

**CITY OF MILWAUKIE
PLANNING COMMISSION
MINUTES
Milwaukie City Hall
10722 SE Main Street
TUESDAY, February 24, 2009
6:30 PM**

COMMISSIONERS PRESENT

Jeff Klein, Chair
Dick Newman, Vice Chair
Scott Churchill
Teresa Bresaw
Lisa Batey

STAFF PRESENT

Katie Mangle, Planning Director
Susan Shanks, Senior Planner
Ryan Marquardt, Associate Planner
Li Alligood, Assistant Planner
Zach Weigel, Civil Engineer

COMMISSIONERS ABSENT

Chris Wilson
Paulette Qutub

1.0 Call to Order – Procedural Matters

Chair Klein called the meeting to order at 6:35 p.m. and read the conduct of meeting format into the record.

2.0 Planning Commission Minutes–None.

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.

Betty Fulmore, 3356 SE Rockwood St, Milwaukie, OR distributed a letter from Matt Rinker, Ardenwald Neighborhood District Association (NDA) Chairman and a handout to the Commission regarding concerns about the secure residential treatment facility on Balfour St (Balfour House) and the proposed HUD project. She presented her concerns as follows:

- The Code did not currently define the terms “residential treatment,” “secure residential treatment,” “forensic secure” or “extended care” facility, so it was not possible to know what classification fit those homes. Clarification was needed for the Columbia Care building and similar facilities coming into Milwaukie.
- The only mention of extended care facilities was under off-street parking standards for nursing, convalescent, and extended care facilities, which addressed how many parking spaces per bed were allowed.
- She was concerned about fencing and parking spaces. The Code did not specify placement of parking spaces or how many were required for a residential facility. Five parking spaces were originally proposed in front of the Columbia Care building, but now it would have nine parking places in front. Employee parking planned for the back of the building, giving it more of a business than residential appearance. The idea behind this was to make the facility fit in a residential neighborhood.
 - The length and width of the parking spaces as indicated in the plans did not appear consistent with the Code and might not be legal. She described the layout of the parking facilities as she understood them.
 - The Code allowed one parking space for every four beds, so two parking spaces

were allowed for the eight planned beds. When combined with the allowed parking for employees, the nine proposed spaces were too many.

- Nursing and convalescent homes were listed under conditional use. If they were also listed under the Federal Housing Act or Americans with Disabilities Act (ADA), then they should not be under conditional use because under ADA, the facility could go in a residential area.

Chair Klein asked staff to provide Ms. Fulmore a copy of the recently updated Transportation Code Amendment (TCA) because it presented new ideas being put forth and addressed a number of her concerns.

Katie Mangle, Planning Director, stated that the Parking Code was also under review and could restrict parking lots in front yards.

- Staff was currently reviewing the plans for residential facilities. She would research Code questions and provide a response at the next meeting along with a written response.

Ms. Fulmore stated that fencing issues were also a concern. The facility was to be a secure residential treatment facility for forensic patients and if so, the outside perimeter should be secured. The residential Code required 6-ft high fences, but one could climb over such fences. She was not able to find a clear definition of fencing and wondered if it was in a different category because it regarded security. According to the State, the issue was the safety of the surrounding neighborhood, but she did not see a 6-ft fence sufficient for a secured facility.

Commissioner Churchill:

- Inquired about the neighborhood's perspective. The building was to have a residential appearance, so a 6-ft fence blended better into the neighborhood than an 8- or 10- ft fence.
 - **Ms. Fulmore** agreed, but said that the fencing could be toward the back of the property, so it would not really be seen from the front. Supposedly, the patients were not to be in front of the building and had to be secured, but since a permit was not required to build a fence, no answers were available about the fence to be installed.
- Summarized that Ms. Fulmore and her neighborhood were interested in a facility that blended into the neighborhood but had sufficient security.
- Asked about the neighborhood's perspective regarding onsite versus on-street parking.
 - **Ms. Fulmore** replied that they did not need to park on the street. The design proposed a parking lot next to the long driveway of the three adjoining flag lots and for employee parking behind the facility.

Chair Klein clarified that the [application] had not and was not expected to come before the Planning Commission. The plans were submitted so that [the application] properly fit within the Code. It was important that people understood that the Commission had sympathy for what was happening at that particular location and he wished the Code changes had been updated sooner.

Commissioner Bresaw stated that the Commission could recommend or suggest possibilities that would better conform to the neighborhood.

Ms. Fulmore understood, but felt that changes were needed in the future.

Chair Klein affirmed that the Commission was working on making Code changes.

5.0 Decision Items

Extension Request

- 5.1 HIE-08-04 Extension request for Home Improvement Exception Approval for 13115 SE Pennywood Court
Staff Person: Ryan Marquardt

Ryan Marquardt, Associate Planner, explained that the Home Improvement Exception (HIE) was a minor variance, allowing an existing resident to construct an addition that did not quite meet all of the standards of the base zone where located. The applicant's proposed addition covered 31.5% of the lot in a zone that allowed 30% maximum coverage. It was a Type II process, which was typically approved at the Planning Director level with public notice sent to properties within 300 ft.

- As a minor variance, it was subject to the 6-month substantial construction timeline, similar to the Willamette Greenway dock and Harmony Mini-Storage. The applicant recently turned in permits, but was unable to meet the timeline for completing substantial construction.
- Staff recommended that the Planning Commission approve the extension. If approved, the applicant had until February 28, 2010 to reach the substantial construction threshold for the addition. If not approved, then the HIE would expire on February 28, 2009. The applicant could then either construct something to meet the Code standards or reapply for an HIE.

Commissioner Bresaw moved to grant the one-year extension for the Home Improvement Exception, HIE-08-04. Commissioner Churchill seconded the motion, which passed 5 to 0.

Public Hearing

- 5.2 ZA-09-01 Public Hearing on Metro Code Compliance Title 4 – Industrial and Other Employment Areas
Staff Person: Li Alligood

Vice Chair Newman moved that the Planning Commission initiate Code amendments for Title 4. Commissioner Batey seconded the motion, which passed unanimously.

Li Alligood, Assistant Planner, presented the staff report regarding amendments to Title 19 Zoning Ordinance via PowerPoint, including the following comments:

- Amendments in 2004 to the Metro Functional Plan, in which Title 4 is contained, further restricted retail development in designated industrial areas, so Milwaukie's Municipal Code was currently out of compliance with Title 4. The proposed amendments would bring Milwaukie's Municipal Code into compliance regarding the additional restrictions.
- The proposed amendments affected only two portions of two lots. It would prohibit certain uses in Title 4 industrial lands, including retail uses larger than 5,000 sq ft and multiple retail uses larger than 20,000 sq ft per site combined.
- The proposed amendments met all the approval criteria with regard to process, consistency with the ordinances, and conformance with the City's Comprehensive

Plan and regional and State regulations, including Title 4 of the Metro Functional Plan and Statewide Planning Goal 9.

- Staff recommended that the Commission vote to recommend that City Council adopt the zoning text amendment to Title 19 and the attached findings.

