

*Draft PC Minutes were reviewed
and approved at the February 12,
2025 PC Meeting.*



**Wilsonville Planning Commission
Regular Meeting Minutes
December 11, 2024**

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

INFORMAL RESOURCE FAIR

Housing Cost Burden Open House (In person at City Hall only)

COMMITTEE FOR CITIZEN INVOLVEMENT WORK SESSION

Staff Present: Daniel Pauly, Miranda Bateschell, Kimberly Rybold, Sarah Pearlman, and Mandi Simmons

1. Housing Cost Burden (Rybold)

The work session began at 6:03 pm.

Sarah Pearlman, Assistant Planner, welcomed those in attendance, noting the opportunities for input virtually and in-person and that the goal tonight was to provide a forum to discuss housing issues and hear about residents' experiences relative to how housing costs impact other parts of their life and their housing goals.

- She briefly introduced the Community Conversation on Housing Cost Burden via PowerPoint, explaining how the city and state define housing cost burden and rent burden, how the City tracks housing related trends and high-level data, and identifying barriers to housing and actions the City is working on.

Kim Rybold, Senior Planner, provided a brief overview of the responses received from attendees responding to the poll or using the posters at the back of the room, noting that understanding housing goals and the impacts of housing costs helps the City better understand the housing challenges residents face and gain a sense of the actions to prioritize to help people achieve their housing goals as well as how to prioritize City resources in the most helpful and effective way. She noted the service providers in attendance have information on available resources to help ease cost burdens, such as utility assistance, to help make housing situations more affordable.

Work session attendees shared their housing experiences and reasons for locating in Wilsonville with input from City Staff and Planning Commissioners. Key comments and suggestions were as follows:

- Accommodating different income levels in public housing buildings is important, but if those with similar income levels are concentrated, very strong management is required.

Otherwise, some people will be very stressed and compromised by others. While not everyone causes trouble, those who do have a very large impact. Seeing housing options more interspersed among income levels is ideal.

- With fewer people able to afford a home, making housing affordable to allow people different lifestyle habits to live how they want without compromising their neighbors is very important. A person who wants to be a smoker, for example, is forced to smoke outside apartment buildings; not everyone has the capacity to do so, and neighbors' air quality is compromised.
- Why are landlords allowed to charge renters so much for breaking a lease early? Leases are broken because tenants cannot afford the rent anymore. The resulting exorbitant fees and penalties can ruin credit scores, along with the rental history damage. Families must split up and are unable to find affordable housing to rent and reunite with the children. They do not know where to ask for help.
- Heart of the City can only help with a percentage of the assistance required, even when partnering with Wilsonville Community Sharing; \$1,500 is the maximum and then those seeking assistance are referred to County resources. Requests for rental assistance are up 56%, so understanding the process is important. Heart of the City depleted its funds rapidly this last year as have other providers, like St. Vincent DePaul, but is concerned for the residents and wants to make sure they receive help by helping them navigate to get resources; however, Heart of the City is still limited in how much it can help.
- The Planning Commission, City Council, and City task force have been looking at housing strategies this past year. Tonight's goal was to discuss issues around rent burden and impacts, but also to discuss ideas and strategies for what the City might consider in the future.
 - Hearing residents' stories has an impact and enables the City and the Commission to see the human side, which is very important and not provided in the data or presentations and provides an opportunity to look at things from a more human perspective to see areas where the Commission can improve citizens' lives.
 - The Commission is considering different options to present to City Council, and everyone is encouraged to stay involved, provide feedback, and continue to participate.
 - Community involvement is extremely valuable as the Commission receives a little local data, but mostly regional and state data. Continued involvement and participation at Planning Commission meetings was encouraged to help educate the Commission so it could make better decisions for the community going forward.
 - City Council should push back on Metro so that Supportive Housing Services Tax revenues Wilsonville residents are paying remains in Wilsonville to help its citizens.
- The main reason for living in Wilsonville is to be closer to family and get to be in Oregon.
- Primarily in Wilsonville because of the schools and being in the I-5 corridor, making commuting convenient for both husband and wife.
- Having a diversity of housing is important and affordable housing is important for the strength of the community. Many people do not understand what a diversity of housing means to the community, so the education and outreach is just as important, so people do

not have misconceptions about what affordable housing means. Addressing these concerns can help the community be more open and positively respond to the benefits to all citizens.

