



CITY OF OREGON CITY CITY COMMISSION WORK SESSION AGENDA

Commission Chambers, Libke Public Safety Facility, 1234 Linn Ave, Oregon City
Tuesday, August 13, 2024 at 6:00 PM

Typically there are no public comments at work sessions, but written comments are accepted by:

- Email recorderteam@orc.city.org (deadline to submit written testimony via email is 3:00 PM on the day of the meeting)
- Mail to City of Oregon City, Attn: City Recorder, P.O. Box 3040, Oregon City, OR 97045

1. **CONVENE MEETING AND ROLL CALL**
2. **GENERAL BUSINESS**
 - 2.a. McLoughlin Boulevard Enhancement Plan (CI 22-002) Update
 - 2.b. Park Place Concept Plan Code Revisions- Update
 - 2.c. Consent Agenda Contract Amount
3. **COMMUNICATIONS**
4. **COMMITTEE REPORTS**

Commissioner O'Donnell

- South Fork Water Board

Commissioner Smith

- Clackamas Heritage Partners
- Oregon City Tourism Stakeholder's Group
- South Fork Water Board

Commissioner Marl

- Citizen Involvement Committee Liaison
- Clackamas County Coordinating Committee (C4)
- Clackamas County I-205 Tolling Strategies Committee
- Youth Advisory Committee

Commissioner Mitchell

- Clackamas County Coordinating Committee (C4) – Metro Subcommittee
- Clackamas County I-205 Tolling Diversion Committee (alternate)
- Metro Policy Advisory Committee (MPAC) (alternate)

Mayor McGriff

- Clackamas Water Environment Services Policy Committee
- Clackamas Heritage Partners (alternate)
- Downtown Oregon City Association Board
- Metro Policy Advisory Committee (MPAC)
- Oregon City Tourism Stakeholder's Group
- South Fork Water Board
- Willamette Falls and Landings Heritage Area
- Willamette Falls Legacy Project Liaisons
- Willamette Falls Locks Authority
- Youth Advisory Committee Liaison

5. ADJOURNMENT

ORDINANCE NOTICE

If an ordinance is noticed above in this agenda, the text of the ordinance is available online with the posted agenda packet. In addition, three copies are provided for public review in the Office of the City Recorder upon request.

PUBLIC COMMENT GUIDELINES

Complete a Comment Card prior to the meeting and submit it to the City Recorder. When the Mayor/Chair calls your name, proceed to the speaker's table, and state your name and city of residence. Each speaker is given 3 minutes to speak. Representatives of neighborhood associations may be given 5 minutes to speak if requested. As a general practice, the City Commission does not engage in discussion with those making comments. Complaints shall first be addressed at the department level prior to addressing the City Commission. Electronic presentations are permitted but must be delivered to the City Recorder 48 hours in advance of the meeting.

ADA NOTICE

The location is ADA accessible. Hearing devices may be requested from the City Recorder prior to the meeting. Individuals requiring other assistance must make their request known 48 hours preceding the meeting by contacting the City Recorder's Office at 503-657-0891.

Agenda Posted at City Hall, Pioneer Community Center, Library, City Website.

Video Streaming & Broadcasts: The meeting is streamed live on the [Oregon City's website](#) and available on demand following the meeting. The meeting can be viewed on Willamette Falls Television channel 28 for Oregon City area residents as a rebroadcast. Please contact WFMC at 503-650-0275 for a programming schedule.



CITY OF OREGON CITY

625 Center Street
Oregon City, OR
97045
503-657-0891

Staff Report

To: City Commission **Agenda Date:** August 13, 2024
From: John Lewis, Public Works Director

SUBJECT:

McLoughlin Boulevard Enhancement Plan (CI 22-002) Update

STAFF RECOMMENDATION:

The Commission provides feedback on the options presented for key areas along the corridor.

EXECUTIVE SUMMARY:

This project is the last and most complex phase of Oregon City's McLoughlin Boulevard Enhancement Plan, which has been in progress for the past 20 years. The chosen conceptual design aims to support Oregon City's tourism, economic, and community development goals by improving walking and biking facilities along this corridor. This work session is to share the McLoughlin Boulevard Streetscape Enhancement options and gather City Commission feedback on design elements along the corridor, as well as share next steps.

BACKGROUND:

Enhancing the streetscape along McLoughlin Boulevard will complement the recommended shared-use path alternative, calm vehicular speeds (along McLoughlin Boulevard), add green space to the corridor, and better integrate downtown Oregon City to the waterfront. This can be achieved by incorporating sidewalk, landscaping, and placemaking improvements to calm traffic and create a sense of "place."

The project team will present options for a few key areas along the corridor. Due to the constrained nature of the corridor, options are limited from what is preferred along the corridor; therefore, the area with options include:

- Historic Arch Bridge open space (linear area along McLoughlin Boulevard near the utility tower)
- The area under 7th Street approach to Historic Arch Bridge.
- The area along McLoughlin Boulevard on the inside of the "elbow."

The Commission will be asked to review the options presented and provide feedback. A formal decision will not be made at this work session, as this update is to provide options for the best use of the space, and to determine w options are not reasonable and should be

removed from the plan.

Next Steps

Based on feedback from the City Commission, the project team will work to complete the Conceptual Design Study. Once completed, the Study will be presented to the Planning Commission and City Commission for adoption, beginning in Fall 2024. This adoption will include an amendment to the Transportation System Plan (TSP) of the conceptual design approach.

This Fall staff will be reconnecting with the various groups and committees that have previously provided feedback on the plan. Staff will provide an update on this work and collect any additional feedback on the preferred alternative, and streetscape enhancements.

Additionally, staff anticipates preparing a Metro Regional Flexible Funds Allocation (RFFA) grant application to fund the next phase of the design work. The request for projects is anticipated to open in September 2024, with an application deadline in November 2024 based on current information. Prior to the grant submittal, staff will return to City Commission with a Resolution of Support for the grant application, outlining the requested grant funding and the scope of the work to be included in the grant application. This grant deadline is critical to funding the next steps of this design work and does not open again for another three (3) years. The current design process was funded by the same funds.

Summary of Work to Date

In September 2023, staff appeared before the Commission to introduce the McLoughlin Boulevard Enhancements Project. The Commission was presented with a summary of the project and work constructed, to date, along the corridor.

In November 2023, Consultants Kittelson & Associates provided the Commission with an overview of work that was completed and in progress for this project. This included a review of the Project's Purpose & Need Statement – “To develop a shared-use path that will improve multimodal safety and fill in the gap for people walking and biking (along the McLoughlin Boulevard corridor between 10th Street and tumwata village) through pedestrian, bicycle and streetscape enhancements” will be at the forefront of this project.

In December 2023, staff planned to provide the Commission with a project update; however, they were unable to due to time constraints.

In February 2024, staff provided an update and an overview of the self-guided Virtual Open House that was held from December 6th through the 22nd, 2023. This virtual experience provided an opportunity for community input and feedback regarding the potential bicycle/pedestrian pathway designs. The following themes were identified from the comment submissions:

- Improving traffic flow on McLoughlin Boulevard
- Upgrading access and safety for pedestrians and cyclists
- Enhancing safety for all users
- Building and improving connections to the future tumwata village development,

- downtown Oregon City, Willamette River, and nearby cities
- Increasing maintenance, monitoring, and cleanup work along the corridor

Overall, most community members voted for Alternative 1B: High Route - a design with a new pathway structure at street level, next to McLoughlin Boulevard. This path would connect to McLoughlin Boulevard (near 10th Street) and reconnect near the future tumwata village development. Participants also voted for a pathway design through the Historic Arch Bridge columns, as shown in Alternatives 1B and 1C.

