

**CITY OF MILWAUKIE
PLANNING COMMISSION
Milwaukie City Hall
10722 SE Main Street
TUESDAY, October 10, 2017
6:30 PM**

COMMISSIONERS PRESENT

Greg Hemer, Chair
Adam Argo, Vice Chair
John Burns
Kim Travis

STAFF PRESENT

Denny Egner, Planning Director
Vera Koliass, Associate Planner
Amy Koski, Economic Development
Coordinator

COMMISSIONERS ABSENT

Scott Jones

1.0 Call to Order – Procedural Matters

Chair Hemer called the meeting to order at 6:30 pm and read the conduct of meeting format into the record.

Note: The information presented constitutes summarized minutes only. The meeting video is available by clicking the Video link at <http://www.milwaukieoregon.gov/meetings>.

Chair Hemer announced that due to the lack of a quorum, several agenda items would be taken out of order.

2.0 Planning Commission Minutes

2.1 May 25, 2017

2.2 June 27, 2017

This item was postponed to October 24, 2017.

3.0 Information Items – None

4.0 Audience Participation – This is an opportunity for the public to comment on any item not on the agenda. There was none.

5.0 Public Hearings – None

6.0 Worksession Items

6.1 Summary: North Milwaukie Industrial Area (NMIA) Code Amendments
Staff: Vera Koliass/Amy Koski

This agenda item was addressed following Item 6.2 Comprehensive Plan Update.

Vera Koliass, Associate Planner, presented the staff report via PowerPoint, and reviewed the proposed code amendments needed to implement the NMIA Framework Plan. She identified key items for the Commission's input, and noted that the worksession for the Comprehensive Plan amendments and design and development standards for the project was scheduled for the next Commission meeting.

Chair Hemer called for public testimony.

Denise Emmerling-Baker, 10606 SE Main St, #213, Milwaukie, stated she was a member of the Historic Milwaukie Neighborhood District Association (NDA) and the NMIA Advisory Committee. She said she was a strong proponent of making the area mixed-use. She noted that flooding would continue to occur and thought the best way to avoid damage and have a viable business was to have structured parking below the business; however, parking structures were expensive, so she believed residential use was needed. She added:

- Community input suggested improving Johnson Creek and making the area more mixed-use would promote that suggestion.
- The area was a prime location for residential with the bike path connecting Sellwood to Portland.
- She did not see how mixed-use could negatively affect Milwaukie's plans to increase employment or the look of the area. Many existing businesses would support and coexist with residences.

Chair Hemer noted the Commission agreed and had made the area between SE Milport Rd and Hwy 224 mixed-use, but Council had reversed the decision.

Ms. Kolias clarified the Comprehensive Plan amendment was part of the process, and Council had not agreed to mixed-use in the North Milwaukie Employment (NME) area, which the Plan language maintained as an employment zone that prohibited residential uses. The Commission could disagree and staff could present two versions to Council: one representing the Commission's recommendation to expand the Tacoma Station Area Mixed Use (MUTSA) Zone and one representing Council's direction.

Commissioner Travis asked about the timing of the Comprehensive Plan Update Project with the NMIA Framework Plan and the process if a neighborhood wanted to reconsider the uses of a node.

Mr. Egner replied by the time the neighborhood node discussion was in progress, the NMIA Framework Plan should be close to completion. He suggested further discussion about whether the neighborhood node concept was just about residential neighborhoods or did it also include industrial neighborhoods.

Ms. Emmerling-Baker said she wanted to ensure the floodplain liability issues that would render the land unusable had been carefully considered.

Mr. Egner said the amendments would update existing policies in the Comprehensive Plan that addressed the floodplain and protection of the natural area; he predicted that no radical changes would be made. The question was how to integrate the Plan and those policies in a better way.