- Having a mixture of different types of people enables people to support and learn from each other, resulting in a healthy happy community.
- Wilsonville provided an ideal environment to start and raise a family; safe, walkable areas to good schools and a stable environment for kids to stay in the same community from birth to graduation, enabling them to grow and leave in a stable way. As a child, they grew up jumping from one rental to another to stay in the same school district.
- In Wilsonville for the schools, because it is a safe, quiet city where one can walk at night and, while it is expensive, affordable housing rents are about the same in other similar cities.
- The main reason for moving to Wilsonville was because of safety, having experienced a lot of crime for years in the previous neighborhood.
- Community events in Wilsonville are a nice size and not overcrowded.
- Housing across from the high school provided independence for kids to participate in things like the robotics program, which operates independently from the school system.
- The City is currently working on a housing strategy for the city called Housing Our Future which will be finalized mid-2025. Learn more at [LetsTalkWilsonville.com](https://www.letstalkwilsonville.com) and contact Ms. Rybold with any questions, ideas, or suggestions.

Miranda Bateschell, Planning Director, concluded the work session stating Wilsonville is made strong by its residents. Noting that each Wilsonville resident has their own community and network, she asked attendees to distribute flyers and host conversations about housing in Wilsonville and then document and share the conversations with City Staff to provide better information for Staff and policy makers and foster greater connections within the community.

Staff and service providers were available for questions and further input after the work session.

CALL TO ORDER - ROLL CALL

Chair Karr called the meeting to order at 7:04 pm.

Present: Andrew Karr, Ron Heberlein, Sam Scull, Jennifer Willard, Nicole Hendrix, and Matt Constantine

Excused: Yana Semenova

Staff Present: Daniel Pauly, Miranda Bateschell, Cindy Luxhoj, and Mandi Simmons

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

CITIZEN INPUT

Chair Karr called for citizen input. There was none.

ADMINISTRATIVE MATTERS

2. Consideration of the November 13, 2024 Planning Commission Minutes

The November 13, 2024 Planning Commission minutes were accepted as presented.

WORK SESSION

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

Cindy Luxhoj, Associate Planner, stated the project team was requesting input on more draft work products for the first phase of the Wilsonville Industrial Land Readiness (WILR) project, noting City Council and Planning Commission work sessions on the associated Code amendments would occur January through April with adoption hearings expected in May or June. The documents presented tonight would further inform on what development types are viable under the current and future market conditions and what type of policy interventions would facilitate the development desired in the Basalt Creek area.

Nicole Underwood, ECO Northwest, presented the WILR work products via PowerPoint with key comments as follows:

- The Buildable Lands Inventory (BLI) update from the 2018 Basalt Creek Concept Plan provided a revised assessment of developable acres in Basalt Creek and identified lands with existing economic uses that may have redevelopment potential. She reviewed the existing land uses and stated that only 150 of the 453 acres in Basalt Creek were considered vacant, unconstrained buildable acres and therefore, available for development. (Slides 3-7)
- The Site Suitability Analysis and draft Economic Inventory presented in October identified industries likely to be attracted to Basalt Creek. Site competitiveness factors, site specifics and potential uses for the SW Greenhill Site, Craft Industrial Area, and West Railroad opportunity sites were described. (Slides 8-14)
- Redevelopment Feasibility of Existing Contractor Establishments. Though permitted in Washington County, contractor establishments were not consistent with the vision in the Basalt Creek Concept Plan (BCCP) of increased job density ~~with~~ and especially, high wage jobs.
 - She described the modeling used to evaluate the feasibility of development projects, as well as the key findings and considerations, noting the 60% needed increase in rents was a revised estimate from the 33% provided in the memorandum. (Slide 19)
- In conclusion, given the challenges and opportunities, the City may need to use a “hands-on” approach to incentivize urban industrial redevelopment of contractor establishments in Basalt Creek; however, any recommended approach would depend on the City’s desired outcome and risk tolerance. (Slides 15-20)

The project team addressed questions from the Commission and the Commission provided feedback to the team’s questions (Slide 21) as follows:

- **Ms. Underwood** explained the list of potential industries came from the Cleantech Competitive Assessment report, which listed battery storage, and while battery manufacturing was not, it may still align with advanced manufacturing or other site characteristics. She stated she could return with more information.
 - Wind or solar equipment manufacturing was not suitable for the area due to the need for railroad access. The analyses' results were not definitive about which industries would not locate in Basalt Creek; it was just less competitive.
- The 60% increase required in rent costs to encourage property owners to redevelop was an oversimplification of a very complex analysis with many factors; coming up with an exact number to communicate the analysis results had been challenging.
- Additional slides "Results – Low Site Coverage" were displayed showing the current average market rent for urban flex industrial uses was \$9 to \$14 per sq ft and the total range of land and construction costs. With low land/construction costs, rents could be about \$15.50 per sq ft. Using the average of the existing market rents and mid-range land/construction costs, the average rent cost would increase 60%. Key findings were focused around taken a more conservative and more likely, income-based approach to account for the rent revenue owners were already getting.
 - She confirmed property owners were getting an average \$11.50 per sq ft for rent and would need closer to \$25 per sq ft to make redevelopment feasible, making it unlikely that a developer because costs would exceed the project value.
- The City would not likely have any financial leverage or mechanisms to bridge that large of a gap or subsidize the difference in rental income to promote redevelopment.
 - **Ms. Underwood** explained "hands-on" approaches could include site aggregation and determining the City's role in infrastructure, especially in the West Railroad area.
 - The average rent cost of \$9 to \$14 per sq ft was for the I-5 South Corridor area, including Tualatin and Sherwood, based on the Economic Inventory. Given current market dynamics, she confirmed that even those rates were not financially feasible for developers.
 - She displayed an additional slide, "Very High Site Coverage Comps vs Income approach" noting that if the sites developed at 45% site coverage, rather than 20%, and land and infrastructure costs were kept low, required rent cost increases would be less than 60 percent. Low land costs could potentially be facilitated by the City.
 - She confirmed the findings of the Redevelopment Feasibility of Existing Contractor Establishments had only considered redevelopment of existing contractor establishments and did not include vacant land.
 - She agreed the Redevelopment Feasibility analysis presented significant challenges to the City with hurdles the City may not reasonably achieve.
- The construction workforce is aging with people leaving faster than they were entering, alongside increasing costs and supply chain issues. With the infill of the Metro area, contractor laydown yards were being pushed farther out, which also drove up costs. Keeping some contractor establishments in the area is good because it helps keep construction costs a little lower for the overall Metro area.

- While BCCP vision could still be realized someday, this was not the appropriate time given the current urban growth boundary and market conditions.
 - Many trucks could not fit under the 14-ft railroad overcrossing, which would be a huge infrastructure cost. The west side of Basalt Creek was not a viable option.
 - Completing the Craft Industrial and SW Greenhill buildouts may attract higher rents and fund redevelopment.
- **Associate Planner Luxhoj** sought input on whether planning efforts should focus on accommodating and managing contractor establishments versus encouraging and possibly incentivizing relocation in order to realize the vision in Basalt Creek, which had been a consideration while determining Code amendments and Zoning. The City could potentially accommodate contractor establishments by allowing them as a Conditional Use with limitations on expansion, rather than prohibiting contractor establishments and making them non-conforming. Staff recognized the value of contractor establishments to construction in the area and the increasing limitations on where these establishments could be located.
- **Daniel Pauly, Planning Manager**, added another consideration was potential site improvements over time. Often older existing homes are converted to offices or pole barns are constructed, which may not require building permits, and are converted to more intense uses later. How could the City facilitate and encourage improvements and more actively manage how contractor establishments mature over time, and how could these uses occur as quality development in the area? Some contractor establishments were nicely built.
 - He understood the zoning predating Washington County's FD-20 zoning allowed contractor establishments, and when FD-20 was adopted, the County did not want to make contractor establishments legal, non-conforming uses, which facilitated more contractor establishments moving into the area.
- **Miranda Bateschell, Planning Director**, added that since all County regulations applied, one issue is that sometimes the City was not engaged early enough to have any say regarding the potential impacts to Day Rd, potential dedication of right-of-way, etc. or ensuring the proportionality of impacts on the system. The Commission might consider how the County governs contractor establishments versus how the City might potentially facilitate, accommodate, and regulate contractor establishments moving forward, such as impacts to the system, screening standards, or other standards the City might want to regulate.
 - The Basalt Creek area is within the City's urban planning area for which the City had an agreement with the County. The County's FD-20 zoning designation would stay in effect until the City decides to annex the property. In Wilsonville, annexations were typically property-owner initiated. Typically, when developments in the urban planning area need access to services, the land is annexed, and the development would comply with City regulations. If contractor establishments were to be accommodated, ensuring those business types are an allowed use would be important if annexed into the city, which is more about how the property developed, not the use itself, versus having an industrial code in Basalt Creek where contractor establishments were not allowed.
 - Historically, Wilsonville has never annexed an entire area within the urban planning area. In Frog Pond West, each property submitted a development application and was annexed, and undeveloped parcels remained in the County until annexation. With these pre-

existing allowed uses, there is a lot more opportunity for the industrial area in the unincorporated County to develop prior to coming into the city.

