

**CITY OF MILWAUKIE
PLANNING COMMISSION
Milwaukie City Hall
10722 SE Main Street
TUESDAY, November 28, 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, Resource and Economic
Development Specialist

COMMISSIONERS ABSENT

Sherry Grau
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>.

2.0 Planning Commission Minutes

- 2.1 July 25, 2017
- 2.2 October 10, 2017

It was moved by Commissioner Travis and seconded by Vice Chair Argo to approve the July 25, 2017 and October 10, 2017 Planning Commission minutes as presented. The motion passed unanimously.

3.0 Information Items

Denny Egner, Planning Director, stated the first meeting of the Comprehensive Plan Advisory Committee was held last night and included an overview of the anticipated tasks. He confirmed the Planning Commissioners would be added to the email notification list for the Comprehensive Plan Advisory Committee meetings.

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

- 5.1 Summary: North Milwaukie Industrial Area (NMIA) Comprehensive Plan and Code Amendments
Applicant: City of Milwaukie
File: ZA-2017-003, CPA-2017-002
Staff: Amy Koski and Vera Koliass

Chair Hemer called the public hearing to order and read the conduct of quasi-judicial hearing format into the record.

Vera Koliass, Associate Planner, reviewed the project's background, goals, and site map. Staff anticipated three public hearings with tonight's hearing focusing on the Comprehensive Plan amendments. She noted the NMIA Plan would be reconciled with the Tacoma Station Area Plan (TSAP), which would be repealed and reconciled with the revised NMIA Plan. She reviewed the proposed amendments for the Transportation System Plan (TSP), the Comprehensive Plan, and Comprehensive Plan Map.

Amy Koski, Resource and Economic Development Specialist, reviewed the changes to the NMIA Plan, noting that a red-lined document was included in the packet with a subsequent list of edits. Staff would provide the Commission with the revised Plan that incorporated the changes by December 9th.

Ms. Koliass reviewed four key questions for the Commission's consideration. Comments and responses to key Commissioner questions were as follows:

- After reviewing the City's plans for handling the anticipated increased traffic, ODOT asked staff to include placing time limits on parking in the City's Transportation Demand Management (TDM) Strategy and research other successful Transportation Management Areas (TMA) in the vicinity to encourage other transportation choices.
- Station areas were identified by Metro and established a policy in relation to transit rather than zoning or land use. While the proposed Tacoma Station Area Mixed-Use (MUTSA) zone crossed over with the North Milwaukie Employment (NME) zone, both zones met two different types of goals: the overall proximity to transit, and the City's land use goals to ensure land was available for more employment/industrial/manufacturing use.
- There were no implications for having Johnson Creek in the Tacoma Station Area (TSA) because the protections would remain in place. The station area designation provided opportunities for regional funding and allowed the City to receive a 30% trip generation reduction in the area. It would also provide opportunities for access to the natural resource, and pedestrian connections along the creek frontage and to the station.

Chair Hemer called for public testimony in support, opposed, and neutral to the application.

In Support

Nabil Kansa, Sr., 10966 SE McLoughlin Blvd, owned the 76 Gas Station and supported keeping the Mill End Store in its current location. Many of his customers from outside the area asked for the location of the store. He believed the Mill End Store identified Milwaukie.

Kelli Keehner, Chair, Downtown Milwaukie Business Association (DMBA), read letters into the record from DMBA members who saw the Mill End Store as a community asset and supported keeping the store in its current location.

Roger C. Sutherland, 962 SW Ebb Ave, Lincoln City, supported residential zoning on the Mill End site. He was a water resources consultant and civil engineer and briefly described the results of a flood study he had done on Johnson Creek that related to the site. He believed an elevated structure with residential or mixed use was the only practical and economically viable use of the site and that industrial use of the site was not practical.

Eric Hovee, 2408 Main St, Vancouver, WA, agreed the only viable, economic use for the ground floor was parking, adding that with the resulting above-market rental rates, only multi-

family housing could pay for that cost without public subsidies. The existing Mill End building would eventually be removed. He supported a mixed-use overlay to allow for residential on the site, but without the proposed 10-year sunset provision.

Jerry Baysinger, Baysinger Partners Architecture, reviewed via PowerPoint a concept that would keep the Mill End Store and add 140 residential units on four or five floors above the retail use. Parking would be under the building on the current grade level and extend south. The concept supported the idea of allowing housing that would afford the amount of structured parking needed for potential tenants and the Mill End Store.

Peter Stark, 2939 NW Cornell Rd, Portland, represented the Dietrichs and the Mill End Store, and said he supported the MUTSA zoning for the site. He reiterated previous comments about the floodplain, current regulations, and how the higher cost of structured parking could be offset by mixed use. Employment was primary to the NMIA, and housing should be allowed where floodplains made traditional, industrial, or office uses impractical and cost prohibitive. Some type of use that would allow the Mill End Store to develop was necessary, or nothing could be developed on the site.