In April 2024, staff and technical consultants presented the findings of the technical review of the alternatives. This included an overview of the feasibility of each alignment alternative from a structural, geotechnical, environmental, historical, and constructability perspective. This analysis identified fatal flaws and risks associated with alternative alignments and design elements of alternatives. This included a presentation of alternatives.

In May 2024, staff and technical consultants returned and reviewed the challenges and constraints of the alternatives. The City Commission confirmed the preferred alternative of Alternative 1B2: Full External Alignment (Long Span).

More information on the project can be found on the project website:
<https://www.orcity.org/1853/McLoughlin-Blvd-Enhancements>

OPTIONS:

N/A



CITY OF OREGON CITY

Staff Report

625 Center Street
Oregon City, OR 97045
503-657-0891

To: City Commission **Agenda Date:** 08/13/2024
From: Aquilla Hurd-Ravich, Community Development Director
Pete Walter, Planning Manager

SUBJECT:

Park Place Concept Plan Code Refinement- Update on the Planning Commissions review and work done to date.

EXECUTIVE SUMMARY:

The Park Place Concept Plan (PPCP) was adopted through Legislative File 08-01 in 2008. At the time the Oregon City Municipal Code was amended to implement the principles of the concept plan. Since that time, land use regulations in the State of Oregon have changed and the City reviewed its first land use application in the concept plan area. That review illuminated some of the areas in code that need refining 16 years after the initial adoption of the concept plan. At this meeting, staff will present an overview of the work to date and the process moving forward to adopt code refinements.

BACKGROUND:

The attached memo, Implementation Narrative, dives more deeply into each of the Key Elements, how they were codified, and any proposed code revisions that staff has so far identified. The memo was presented to the Planning Commission and has been amended to reflect their feedback.

The PPCP was built principally on 11 Key elements:

- Two primary north-south connections between Holcomb Boulevard and Redland Road (Swan Avenue and Holly Lane)
- Two distinct mixed-use neighborhoods (North Village and South Village) that accommodate 1,459 new dwelling units
- Neighborhood-oriented commercial nodes that integrate commercial land uses, residential land use, and public open space.
- An area for a new civic institution, such as a library or community center
- A mix of housing types and ranges of affordability
- An extensive system of off-street and on-street trails and pedestrian/bicycle connections

- Innovative, “green” on-site stormwater treatment methods
- Protected sensitive areas, including drainages and steep slopes
- Streets and buildings oriented for solar access
- The use of green edges to define neighborhoods and buffer developments
- Integration of parks and open spaces into existing and future neighborhoods

Legal Issues

A memo from the Deputy City Attorney is attached to this staff report that explains some of the legal issues and boundaries that must be considered when implementing the PPCP. The concept plan is just that, a concept or a big idea that expressly acknowledged the need for future study and adjustment through implementing zoning regulations. The purpose for the attached memorandum is to identify the legal limitations that may inform and influence how the City balances these various policies in a way that best achieves the PPCP plan objectives.

Assessment of Commercial Development in the North Village

Staff hired Johnson Economics to evaluate expected development of commercially designated parcels within the Park Place Concept Plan along Livesay Road. The plan envisioned mixed use neighborhoods with commercial nodes that integrate commercial land uses, residential, and public open space along Livesay Street. Potential uses could be coffee shops, bookstores, dry cleaners, and a café. The attached analysis assessed the expected viability of commercial development on these parcels. The outcome of the assessment is that “the site will need a substantive amount of the planned residential development to be completed, as well as the Holly Lane connection between Holcomb and Redland Road before commercial development is viewed as viable.”

Planning Commission Review

At the Planning Commission meetings in May, June, July, and August, staff presented draft code revisions to the following OCMC Chapter:

- 16.12.026- Street Design- Alleys
- 17.04 Definitions
- 17.08 Low Density Residential Districts
- 17.10 Medium Density Residential Districts (R-5 and R-3.5)
- 17.21 Residential Standards- Park Place Concept Plan
- 17.24 Neighborhood Commercial
- 17.62 Site Plan and Design Review and 16.08 Land Divisions
- 17.65 Master Plans

These presentations have taken the form of discussion items where staff has received feedback and input from the Planning Commission. This presentation is to check-in with City Commission before beginning the legislative process in September. Staff presented to the CIC on August 5 and will present to the Park Place Neighborhood Association later this month prior to the legislative hearings.

Overview of Revisions

16.12.026- Street Design- Alleys

- Allows modification of alley requirements when the alley would be located in the Natural Resource Overlay District, the Geologic Hazard Overlay, or the transition area

17.04- Definitions

- Added multiple new definitions for required architectural features in the Park Place area.
 - Examples: Architecturally significant façade, Awning, Canopy, Cupola

17.08- Low Density Residential and 17.10- Medium Density Residential

- Standards added to create a transitional zone between the existing neighborhoods and the Concept Plan Area.
 - Example: 40 feet between dwellings and the lot sizes must match those outside the PPCP area.
- Edits were made to the dimensional standards table for better readability

17.10- Medium Density Residential

- Allows multi-family in R-3.5 district rather than through a master plan process
- Added maximum density of 17.4 units/acre

17.21- Residential Design in Park Place Concept Plan Area

- Added clear and objective design elements to improve visual interest
- Applies to all new residential except: multi-family, live-work, and mixed-use
- Design elements include: roof design and pitch, massing, porches, pedestrian connection, architectural details, materials, windows, garages, accessory structures
- Added standards for a variety of housing types to promote housing diversity
- A land division must propose a percent of middle housing based on the number of acres proposed for development
 - 0-2 acres= 1 housing type
 - 2-10 acres = 15%
 - 10-30 acres = 20%
 - 30+ acres = 25%

17.24- Neighborhood Commercial

- Increased the amount of allowed residential building square footage from 50% to 75%
- Added landscaping standards
- Created a new section of standards applicable to PPCP area
- Additional uses with size restrictions: Civic uses, off-site storm water facilities, Park land
- Residential uses subject to additional standards
- Added site design standards: siting of structures, parking, Building facades and entrances, pedestrian elements, corner building entrances

17.62.061- Site Plan and Design Review- Park, trail, and open space requirements in Park Place

- Added a new section devoted to park and trail dedication
- Open space dedication is voluntary or based on requirements in the NROD
- North Village Community Park will be 8 acres
- South Village Neighborhood Park will be 4 acres
- Trail dedication will be consistent with the 2004 Trail master Plan

17.65- Master Plan and Planned Unit Development

- Added language to clearly state that master plan process is available when an applicant can not or chooses not to meet the clear and objective standards

Legislative History

When the PPCP was adopted in 2008, the Oregon City Municipal Code (OCMC) was amended to implement the concept plan. The Park Place Concept Plan was implemented through Legislative File 08-01 which updated, revised, and added new code sections to OCMC, and adopted Comprehensive Plan designations for areas within the concept plan. Land in the North Village which has annexed to the City has a zoning designation of Neighborhood Commercial (NC), R-5 (Medium Density Residential), and R-10 (Low Density Residential). In 2008, OCMC 17.10 was amended to add a new R-5 zone district to allow for greater diversity of housing types. The existing Neighborhood Commercial zone district in OCMC 17.24 was refined to increase the number of permitted uses, restrict the size of stand-alone commercial buildings, and allow live-work units. Multi-family is allowed in Neighborhood Commercial, but it cannot be more than 50% of the building square footage on-site.