- **Associate Planner Luxhoj** added the urban planning area agreement with Washington County could be amended or an intergovernmental agreement (IGA) could be created with Washington County to transfer the planning authority for these properties to the City without annexing the properties, so applications to build or expand a contractor establishments or other uses allowed in FD-20 would be submitted to the City for permitting, which would provide the opportunity to apply the City's standards to the developments. Troutdale had a similar agreement with Multnomah County.
 - **Planning Manager Pauly** noted no conversations had been held yet with Washington County regarding the possibility of creating an intergovernmental agreement.
- **Planning Manager Pauly** explained that typically, rural land is annexed and then developed in Wilsonville, but in other places, existing urban developments approved by Washington County were annexed to the adjacent city. The only specific examples of existing uses being annexed into Wilsonville were churches near the edge of the city limits that had been developed under County zoning and were later surrounded or needed utilities and were annexed into the city.
- Laydown yards did not generally need utility services and were less likely to ask for annexation.
 - **Planning Director Bateschell** agreed, noting contractor establishments often only had a few employees stopping by and the house turned office had septic service, which was sufficient since the property owners could show people were not on the site all the time, and the impact was mostly transportation. Day Rd and Garden Acres are City facilities, so the City wanted to have more input on allowing contractor establishments, which has been a struggle; however, oftentimes the properties were not connecting to water or sewer, so annexation was not triggered.
- Discussions were held previously on possibly annexing a portion of the West Railroad area to redo the railroad crossing and the road so trucks could use that road rather than looping through town
 - **Planning Director Bateschell** noted some property on the south side of Day Rd had been annexed as part of the Coffee Creek Industrial Area. Other properties along Day Rd could be annexed, but not until the zoning was set for the north side of Day Rd. While the City usually waited for property owners to initiate the annexation process, sometimes it was triggered by a request for a utility connection.
- Accommodating and managing contractor establishments made sense to the extent the City could without annexation, but encouraging relocation or redevelopment did not make sense at this time because in the City's big planning scheme, it was not a huge priority; unless the City had a vision for the land and wanted to actively invest in attracting a specific industry to the area.
 - **Planning Director Bateschell** noted with this new information and the passage of time since adopting the BCCP, the current conversations about Basalt Creek could potentially refine the vision to address some of the comments and ideas discussed. The BCCP is a foundation and its broad vision and goals, and guiding principles could still be used. Basalt

Creek was the only industrial area outside of Coffee Creek that was available for the city to grow into as part of its 20-year land supply and was an important consideration in planning and refining the vision for the future of Wilsonville's employment land.

- The City could potentially pursue specific industries with higher rent prices to justify development costs.
 - **Ms. Underwood** noted a high-intensity user like a data center in West Railroad could support infrastructure and lower development costs. Having a development plan for West Railroad that assembled multiple parcels for a much bigger area to impact the development potential would be useful.
 - With that suggestion, it made even more sense to manage the contractor establishments.
- **Ms. Underwood** explained from the analysis, many industries could be ideal for West Railroad, and the City could consider going after a specific industry like general manufacturing, food processing, and perhaps, warehousing and logistics, depending on the railway access, as well as other more advanced manufacturing industries. The mining north of the site could cause some complications or impacts.
 - She recalled Business Oregon and GPI both expressed excitement about Basalt Creek overall, adding City Staff could speak with them and other developers to see who may be interested in the site.
- Support was expressed for accommodating and managing contractor establishments, as the financial realities did not allow any other options and there were many challenges to manage upfront.
- Pursuing an IGA with the County for planning authority was a good idea to have more impact on design and ensure projects met the City's infrastructure requirements. The City should get more control over what the County was allowing contractor establishments to do.
- Wilsonville would be well-suited to keep its current precedent on annexation and continue on an owner-by-owner basis, rather than trying to force annexation.
- The conversation around the regional big picture and bringing in specific industry was appreciated. Perhaps resources were available at the state and federal levels to support bringing different kinds of industry to the Pacific Northwest.
 - **Ms. Underwood** noted the cleantech industries considered in the analysis had already been identified by the Oregon Task Force as having potential in Oregon.
- It was important to look beyond the next five years and not limit the approach to Basalt Creek based on what industry is "hot" right now.
- The infrastructure was a big concern. A lot of work is needed before the area is ready for industrial use. The rail bridge is a huge constraint as industrial uses would use 18-ft trailers and replacing a rail bridge is not inexpensive.