Commissioner Churchill:

- Wanted to clarify that a 60,000 sq ft restriction existed on retail.
 - **Ms. Alligood** confirmed that within Title 4 lands there was a restriction on retail of 60,000 sq ft, and the amendment would restrict that size limit of the affected properties even further. The bulk of the manufacturing zone did not have size restriction.
- Understood that Title 4 lands could grow in the future, so it was best not to look specifically at the existing sites, but instead determine what the implications were to the broader picture.
 - **Ms. Alligood** clarified that Title 4 lands within the City were designated by Metro according to a set of criteria. The City could request inclusion of additional lands through a public hearing process. Metro could then determine that they were viable Title 4 lands. However, she was not aware of any current plans to do so.
 - Metro used three primary criteria to designate Title 4 lands: proximity to arterial roads and freeways; proximity to other similar, industrial uses; and whether the site is developable given its topography, whether it is in a flood plain, etc.
 - The Johnson Creek Blvd area was located on an arterial and near Hwy 205 with other industrial uses nearby.
- Noted industrial lands were on much larger arterials than Johnson Creek Blvd, so it would be helpful to understand how Metro determined Title 4 land.
 - **Ms. Alligood** replied that she could not address why or how, but a thorough, rigorous process in early 2000s was used to determine regional industrial lands.
- Commented that the method for determining Title 4 land appeared very vague, making it difficult to plan for expansion or restrictions of Title 4 lands.
 - **Ms. Alligood** surmised that the only way Title 4 lands would expand was if it was requested.
- Expressed concern, noting that many things were done by Metro without invitation.

Chair Klein stated that realistically, the placement of the two sites around Precision Cast Parts (PCP) made it obvious that other types of development would not occur there. He also did not understand the subjective nature utilized to choose Title 4 for the area, but it appeared to be more of a formality. He did not want PCP to leave.

Commissioner Batey:

- Asked if the City had a way to stop Metro should it determine, for instance, that the North Industrial area be considered as Title 4 land.
 - **Bill Monahan, City Attorney**, replied that Metro would follow a process similar to what they did in 2000 when they enlisted the assistance of local governments to identify industrial and residential areas in a regional analysis. Unless Metro changed their process, they would probably go through another large regional process similar to that of the Urban Growth Boundary (UGB) expansion to update whether sufficient land was preserved for the industrial needs of the region. There would be a public process where Milwaukie could offer input, but ultimately the Metro Council would make the decision and dictate to local governments under the authority of their charter.

- **Ms. Mangle** added that 5.2 page 37 of the packet included the actual text of Metro Title 4. Section 3.07.450 discussed rules for amending Title 4 maps, including rules for when a city wanted to initiate the change as well as for when Metro initiated the change. Generally, Metro would initiate the change if it was land coming into the UGB. It was a long process with a lot of hearings and would not happen casually or by accident.
- During the Transportation System Plan (TSP) discussions, a group of industrial property leaders in the community casually discussed expanding the Title 4 lands to include the North Industrial area, which the City did consider an industrial sanctuary.
- By expanding the Title 4 lands, the City might benefit from potential access to more grant money at the regional level for freight and transportation investments oriented toward Title 4 lands.
- Understood there was no need to worry about Metro unilaterally amending Title 4 maps.

Commissioner Churchill believed it was difficult to set restrictions on something that was applied to a very small portion of the City's land that could have implications at a later date.

Chair Klein noted that it was site-specific.

Commissioner Churchill expressed concern that it was a Code amendment, not just a site-specific amendment.

Chair Klein noted that it addressed the two sites that were currently Title 4, and did not expand those areas.

Ms. Alligood said that if additional lands became Title 4 lands in the future, Metro's restrictions would then apply to them as well.

- The proposed amendment was worded to apply to mapped industrial lands. If industrial lands were added to the map, then it would apply to those lands as well.

Commissioner Churchill:

- Stated that if the City found them to be inappropriate, then the Code would require adjustment to match the condition at that point.
 - **Ms. Alligood** confirmed that the reason for the proposed amendments was to comply with the Metro Functional Plan as required. Staff only added the minimum necessary language.
- Added that he would feel better if staff better understood the true intent and detail of Title 4, because it was not clear.
 - **Ms. Alligood** reiterated that the intent was to preserve industrial lands.
- Agreed, but stated there were other implications. Tools were being put in place without a full understanding of how Metro's criteria was developed for selecting Title 4 land and it could backfire.
 - **Mr. Monahan** commented that the Metro Functional Plan took place over a long period of time when local governments had the opportunity to provide input. However, the City had no control over Metro. Everyone would like to understand Metro better, but it was a difficult process.

Commissioner Batey commented that if Metro determined that the North Industrial area was Title 4 land, it might not be a negative as it would keep out big box retail. The 5,000 sq ft and 20,000 sq ft limits might be too small [of a restriction], but the potential for Metro to act unilaterally seemed fairly low and did not worry her.

Ms. Alligood said that the proposed language was directly from Title 4. The size requirements were the maximum allowed. Other cities, such as Portland, restricted their maximum to 3,000 sq ft.

Chair Klein called for public testimony in favor of, opposed, and neutral to the application. Seeing none, he asked for additional comments from staff.

Ms. Alligood stated a letter was received from Metro stating that the proposed amendments brought the City into compliance with Title 4.

- A Measure 56 notification was sent to PCP that included the text of the notice, and Alex Campbell, Resource and Economic Development Specialist, had contacted them. Staff was told a representative might attend the hearing, but no further comments were received.

Tyson Terhaar, Facilities Manager, Precision Cast Parts, 4600 SE Harney Dr Portland, OR 97206, stated that as an existing industrial land, as long as the Title 4 designation did not affect the company's production or potential to build additional factories, they did not have a problem with it.

- He believed the reason their site was chosen as a Title 4 land was because the factory's property was actually split between Portland and Milwaukie.
- As an organization, they did want a clear understanding of what the City was agreeing to with the request. They had received notification of the public hearing, but did not receive a clear definition or much more information.
- He stated for the record that PCP did not intend to build any big box retail.

Chair Klein stated that as he read Title 4, it basically prevented big box stores and retained the property as an industrial area; it would not affect PCP.

Commissioner Churchill said he still had problems with how criteria used for selecting Title 4 land was developed. The documents and packet did not provide a clear explanation. Even though Title 4 was created many years ago, it did not mean that Title 4 or its intent should not be understood. The Commission was being asked to vote on something that was not really clear.

Mr. Terhaar added that if additional restrictions were imposed to Title 4 lands that restricted his company's ability to produce, then PCP would look to expand in other locations.

Chair Klein reiterated that the premise of Title 4 was to protect that. He added that he certainly did want to know how Metro selected the lands.

Ms. Mangle responded that staff would be happy to provide additional information at the next meeting, if that would help the Commission reach a decision.

Chair Klein asked if the Commission wanted to [postpone the vote].

Mr. Terhaar said his company had no stance since it did not affect how they ran the business.

Commissioner Bresaw said she did not mind voting on the amendment tonight.

Chair Klein said the premise was a good idea and logical for the site subjected to Title 4 now. He understood Commissioner Churchill's concerns, but did not see a problem voting on the amendment tonight.