In 2008 some of the key elements were codified, some were implemented through design standards, while others were envisioned to be implemented by future zone changes. Following the adoption of the PPCP, multiple infrastructure master plans were updated and adopted and these plans accounted for growth and new development in

Park Place for example the 2013 Transportation System Plan and the 2020 Stormwater and Grading Design Standards.

However, since 2008 the land use paradigm in Oregon has shifted and multiple new regulations apply. For example, HB 2001 Middle Housing mandates were adopted by the City in 2022 allowing duplex, triplex, quadplex, townhomes, and cottage clusters on lots in single family zones. In 2017 Senate Bill 1051 changed the application of clear and objective standards to apply to all housing development and not just needed housing. Discretionary standards are no longer applicable to any housing development regardless of the classification of “needed” housing. (*Needed housing means housing by affordability level, as described in ORS 184.453 (4), type, characteristics and location that is necessary to accommodate the city’s allocated housing need over the 20-year planning period in effect when the city’s housing capacity is determined. 197A.018*). Most recently, in 2024 SB 1537 requires jurisdictions to grant “mandatory adjustments” if a development meets certain thresholds.

Taking most of these changes into account since 2008, staff has endeavored to revise sections of OCMC to more completely implement the 11 Key Elements while remaining clear and objective.

Process Overview:

- Planning Commission Code Review: Spring/Summer
- CIC and PPNA presentations: Summer
- City Commission Work Session check-in: Summer
- Planning Commission legislative hearings: Summer/Fall
- City Commission adoption hearings: Fall 2024

A project page has been created for any interested parties who would like to follow the project: <https://www.orcity.org/1452/Park-Place-Concept-Plan-Code-Revisions>.

MEMORANDUM

TO: Oregon City Planning Commission
FROM: Carrie A. Richter, Deputy City Attorney
DATE: May 28, 2024
RE: Park Place Concept Plan Zoning Code Amendments – Legal Issues

The Park Place Concept Plan (PPCP) Plan sets forth a sustainable, vibrant, diverse and livable long-range plan for nearly 500 acres of rural land for urbanization within Oregon City. The PPCP responds to the steep slopes, constrained transportation connectivity and lack of affordability challenges by leaning into smaller lots and mixed-use densities, neighborhood-focused commercial areas and parks, all connected by a robust multi-model trail system and green infrastructure. That said, the PPCP is only a concept or a big idea that expressly acknowledged the need for future study and adjustment through implementing zoning regulations.

Since the PPCP was adopted, several state laws have changed, most notably laws that constrain how cities regulate housing to combat the severe shortage and significant cost of housing throughout the Metro area and the state. The purpose for this memorandum is to identify these legal limitations as they may inform and influence how the City balances these various policies in a way that best achieves the PPCP plan objectives.

Extension of Holly Lane and Swan Avenue

The PPCP and TSP call for the construction of Holly Lane from Redland Road to Holcomb Blvd as a minor arterial and Swan Lane as a collector. Generally, a new subdivision development includes roads necessary for service including frontage improvements to connect the development to the existing street infrastructure. In addition to the dedication of land and improvements necessary for onsite connectivity, where development will result in intersection failure nearby, offsite improvements are also often required. Whether off-site or on-site, the city's ability to require an applicant to give land or pay money to accommodate needed improvements (also known as "exactions") cannot exceed the level necessary to serve the development. Stated differently, the city can demand land or improvements where they are "roughly proportional" to the impacts caused by the development. *Nollan v. California Coastal Comm'n*, 483 U.S. 825 (1987); *Dolan v. City of Tigard*, 512 U.S. 374 (1994); *Koontz v. St. Johns River Water Management District*, 133 S. Ct. 2586 (2013).

As a result, the only way that the City will be able to exact land necessary to accommodate the full length of Holly Lane or Swan Avenue from Redland Road to Holcomb Blvd will be where: (1) the intensity of the proposed development creates intersection failures in the existing system that demand improvement of the full length of Holly Lane as prescribed by the OCMC; (2) the proposed development includes lands identified to accommodate Holly Lane such that land dedication can be

identified as an exaction, AND (3) the cost of those lands are roughly proportional to the impacts of the development proposed. Although possible, it seems unlikely that these circumstances would arise through a single development proposal. If the City concludes that PPCP requires the existence of two access points before some level of development occurs, the City may need to consider an alternative way to finance and construct these improvements.¹

Most of the land needed to improve Holly Lane and all the land needed for Swan Avenue are outside of the city limits and in unincorporated Clackamas County. Although these improvements are included within the City's Transportation System Plan (TSP) for long-range improvement, they are not identified on the County TSP at all.² In order to access most federal or state grant funds, the County TSP would need to include these improvements.³ These lands are zoned Rural Residential Farm Forest – 5 Acre (RRFF-5). A "road," including a public road, is a use that is permitted outright in that zone. Clackamas County Zoning and Development Ordinance (ZDO) 316.

State law grants a city authority to condemn land outside of its city limits for public use. ORS 223.005 and .020.⁴ Generally, once the city files a condemnation action and deposits funds with the court, it may send notice to take immediate possession. Once a court has granted an order of immediate possession, the city can proceed with permitting and constructing the necessary roads in the County. State law does provide a mechanism for the City to recover the cost of the road improvement through the creation of an improvement district that would assess benefiting landowners some proportionate share. ORS 223.387. Presumably, the County would share in the cost of construction because its residents would similarly

¹ There may be some practical reasons to defray this cost from new development. Typically, the cost of expanding urban utilities and services is placed on future development with the effect of making the future home less affordable. On the other hand, perhaps some portion of the additional connectivity or amenity costs should be borne by the city as they will benefit existing Holcomb Blvd residents in addition to those that have yet to come.

² The County anticipates updating its TSP beginning in the summer of 2024, so the timing might be ideal for the City, as well as interested County residents, including the Planning Commission members, to engage with the County on this issue.

³ During the 2024 legislative session there was much discussion about the ways in which the state can assist in financing infrastructure to reduce the cost of housing. SB 1537 authorizes the Housing and Community Services Department to make loans to local governments to sponsor infrastructure projects. HB 4134 requires the Oregon Business Development Department to create a grant program for infrastructure serving development where at least 30% of the proposed housing would be workforce housing (a household with income less than or equal to 130 percent of the county median income based on information or estimates available from the United States Census Bureau.) HB 4155 requires the Oregon Business Development Department to put compile a study whose findings are due no later than Sept. 15, 2024.

⁴ Section 36 of the City Charter contains a broad condemnation authority, which provides:

"Any necessity of taking property for the city by condemnation shall be determined by the commission and declared by a resolution of the commission describing the property and stating the uses to which it shall be devoted."

benefit from construction. An intergovernmental agreement (IGA) with the County would be the mechanism to memorialize this arrangement.