Peter Stark, 2939 NW Cornell Rd, Portland, OR, stated he was on the NMIA Committee and wanted to specifically address the Mill End Store and surrounding property. The Dietrichs were the owners of the Mill End Store and were concerned about losing their store, which had already flooded twice. The Dietrichs were willing to commit to help develop the area by building a mixed-use development, the only type that would allow structured parking underneath. Zoning the property as MUTSA would allow the Dietrichs to proceed with their development. The Mill End Store had been around for 100 years and the Dietrichs wanted to continue to provide employment. He added that City Council had expressed concern about the proximity of residential to industrial uses, but housing already existed in the Plan and impacts could be addressed in the Code language. Council was also concerned about mixed-use competing with

downtown yet several mixed-uses existed in the area that might not be allowed with the proposed zoning. The current zoning would just be added to floodplain area.

A commercial corridor through industrial lands could be a benefit to the employees and businesses, such as coffee shops and daycare services, which were critical. Sprinkling residential in the industrial areas helped promote growth.

Amy Koski, NMIA Project Manager, explained Council believed more flexibility was being added to the NME area by allowing commercial uses, which currently were not allowed. Council also weighed the risk of putting residents and employees in a floodplain area. Council did not want the mixed-use in the southwest portion of the NME to impact development of residential mixed-use in the downtown area. Council's decision also regarded employment preservation, as roughly 75% of the city was zoned residential and only about 12% was industrial.

The Commission discussed the key issues staff sought input on with regard to uses in the NME with additional comments from members of the audience. Key comments and feedback were as follows:

Daycare: Staff confirmed daycare traffic trips could be absorbed into the worst-case traffic scenario, which had been based on office and industrial uses. The purpose of allowing a daycare was for its convenience to workers or close residents; it was not intended as a destination. The Commission agreed daycare facilities would be needed but should be incorporated into a business building for safety and security and not a standalone building.

Warehouse/Wholesale: As proposed, the MUTSA zone permitted both warehousing and wholesale uses. The characteristics of both could be similar and staff asked if the uses needed to be separated. Staff would return with trip generation data for warehouse and wholesale businesses, as well as the market demand for both uses.

High Impact Commercial: The Commission agreed to the proposed change to eliminate this category of conditional uses as staff believed it could be absorbed in the regular Table of Uses to simplify the Code language.

Hotel/Motel: The Code currently proposed that hotel/motel be allowed by conditional use in the MUTSA. The question was if hotel/motel uses should be allowed in the remainder of the NME area.

- **Ms. Emmerling-Baker** stated she thought the area was a prime location for a hotel, as there were no adequate hotels in the area, and Reed College, Waverly Country Club, and Providence Milwaukie Hospital were nearby.
- One concern was that hotel/motel would not produce the kind of industrial employment being sought in the zone.
- **Mr. Stark** said the Silver Cloud Inn was a good example because it was used primarily by business people coming to visit other businesses in Portland's northwest industrial area. Keeping a hotel/motel use in the MUTSA made sense. If the MUTSA was expanded to the southwest area, the Dietrichs were also prominent hotel owners and might be willing to consider the possibility of building a hotel on the Mill End property.

The Commission agreed to leave the language as is and table the issue for further discussion.

Building heights:

- Green building should be a criterion for a height bonus.
- Discussion regarded whether a bonus height should be allowed for residential in a residential zone. Defining public benefits, amenities, and exceptional design was difficult when deciding whether to allow variances.

The Commission supported a bonus height for green building and not requiring it as a variance to provide greater certainty.

- Staff would revise the language to clarify height was based on feet and not stories to accommodate higher ceilings for mixed and industrial uses.
- **Daniel Newberry, 1900 SE Millport, Milwaukie, OR**, expressed concern about taller, heavier structures in an earthquake hazard zone.

Staff would check if different standards were required in an earthquake hazard area and if additional building heights would require greater setbacks from Johnson Creek in the MUTSA and NME to prevent shadowing trees and the natural area.

Limit wholesale trade and warehouse distribution in the MUTSA: The 10,000 sq ft maximum was a placeholder. Warehouse distribution would be allowed throughout the NME, but the smaller MUTSA was intended to be a more mixed-use area. A warehouse that housed products for a business was not considered a warehouse use.

