability to do any necessary work in the area.

- **Ms. Doukas** responded that a stormwater pond facility was built in the BPA corridor for Frog Pond Crossing in Frog Pond West. The BPA permitting process essentially required avoiding the towers, using appropriate plant heights, and ensuring access. She was sure West Hills could accommodate BPA's requirements.

**Chair Karr** confirmed there was no additional public testimony.

**Commissioner Constantine:**

- Sought clarification on the area served by the stormwater ponds, specifically the distinction between the 4-acre and 15-acre limit, and asked how the 4-acre limit was determined.
  - **Planning Manager Pauly** clarified the 4-acre limitation was only for a certain facility type. For example, the 4-acre limitation did not apply to linear facilities, only a non-linear facility in its own tract. The 4-acre limitation was essentially for private lots, homes, and adjacent sidewalks and streets that drain to that pond.



- The 4-acre limitation was determined by studying conceptual block sizes in areas as shown in Layouts 42 and 43, in Frog Pond West development, Villebois, and elsewhere in the city. Block sizes typically range from 2.5 to 3.5 acres. Assuming larger blocks and adjacent right-of-way, 4 acres was a reasonably generous amount to assume for treating a block size.
- Originally, the iteration of the language was the pond was to be no larger than to serve a block, however, blocks could be all different sizes, so as stated in the Findings, the 4-acres was tied to a larger block and intended to drain a block, echoing back to draining close to the source to be consistent with predevelopment hydrology. It was not feasible to put stormwater facilities on every lot, and putting stormwater management all in one pond did not mimic predevelopment hydrology either. So, block level stormwater management seemed feasible and had been successfully constructed in areas like Frog Pond West. To preserve developable area and be efficient with land, the City sought to use areas like medians and other underutilized landscape areas for stormwater management wherever possible.
- He confirmed a waiver process was built in, adding multiple options existed for integrating stormwater management into the BPA corridor, such as creating long linear ponds along the edge or placing ponds along trails running through the BPA. If an applicant had an internal 4 acres, the City wanted to keep such ponds smaller and at a block level.
- **Miranda Bateschell, Planning Director**, noted some of the Findings regarding stormwater pond facilities were on Pages 151 to 153 of the meeting packet.

**Commissioner Heberlein:**

- Understood the concern did not regard the size of the stormwater facility, but the limit on the area larger being served, which was larger than the block level.
  - **Planning Manager Pauly** clarified the limitation to serving only the block level only applied where a separate tract was a dedicated pond. For linear stormwater facilities, the limitation did not exist because by nature, they likely served and integrated better into development design. The intent was keeping a reasonable and prudent size for a tract dedicated to stormwater in the middle of a subdivision.
- Inquired if a stormwater facility labeled as a ‘linear retention facility’ would not be subject to the same restrictions if called a ‘pond’.
  - **Community Development Engineer Pepper** noted there were different design components: a planter or swale was more linear with a minimum width of 8-ft, while a pond was designed differently. Although a site-specific plan was provided, the Code would apply citywide, so it was important to provide clear and objective criteria that could be applied across the city, not to one specific site, which was the purpose of the waiver. The amendments had to be implemented to support the City’s compliance with the NPDES permit, which limited the City’s flexibility. The City was being mandated to move away from regional stormwater ponds at the state and federal level, and the proposed Code was the City’s way to implement those mandates.