Although there a number of ways that the City could proactively assist in the development of Holly Lane and/or Swan Avenue, none of these actions will be immediate. If the City receives an application for development that does not generate impacts at levels to justify exactions in the form of land for roads or improvements, the City must nevertheless allow the development to occur.⁵

Limitations to the Regulation of Housing

As the Planning Commission is well aware, there are a number of restrictions on how the city may regulate housing. The one that we have spoken about most often comes from ORS 197A.400(1), formerly ORS 197.307(4). It provides: “a local government may adopt and apply only clear and objective standards, conditions and procedures regulating the development of housing, including needed housing, on land within an urban growth boundary.”⁶

“Clear and Objective”

The statutes do not define the term “clear and objective.” Rather, the meaning has been developed over time by LUBA and the courts. “Clear” means “easily understood” and “without obscurity or ambiguity,” and that the term “objective” means “existing independent of mind.” *Neito v. City of Talent*, ___ Or LUBA ___ (LUBA No 2020-100, Mar 10, 2021) (slip op at 9 n 6). Approval standards are not “objective” if they impose “subjective, value-laden analysis that are designed to balance or mitigate impacts of the development on (1) the property to be developed or (2) the adjoining properties or community.” *Rogue Valley of Realtors v. City of Ashland*, 35 Or LUBA 139, 158 (1998), *aff’d*, 158 Or App 1, 970 P2d 685, *rev den*, 328 Or 594 (1999). A standard that could be interpreted “to support either of two diametrically opposed conclusions” is not clear and objective. *Roberts v. City of Cannon Beach*, 316 Or. App. 305, 312 (Or. Ct. App. 2021). Quantifiable, objectively determinable facts are “clear and objective,” although their application need not be “simplistic.” *Roberts supra* 316 n.5. These are the tests used to determine if a regulation satisfies the “clear and objective” test.

⁵ The City could also declare a moratorium but in doing so, the City would have to quickly figure out how to fund and build the required roads. To remain, a moratorium must be renewed every six months and can be extended only three times.

⁶ ORS 227.173(2) provides:

“When an ordinance establishing approval standards is required under ORS 197A.200 and 197A.400 to provide only clear and objective standards, the standards must be clear and objective on the face of the ordinance.”

“The Development of Housing”

The applicable criteria for subdividing land or design review for housing often evaluate elements that are supportive of or the result of new housing but are not directly related to the construction of a home itself. Examples of this might include access roads necessary to serve a new dwelling, conveyance systems to remove stormwater resulting from a new residential roof, or parkland dedication necessary to serve residents of the future home.

LUBA dealt with this question directly in the recent case, *Roberts v. City of Cannon Beach*, where a party argued that the clear and objective standards requirement does not apply to off-site vehicular access improvement obligations that were necessary to serve a new house. ___ Or LUBA ___ (LUBA No. 2023-06, April 24, 2024). Many times before LUBA has said that planned unit development (PUD) or subdivision standards related to vehicular access and circulation are subject to clear and objective standards.⁷ The difference in *Roberts* was that the regulations at issue related to off-site vehicular access that were not set forth in other standards rather than the subdivision / PUD regulations.

Although the supportive elements identified in the PPCP are not roads as they were in *Roberts*, LUBA’s approach to evaluating the text, context and legislative history of this obligation will likely be instructive for how LUBA might consider the elements of the PPCP.⁸ Finding no definition of “development of housing” in the statute, LUBA relied on dictionary definitions and context found in other statutes to conclude that “the act or process of making housing available or usable is broad and encompasses development of vehicular access necessary to develop and use a dwelling unit.” Slip op 67. LUBA went on to conclude that the intent of the legislature in this mandate was that the “clear and objective requirement be broadly applied to facilitate the development of housing.” Slip op 71. Based on this analysis, LUBA found that the city of Cannon Beach’s access improvement standards were subject to the clear and objective standards requirement.

Moving beyond the access question, LUBA went on to say that the city did not err in refusing to apply discretionary geologic hazard area standards to the access road because they were not clear and objective. This suggests that LUBA’s holding is not limited solely to road access but that it would apply to other regulations that impact housing, including steep slope regulations applicable to road construction and stormwater standards as well. An argument might be crafted that a parkland dedication

⁷ *Group B, LLC v. City of Corvallis*, 72 Or LUBA 74, 86-87, aff’d, 275 Or App 577, 366 P3d 847 (2015) (city cul-de-sac street design standard that the city had applied to deny the PUD application was unclear.); *Walter v. City of Eugene*, 73 Or LUBA 356, 357, 360-64, aff’d, 281 Or App 461, 383 P3d 1009 (2016) (a PUD standard which required “the street layout of [a] proposed PUD shall disperse motor vehicle traffic onto more than one public local street” was not “clear and objective”). *Legacy Development Group, Inc. v. City of the Dalles*, ___ Or LUBA ___ (LUBA No. 2020-099) (Feb. 24, 2021) and *Nieto v. City of Talent*, ___ Or LUBA ___ (LUBA No 2020-100, Mar. 10, 2021).

⁸ It may be of interest to note that LUBA was interpreting ORS 197.307(4), which was altered slightly when it was renumbered to ORS 197A.400 but for purposes of the term “development of housing,” the term remains unchanged.

requirement is distinguishable because it is not required for a residential home to function. The problem is that in order to remain roughly proportional, any exaction for parkland improvements must directly relate to the number of future residents tying the obligation directly to the provision of housing. It may be difficult to overcome the broad sweep of the “development of housing” phrase identified by LUBA as part of the legislative history well. For this reason, staff has identified a pro-rata share of parkland dedication or fee-in-lieu payment arrangement based on the number of individuals and number of units proposed.

Need to Amend the PPCP

ORS 197A.400(3) provides that a local government can provide an alternative discretionary process for housing review so long as the alternative does not replace the clear and objective track. Where the City got into trouble in the *Icon v. City of Oregon City* case was in not having a clear and objective track available because a condition to annexation requires the master plan review. ____ Or LUBA ____ (LUBA No. 2022-100, May 19, 2023). By amending the OCMC to implement the PPCP, the City will be providing that clear and objective track. There is no need to further amend the PPCP as it will continue to provide an alternative discretionary track for those applicants who wish to pursue it.

Middle Housing

Oregon House Bill 2001 (2019) (HB 2001) requires that “Large Cities” (defined as cities within a metropolitan service district) must allow all middle housing types in areas zoned for residential use that allow for detached single-family dwellings. Oregon City fully implemented HB 2001 with the authorization of the full range of middle housing types within all of the City’s residential districts and amending the amending middle housing design standards in Chapter 17.16 to comply with OAR 660-046, the administrative rules governing middle housing.⁹ As a result, the only way to regulate the overall density of housing is through the allowed minimum lot sizes subject to the following:

- Duplexes must be permitted on the same size lots as single-family detached, cities cannot apply maximum density standards. OAR 660-046-0120(2)
- Triplexes must be permitted on lots 5,000-SF or the same size lots as single-family detached, whichever is greater, cities cannot apply maximum density standards. OAR 660-046-0220(2)
- Quadplexes must be permitted on lots 7,000-SF or the same size lots as single-family detached, whichever is greater, cities cannot apply maximum density standards. OAR 660-046-0220(2)

⁹ Before HB 2001, the City had design standards pertaining to single-family attached and 3-4 plex residential design standards that served as the basis for the middle housing design standards as authorized by OAR 660-046-0120.