- **Mr. Stark** stated the market would determine what was successful or not. Businesses strictly for warehousing would not pay a premium for a location, but the Commission did not want to discourage a business like Amazon by creating zoning that would not allow them to locate there.
- In the smaller MUTSA, reducing the amount of commercial trip traffic was a beneficial feature. Wholesale trade and warehouse distribution should not be permitted due to heavy trip generation or make it a conditional use.
- Providing flexibility and allowing the market to decide seemed like the right approach. The MUTSA was a flexible area and would hopefully see some mixed-use and residential development. Anticipating the uses was difficult but high value warehousing should not be discouraged.

The Commission agreed to permit wholesale trade and warehouse distribution outright in the MUTSA with no references to a certain square footage.

Waste management: Staff said that Council wanted to find a way to allow the existing use to continue and modify without going through a conditional use process. In the rest of the district, some type of recycling/waste management might be appropriate through a conditional use process.

Mr. Newberry noted the NMIA stakeholder group discussed how the decision could have an impact on regional traffic, not just Milwaukie's. If too much focus was placed on jobs per square foot, the wholesale/warehouse businesses would be forced farther from the center of Portland causing an increase in traffic. Milwaukie was one of the closest areas to the center of Portland.

The Commission consented that waste management would be a conditional use in the NME.

Size limits for satellite campuses or labs and higher-education classrooms:

Mr. Newberry suggested clearly defining "trade school." Trying to make a distinction between schools and trade schools was problematic. American Medical Response (AMR) was already renting part of a building for training.

The Commission agreed staff should work on a better definition.

Different design standards for specific streets:

- Staff noted the proposed MUTSA currently called for more pedestrian-oriented street frontages, but on which streets should alternative design standards apply?

- Also, since much of the development in the near term would be retrofits, language was needed to ensure that compliance with the design standards was not triggered by small improvement projects. Thresholds for applicability were needed.
- Alternative standards were needed for street frontages to allow a discretionary approach for developers to create more active spaces that would complement the design characteristics of a warehousing building, for example.

Staff would return with design standards and suggestions as to where those standards should apply with input from the consultants at the next worksession.

Expansion of the MUTSA:

- The Commission discussed expansion of a mixed-use zone over the southwestern portion of the NMIA. Commission members said that if Council wanted affordable housing, more residential areas, and a mixed-use look, why were they concerned with competing with downtown? The area had walkability and livability and should have housing.
- The Commission supported allowing MUTSA zoning for the Mill End Store, which was a community-based employer, and the need for a structure for managing flood control in the future.
- Staff clarified the Housing Needs Analysis (HNA) estimated that about 1,200 dwelling units were needed for the 20-year planning period, but a number of those units were already coming online, so no overwhelming need existed currently for additional units.
- Local industrial employers wanted more training for and integration with residents to have access to a larger workforce. Expanding the definition of trade school and allowing MUTSA in the southwest area with the Employment Opportunity Analysis (EOA).
- The Commission questioned why the Council believed that allowing mixed-use would have a detrimental effect on the development downtown or that it would not pencil out economically.
 - **Mr. Egner** explained there was some concern about where residential development should be focused. Most of the discussion was about trying to preserve land for employment uses. Allowing housing everywhere would limit employment. Overall, housing demand was partially based on what land was available. A lot of land was small infill parcels, as shown in the Buildable Lands Inventory (BLI) and some sites could accommodate mixed-use. The EOA helped inform how to create the environment to attract the type of employment uses Milwaukie desired.
- Residential could be a catalyst to redevelopment, which was an opportunity for access to Johnson Creek and for restoration projects as a condition of redevelopment.
- Did the Johnson Creek Watershed Council have an opinion through the NMIA process on how the potential zoning scenarios would benefit or detract from Johnson Creek?
 - **Mr. Canfield** noted he saw nothing in the table about setbacks from Johnson Creek; however, it was discussed in the NMIA process. If improving that section of the creek was a priority, setbacks should be included in the Plan. The Commission should consider what zoning would most likely achieve the desired goals for Johnson Creek.
 - While 50-ft setbacks were required in the City's natural resource zones, 50 ft would probably not be enough to allow a bike or pedestrian path, for example, if Johnson Creek was to be a transportation or recreation corridor.
- Staff clarified there were multiple categories of CSUs and schools were called out as specific uses rather than the general term of "institutions." Charities and nonprofits were considered an institutional use under the CSU umbrella; however, they would probably be considered an office use.
- **Mr. Stark** acknowledged employment was the primary goal, but when a property could not be developed for employment use, what should happen? The owner of the Mill End Store was ready to develop and provide employment.