Vice Chair Newman stated the only difference was if they were asking staff to do a lot of work for something that might not be any clearer in two weeks.

Commissioner Batey stated she was ready to vote, but understood Commissioner Churchill's concerns and agreed to postpone the vote in the interest of full disclosure.

Chair Klein agreed.

Commissioner Churchill stated that if the Commission voted, he would probably abstain, which would not affect the hearing. In principle, he agreed with staff's intent to comply with Metro's ordinances, but preferred to understand the intent because the Code was being changed to increase restrictions. What affect might the amendments have should the North Industrial area or another area of the City become subject to Title 4? While public hearings would be held if it changed, it was good to understand the intent. He preferred not to vote on items without complete background information.

Vice Chair Newman said it seemed that Metro was trying to maintain the City's industrial area and prevent big box retail from taking up that space.

Chair Klein agreed, but believed the question was how Metro designated Title 4 lands and whether the City had any input on that process.

Vice Chair Newman said he was willing to wait two weeks for more information.

Commissioner Batey moved to approve ZA-09-01 Zoning Code amendments limiting retail uses in Manufacturing Zone M as written in the staff report. Vice Chair Newman seconded the motion, which passed 4 to 0 to 1 with Commissioner Churchill abstaining.

Ms. Mangle confirmed staff would update the Commission with more details regarding Title 4.

6.0 Worksession Items

- 6.1 South Ardenwald Master Plan – project briefing with staff from the Housing Authority of Clackamas County
Staff Person: Katie Mangle

Katie Mangle, Planning Director, reviewed the South Ardenwald Master Plan (Master Plan) and Study Area Map via PowerPoint, emphasizing that the project was only in the initial stages of development.

- She noted that it was assumed that the Housing Authority of Clackamas County (HACC) would maintain ownership of most of the site and hoped to obtain grants for redevelopment, which in turn defined some goals of the project.
- The community planning project would allow neighbors to interact with designers to establish a vision for the area and how it might better contribute to the neighborhood. Street plans, connectivity, varied land uses, including uses complementary to the hospital, open spaces, etc., would all be considerations of the Master Plan, which might prompt zoning changes or perhaps an overlay zone. Such changes would involve the Planning Commission and City Council.
- A compressed, integrated, public involvement process using charrettes was envisioned to enable in-depth participation by many people within a short time period.
- Hired consultants would provide three types of expertise for the Master Plan: innovative neighborhood design, land use/master planning, and public involvement, especially in providing experience running the charrettes. The consultants would help facilitate the design by helping community participants visualize different types of development, houses, and streets.
- She agreed the project was speculative, given that the owner, John Murphy, kept the land vacant, but noted that the Zoning Code established and codified the community's vision for private land use. If, for example, a mix of single-family houses and duplexes that transition to senior housing and retail was best, and the Code did not allow the use, the Code could be revised to ensure it allowed, encouraged, and empowered the private property owner to build what was envisioned.
 - The Commission typically saw the implementation of a project, but the Master Plan regarded the long-range planning of the 30-acre site with a fresh look.
 - Given all the assumptions involved, such as property owners, HACC, a hospital, Hwy 224 limitations, the railroad, and perhaps even the quiet zone, along with the consultants' market analysis of what could be supported in the future, what did the community want from this site? Code changes were anticipated because the community's vision might not be supported by what the Code currently allows.

Chair Klein did not believe that a charrette meeting over a short time period would do justice to the site's development. He did not know why the site had not been developed, but questioned why a quick meeting was the best way to proceed.

- **Ms. Mangle** clarified that the charrette was not one quick meeting, but a series of meetings compressed over a week or a month. The process required a lot of work up front to prepare traffic and market analyses, housing typologies, etc., for use at the meetings when site planning would be done in groups. After the meeting, the designers would evaluate and integrate the best ideas and return the next day with a concept plan. This was more of a real-time planning model, allowing the whole team to do multidisciplinary planning and for people to interact directly with the designers. That direct interaction was most important for the South Ardenwald project.
- Asking for community input after staff worked for three months to prepare their best version of a plan was not the right approach. Allowing people to interact directly into the process was more effective, but it would only work if staff came prepared with extensive background information that people could use [during the charrettes].

- The process would result in the best concept plan or community vision. No Code writing, revisions, or land use changes would be done. The next phase would be to return to the Planning Commission to discuss codifying the plan.

Commissioner Churchill:

- Expressed similar concerns about a compressed schedule. He appreciated the charrette format, which was effective, but compressing it within a month seemed tight and would not provide an appropriate response from the local community. A 2-month period seemed more appropriate, with spot-compressed sections, perhaps.
 - **Ms. Mangle** added that the project included an ongoing steering committee with representatives from the neighborhood, hospital, and Hillside site to work on the project over a longer period of time. NDA meetings were another opportunity to involve the community.
 - Many people were not able to sustain the level of effort required over a long period of time, but she understood the concerns of the Commissioners. The intent was to allow many people to interact with the project in a meaningful way and to know that the Master Plan ultimately reflected the community's desires for the site. The charrette was a very good way to proceed, but other methods were also available.
- Suggested a steering committee could help develop criteria to provide the charrette process a direction and a venue to respond to the criteria.

Chair Klein:

- Questioned how the subject site became a priority when other sites could use the process and in-depth push.
 - **Ms. Mangle** replied it was partly because the HACC was moving forward on a project to potentially redevelop the Hillside site, completely independent of the City. Without the HACC's effort, the City would not have initiated the project on its own. HACC would hire most of the consultants, but the project was shared between the City and Clackamas County. City staff saw an opportunity for the community to leverage the project, making it the best for the community, but also looking more broadly at the entire area rather than just the Hillside site.
- Understood that HACC was hiring a consultant to study redevelopment of their aspect of the project as well as the feasibility of the Murphy site.

Trell Anderson, Executive Director, HACC, explained that HACC initiated a feasibility study 1½ years ago to look at its entire portfolio, specifically targeting public housing.

- HACC owns 920 units of housing across the County and 566 were specifically defined as public housing units. He clarified that 200 of the units were at the Hillside site: 100 single-story individual units in Hillside Park, and 100 in the 9-story Hillside Manor tower.
 - The public housing portfolio consisted of outdated housing; Hillside Park was first occupied in 1941. Americans with Disabilities Act (ADA) compliance was a problem and the units were not energy efficient, costing both residents and HACC money.
 - The land was underutilized at Hillside and throughout the portfolio. Oregon City sites were poorly located for allowing residents access to services, employment, or education opportunities.
- Different consultants with different skill sets were hired to analyze the options and opportunities available in order to reposition and redevelop the entire housing

portfolio to make it easier and less expensive to manage, and to be beneficial to clients, neighborhoods, and communities overall where HACC had property.