- Townhouses are an exception and can be subject to maximum density in addition to minimum lot sizes of 1,500-SF or less. Maximum density must allow four times the maximum density allowed for detached single-family dwellings in the same zone or 25 dwelling units per acre, whichever is less. OAR 660-046-0220(3)(c)
- Cottage clusters: Clusters of 4-8 cottages (or more, if city elects larger cluster sizes) must be permitted on lots 7,000-SF or the same size lots as single-family detached, whichever is greater, and cities cannot apply maximum density standards. OAR 660-046-0220(4)

These standards are fully implemented in the OCMC by the minimum lot size requirements for the Low and Medium Density Residential zones. Therefore, staff is not proposing any change or alteration to these thresholds.

Mandatory Adjustments

As of January 1, 2025, an applicant seeking to develop single or middle housing will likely be entitled to a by-right waiver¹⁰ of certain development and design standards upon request as provided in the recently enacted SB 1573.¹¹ The development standards eligible for adjustment include: side and rear yard setbacks up to 10% reduction, same lot landscaping or open area requirements up to 25% reduction, parking minimums, lot sizes (including width or depth) up to 10% reduction only where it results in a greater number of dwelling units and the density exceeds the city's minimum requirements, along with a building height increase of either one story or a 20% increase, whichever is greater. Additional development adjustments are available for multi-family or mixed use structures. The bill goes on to specify certain design standards that may be modified including: façade materials, color or pattern, detail articulation, roof forms and materials, "garage door orientation," window materials, and a 30% adjustment of the total window area. For middle housing and multi-family / mixed-use, building orientation requirements, building height transition requirements for not more than 50%, balconies and porch requirements and recesses and offsets. What is most interesting about this list as it relates to the PPCP is the way in which the waiver provision might eliminate the obligation to provide alley orientation for garage for middle housing but only to the "garage door" for single family housing. The

¹⁰ An applicant for a waiver need only "state" that the adjustment will: (1) provide housing "not otherwise feasible due to cost or delay;" (2) be necessary to "reduce the sale or rental prices;" (3) increase the number of housing units; (4) make all of the units subject to an affordable housing covenant making the homes available to moderate income households; (5) provide accessibility or visitability features; or (6) allow for a zero, limited or shared equity ownership model making them affordable to moderate income households. Section 38(2)(g).

¹¹ SB 1573 also includes an exemption process for local governments to avoid granting adjustments. The City is looking into whether it would qualify for an exemption but it unlikely to know if that is the case until late fall or early winter, at the earliest.

City should be aware that these adjustments might serve to strip the City of PPCP implementation standards, even where they are clear and objective.

Provision of Parkland

The PPCP calls for the provision of 8-10 acre community park and a 3-5 acre neighborhood park that would be connected by extensive system of off-street and on-street trails and pedestrian/bicycle connections. As with the discussion of critical road infrastructure discussed above, the City is constrained in its ability to exact park land dedication and improvements to that which is roughly proportional to the impact of development. *Dolan / Koontz supra*. In order to deal with these limitations, city staff is proposing a formula similar to the one in place for residential development within Thimble Creek. OCMC 17.62.059 requires the dedication of park land or an in-lieu fee that is based on a proportional formula based on number of individuals in each dwelling multiplied by the number of dwelling units at four acres per 1000 people. Under this approach, every new housing unit will contribute its fair share for the park. If future development is so piecemeal that it precludes dedication of the minimum PPCP required parkland, the City will have to be prepared to buy whatever remaining pieces are necessary using the funds collected in-lieu fees, either through negotiation or imminent domain, if necessary.

Some have suggested that the City should commission a survey to determine a certain location of the park and ensure protection by subjecting this legally described area to a park-only zoning designation. There are multiple problems with this approach. First, without engineering the whole development to know the location of uses along with the road accessing the park, any survey to determine the exact boundaries of the park area would be premature. More importantly, imposing a park-only zone would not only give rise to underlying landowners' right to seek relief under Measure 49 because it would reduce the fair market value of their property requiring compensation, such an approach would likely give rise to a takings claim under the 5th Amendment because it would regulate a property to the point of having little, if any, economic value. For this reason, the location of the park must float and evolve commensurate with new development making the park necessary. Again, the City is certainly free to negotiate for and purchase land to build a park in its proprietary capacity at any time.

Protecting the Neighborhood Commercial Zone

The PPCP calls for the application of the Neighborhood Commercial zone to accommodate commercial development. p. 65. The Plan also provides: "create opportunities for mixed residential and commercial uses through amendments to and application of the city's mixed use zone." p 61. Currently, uses permitted in the NC zone include those that are permitted within the Mixed Use Corridor (MUC) zone (with a smaller building footprint) including a wide range of commercial and office uses as well as live/work dwellings, housing in conjunction with commercial use or a duplex. Since housing is allowed within the NC zone, those development and design standards that would be applicable to housing, either standalone or mixed use, within this area must be clear and objective. Standards that relate to entirely non-residential uses need not be clear and objective. Parks and utilities are uses permitted outright in the

NC zone, by virtue as the cross-reference to MUC permitted uses. Whether the City would like to constrain the permitted uses within the PPCP commercial areas is a policy question but there is no legal limitation to doing so.

The suggestion has been made that the City would need to create a metes and bounds survey of the Neighborhood Commercial zone in order to create a clear and objective boundary for regulation. The bounds of the NC zone as it has been applied to annexed lands to date is depicted on the City's adopted Zoning Map. Its location is not subject to any policy-laden evaluation or discretion that would necessarily be resolved through a boundary survey. That said, if the City would like to remove any obligation to adopt or apply clear and objective regulations within the NC area, it would need to remove all opportunities for additional housing within this area which may contravene the mixed use objectives and the desire to place higher densities near the NC area as specified within the PPCP.

Green On-Site Stormwater Treatment

The PPCP calls for innovative, "green" on-site stormwater treatment methods. As staff explains in the May 7 report, in 2015, the City adopted Stormwater and Grading Design Standards that prioritize low impact development (LID) practices which mimic natural drainage systems by keeping rainwater close to where it falls and attenuate stormwater runoff. It will be up to the Planning Commission to determine if implementation of these standards are sufficient or if additional obligations should be imposed.

The suggestion has been made that, instead of these standards, the City should adopt the antidegradation standards set forth in the Department of Environmental Quality (DEQ) administrative rules to provide a clear and objective way to measure and ensure the use of green stormwater standards. OAR 340-041. These standards are lengthy but, in general, they identify water quality conditions required for categories of water bodies which are measured and regulated by DEQ. For example, DEQ has detailed tables outlining what levels of a identified chemicals must be kept below in order to protect aquatic life. Although these standards may be quantifiable and, therefore, clear and objective, they measure water quality within the river rather than at the point of discharge. Using river water quality as a basis to review municipal discharge is impractical because once stormwater reaches a river, its point of origin is difficult, if not impossible, to determine. This is why discharge from development falls within the City's municipal discharge permit (MS4). DEQ establishes municipal obligations when it comes to regulating discharge into the City's stormwater system through best management practices (BMP). The City has determined that the clear and objective implementation of BMP is best achieved through the Stormwater Standards. These Standards require that all stormwater management comply with the following development hierarchy: "Level 1 – Onsite retention of the 10-year design storm using Low Impact Development (LID) for infiltration," "Level 2 – Onsite stormwater management using LID to meet water quality and flow control standards," "Level 3 – Offsite or Regional Facilities," and finally "Level 4 Fee in Lieu." Each of these priorities are described in quantifiable detail including infiltration rates, qualifying LID facilities, offsite facility design standards and a methodology for calculating the fee-in-lieu. p 2-4 – 2-7. The Level 1 and 2 tier solutions, which is typically the way "green on-site stormwater" solutions are referenced must be used unless quantifiable physical limitations are present.