Nancy Bishop Dietrich and Howard Dietrich, Owners, Mill End Store, 9701 SE McLoughlin Blvd, asked the Commission to consider an exception or zoning overlay for their property. The City's rezoning efforts in 2016 were intended to help land owners with their businesses. The building was old, and could not be flood-proofed due to lack of pilings and the flood situation set them apart from other businesses. They had hired specialists to help determine how to keep their business viable on the current property. They noted the number of employees their businesses employed in the city.

Mr. Dietrich confirmed he had no issue with the 10-year sunset clause because he was 70 years old and wanted to complete the project before he died.

Neutral

Brian Gunier, Development Officer, Business Oregon, 121 SW Salmon St, Portland, noted little developable area existed in the Johnson Creek industrial area, and should remain for traded sector and employment opportunities. Industrial areas were critical for economic resiliency and were also difficult to replace. The state and Business Oregon would continue to work with the community on projects to address transportation access issues, and with individual business owners on business financing and helping with trade and exporting.

Opposed - None

Ms. Koski provided background and further details on the Development Feasibility Analysis conducted by ECONorthwest. While residential was the most feasible development, ultimately, the recommendation was not to use housing as a catalyst to spur additional development. Industrial development would require some type of subsidy, but no funding mechanism existed for that approach.

The Commission deliberated the four key questions posed by staff. Discussion points were as follows:

- The Commission supported Option 3, creating a new mixed-use overlay for the area bounded by Millport Rd, 17th Ave, and McLoughlin Blvd, and noted that testimony tonight

from the community and experts aligned with the NMIA Advisory Committee recommendations.

- Staff confirmed an overlay would not change the underlying NME Zone. While the overlay would allow some additional uses for 10 years, the percentage of zoned industrial land would not change.
- Findings regarding the 10-year sunset could be tied to the Development Feasibility Analysis by ECONorthwest.
- There had been no viable argument in opposition to the Mill End site being redevelopable without a residential element.
- The Commission acknowledged the overlay would apply mixed use to the entire subject area, not just the Mill End Store.
- Perhaps the original Commission recommendation to Council regarding the overlay was framed wrong initially; the redevelopment opportunity lies in supporting and building up some of the existing industrial uses and catalyzing that with residential, retail or commercial elements.
- Further research of the Development Feasibility Analysis was needed to understand the methodology, which seemed short-ranged.
- The current housing crisis would be addressed by units already in the pipeline, so it was important to not think short-term.
- If the area was removed from industrial use, it would never return to industrial use.
- Staff would prepare language to apply an overlay (Option 3) for consideration at the January 9th meeting.
- Comments regarding the NMIA Plan and revisions to Comprehensive Plan and TSP were:
 - The name of the proposed overlay area should be changed to Milport Mixed Use (MMU) because it was not located near the Tacoma Station Area.
 - Language requiring that all buildings three stories and above be able to supply their own power during peak hours of operation was suggested. Most industrial would be one or two stories, so the requirement would affect mixed-use or unique businesses with the resources to comply.
 - Staff suggested crafting a policy, goal, or aspiration statement to encourage that because it would be difficult to codify. The policy could be written similar to other sustainability requirements currently being discussed by Council and reviewed at the implementation stage to ensure consistency with other City sustainability programs.
 - The Commission discussed requiring that a quarter of all residential buildings have rentals dedicated to low income housing. Tying affordable housing in with the industrial area, especially next to a transit center, made a lot of sense, but there could be unintended consequences.
 - Staff would confer with Alma Flores, Community Development Director, for ideas on affordable housing and return to the Commission with information.
 - A housing allowance would build the kind of metrics to produce better, frequent transit service, which was a good reason for incentives for allowing mixed-use and residential.
 - Concerns about funding were alleviated knowing new funding options, like HB2017, would provide funding opportunities for NMIA projects in the TSP.

Commissioner Jones moved to continue applications ZA-2017-003, CPA-2017-002 to December 12, 2017; seconded by Vice Chair Argo. The motion passed unanimously.

6.0 Worksession Items - None

7.0 Planning Department Other Business/Updates

7.1 Planning Commission Notebook Code Supplemental – Postposed

8.0 Planning Commission Committee Updates and Discussion Items

The first Comprehensive Plan Update meeting was held last night with introductions of committee members and a review of the timeline and process.

Vice Chair Argo announced that he now worked for the ODOT Transportation Development Planning Section and would recuse himself from policy work or other items if a potential conflict existed.

Chair Hemer reminded that the Umbrella Parade and Holiday Tree lighting would be on December 2nd; on December 16th was Christmas at the Museum as well as the Winter Solstice Event, where attendees could see the Christmas ships.

9.0 Forecast for Future Meetings:

December 12, 2017	1. Public Hearing: ZA-2017-003, CPA-2017-002 NMIA Comp Plan and Code Amendments
January 9, 2018	1. TBD

Mr. Egner announced the Planning Commission would meet December 12th, but not December 26th.

Chair Hemer announced he would not be attending the December 12th meeting.

Meeting adjourned at approximately 8:56 pm.

Respectfully submitted,

Alicia Martin, Administrative Specialist II



Greg Hemer, Chair