- An advisory committee was also assembled 1½ years ago that included Lisa Gunion-Rinker, Mary King, and Kenny Asher, Community Development & Public Works Director. As the feasibility analysis was completed, discussions took place with hospital officials. Mr. Asher suggested that the opportunity existed for the City and HACC to work as partners toward a broader vision, redeveloping Hillside Park along with the south end of the neighborhood.
- The consultant was yet unknown, but it was definitely a joint request for proposal (RFP) process and that neighborhood residents would be included in the selection of the consultant.
- He distributed a handout describing the guiding principles and values created by the advisory committee and County Board of Commissioners to aid consultants in understanding the many facets of the HACC project, such as the types of land use patterns needed; how specific language about replacing public housing one for one (1:1) is significant in financing the units; certain assumptions about grant sources, leverage funds, etc.
 - The guidelines were broad enough to clearly provide a direction while also leaving opportunity through design process, neighborhood conversations, and working with architects and engineers to do specific work onsite and on individual buildings.
 - The top three values identified for any redevelopment opportunity were categorized as program principles, which were to:
 - Replace public housing units on a 1:1 basis in its entirety;
 - Increase the number of affordable housing units;
 - Locate any new development in better proximity to community amenities, services, job and educational opportunities, and public transportation.
 - Items 4 through 11 were categorized as values to achieve either through process or end product. These values included open space, green building, designs compatible and enhancing to neighborhoods, public/private partnerships, and working with neighbors and community stakeholders.
 - The back page provided a broad plan for the next five years, which he reviewed, explaining that the process included a partnership with the City and applying for a competitive HUD Hope VI Grant, which had a 5% local matching requirement.
 - He amended Item B to say they would apply for the grant in July 2010 instead of 2009.
 - While HACC wanted to pursue offsite development opportunities for properties not already owned by HACC, they were not interested in developing the Murphy site, although he understood new zoning might be created for the Murphy site.
 - The HACC portfolio included 166 units known as scattered units, single-family homes and duplexes scattered across the County, which were difficult to manage. HACC was looking to sell those units over the next 10 years and replace them with more efficient and cost-effective units in larger projects.
 - Item E noted that the feasibility analysis included a strong interest in selling two 20-acre sites similar to Hillside because they were poorly located. However, due to current market conditions, he recommended that the Board focus on Hillside until the market picked up, which was addressed in Item D.
 - He reviewed the project's estimated timeline through 2011 with construction projected for around the second quarter of 2012.

- The relocation of existing tenants was a big issue. Part of the Hope VI application required a detailed relocation plan, which would be developed with the help of current residents.
- The master planning process enabled both the Hillside and Murphy sites to be developed, if not simultaneously, at least compatibly over time.

Commissioner Batey:

- Noted that Ardenwald residents were mentioned as being involved in the process, but she assumed residents from Hillside Manor and Hillside Park would also be included.
- **Mr. Anderson** agreed, noting that residents from Hillside Manor and Hillside Park would be invited to participate in the master planning process. HACC was engaging residents in discussions about redevelopment through focus groups, where one key issue was to understand residents' fears about relocation.
- Stated that many residents did not speak English and were used to living in a communal setting. Splitting them up when relocating would be a concern. Also, for people from the Ukraine and Russia, gardens were very important, so moving them to an apartment with no access to a garden would be a problem.
- **Mr. Anderson** responded that two focus groups were completed in Russian and those issues were discussed.

Commissioner Bresaw requested clarification regarding Mr. Anderson's comments that the land was underutilized and if that meant smaller lots would result in some cases.

- **Mr. Anderson** replied that HACC had no idea about the future, but was excited about the design and vision process dictating lot size, density, and design standards. The feasibility study assumed current R-3.5 zoning with 3,500 sq ft lots.

Commissioner Churchill:

- Confirmed that Hillside Manor was built in 1941 and the tower was built in 1970.
- Noting that life in a high-rise tower was much different than in a single-story, he asked Mr. Anderson to address the concerns he heard from the high-rise residents.
 - **Mr. Anderson** clarified there were no plans to remove the concrete tower as it was not financially possible to demolish the tower and build 100 units. The plan was to make upgrades to the tower for better facilitation in the new community.
- Encouraged Mr. Anderson to read Christopher Alexander's book about how to integrate into neighborhoods, adding the tower was a difficult challenge.
- Assumed HACC was tracking other HUD projects in the region and wondered if they saw successful HUD projects for both low- and high-rise [residential units].
 - **Mr. Anderson** stated the assumption was that no additional highrises would be built. The neighborhood and HACC had not envisioned another high-rise.
 - Regarding successful, creative public housing redevelopment projects in the area, he hoped to organize bus tours to two redeveloped Portland public housing projects: New Columbia and Humboldt Gardens. He had worked with the City of Portland in the Bureau of Housing and Community Development and helped facilitate the redevelopment of both projects.
 - He confirmed a community center would be integrated in the site.
- Added that the new Jeffrey multistory public housing in downtown Portland on 12th was very successful.

Commissioner Batey was told that the field with the walking trail behind Hillside Manor was not developable and so would remain an open field.

- **Mr. Anderson** stated he had also heard the rumor, but did not have an answer yet. As the process proceeded, money would be spent to test whether the field was developable.

Chair Klein:

- Asked what the Murphy site would be used for if HACC was not interested in developing it. It seemed logical for HACC to convert some of the units into the Murphy site.
 - **Mr. Anderson** clarified that HACC did not intend to develop the Murphy site. Assuming appropriate zoning and the market conditions, he envisioned senior housing or assisted living on the Murphy site with ground floor retail space to complement the hospital and neighborhood.
- Inquired why a joint analysis was being done with the County, when the County did not tend to do the City any favors.
 - **Mr. Anderson** replied that after the feasibility analysis, he and Kenny Asher agreed it was a great opportunity for the HACC site, the Murphy site, and the neighborhood.
 - **Ms. Mangle** added that one significant feature of the County site was how isolated it was from the rest of the neighborhood. As part of the larger area, it benefited both the neighborhood and the future Hillside Manor to do a plan connecting the entire area to the surrounding parts of town. Planning for the Murphy site did not have to occur now as part of this process, but future development was always something staff considered. Working through master planning at a broader scale allowed everyone to think about the future development of both parcels.
- Stated that the site could borderline as being residential or as part of the industrial area, but at present the approximately 10-acre Murphy site was underutilized. It was not in the City's best interest to sell the land to the County or make agreement with the County and take the property off the tax roll. This was the last thing he believed the City should do.
- Noted a large percentage of affordable housing was located in Milwaukie and he wanted to see other portions of the County take on such a project.
- Believed development of the 10-acre site that would benefit jobs and the tax base should be encouraged. He was skeptical about what the consultant would be hired to do and would ultimately be skeptical of the consultant's report and recommendation.
 - **Mr. Anderson** appreciated the skepticism, adding he was just beginning to understand the relationship between City and County departments, programs, etc. However, he appreciated the opportunity to work with City staff to demonstrate the opportunity to be proactive about the future of the neighborhood. He asked that judgment be held until the process could be seen in action.

Commissioner Bresaw asked if there was much competition for the Hope VI Grant.

- **Mr. Anderson** replied competition was stiff. It was possible that the application would not be funded, in which case HACC would wait for the next set of funds, which became available every year. He commented that Oregon Senator Jeff Merkley was on the Banking Committee, which oversees HUD, and his former HAP boss was taking a job with Senator Merkley.

