

**CITY OF MILWAUKIE
PLANNING COMMISSION
MINUTES
Milwaukie City Hall
10722 SE Main Street
TUESDAY, JANUARY 9, 2018
6:30 PM**

COMMISSIONERS PRESENT

Greg Hemer, Chair
John Burns
Scott Jones
Kim Travis

STAFF PRESENT

Denny Egner, Planning Director
Vera Koliass, Associate Planner
Amy Koski, Resource & Economic
Development Specialist
Dan Olsen, City Attorney

COMMISSIONERS ABSENT

Adam Argo, Vice Chair
Sherry Grau

1.0 Call to Order – Procedural Matters*

Chair Hemer called the meeting to order at 6:30 p.m. 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 www.milwaukieoregon.gov/meetings.*

2.0 Planning Commission Minutes

2.1 October 24, 2017

Commissioner Travis moved and Commissioner Jones seconded to approve the October 24, 2017 Planning Commission minutes as presented. The motion passed unanimously.

3.0 Information Items

Denny Egner, Planning Director, updated the Commission on the vacant Commissioner position and hoped that the selected member would be appointed at the January 16th City Council meeting.

Mr. Egner also noted that the Volunteer Appreciation Dinner was scheduled for March 29th.

The Planned Development land use application for 13333 SE Rusk Rd was scheduled to be heard at Council again on January 16th and the applicant would likely request a continuance.

The second Comprehensive Plan Advisory Committee (CPAC) meeting was scheduled for January 31st.

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) Code and Comprehensive Plan Amendments
Applicant: City of Milwaukie
File: ZA-2017-003, CPA-2017-002
Staff: Vera Kolas / Amy Koski

Chair Hemer called the hearing to order and read the conduct of legislative hearing format into the record.

Vera Kolas, Associate Planner, presented the staff report via PowerPoint. She reviewed the project's history, goals, and current status as this was the third of three public hearings at the Commission and would focus on the final amendment package for recommendation to City Council.

Ms. Kolas noted the revisions to the proposed amendments based on the previous two hearings regarding the development standards. Revisions included reduced setbacks, reduced front yard setback parking, and increased frontage occupancy requirements, all primarily on the proposed key streets to maximize for buildings to occupy frontages. Additional revisions were made to clarify the applicability of design and development standards that would apply to new development as well as a threshold for redevelopment and additions.

Ms. Kolas reviewed the current and proposed zoning, which would be consolidated into one North Milwaukie Employment (NME) Zone and Tacoma Station Area Mixed Use (MUTSA) Zone. The proposal included the area under consideration for a mixed-use overlay in the southwest corner of the NME which would be the Milport Mixed Use (MMU) Overlay. The MMU Overlay would allow for the same standards as the MUTSA but for standalone residential would not be allowed. The overlay would have a sunset period, the existing nonconforming use could be replaced, and development would be subject to Type II review.

Ms. Kolas noted that staff recommendation was for the Commission to recommend approval to City Council, and reviewed the decision-making options and next steps with a worksession and hearings at City Council.

Staff responded to questions from the Commission:

- Type II review for development in the proposed overlay was recommended because it was an overlay; it was the same for the Flex Space Overlay in Central Milwaukie.
- Regarding the proposed retail uses allowed, as proposed retail marijuana was prohibited in the NME and was a limited use in the MUTSA. Currently, medical and retail marijuana was required to be part of another development. The Commission agreed that retail marijuana should be a limited or conditional use to put it in line with eating and drinking establishments. Staff described the process for the limited use.

Chair Hemer called for public testimony.

Jerry Baysinger, Baysinger Partners 1006 SE Grand Ave Ste. 300 Portland, believed that the next great flood of the Willamette River would destroy the Mill End Store beyond repair, and redevelopment would be too costly without a design that included basement parking. Parking structures were costly therefore residential was needed on the upper levels to make redevelopment economically feasible.

Eric Hovee, Economic and Development Consultant, 2408 Main St Vancouver, WA, noted the ECONorthwest economic assessment for redevelopment of the Mill End Store stated that with industrial uses above parking and retail, the project would be infeasible. He recommended the mixed-use overlay to preserve redevelopment capacity and a feasible use on the site. He added that it would not be in conflict but would complement downtown and the NMIA area.

Peter Stark 2939 NW Cornell Rd Portland, stated he had reviewed the City Council worksession meeting regarding the proposed amendments and he had some points of concern. He clarified that there were neutral parties in support of a mixed-use overlay outside of direct stakeholders. He stated that the site was not directly adjacent to industrial uses on three sides as it was buffered by McLoughlin Blvd and Hwy 224 on two of those sides. He reiterated that if the building was removed and residential was not allowed on the site, there could be no economically-viable development, investment, or employment on the site. He asked the Commission for their support.