- **Planning Manager Pauly** added that whether related to the Sign Code or other regulations, the goal was to create standards that address 80% to 90% of the scenarios, which was why alternative methods and waivers were important.
  - While there were unique aspects of West Hills' land, the key was to consider if linear swales in park spaces would be sufficient, as there might already be natural areas effectively managing stormwater, potentially making a large pond in the BPA corridor unnecessary.
- Asked if live/work units, treated as commercial units qualified for the State Vertical Housing Tax Credit, noting that some sort of an assumption from the State would affirm a level of value for live/work units, similar to commercial units.
  - **Planning Director Bateschell** stated she would respond to the State's requirements for the Vertical Housing Tax Credit shortly. She noted that definitions of live/work units vary by city, and that some would consider live/work sufficient for a commercial or retail designation and not call it a residential unit type. However, some cities required a commercial component in live/work units that was not optional and that just designing it for commercial was not sufficient.
    - The City Council's adoption of the Vertical Housing Development Zone Program did not apply to the subject area at this point, and according to the additional criteria, live/work as the only commercial component was not sufficient.
    - The City had its own criteria that exceeded that of the State, which was allowed, and that included requiring a commercial space in each of the buildings created. [1:35:25] So, an element of counting live/work was allowed, but it was not the only way to meet the 50% City standard.
  - **Planning Manager Pauly** noted the importance of defining live/work units because definitions did vary by jurisdiction, which was considered. On one extreme, a certain percentage was required to be dedicated to commercial space with the remainder being residential. The other extreme regarded what was seen and practiced in Wilsonville, such as in Villebois and other places where even units with an office were truly residential with a storefront, a residential unit in a commercial space.
- In developing the Code and creating the new definitions, Staff had to acknowledge such units exist and would continue to exist in the city, which drove the definition of live/work as a residential unit with a commercial storefront.
  - Additionally, the BIDU was created and defined as more of a traditional live/work unit with dedicated spaces for living and working that were distinctive rather than having flex space, such as a ground floor café with a living unit above. The BIDU allowance achieved the true commercial concept of live/work and added flexibility. For example, a sole proprietor would have one rent payment for both their residence and commercial business.
  - Units with a dividing wall to create truly separate live and work spaces was allowed and would be counted as commercial, but residential units that might look slightly commercial on the out front would not be counted as commercial.
- Confirmed the BIDU was analogous to some jurisdictions' definitions of a live/work unit with a required externally facing commercial component.

**Planning Director Bateschell** noted she was still assessing the State criteria and reviewed the City's Vertical Housing Development Zone criteria. According to Resolution No. 2971, adopted by City Council, in addition to the project certification requirements in ORS 307.858, the relevant statute for vertical housing, the following local criteria apply to ground floor interior spaces intended to qualify as non-residential or the commercial component:

- Direct access to and from the primary public street was required
- A commercial mixed-use design was required on the ground floor
- The live/work space design must meet Building Code requirements for commercial
- The nonresidential area must be adjacent to and accessible from the entrance to the primary public street
- The nonresidential area is or can be separated from the residential area
- Commercial or community serving space is required in each building, meaning at least one nonresidential space fronts the public street and meets one of the following criteria:
  - Commercial space designed for use by an entity engaged in the exchange of goods or services with the public, excluding live/work
  - Community serving space that provides access and benefits to the broader community beyond building residents and their guests
- The project must demonstrate consistency with the applicable goals, policies, and/or objectives and adopted master plans for the project site to the City's satisfaction.

**Commissioner Heberlein:**

- Understood a 10-unit development would only require one commercially facing use.
  - **Planning Director Bateschell** using the layouts as an example, she noted the main street had four mixed-use buildings, and each building would be required to have at least one dedicated commercial space that was not live/work.
    - She clarified the State requires a 50% commercial component, and she believed live/work units built to commercial standards do count toward that requirement. However, in Wilsonville, the City Council had determined that this alone was not sufficient. Even if the 50% frontage was live/work and designed to meet State standards, there must still be at least one non-live/work, solely commercial or community-serving commercial space in each building.
- Confirmed that response was sufficient, he did not need further information about the State's requirements.

**Chair Karr:**

- Noting the density and diversity discussion in the past, he confirmed the adjacency rule applied to Subdistrict E4 and E5.
- **Planning Manager Pauly** added for example, Subdistrict E4 could count the overage of accessible units and the mixed-use could be counted toward Subdistrict E5.
- Confirmed that conversely, what was in Subdistrict E5 could count toward E4.