Chair Klein noted it was important to understand the reactions of the neighborhood and Milwaukie because the relationship with the County was not great.

- The Balfour House could have easily been avoided by denying a community development block grant. The County had not done the City too many favors.
- While Mr. Anderson assured the County was not interested in the Murphy site, which he hoped would be developed with some commercial aspect, he urged Mr. Anderson to consider what had happened from the County level down to understand the County's missteps.

Chair Klein invited comments from the public.

Betty Fulmore, 3356 SE Rockwood St, Milwaukie, OR, stated her biggest concern was that of the 920 total units, 200 were already in Ardenwald, with another 200 potentially proposed, which meant 400 units just in the Ardenwald area. Ardenwald appeared to be dumped on.

- She was also concerned about property values. How much more would the City receive in taxes if the individual property was developed versus the nonprofit HUD facilities? The residents would utilize buses, utilities, etc., but was the City compensated or were area residents paying higher taxes because of the units?

Matt Rinker, Chairman, Ardenwald-Johnson Creek NDA, stated that the project had the potential to be a great asset to the neighborhood, but only if the well-being of Milwaukie was central to its planning.

- He was concerned about the distribution of public housing throughout the County and any additional consolidation in the Milwaukie area. The stated goal was to "locate new housing projects in or around the North Clackamas Urban Renewal District."
 - While he understood the plan was not completely laid out, he did not see that goal aligning with the 10-year plan for HACC, and was concerned about where that [distribution] could potentially go.
- He asked if the purchase of the Murphy site would be covered under the Hope VI Grant, so Clackamas County would actually purchase it and then turn it over for other types of development; or was a local entity expected to step up and purchase it for development in conjunction with HACC's efforts.
- He inquired how selling the 200 Oregon City units played into the 10-year plan and if an attempt would be made to consolidate those units into the Milwaukie area.
 - He did not see a benefit to the residents of the facilities, the City, or County if more facilities were located in one spot. It did not provide a diversity of locale that would favorably benefit the citizens.

Jill Younce, 9945 SE 29th Ave, Milwaukie, OR, expressed concern about losing her dead-end street status if the project tied into the existing street grid. Living on a dead-end street was very important to her. An increase in population density created more traffic. She agreed with Matt Rinker's comments and felt the project could be good, but was leery of the County, especially after learning everything about the Balfour House.

Lisa Gunion-Rinker, Ardenwald resident, stated that when she was part of the advisory committee, they had essentially looked at the Hillside site, but now the Murphy site was added. At a recent meeting, she asked Kenny Asher if the County would purchase the Murphy site and was told yes. She noted that working with the County had been difficult lately.

- She sought clarification of the phrase "at least a 1:1 replacement," emphasizing the term, "at least." Even a ballpark average of what to expect would be helpful. More transparency was needed.
- She concluded that she wanted to make sure her Russian-speaking neighbors in Hillside were treated fairly, as well as the neighborhood.

Chair Klein asked if the neighborhood's needs had been addressed at the meetings.

- **Ms. Gunion-Rinker** said she was part of the initial meetings to create the guiding principles and the 10-year plan, but was not part of any voting process. Initially, the Hillside and two Oregon City sites were discussed to determine which was most feasible for redevelopment. She did not know Hillside was chosen. Although it had not been clear, they had been following the process and it was not a bad process.

Mr. Rinker expressed apprehension about the charrette process because it was difficult for people to free up that needed time. If compressed into a small block, residents could not free up several weekends or evenings in a row. Trying to abbreviate the time was a mistake that would cut the neighborhood and community out of the process.

Vice Chair Newman asked where the Park Place units from Oregon City might be replaced if those sites were sold.

Mr. Anderson stated that the sale of the Oregon City sites was not connected to what happened at the Hillside Park site. There was no intention to relocate those people or public housing units to Hillside Park. The Oregon City neighborhood had just completed a new Comprehensive Plan and had big visions about increasing densities, more neighborhood commercial, and more frequent transit service, which might change the dynamic for those Oregon City properties.

- He reminded that 1:1 replacement was a portfolio discussion; 566 units currently existed and HACC wanted to finish the 10-year process with 566 units.
 - On the Hillside site, 100 public housing units existed. Under current zoning, the feasibility analysis indicated the site could handle 200 units. He did not want people to assume this was planned or predetermined; it was just what the feasibility analysis said. According to the analysis, the opportunity and correct zoning existed to build 100 new public housing units on the Hillside Park site along with an additional 100 units of other affordable housing and home ownership opportunities. The feasibility analysis was available at the HACC website.
- He reiterated that he did not want the feasibility information to be misconstrued. The scenario was run through the feasibility analysis to understand what opportunities were available.

Commissioner Batey asked if the current zoning only allowed 200 units on the site.

- **Ms. Mangle** replied that she could not address exact numbers, but with the exception of the tower, the site was currently developed at a lower density than the surrounding neighborhood and as allowed by the zoning. It was reasonable to assume that without any rezoning, the site could be developed at a higher density to hold more single-family lots on the site.
- **Mr. Anderson** added that two of the guiding principles, which were developed through the feasibility analysis with input from neighbors, were to create diverse communities and also to provide a mix of housing types and affordability.

- He emphasized that with respect to design, charrette, and community process, one could envision, as an example under the current zoning, 100 public housing units, 50 to 75 affordable and/or senior housing units, and 25 to 50 units of home ownership opportunities.

Chair Klein:

- Noted that the current zoning allowed for the construction of the Balfour House, so sometimes the zoning was not necessarily best for the City.
- Stated having the feasibility analysis would have been nice to have in the meeting packet.
 - **Mr. Anderson** offered to provide copies of the analysis to the Commission, adding that HACC was ready to work directly with the City to do a good process because HACC was also a property owner in the community.
- Emphasized that the citizens of Milwaukie owned the property.
 - **Mr. Anderson** stated that was all the more reason to do a good process.

Mr. Anderson continued addressing issues raised during testimony by saying he would be glad to discuss and debate research about how public housing redevelopment affected property values with neighborhood residents, NDAs, the Planning Commission, and City Council.

- He noted that in some conditions, [public housing] did bring down property values, but in most national research samples, property values stayed the same or increased.
 - New public housing at New Columbia was the best housing in the neighborhood and would remain so for the next 20 years. That project had an ancillary effect of new individual infill and upgrades around the project. New Columbia provided an example of rising property values and neighborhood revitalization.
 - Housing units owned by HACC did not pay property taxes, but through the master planning process, many scenarios could be analyzed and discussed regarding different ownership models for affordable housing.
- Distribution of public housing throughout the area and concerns about a concentration in the Ardenwald neighborhood involved a larger policy discussion. He suggested the Board of County Commissioners might be interested in considering the subject.
 - HACC was not the only entity that owned affordable housing in the County. Nonprofit and private organizations built affordable housing throughout the County, which were not under HACC's control. He did not know how to address such a broad policy discussion and the site-specific work at the same time.
- He reiterated that as an employee of the public sector, he was committed to running a viable community project to make it the best project possible.