These limiting circumstances including steep slopes, low infiltration rates (less than 2.0 inches per hour), fill conditions, and high groundwater table - but expressly do not include the “financial viability of construction.” Through this prioritization scheme, new development will provide green on-site treatment in all cases except where the physical condition of the existing topography dictate another approach.

Conclusion

In summary, there are numerous legal limitations to the City’s implementation of the PPCP, particularly with respect to housing. However, the goals of providing diversity of housing types and affordability is a shared goal in both state law and the PPCP. Although this list may seem daunting, with thoughtful drafting along with a willingness to accept that the City may need to take a more active role in the provision of infrastructure and amenities, the values set forth in the PPCP can be realized.



MEMORANDUM

To: City and Planning Commissioners
From: Aquilla Hurd-Ravich, Community Development Director
Pete Walter, Planning Manager
RE: Park Place Concept Plan Key Elements Integrating Clear and Objective Standards into Oregon City Municipal Code
Date: May 7th, 2024; Updated June 24, 2024 with PC revisions

This memo was originally presented to the City Commission in May and the Planning Commission in June. At the June 10th meeting the Planning Commission provided comments and recommendations on this document. Those comments are shown in red underline.

The purpose of this memo is to identify and describe sections of the Oregon City Municipal Code that need revisions in order to refine and implement key elements from the Park Place Concept Plan (PPCP).

The 2008 Park Place Concept Plan identified 11 key elements:

1. Two primary north-south connections between Holcomb Boulevard and Redland Road (Swan Avenue and Holly Lane)
2. Two distinct mixed-use neighborhoods (North Village and South Village) that accommodate 1,459 new dwelling units
3. Neighborhood-oriented commercial nodes that integrate commercial land uses, residential land use, and public open space.
4. An area for a new civic institution, such as a library or community center
5. A mix of housing types and ranges of affordability
6. An extensive system of off-street and on-street trails and pedestrian/bicycle connections
7. Innovative, “green” on-site stormwater treatment methods
8. Protected sensitive areas, including drainages and steep slopes
9. Streets and buildings oriented for solar access
10. The use of green edges to define neighborhoods and buffer developments
11. Integration of parks and open spaces into existing and future neighborhoods
(PPCP p21)



Background

When the PPCP was adopted in 2008, the Oregon City Municipal Code (OCMC) was amended to implement the concept plan. The Park Place Concept Plan was implemented through Legislative File 08-01 which updated, revised, and added new code sections to OCMC. Land in the North Village which has annexed to the City has a zoning designation of Neighborhood Commercial (NC) and R-5 (Medium Density Residential). OCMC 17.10 was amended to add R-5 in 2008 to allow for a diversity of housing types. The existing Neighborhood Commercial zone was refined to increase the number of permitted uses, restrict the size of stand-alone commercial buildings, and allow live-work units. Multi-family is allowed in Neighborhood Commercial, but it cannot be more than 50% of the building square footage on-site.

Key Elements and Corresponding Code Sections and Explanation

1. Two primary north-south connections between Holcomb Boulevard and Redland Road (Swan Avenue and Holly Lane)

How was this implemented?

The extensions of Holly Lane and Swan Avenue are adopted in the 2013 Transportation System Plan (TSP). Holly Lane is adopted as Planned Minor Arterial and Swan Avenue is shown as a Planned Collector. Minor Arterial Roadways are intended to serve local traffic traveling to and from major arterial roadways. This classification provides greater accessibility to neighborhoods, often connecting to major activity generators and provide efficient through movement for local traffic. A Collector Roadway connects neighborhoods to minor arterial roadways.

Holly Lane is an adopted TSP project that connects Redland Rd to Holcomb Blvd. It is identified as project #D48 Holly Lane North Extension and described as a residential minor arterial with newly created street connections to Cattle Drive and Journey Drive. The funding priority is listed as “Long-term”. Swan Avenue extension is also an adopted TSP project connecting Livesay Rd to Redland Rd and Redland to Morton Rd. These projects are identified as #D49 and #D50 and described as residential collectors. The funding priority is also “Long-term”.

Long-term projects are those that are “likely to be implemented beyond 10 years from the adoption of [the TSP]. These projects are important for the development of the transportation network, but unlikely to be funded in the next 10 years [2023]”. (TSP p63 Volume II 2 of 2)



Development can pay for a portion of these extensions where a rational nexus exists and in rough proportionality to the impact of development. Chapter 16.12 Minimum Public Improvements and Design Standards and specifically sections 16.12.010 and 16.12.011 would apply to any development paying for portions of or all of these road extensions.

OCMC Chapter 16.12.015 requires development to “provide any necessary dedications, easements or agreements as identified in the transportation system plan, trails master plan, and/or parks and recreation master plan and this chapter, subject to constitutional limitations.” These limitations refer to established case law requiring rough proportionality and a rational nexus when requiring development to provide public improvements.

Known issues with this element: All of Swan Lane and most of Holly Lane are outside of City limits and connect to roads in Clackamas County’s jurisdiction. Clackamas County does not have these projects in their TSP and also does not have planned improvements on Redland Road that could handle additional trips. The County has not indicated if these projects will be considered in the next TSP Update.

Options:

1. No further action because the two connecting roads are adopted in the Oregon City TSP and will be constructed as development occurs.
2. When the TSP and CIP are updated in the next two years, reprioritize these important connections to be a short-term priority. Potentially invest SDC funding in the projects D48, D49, and D50.
3. Establish and codify a maximum number of trips that trigger construction of the full extent of roads and public improvements even when it is outside of the development area. If this option is considered, the trigger should be limited to the Park Place Concept Plan Area.

Planning Commission comments:

- Commission consensus was to pursue option #2 and reprioritize the two projects from long-term to short-term. There was also discussion about participating in the County’s Transportation System Plan in order to have these projects reflected in their plan. There was discussion about investigating a Zone of Benefit or a Local Improvement District to help fund these roads. Feedback also included



looking to the Urban Growth Management Area agreement as a tool for how to plan and fund roads at the edges of the urban/rural interface.

2. Two distinct mixed-use neighborhoods (North Village and South Village) that accommodate 1,459 new dwelling units.

How was this implemented?

The portion of the North Village that is annexed (92 acres) is zoned R-10 Low Density residential, R-5 Medium Density residential and NC- Neighborhood Commercial. The portions that have not been annexed have comprehensive plan designations of low and medium density residential and mixed-use corridor. As land annexes to the City a zoning district will be assigned. The concept plan recommended a range of densities in order to provide attractive and affordable housing for a variety of incomes and household types. It recommended adopting a new medium-density zone R-5 and modifications to design standards for attached single-family housing and multi-family housing. These actions were adopted in 2008 through Legislative File 08-01.

The intent of this element is captured in OCMC 17.10 Medium Density, and 17.24 Neighborhood Commercial. The intent of each element is captured in current zoning code Chapter 17. The mix of densities envisioned in the north and south villages can be achieved through the low, medium, neighborhood commercial zones.