**Commissioner Heberlein** noted that as it stands, Subdistricts E6 and E4 would go into Subdistrict E5.

**Chair Karr** noted Subdistricts E4 and E5 each had two housing unit types, but together the two subdistricts had four housing types, so the adjacency rule must be applied.

- **Planning Manager Pauly** confirmed that interpretation was correct.

The following materials had been received at the dais:

- Staff memorandum dated October 9, 2024 noting additional edits to the Development Code Amendments with regard to Waiver Standards.
- Comment letter received October 9, 2024 from Christe C. White of Radler White Parks and Alexander, LLP on behalf of West Hills requesting specific amendments to the Code package.
- Preliminary Layouts 42 and 43 for the Azar Property in Frog Pond and comment letter from Christe C. White dated October 8, 2024, distributed by West Hills Development.

**City Attorney Amanda Guile-Hinman** advised how best to enter the materials received into the record.

**Chair Karr** confirmed there was no further questions or discussion and closed the public hearing at 7:50 pm.

**Commissioner Heberlein moved to amend Attachment 3 of the Staff report to include the preliminary layouts and comment letters received dated October 8, and October 9, 2024. Commissioner Hendrix seconded the motion, which passed 6 to 0.**

**Commissioner Heberlein moved to amend Resolution LP24-0003 to include Staff's memorandum dated October 9, 2024 as Exhibit B. The motion was seconded by Commissioner Hendrix and passed 6 to 0.**

**City Attorney Guile-Hinman** explained that because Exhibit B was additional language Staff proposed to include in the Development Code, so to be clear, if the Planning Commission was recommending that the language be adopted by the City Council, it should be referenced in the Resolution the Commission was recommending as well.

**Commissioner Heberlein moved to amend Section 1 of Resolution LP24-0003 as follows, "... (attached hereto as Exhibit A and Exhibit B), ...". Commissioner Hendrix seconded the motion, which passed 6 to 0.**

**Commissioner Heberlein moved to adopt Resolution No. LP-24-0003, recommending to City Council approval of the proposed Development Code amendments implementing the Frog**

**Pond East and South Master Plan and related amendments. The motion was seconded by Commissioner Hendrix.**

**Commissioner Heberlein** understood the public comment regarding the recommended changes but based on Staff's comments, fundamentally, the elements that the Planning Commission wanted were in the proposed Code, and the specific instances of variances should be covered in the waiver process as defined, which was why his motion was to adopt the Resolution as presented.

**Chair Karr** read his Chair summary as follows, "Housing is the focus of the Development Code changes for Frog Pond East and South, specifically to address a variety of housing options with an eye toward attainable and affordable housing options. To tie this development back to specific City Council goals, this development will have connected neighborhoods, cohesiveness between public spaces and private development, neighborhoods with walkable, active streets, quality development with a community design, and easy access to nature, parks, and open spaces."

**Commissioner Hendrix** acknowledged and commended the great work that had been done for quite some time, adding she was excited to be helping move Frog Pond forward.

**The motion passed 6 to 0.**

**Chair Karr moved to recess the meeting and reconvene at 8:05 pm. Commissioner Heberlein seconded the motion, which passed 6 to 0.**

**Chair Karr** reconvened the meeting at 8:05 pm.

## **WORK SESSION**

### **3. Wilsonville Industrial Land Readiness (Basalt Creek) (Luxhoj)**

**Cindy Luxhoj, Associate Planner**, reminded the Wilsonville Industrial Land Readiness (WILR) Project was introduced at the September 11th Planning Commission meeting. The City sought the Planning Commission's input on the draft Economic Inventory and Land Use Analysis report for Phase One of the WILR Project. The analysis provided area specific foundational information about economic activities in the Basalt Creek area in the context of local and regional markets, and what industries may be expected to locate in the planning area in the future. She initiated the PowerPoint presentation, noting that the analysis was a key task identified in the WILR project.