Commissioner Batey understood that even though HACC might increase the density on the Ardenwald property, the long-term plan was to diminish the number of other scattered houses, which could mean returning properties to the tax rolls.

Mr. Anderson agreed. He continued by stating for the record that HACC did not want to acquire the Murphy site for any purpose because they did not have the resources to do so and were just not interested. They were interested in how the Murphy site was considered in terms of the neighborhood's larger vision.

Ms. Mangle addressed public testimony concerns about changes to local streets. She recalled that 29th Ave was identified in the Transportation Systems Plan (TSP) as an important one to connect through to the south. Generally, the City's policy was to create connectivity, whether through 29th Ave or toward Llewellyn St, by applying the City's existing transportation standards for any large lot development.

- She understood the concerns, but noted that generally traffic impacts would be evaluated very closely regarding what potential impacts could be produced by the different uses on the site. The questions raised should be asked and would be analyzed during the process.

Chair Klein:

- Asked what could occur under the existing R3 zoning and if it was possible to double the amount of housing there. Without much of a process, the County could conceivably rebuild all the houses, basically adding another 100 homes in the area.
 - **Ms. Mangle** stated she did not want to oversimplify the process under the current zoning. All the existing public houses were on one lot, so subdivision and street transportation improvements would be involved. The City could potentially require that 29th Ave be continued.
- Stated that zoning north of the property was R7, so it seemed logical to zone R7 rather than R3 if trying to assimilate a new project into an existing community, keeping the number of housing units similar to what existed.
- Asked if HACC would object to zoning the site to R7 with the exception of Hillside Manor.
 - **Mr. Anderson** replied that HACC was willing to look at the numbers to determine if it was financially feasible to build only 100 new units.
- Requested clarification about 1:1 versus 1:2 replacement.
 - **Mr. Anderson** said he would discuss the 'at least' phrase and relayed the discussion with the Board of Commissioners as follows:
 - Public housing was a vital resource in the community. Rents in public housing were based on the income of the resident. Public housing was where people with no income could live without paying rent. Rents are determined by a household's ability to pay, therefore based on the income.
 - Rebuilding and financing public housing was very difficult and it had to be debt-free. To build back a unit would cost \$200,000+ per unit, which all had to be obtained from grants because public housing could not be debt financed. Receiving the Hope VI Grant was critical for the project to happen, which was why he proposed 1:1 replacement. He could not imagine getting financing for more than 566 units.
 - The HACC Board, comprised of the Board of County Commissioners and one resident, understood the financing problems, but felt that public housing was so valuable that at least 566 total units should be built. The 'at least' came from the portfolio level.
 - He also clarified that Hillside Park was chosen as the first place to start because it was very well-suited in terms of the criteria of access to transportation, amenities, employment, and education. After the housing bubble burst, he had recommended that the two Oregon City sites not be sold, although the scattered sites were still to be sold and replaced in groups around the County.

Commissioner Churchill:

- Asked if Mr. Anderson knew square footages of the existing 100 non-high rise units, the occupancy rate, waiting list, and total number of residents currently on the site, including children and extended family.
 - **Mr. Anderson** replied that he did not have the square footage or information on the total number of residents at present. The occupancy at Hillside Tower was at about 98% with no site-based wait list currently, although they were transitioning to one. There was a waiting list of 3,500 households for all public housing with about a 3-year wait.
 - Seniors and people with disabilities occupied Hillside Tower and a majority of households in Hillside Park. Some households had children, but not many.
- Understood that it was easier to manage single-site, multiple units than scattered single units, but was concerned that it went against the principle of community integration. Was HACC reviewing that policy?

Chair Klein added that the lot sizes were also half the size [of the adjacent neighborhood] with the same size house.

Ms. Mangle interjected that because it was 9:00 p.m. and the project would continue for the next year, Mr. Anderson could return to talk further with the Commission. A meeting was already set with the neighborhood.

Mr. Anderson responded that on the management issue, Commissioner Churchill was correct. HACC was running a business and were stewards of public money. Under the stewardship, it did not make business sense to maintain a portfolio of scattered site units. He understood the policy question and it could be discussed, but on a numbers basis it was a very difficult portfolio to staff, maintain, and operate.

- The HACC was caught between what Congress wanted to pay to operate the properties and all the good research, community integration, and dispersion.

Commissioner Churchill added that the problem of going in the direction of non-scattered sites would end up with a Hillside Manor high-density housing, which created many social issues within the structures as Christopher Alexander had noted.

Chair Klein asked if future Master Plan meetings could be held at a time when the Planning Commission did not meet, so one Commissioner could attend the meetings and report back.

Ms. Mangle concluded that staff would follow up by sending the Commission the copy of the feasibility study. The scope of work for the consultants was still being defined, and when outlined would be provided to the Commission.

Commissioner Churchill requested an opportunity for the Planning Commission to tour the facilities for a baseline idea of what existed.

Commissioner Batey requested information about how many of the 166 scattered sites were in Milwaukie. She also hoped that the Historic Milwaukie NDA would be included in the proceedings since South Ardenwald was next to it. The site was also not far from the Hector Campbell neighborhood.

- **Ms. Mangle** stated that she discussed the project with David Acshenbrenner of Hector Campbell NDA, but not with the Historic Milwaukie NDA.

Chair Klein wanted to know how many units were located within Milwaukie and the UGB.

6.2 Proposed Transportation Code Amendments (Final Briefing)
Staff Person: Susan Shanks

Susan Shanks, Senior Planner, briefly reviewed the key changes to the proposed Transportation Code Amendments (TCA), having distributed a handout to the Commission in order to help prepare for the March 10, 2009 hearing. She addressed questions from the Commission as follows:

- Title 12, which regarded Clear Vision and Access Management Standards, and Chapter 15.32 were removed from the document because they were implemented by the Engineering Department and not subject to Planning Commission review.
 - Access Management Standards pertained to where access off of a public right-of-way could be located, including distance to intersections.
- The referral list, indicating who was directly notified about the draft, was attached to the staff report for the March 10, 2009 hearing.
 - Since making the document public on January 27, 2009, seven comments were received and were included in the March 10, 2009 staff report: three from the development community, two from NDAs, and two from Metro.
- For the most part, there was no opposition to the major policy changes, including the change from a value-based to impact-based trigger when transportation improvements were triggered by proposed development. Other major proposed policy changes were incorporating more street design flexibility into the Code and streamlining the review process. Comments were mostly supportive.
- Three comments received did ask questions about how the new Code would apply in very specific situations. Staff was preparing responses for the March 10, 2009 hearing.

Commissioner Batey noted that fees-in-lieu-of-construction (FILOC) expire after 10 years and had to be used before then. She knew three people from Island Station who paid fees 5 years ago.