- **Ms. Kolias** confirmed staff would not go before Council until December 19th.

Following clarifications from staff, the Commission agreed to recommend expansion of the MUTSA in the southwest quadrant but not propose uses drastically different from the MUTSA in the northern area.

Staff agreed to look at the riparian buffer in the NMIA Plan to find more ways to call out the issues concerning Johnson Creek.

6.2 Summary: Comprehensive Plan Update
Staff: David Levitan/Denny Egner

Denny Egner, Planning Director, described a flow chart showing the proposed process for the Comprehensive Plan (Plan) Update to be completed in two years. The updates would be organized around the five Superactions in the Community Vision and Action Plan, and sustainability filters that consider People, Planet, Place, and Prosperity would also be applied. The focus would be on policy rather than addressing related Code work, Transportation Systems Plan (TSP) updates, and perhaps updating some of the City's inventories, all of which would occur later.

Key comments from the Commission and responses to Commissioner questions by staff were as follows:

- Major changes to the Comprehensive Plan Land Use Map would complicate the process. Map issues would be identified and addressed in each work block, and then synthesized in the final step. Changes to maps and zoning could be a key outcome of the process. The focus was to ensure the City's policies were sound and reflected the Vision. Some cleanup items related to the Plan maps were needed, such as on the Willamette Greenway map and issues regarding the CL Limited Commercial and GC Commercial-General Zones. Defining the neighborhood nodes or major commercial centers could result in map changes and would be part of the neighborhood meeting process.
- Commissioners could raise concerns about the Comprehensive Plan at the joint session with City Council next week.
- Sending the Comprehensive Plan Update to the NDAs to distribute to their members would help facilitate the City's meetings.
- While the neighborhood desires needed to be considered, setting the right expectations about the results of the process was important.

6.3 Summary: Planning Commission Workplan
Staff: Denny Egner

Denny Egner, Planning Director, noted the joint worksession with City Council next week and encouraged the Commissioners to attend. He highlighted key projects in the staff report, noting an application was received for the Milwaukie High School and that the application for the Ledding Library Expansion was expected at the beginning of the year.

Chair Hemer said he wanted to add a historic sign standard to the list, which could be a Design and Landmarks Committee (DLC) project. He believed the Planning Commission needed a better understanding of City Council's goals with regard to some Council decisions. He requested a review of the issues the Commission had sent to Council with a quick summary regarding the Council's decisions, including the NMIA Plan. If Council chooses a land use goal or project, the Commission should be told about it.

Mr. Egner agreed a briefing on land use issues would be good, noting staff could update the

Commission on affordable housing and the Climate Action Plan, which could eventually produce planning-related tasks.

7.0 Planning Department Other Business/Updates

Mr. Egner noted that there were three applicants for the vacant Commission position, and 67 people had applied for the Comprehensive Plan Advisory Committee. The Committee was to be comprised of 15 members, not counting Commissioner Travis and the Council members who would be liaisons.

8.0 Planning Commission Committee Updates and Discussion Items – This is an opportunity for comment or discussion for items not on the agenda.

Chair Hemer recognized Mr. Egner for receiving an Oregon APA Award for Outstanding Public Involvement on the Visioning Comprehensive Planning process.

Mr. Egner confirmed the appeal hearing at City Council for the Project Galaxy application would be October 17, 2017 regarding the 6-ft step back variance the Commission had allowed.

9.0 Forecast for Future Meetings:

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| October 17, 2017 | 1. City Council Joint Session: PC Workplan |
| October 24, 2017 | 1. Public Hearing: S-2017-003 11159 SE Maplehurst Rd
Subdivision |

Meeting adjourned at approximately at 8:43 pm.

Respectfully submitted,

Alicia Martin, Administrative Specialist II



Greg Hemer, Chair