**Nicole Underwood, ECONorthwest**, presented the WILR report for Basalt Creek via PowerPoint, noting significant changes had occurred since the Cities of Wilsonville and Tualatin jointly adopted the 2018 Basalt Creek Concept Plan, including major economic shifts at the local, state and national levels, changes in land uses in Basalt Creek as Washington County continued to

approve developments consistent with County zoning, but not aligned with the type of development or commerce envisioned in the Concept Plan. The purpose of the analysis was to identify the changes in Basalt Creek since 2018 and how they could impact implementation of the Concept Plan. She described changes in employment, Office and Industrial market trends, as well as those within Wilsonville's portion of Basalt Creek and the key advantages and challenges of developing in the area. She concluded with ECONorthwest's conclusions based on the report. (Slide 28)

Commissioner comments and responses were as follows with the project team addressing questions as noted:

- Coordinating land use designations between Wilsonville and Tualatin was important, especially along the northern Basalt Creek boundary to ensure that land use plans were aligned to prevent conflicts.
- How would road maintenance be achieved through long-term development? Day Rd and Grahams Ferry Rd were a mess and always torn up, making travel really difficult. When considering some of the economic drivers of the land, responsibility for road maintenance is an important consideration.
  - **Associate Planner Luxhoj** noted as far as potential land use conflicts, most of the Basalt Creek area in Tualatin was being developed as residential, with some manufacturing west of the canyon, which Tualatin recently rezoned from Manufacturing Park to Basalt Creek Employment, which did include a component of commercial as allowed in Metro Code. On Tualatin's side, where the Basalt Creek Parkway would extend along Green Hill, Tualatin was to implement buffering and screening to that future arterial with the residential development, but it was uncertain whether that had been done.
    - The City of Wilsonville always planned to develop its Basalt Creek portion as industrial, except for the Craft Industrial area which would provide a transition from housing to future industrial.
  - **Miranda Bateschell, Planning Director**, offered context from the prior planning effort and the coordination on roadway improvements.
    - When added to the Metro UGB, the land was primarily for industrial employment, with a portion designated residential for Tualatin in the northern area to buffer existing residential neighborhoods. Lengthy discussions regarded having a transition to create design elements and a mixing of uses for a smooth transition between employment and residential areas.
    - She believed the intent of some of Tualatin's recent Code amendments was to make the area more relevant to the current market and to better integrate and balance residential and employment uses. Wilsonville Staff regularly coordinated with Tualatin, including meetings about their zoning code changes to understand the intent and impact of those changes. Staff also coordinated and reviewed development applications coming through the process.
    - The Basalt Creek Concept Plan contained valuable content, visioning, and guiding principles, but major topics of discussion were the transportation network and natural areas, particularly the Basalt Creek Canyon and surrounding wetlands that

drain to Wilsonville. Staff had concerns about the stormwater system pertaining to the area and the preservation of the canyon as a community asset for both cities to enjoy.