- **Ms. Shanks** replied that Zach Weigel, Civil Engineer, was now the official tracker of the FILOCs. A 2-page handout was distributed to the Commission with Zach Weigel's summary of all the money collected, collected by neighborhood, and the money spent to date. This would not be the same format as the annual report.
 - FILOC was better defined in the new Code after interpretation from the City Attorney: money must be used within 10 years and must be used for projects that benefitted the development project that actually paid for the improvements. The practices that had been in place were now codified with legal counsel, making the process transparent regarding money collected and where spent. The new Code provided for an annual report on the FILOC program.
- **Zach Weigel, City Engineer**, read from the handout stating that three FILOCs were collected in Island Station in 2005 and 2006. The program began in 2001 with the first FILOCs collected in 2002.
- He defined "specified improvement" in his report as money that was paid for specific improvements in front of that development and could not be spent on another project in the neighborhood. The money for specific improvements was determined from notice of decision or in building permit notes that indicated the money was collected for a specific development.

Chair Klein stated that FILOCs were returned to the property's developer after 10 years. He believed if the City could not spend the money in 10 years, it should instead return to the present property owner.

- **Ms. Shanks** responded that the new Code did propose that fees return to the actual property owner.
- She noted the FILOC handout would be included in the March 10, 2009 meeting packet. Some FILOC money was spent on projects such as the Lake Rd Improvement Project.
- **Mr. Weigel** noted all money in the Llewellyn neighborhood was spent on the Logus Rd project.
- **Ms. Shanks** understood that FILOC money was separate and not part of the general fund; the City was obligated to track it.
- Although the City wanted the improvements instead of collecting a fee, there were instances where it was not safe or feasible to build improvements, so the Code changes allowed the collection of the fees. However, they were not more aggressive about collecting FILOC. The new Code was clear that it was the City's first policy to have the improvements constructed instead of collecting a fee.

Commissioner Bresaw believed the Code was good in general and that the introduction was very good and clear, but noted that the intent of the third line under #4 on page 53 of 78 of the Code Amendment proposal was reversed and should be corrected.

- **Mr. Weigel** clarified that the section was correct as written. A shorter cul-de-sac was allowed with a larger development because there was more area to work with to provide connecting streets. In a smaller development, a cul-de-sac was longer because not enough area was available to provide connectivity.

Chair Klein:

- Asked if residents were notified when their FILOCs were used.
 - **Ms. Shanks** replied not currently. One reason for the annual report was to inform people who actually paid fees and the surrounding neighbors how the money was spent when the improvements were not built along the property's frontage. The report could evolve when feasible to include items the community wanted to know about.
 - **Mr. Monahan** believed the City's only concern was if the money was not spent within the 10-year period of time. Notification would put closure to the issue, so someone wondering where the money was did not call staff.
- Understood FILOC and their usage were for the benefit of the whole neighborhood, not necessarily for the individual. He did not want it used as neighborhood specific because that was not always clearly defined, and who actually benefitted was sometimes vague.

Ms. Shanks responded to a prior question from Commissioner Batey about access and the provision for single-family additions. An incremental exaction approach was proposed with a list of five street improvements in the order of how a street was normally constructed. One item was to bring the access up to standard, which appeared more of a private than public benefit. The question regarded if access was unsafe, should it be addressed by the Safety and Functionality Standards.

- **Mr. Weigel** explained that the difference was the Safety and Functionality Standards asked if the access was unsafe, while for single-family addition or replacement the question was whether it could be made safer.
 - If the access was safe under the Safety and Functionality Standards but did not meet Code, and if the project triggered that section, the access must be brought up to standard, which would still count as a transportation improvement.
- **Ms. Shanks** added that while access might be for the private property owner, the City granted that access from a public street and it needed to be highly regulated and safe. The City granted the access and could not require the private owner to change it on a whim, but had to meet transportation improvement requirements. This did not refer to the driveway, but to the driveway approach, which was in the public ROW. Access was not about aesthetics; it was about functionality and safety.
 - She reiterated that the Safety and Functionality Standards were about safe versus unsafe. The single-family incremental exaction access requirement regarded whether the access could be made safer. It was a benefit to all users of the road in terms of people pulling in and out of driveways and where the private and public abutted.

Commissioner Batey clarified that if the Commission did not come to a decision on March 10, 2009, the hearing would be continued to the first April meeting due to staff vacations.

Chair Klein called for public comment regarding the proposed transportation amendments.

Ed Parecki, 10600 SE McLoughlin, Milwaukie, OR, noted that he sent an email yesterday to Ms. Shanks, who would include his comments in the staff report.

- A year-and-a-half ago, he appeared before the Planning Commission making strong points about the public area requirements in the Downtown Zone (DZ). He was told then that the requirements were constitutional, very clear, and very fair. Yet now there was a report saying the Code was being revamped to be constitutional and fair. He spent over \$50,000 in the appeal process trying to get through to the Planning Commission and City Council without success.
- He was disturbed about what was currently happening. A lot of good work went into the proposed changes, but in the portion that might affect him in the future, he still could not determine what public area requirements would be imposed based on the new changes, which was also disturbing.
 - A lot of room was left for interpretation, shifting the burden from the Planning Director to the City Engineer. Impact and proportionality analyses were required, which could be manipulated. In the long run, the costs for improvements were still unknown.
- He wanted the Commission to understand his perspective. His renovation was completed 6 months ago and his beautiful building was sitting empty with no impact to transportation. Yet he was to have potentially a \$120,000 impact fee imposed on him based on exterior renovation and had to remove an elevator to complete the improvements.
- The City Council stipulated that the Planning Department cooperate with him in developing changes to the Code for clarity. He received two emails from the Planning Director in the past year about the changes, but it was not a cooperative venture; he was not asked for input about what might work. Now the final proposal was before the Planning Commission.

Chair Klein:

- Recalled thinking during that hearing that Mr. Parecki was asking the Commission to do the wrong thing. The Commission ultimately agreed with Mr. Parecki's point, but the Planning Commission was bound by the Code at the time the project came before the Commission.
 - **Ms. Mangle** clarified that Mr. Parecki had appealed the Code interpretation, not the land use decision or public area improvement requirements. The Code interpretation was required because staff acknowledged that the Code did not adequately require the City to only exact improvements where there were impacts. By interpreting the Code, she directed the Engineering Department to do an impact-based assessment, which was the process currently proposed for codification. It was not in the Code, which was why she did the interpretation.
- Stated that the Commission believed that Ms. Mangle had interpreted the Code correctly. The Commission had hoped Mr. Parecki would do something different, because they agreed it was not necessarily fair to business owners. He sympathized, but noted it was the path Mr. Parecki had taken that led to that discovery.

Commissioner Batey asked if Mr. Parecki had specific objections to items in the proposed Code.

- **Mr. Parecki** objected to the fact that the Code would still be left to interpretation again, but now by the City Engineer, based on an impact analysis that could be manipulated any way one desired.

Chair Klein responded that unfortunately after looking at a number of different models, the Commission was not able to come up with anything different. He believed Mr. Parecki was present at one of those meetings. It was difficult and challenging to consider, but a Code had to be written.

- **Mr. Parecki** felt that he clearly stated his concerns.

Commissioner Churchill believed Mr. Parecki made a good case for his position that a façade improvement to a building did not have transportation impact issues. It came back to tracking the details associated with the improvement. If language was proposed to defer the improvements so potential tenants could see a finished product and be attracted to it, then the rent structure would be clear about covering the public area improvements.