4. CFEC Parking (Pauly)

Planning Manager Pauly introduced the State Climate Friendly and Equitable Communities (CFEC) Parking Compliance and Standard Reform via PowerPoint, highlighting the legislative background leading to parking reform and parking rules, the City's project goals, and the purpose of the State rules. He described the two compliance phases, noting Parking A was already in

effect, and Parking B must be complied with by June 30, 2025. He highlighted three options for complying with Parking B, parking minimum reform, noting that the budget for this project would not address any of the City's parking management plans. Beyond compliance, the City wanted to consider parking management strategies for current and potential parking congestion that could be addressed as the budget would allow. He invited questions from the Planning Commission, noting work would continue in the coming months with the Commission providing input on the specific options at the next work session,

Planning Manager Pauly addressed questions from the Planning Commission as follows:

- Only conduit for electric vehicle charging stations had to be installed, not the actual charging stations.
- If these new guidelines had been applied to existing developments, many of the parking minimums would have been determined by financiers who would not approve loans unless certain minimums were met, as well as developers or marketers who saw benefits to having parking, so most projects would likely have similar amounts of parking with some outliers.
- By June 2025, the City had to make changes to the Development Code to align with Parking A and be in compliance with one of the options to comply with Parking B.
 - Option 1 of Parking B would remove parking minimums from a few additional areas than Parking A and would only affect a small amount of the city. Removing parking minimums as a requirement opened new conversations on parking design components and management strategies.
 - Brian Davis with Studio Davis has done a lot of parking work throughout the state, and he would be at the next Planning Commission work session.
- The CFEC project was being funded by the State, but scope was fairly small, excluding parking management, because the grant amount was minimal. The hope was to find more grant funding or that City Council would budget more funds in the future.
- The CFEC project applied to all properties, commercial and residential, including the potential redevelopment of Fry's or the movie theater where no parking minimums would be required.
- The State had not detailed what would happen if cities did not comply with CFEC, but doing so would likely cause confusion since the Code would conflict with the applicable State law.
 - He confirmed the majority of the city is already encompassed by Parking A; Parking B would clean up the Code to align with existing legislation.

Unlike Option 1 for Parking B, Options 2 and 3 would involve a substantial amount of Code writing and could also potentially require additional Staff to manage with limited applicability.

- The Planning Commission's recommendation about which option to pursue would be presented at a City Council work session in early February.

INFORMATIONAL

5. Frog Pond East and South Infrastructure Funding Plan (Pauly)

Planning Manager Pauly noted the Frog Pond East and South Infrastructure Funding Plan had been adopted by Council and the second reading for the Development Code adoption was held December 2nd. He presented the Funding Plan via PowerPoint, briefly reviewing the

infrastructure categories and key framework projects, assumptions made regarding infrastructure responsibilities and five-year phasing increments, and the proposed funding plan, including the baseline and alternative funding strategies that would be approved on a case-by-case basis by Council.

Chair Karr expressed concern that being included as an Alternative Funding Strategy was not an appropriate use of an urban renewal district. (Slide 10)

Planning Manager Pauly clarified the City's Urban Renewal Plan had not prioritized Frog Pond as an urban renewal district, and while it was still a future possibility, it had not been the focus as a funding strategy in Frog Pond.

6. City Council Action Minutes (November 18, 2024) (No staff presentation)
7. 2025 PC Work Program (No staff presentation)

Planning Manager Pauly noted the WILR project would be moving into Phase 2, the citywide portion, adding the Planning Commission would finish the housing and CFEC parking and then begin work on the Comprehensive Plan update project.

ADJOURNMENT

The meeting was adjourned at 8:32 p.m.