- The transportation system was planned before the concept plan through the Basalt Creek Transportation Refinement Plan, coordinated by Metro with Washington County and both cities, as it served as a major freight corridor for the entire south county industrial area, including Tualatin and Sherwood. So, the road network was a key concern for all parties, including Metro, to ensure Wilsonville's regional freight could move, which was very important when considering all the residential developing adjacent that tends to highly impact the system. As part of the planning process, Staff was tracking anticipated trip volumes, discussing the share of trips for each city and ensuring Wilsonville upheld its commitment to the transportation system. When going through the project, the City was be more proactive with the county about things like Day Road, especially regarding its timing and the impact of the phased construction of the Basalt Creek Parkway, which would likely increase traffic on Day Road.
- The South County Industrial Areas Infrastructure Funding Strategy successfully prioritized Day Road for financing and gaining Washington County's support for helping improve the road. Some challenges included the expansion of contractor establishments on Day Rd, which was not a county road, so the County had difficulty assessing a development's impact to the transportation system and therefore the proportionate impact and proportionate improvements, such as whether frontage improvements were being triggered. All this had been an issue for Wilsonville being able to make improvements on Day Rd, even though low investment development was occurring. Having the County approving land use impacting a City facility was challenging.
- The City could basically only do patchwork repairs on Day Rd until right-of-way improvements occurred with development or in coordinating with Tualatin and the County to get the improvements. Funding infrastructure remained a challenge, however, leading to broader discussions about possibly extending urban renewal into Basalt Creek to facilitate some improvements. While some improvements were already in the Coffee Creek Industrial Area Plan, changes would come with the timing of those improvements and as the City generated development improvements.
- While office space demand had declined in recent years, organizations were revamping for a return to the office, so the need for office space should not be discounted. Currently, with the innovation and collaboration required for what is coming in the future, more and more people and organizations would be returning to the office for in-person collaboration.
  - **Ms. Underwood** agreed about there being a return to the office but believed it was more hybrid in nature; some employees might only work in the office three days a week, not full-time. This shift meant that while businesses still desired office space, the amount of office space needed had changed, resulting in a slight downsizing of office

square footage overall. The expectation was that while office space was still needed, the new norm was that its function and configuration would differ from the past.

- Regarding Wilsonville's business development, the City should look to collaborate and partner with industries and organizations it wanted to attract and have some sort of business development plan with all the stakeholders involved to address environmental concerns, and the big energy demands for such businesses.
- Traffic was always a concern, and a solid plan would be needed for the roadways in Basalt Creek.
- **Ms. Underwood** clarified that in the subject presentation, flex space and industrial space were combined and used interchangeably. Flex spaces of 20,000 sq ft to 40,000 sq ft, often met the demand for intermediate industrial spaces, providing flexible uses since it was speculative development as the exact users for these spaces were not known in advance.
  - While there appeared to be a lot of flex space in the south Basalt Creek area, a lack of flex space existed due to the significant development in the area, making it attractive for more flex space. There was still demand for flex spaces and still space to develop more flex spaces.
- The City's focus should be to continue monitoring the trends and be flexible in its implementation of the Concept Plan based on those changing trends.
- While there was considerable development and demand for flex space in the Basalt Creek area, there were significant challenges. In 2017/2018, many sites were not ready for manufacturing or transportation, and a big barrier was the lack of power and the high cost to upgrade. Existing buildings were often outdated and expensive to retrofit. Midlevel and heavy manufacturing required entirely different requirements than warehousing and were almost nonexistent in the Basalt Creek area.
- **Ms. Underwood** explained that Wilsonville's higher industrial rent, but lower vacancy rate in the region showed there was demand and that people would be interested if the sites were made ready.
- With the allowed land use and zoning limiting the City's vision for Basalt Creek, what other options were available and how would the City work around or within those limitations?
  - **Planning Director Bateschell** explained that the land was still in the County with FD20 county zoning, which limited development to preserve future development for urbanization. The zoning restricted what could be developed until annexed by a city to be able to develop the land to a higher potential. However, FD20 allowed a certain amount of development, which was profitable, but created challenges for the City to be able to attract property owners to want to sell and develop into the city, which could be more costly and may not return their investment, especially without appropriate infrastructure. Ms. Luxhoj had considered options for navigating these challenges, and prepared a memo before COVID about contractor establishments, and the City's potential options. However, resources were reallocated elsewhere due to the pandemic.
  - **Associate Planner Luxhoj** stated one component of the project was to look specifically at the redevelopment potential of properties occupied by contractors' establishments and consider incentives to encourage transitions to more desirable development aligned with the City's Basalt Creek plans. The key challenge was that these properties generate



significant income for owners, making redevelopment less appealing. If contractors' establishments were prohibited in the PDI zone, a plan would be needed for where these businesses could relocate.