- **Mr. Parecki** replied that assumptions were being made on a project before knowing who the actual tenant would be. He did not know who the final tenant would be in his building, but fees were exacted based on an unknown. Exactions needed to occur after the tenant was acquired, when it was known what the impact of that tenant could be. He could rent to a fast food chain with a huge impact or to a bookstore with minimal impact.

Chair Klein responded that it was not always that easy. The downfall was it put the cart before the horse, but the reality was that for the downtown beautification changes to occur as the community and businesses wanted, public area improvements were necessary. It was impossible to quantify minute differences in impact and the resulting public area requirements. Hopefully, the public area requirements would draw some tenants to Mr. Parecki's building.

Commissioner Churchill added that it was desirable to encourage development, which might be achieved through rear-loading public area improvement costs in the overall lifecycle of the building. However, it created a tracking problem for staff to ensure improvements were tracked property.

- If a bad economic cycle occurred after a developer invested in the upfront costs, it would be financially harmful to the developer and owner. So, he suggested doing the public area improvements when the tenant actually came in.
- His focus was on considering rear-loading the fees instead of on the true impact of the variety of tenants to help smaller developers. North Main had a different funding mechanism for those public area improvements.

Chair Klein:

- Noted that the public funds for North Main were inevitably paid back.
 - **Mr. Parecki** disagreed, stating the City still owed \$738,000 on the improvements.
 - **Ms. Mangle** stated the important point was that the same Code applied to North Main.
- Recalled a mistake being made at Spring Creek Coffee when the previous Planning Director did not apply the actual public area requirements that were needed. It was then passed on to the tenants that inevitably moved in.
 - **Mr. Parecki** clarified that no impact analysis was done. Since it remained retail, no public area requirements would have been required. No mistake was made, although the Mayor wanted to make that an issue.
- Asked how public area requirements should be done; should citizens or the businesses opening the facilities pay for them?

Commissioner Churchill reiterated that he heard Mr. Parecki ask for a rear-loading of fees.

- **Mr. Parecki** stated that he suggested the impact could not be calculated until the type of business that was known rented the building.

Chair Klein:

- Asked if that was implemented, would Mr. Parecki come to the Commission and say that his tenant would not move in because he would have to pay \$10,000?
 - **Mr. Parecki** replied that was happening now. Long after JL Hair Design moved in, public area requirements were imposed even though it was a retail use to retail use and no impact analysis was done.
- Stated it was difficult for the Commission as well because it came back to the question of who inevitably paid for the public area improvements.

Ms. Shanks appreciated Mr. Parecki's question and concern. She was not directly involved with the appeal for his project at Main and Monroe, but she had talked with staff and the City Attorney to understand the situation.

- It was common to evaluate a project for impacts and require improvements before there were any known tenants. Assumptions were made based on real world things like zoning.
 - The Panattoni Business Industrial Zone development on Harmony Rd and International Way was a spec development. Prospective tenants were unknown, but no one would have been happy if the buildings were allowed without improvements. The improvements were expected to occur as the project was being developed, not when individual tenants came in one at a time. It would be

- too difficult to manage and having the improvements built incrementally was not efficient from a development standpoint.
- She sympathized with Mr. Parecki, but it was more difficult when an existing building was being redeveloped for an unknown tenant, which was evaluated through zoning and previous uses.
 - The City would apply the proposed Code with regard to change in uses and redevelopment by looking at the most conservative outright allowed use when evaluating a change in use.
 - A façade improvement would no longer trigger the Code. However, the Main and Monroe building was not just a façade improvement because the interior improvements and the zoning combined with the previous use constituted the change in use. The change in use was evaluated against the impacts to the system. The previous use was office; the new use was retail.
 - The most conservative numbers were utilized for determining trip generation. It was possible that a tenant might have more impacts to the transportation system than the conservative numbers utilized. In speculative development, there might be a two-step process where a bare bones situation could be evaluated using what was outright allowed in the zone. But when a new tenant applied for a building permit, the original assumptions would be reevaluated to be sure the actual tenant was covered.
 - A change in use might not trigger any public area requirements because it might not produce an impact to the system. She reiterated that in Mr. Parecki's case, the change in use was from office to retail, which always had more impacts on the system. The City stood by the analysis completed for the change in use and the impact associated with it.
 - She understood that Mr. Parecki might not agree, and she could appreciate his point about the timing of when the improvements were required, but it was common practice because it was difficult to require improvements after a tenant came in.
 - The process was clear-cut for new development with a new use but less clear-cut with a speculative redevelopment with a previous use. The Code would definitely be applied from an impacts-based perspective and then evaluated as to whether any needed improvements were proportional to the impacts required.
 - Existing Code fell short of requiring certain things, so it was being updated to reflect something that was hopefully more balanced and fair because it would look at impacts and whether the improvements, as a result of the impacts, were proportional to the project.

Ms. Mangle reminded that the public hearing would be opened at the next meeting. Any other questions or comments should be sent to Ms. Shanks.

Chair Klein hoped all questions and comments were submitted prior to the March 10th meeting, so staff could review them and provide a summary.

- **Ms. Shanks** stated that the staff report would be finalized at the end of the week. She would appreciate any grammatical or other corrections to be sent before Friday, so they could be incorporated in the draft. There was still time to make changes, but she wanted to get minor changes addressed in the final draft.

Vice Chair Newman asked if the process of evaluating a project as described would be included in a former fashion within the Code.

- **Ms. Shanks** replied that not everything could be included in the Code or it would be too large. She was taking notes on the key issues that were applied when

implemented and would draft a document regarding implementation of Code in different scenarios.

- **Ms. Mangle** added the document would be public information for staff and developers to help everyone understand what they might be facing.
- **Ms. Shanks** said they wanted to be clear internally regarding application of the Code. Unfortunately there was always room for interpretation because there would always be scenarios that were not quite captured. Staff was very clear about what the Code meant and hoped that the specific policy direction proposed was comfortable for everyone.

7.0 Other Business/Updates from Staff—None.

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

Chair Klein noted that a complimentary letter from the Bridge City Community Church about the sign was received and was available for the Commissioners to read.

9.0 Forecast for Future Meetings:

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|----------------|---|
| March 10, 2009 | 1. CSU-08-06 Community Service Use – Public Hearing for Johnson Creek Blvd. facility modular office |
| | 2. ZA-09-02 Transportation Code Amendments – Public Hearing for Recommendation to City Council |
| | 3. Parking Code Amendments Worksession (tentative) |

If time was not available on March 10th, the worksession would be moved to the March 24, 2009 meeting.

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|----------------|--|
| March 24, 2009 | 1. Comprehensive Plan Update project briefing |
| | 2. Joint Session with Design Landmarks Committee |

The primary topic of the joint session would be how the two committees worked together.

Meeting adjourned at 10:11 p.m.

Respectfully submitted,

Paula Pinyerd, ABC Transcription for
Alicia Stoutenburg, Administrative Specialist II



Jeff Klein, Chair