Nancy Bishop Dietrich, 9701 SE McLoughlin Blvd, thanked the Commission for listening to the testimony in support of the Mill End Store, which would be 100 years old in May. She stated that they wanted to remain at the site and continue to be good stewards to the community.

Chair Hemer closed the public testimony.

Planning Commission Deliberation

The Commission agreed that the proposed key streets and front yard setbacks were appropriately allocated and identified.

Commissioner Jones stated that although the argument for the Milport Mixed Use Overlay was compelling, the proposal at hand was considering a larger neighborhood and district. It was the Commission's responsibility to make a decision based on the greater integration and framework of the NMIA Plan. He believed that the overlay was in line with the goals of the NMIA Plan and connects the two sides of the district while facilitating and improving employment opportunities. He believed the Commission and Council should approve the overlay.

Commissioner Travis said she had walked around the area quite a bit since the Commission began its review and she agreed that residential use would add a level of vibrancy to the district that would help enhance it overall and advance utilization of employment land. Having a catalyst development may help bring the Plan to life.

Mr. Egner clarified that the overlay would require the use to be constructed during the proposed sunset time period. Once constructed, the use would remain but the residential development eligibility granted under the overlay would end.

Commissioner Burns stated that based on the ECONorthwest economic feasibility report for the area, the mixed-use overlay would create a potentially viable development option. He believed the overlay fit with the Plan and in the district.

Chair Hemer said that, although he agreed that the testimony and arguments in favor of the mixed-use overlay were compelling, the intent of the NMIA Plan was for the area to be an industrial district and the focus should be on how to keep it as an industrial district. Although the Plan was considered an "eco plan," there were no ecological solutions proposed. If the purpose

was industrial, then economic disincentives needed to be in place for residential, such as required affordable housing and required self-provided power for 3-story buildings and above. Consideration needed to be given to the Vision statement and the City Council's Climate Action Plan and Affordable Housing goals. The benefit of industrial and work lands in the NMIA was much greater than residential. If the City's goal was to be net-zero by 2040 but was adopting the NMIA Plan now that did not hold that in consideration then there was no meaning to the 2040 objective. He would not be in favor of the mixed-use overlay.

Commissioner Jones stated he agreed that those goals were noble but he questioned if this Plan was the right mechanism for those goals. He agreed that the zoning code could have more requirements regarding sustainability and affordable housing. However, the requirements Chair Hemer proposed were more stringent than in any other city on the west coast as far as a development incentive for a city that has very little economic incentive to offer back.

Mr. Egner noted that an affordable housing study was currently underway and would look at a wide range of strategies across the community. He suggested that the Commission wait to see what came from that study as well as to look at green building strategies used in downtown and apply those to the NMIA. He added that the Plan outlined a number of projects that addressed eco-district ideas.

Chair Hemer believed the City had a responsibility to lead in sustainability and affordable housing.

Commissioner Jones moved and Commissioner Burns seconded to recommend approval to City Council of the proposed code amendments of ZA-2017-003 and CPA-2017-002 with the findings and conditions as amended to include retail marijuana as a limited and conditional use consistent with other retail uses and the proposed Milport Mixed Use Overlay. The motion passed with Chair Hemer opposing.

6.0 Worksession Items — None

7.0 Planning Department Other Business/Updates

8.0 Planning Commission Discussion Items

Commissioner Travis noted that the next Comprehensive Plan Advisory Committee meeting was scheduled for January 31, 2018.

Chair Hemer asked about a statement by Governor Kate Brown that said that all residential housing would need to have solar panels in six years, and how that would apply to the residential design standards with regard to roof faces and front door orientation to the street.

Mr. Egner responded that it was a complicated issue and would likely be discussed through the Comprehensive Plan Update project.

9.0 Forecast for Future Meetings:

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| January 23, 2018 | 1. Public Hearing: HR-2017-002 Milwaukie High School Deletion |
| February 13, 2018 | 1. Public Hearing: VR-2017-013 5047 SE Jackson St driveway variance |

2. Public Hearing: CSU-2017-009 Ledding Library temporary location
3. Worksession: Comprehensive Plan Update project update VR-2017-0

Meeting adjourned at approximately 7:51 p.m.

Respectfully submitted,

Alicia Martin, Administrative Specialist II



Greg Hemer, Chair