- **Ms. Underwood** noted another consideration was that some of the contractors' establishments provided high-wage jobs. ECONorthwest was starting to look into redevelopment feasibility to evaluate the issue. Particularly interesting was the fact that some landowners had shown interest in redevelopment, which was a positive sign.
- **Planning Director Bateschell** noted property owners or developers typically lead annexation efforts, rather than the City initiating annexation, which was work considering. Pursuing annexation more proactively would give the City more control over its vision for Basalt Creek. Even if contractor establishments were allowed to continue, the City would have more control over even new iterations of contractor establishments if they were in the city, including the design and integration with future facilities. Such control and influence was not available when under County's jurisdiction. In 2019, the City was discussing the idea of an area-wide annexation, but it set aside due to other priorities. Perhaps this policy question would be good to revisit, whether it would outweigh the difficulties the City had by not having any control in the area, which was due partly because the City was not ready. Past investments focused on Coffee Creek, and Basalt Creek was viewed as a longer-term project, but now the City was preparing to annex land in Basalt Creek.
- A survey of Basalt Creek residents would likely reveal they would not support forced annexation, so a lot of public outreach would be required to get the ground swell of public opinion needed to for that policy, especially since the City had not done an excellent job of doing that to date.
- The strengths and competitive advantage of Basalt Creek to the City of Wilsonville were great, but the barriers were big, including the zoning and the financing of the infrastructure, which would almost have to be in place before developers showed real interest. Aggregation of lot sizes and the power demands were also challenges, especially because the industries that have shown interest were big power consumers, like data centers. Based on this area of town, how could enough power be generated to support a the three, power-heavy industries noted in the report.
- **Ms. Underwood** noted a key thing when talking to people was that there was a lot of excitement around Wilsonville, so there could be many different uses that want to locate in Basalt Creek. Another key takeaway was that the City was not super limited, though things being seeing at the statewide level was a cause for concern, like manufacturers leaving. She cautioned the City about putting too many requirements on Basalt Creek given so many challenges at the state level, and Wilsonville did not want to add another barrier.

## INFORMATIONAL

4. City Council Action Minutes (September 5 & 16, 2024) (No staff presentation)

**Daniel Pauly, Planning Manager**, noted the Housing Conversation Guide was discussed at Monday's Council meeting and written about in the *Boones Ferry Messenger*. The Guide served as a tool to inform the Housing Our Future Project and engage housing discussions amongst community leaders. Commission members were encouraged to help spread the word and consider hosting a conversation or participating in one. Details would be shared via email, and the Guide was also available on the *Let's Talk Wilsonville* website. Spanish translation was in progress to ensure broader accessibility.

**Chair Karr** noted he would not be at the November meeting.

**Commissioner Hendrix** inquired about the process for public comments during meetings, and whether the Commissioners were allowed to respond and whether a consistent three-minute timer would be used. The Commissioners seemed to respond differently to different people giving testimony and she wanted to ensure the Commission was following a process.

- **Miranda Bateschell, Planning Director**, noted she would confer with the City Attorney but agreed it was important for the Commissioners to respond as similarly as possible to different community members in terms of acknowledging input. It was also good to encourage youth to participate, so the Commission's response to Mr. Whiting's testimony was appropriate. Questions of those giving testimony were allowed, partly to have a bit of exchange and to provide clarification or context where relevant, and to clarify what was being conveyed by those giving testimony.

**Commissioner Heberlein** agreed Mr. Whiting's comments were great, but they came at the wrong time. His participation was needed when the Commission was developing the Master Plan. The City still had work to do in encouraging people to provide input at the right time and feel like their voices were heard.

**Chair Karr** recommended including the high school when doing community involvement.

5. 2024 & 2025 PC Work Program (No staff presentation)

## **ADJOURNMENT**

The meeting was adjourned at 9:08 p.m.