Proposed Code Revisions:

1. Revisions are proposed to 17.10 (R-5, R-3.5) for clear and objective standards
 - a. Previously multi-family residential was allowed in the R-3.5 zone through a Master Plan review in 17.65. Chapter 17.65 Master Plan is highly discretionary and the remedy to make clear and objective is to allow multi-family residential as a permitted use subject to site plan and design review standards in 17.62.
 - b. Additional revisions will implement clear and objective standards to implement a range of housing types while respecting existing residential development outside the Concept Plan Area.
2. Revisions are proposed to 17.20 Neighborhood Commercial to implement the concept plan as well as create clear and objective standards.

Notes:



1. After conversations with Metro staff, we found that it is not necessary to meet the very precise number of units identified in the PPCP. Rather it is important to maintain the residential capacity allowed in the R-5 zone and retain the adopted minimum density.

3. *Neighborhood-oriented commercial nodes that integrate commercial land uses, residential land uses, and public open space.*

How was this implemented?

Neighborhood Commercial zoning is codified through 17.24 and the comprehensive plan has identified two areas of Mixed-Use Corridor in the Concept Plan where NC will be applied when annexed to the City. NC uses include commercial, residential, and parks. Additionally, there is a maximum allowable residential use of 50% of square footage on any one site which ensures that residential uses cannot be the predominant building type in the NC area.

The uses envisioned to make up the Livesay Main Street, small scale commercial businesses, a civic building, and a park or *Village Green*, in the North Village are permitted uses in Neighborhood Commercial. The South Village also envisioned a small Neighborhood Commercial node with a park. Main street design standards are codified in 17.62.055 as described in the original Park Place land use implementation appendix. Including store front windows, street-level entrances, streetscape elements such as weather protection and street trees, and restrictions on mid-block driveways to ensure an attractive, walkable environment.

In March 2024, staff requested a market analysis of the Neighborhood Commercial area in the North Village from the firm Johnson Economics. The analysis indicates this area is “expected to be limited to tenants serving the local community, largely residents south of Holcomb and north Redland roads.” The analysis goes on to estimate that commercial demand “will need a substantive amount of planned residential development to be completed, as well as the Holly Road connection between Holcomb and Redlands before commercial development is viewed as viable at the site.” See analysis from Jerry Johnson of Johnson Economics with further details about what type of commercial uses might locate in the area.

Proposed Code Revisions:

1. Revisions are proposed to 17.24.060 Neighborhood Commercial to include additional standards for the Park Place Concept Plan area.
 - a. Residential uses are limited to no more than 50% of the total building square footage. Additional standards for landscaping, setbacks, residential uses, and parking are included. Building entrances and architectural standards are proposed to create and urban design aesthetic that supports a main street type development. Features



such as locating entrances near the corner of a building and incorporating elements such as height or massing, cupolas, turrets, or pitched roofs. Proposed requirement to cut the corner of a building and include weather protection, special paving materials, street furnishing, plantings. Architectural features such as increased windows and glazing and canopies and overhangs are intended to create visual interest at the street level. Proposed code also includes specificity about materials, streetscape trees, lighting, seating, signage, and awnings.

Options:

1. Does the City want to consider constructing a civic “anchor” to fulfill the vision of the Concept Plan and attract other commercial activity?
2. Should the City consider prohibiting or limiting certain uses that take up the NC land? For example storm water facilities or other utilities?

Planning Commission comments:

- There was some discussion about eliminating the zone altogether but ultimately there was not consensus for that idea. There was discussion about what amount of residential should be allowed in the Neighborhood Commercial zone. The current code limits residential uses to 50% of the building square footage. Some feedback suggested eliminating the limit and letting it become all residential should the market dictate. Other thoughts were to allow flexibility in the amount of residential that is allowed in order for developers to be incentivized to develop mixed use.

4. *An area for a new civic institution, such as a library or community center*

How was this implemented?

OCMC 17.24 Neighborhood Commercial allows civic institutions with a square footage limit of 10,000 square feet any one building unless the use is a grocery store.

Proposed Code Revisions:

1. Revisions are proposed to 17.24.060 Neighborhood Commercial to include additional standards for the Park Place Concept Plan area.
 - a. Permitted uses identify potential Civic Uses such as public, private, non-profit organizations that run museums, art galleries, indoor and outdoor music theater and venues, child care facilities, health and fitness clubs, clubs and lodges, mobile food units, and outdoor markets.

Options:

1. Does the City want to consider constructing a civic space that could act as an “anchor” for commercial activity?



5. A mix of housing types and ranges of affordability

How was this implement?

Adopted zones in the Low Density and Medium Density allow for a range of lot sizes and types of housing. The Residential Standards for the Park Place Concept Area (OCMC 17.21) apply design types for residential development. The purpose of OCMC 17.21 is to ensure new residential development implements the goals and policies of the Park Place Concept Plan, promote high quality residential development and construction, protect property values, encourage visual variety and architectural compatibility; ensure diversity of housing types and promote an integrated character in the Park Place Concept Plan Area.

The PPCP noted that “while the Park Place Concept Plan allows for opportunities to meet affordable housing needs without subsidy, the reality of the housing market in Oregon City and the Portland Metro Region is that some subsidy by public agencies and non-profit organizations will be required to achieve affordable housing goals for this area.” (PPCP p61) To date, the City has not implemented any affordable housing subsidy therefore we are reliant on non-profits and other governmental subsidy programs to create affordable housing. Since the adoption of the PPC, middle housing standards were adopted which could bring additional housing diversity to the area.

Proposed Code Revisions:

1. Revisions are proposed to 17.10 (R-5, R-3.5) for clear and objective standards
 - a. Section 17.10.050(B)(5) is proposed to allow an affordable housing density bonus through clear and objective standards. This proposed revision supports the PPCP aspiration to encourage production of affordable housing.
 - b. Section 17.21.105 Housing Diversity Requirements is proposed to a percentage of proposed total housing as middle housing depending on the size of the subdivision.

Options:

1. The PPCP suggest allowing average density calculations for subdivisions over 25 units to promote a variety of lot sizes (PPCP p62). However lot averaging was in the code but subsequently removed due to the unworkable overburdensome nature of the allowance.
 - a. Is this something the Commission would like to re-consider at this time?
2. Consider density bonuses for developers who provide affordable housing units. (PPCP p63)
 - a. If this is a concept the Commission is interested in, staff will develop options for the Commission to consider.



Planning Commission Comments

- Planning Commissioners did not want to reconsider lot averaging and agreed that it should remain out of the code.
- Several Commissioners were concerned with how affordable housing would remain affordable and how would that provision be enforced.

6. An extensive system of off-street and on-street trails and pedestrian/bicycle connections

How this was implemented/Actions:

Park Place Concept Plan trails were adopted in the Oregon City Conceptual Trails Map. TSP Figure 8 Multi-Modal Street System shows the on-street trails and pedestrian and bicycle connections. In the 2013 TSP Figure 5 Multi-modal Connectivity Plan does not include off-street trails. OCMC 16.12.016 identifies sidewalks and bike lanes for Minor Arterials and Collector Road classifications.

The concept plan envisioned a network of off-street and on-street trails and pedestrian/ bicycle connections. These systems are illustrated in Figures 3-8 and 3-9 of the PPCP. The on-street system of pedestrian/ bicycle connections is clearly identified and adopted through the road classification system in the TSP and OCMC 16.120.016. The on-street network follows the main transportation connections identified in the plan Holly Lane, Swan Lane and Livesay Rd. Holly Lane from Redland to Holcomb is identified as a planned Minor Arterial which does include sidewalks and bicycle lanes. Swan Lane from Livesay to Morton is identified as a planned Collector which also includes sidewalks and bicycle lanes. The off-street trails were identified in the Oregon City Trails Master Plan adopted in 2004 but are not reflected in the 2013 TSP. This would be an area for improvement and should be included during the next TSP update.

A portion of L2 Holcomb Ridge Loop Trail is within the PPCP area and shown on adopted Oregon City Trails Master Plan. Additionally, L5 Park Place Creek Loop trail is within the area and is intended to stretch between Redland Rd and the Park Place Development. L6 Park Place Development trail system encompasses the off street trails identified in Figure 3-8.

Options:

1. Update the TSP with off-street trails identified in the Concept Plan. This action could take place during the next TSP update. If City Commission desires to see this update sooner than the next TSP update, staff will need to hire consultants who can perform a cost analysis for the trails that can be included with the TSP update.



2. Update code standards to require proportional dedication of land for trails at the time of subdivision or site plan review.
3. Acknowledge that the specific locations of off-street trails, and the ownership and maintenance requirements for these trails, is typically determined during site specific development plan review.

Planning Commission Comments

- A Planning Commissioner recommended going with option 3.

7. Innovative, “green” on-site stormwater treatment methods

How this was implemented?

The Park Place Concept Plan was developed in a manner that minimizes impacts to the existing hydrological conditions of the study area. Moreover, the stormwater concept plan and recommendations seek to utilize existing natural drainage features and low-impact development best practices to mimic existing hydrologic functions.

Chapter 13 of the OCMC addresses public utilities and services including water, sewer, and stormwater. These chapters are applicable during site plan and design review but are not listed as applicable chapters to address during general development or detailed development land use review. Updates to Chapter 17.65.050 and 17.65.060 are needed to include references to these chapters and specifically chapter 13.12 Stormwater management.

Since the adoption of the Concept Plan, stormwater management standards were adopted and went into effect in 2015 as well as the Stormwater and Grading Design Standards which emphasize low-impact development (LID) practices. Stormwater LID techniques approved for use in Oregon City mimic natural drainage systems by keeping rainwater close to where it falls and attenuate stormwater runoff.

Stormwater is addressed in section 13.12.020 of the OCMC:

- OCMC 13.12.020 allows the City Commission to adopt the Stormwater and Grading Design Standards, which have been adopted in 2015 and an update in 2019/2020.

Stormwater and Grading Design standards prescribes a Stormwater Management Strategy that development must address. “Given suitable site and soil conditions, the City requires that the stormwater management strategy prioritize infiltration of stormwater runoff to recharge groundwater mimic pre-development hydrologic conditions” (p38 Stormwater and Grading Design



Standards). The City's stormwater Management Hierarchy closely matches the desired stormwater management in the PPCP.

Level 1- Onsite retention of the 10-year design storm using LID for infiltration

Level 2- Onsite stormwater management using LID to meet water quality and flow control standards

Level 3- Offsite or Regional Facilities

Level 4- Fee in Lieu

The PPCP identified the desire for Green Streets which integrate the management of stormwater into street design itself that would provide a stormwater management benefit as well as an urban design element. Green streets typically take the form of vegetated swales along the street with curb cuts to allow street runoff to enter. However, this type of stormwater management may not be appropriate for the PPCP area due to topography and soil type. The slope of Holly Lane is anticipated to be 15% which is comparable to Pearl Street within the City. It will be very steep. Stormwater planters require a design that is not conducive to steep slopes. While stormwater planters are the modern version of stormwater swales, infiltration may not be the best or wisest solution to stormwater management due to the existing geologic hazards and natural resources in the area.

8. *Protect sensitive areas, including drainage and steep slopes*

How this was implemented?

Three chapters in OCMC have been adopted and apply to the PPCP area including Natural Resource Overlay District (OCMC 17.49), Geologic Hazards (OCMC 17.44), and the Flood Management Overlay District (OCMC 17.42). The Concept Plan suggested adding definitions for landslide materials, landslide areas, unstable slopes, unstable soils and debris fans based on certain studies included in the Concept Plan. These studies are referenced in Chapter 44 specifically in 17.44.050(A)(1)(a-h). (PPCP p58) OCMC 17.44.050 requires these resources to be used as part of a geologic assessment.

9. *Streets and buildings oriented for solar access*

One of the principles in the Park Place Concept Plan is to design for solar access. "Maximizing solar access provides better daylight and ventilation, opportunities for using renewable energy systems (i.e. solar power) and improves the energy-efficiency of buildings." (PPCP p 23)



The Park Place Concept Plan appendices suggested code to address this element. At the time of concept plan drafting, a code section existed for residential building solar access OCMC 17.54.070 but it has since been removed. The solar access code was removed due to the difficult nature of implementation. If there is a desire to add the language back into the code the Concept Plan appendix provides some sample language.

Language from the Appendix p222:

“Supplemental zoning regulations in the City’s existing code (OCMC Section 17.54.070) already establish solar access standards (maximum shade point heights and maximum shade height on solar features) for single family residential development. In order to maximize passive solar heating of homes proposed as part of a PUD or subdivision and to reinforce the street layout proposed for Park Place, it is recommended that solar orientation standards be added to this existing set of solar regulations.

The following is sample solar orientation regulation language from the Oregon Department of Energy and Boulder, Colorado. These criteria would need some revisions to be clear and objective and fit Oregon City’s Municipal Code

Siting Requirements:

All planned unit developments and subdivisions shall be designed and constructed in compliance with the following solar siting requirements:

A. All new residential units shall have a roof surface that meets all of the following criteria:

- i. Is oriented within 30 degrees of a true east-west direction;
- ii. Is flat or not sloped towards true north; 100 square feet of un-shaded solar collectors for each individual dwelling unit in the building; and
- iii. Has unimpeded solar access consistent with the requirements of Section 8.0370.2 or through easements, covenants, or other private agreements among affected landowners that the city manager finds are adequate to protect continued solar access for such roof surface.”

New code sections are needed to implement streets oriented for solar access in chapter 16.12 Land Divisions and Public Improvements. The concept plan appendix suggested the following language on p223:

b. Street Orientation Requirement:



New residential streets in planned unit developments and subdivisions, shall be predominantly oriented within thirty degrees of true east-west in order to maximize the number of homes with the major walls and windows facing south.

Options:

1. Consider adding back into the code for Master Plan/ Planned Unit Developments code requirements for solar access.

Planning Commission Comments

- Planning Commissioners discussed that this requirement would not make sense given the topography and need to design around the topography in this area.

10. The use of green edges to define neighborhoods and buffer developments

How this was implemented?

The Concept Plan envisioned green edges as areas consisting of sensitive habitat and drainage areas that frame pockets of development. The Concept Plan states that this open space “can be realized through local regulation, sensitive development practices, and through public acquisition. From Chapter 4 of the Concept Plan, a policy identified conserving and protecting natural areas, including environmentally constrained areas unsuitable for development.” The PPCP identifies areas with slopes of 25% or more as open space that will remain undeveloped. P56

This element is implemented by recognizing the Natural Resource Overlay District and Geologic Hazards Overlay District within the Concept Plan area. Density transfers have been codified for the NROD to allow these areas to remain open. See p240 of the PPCP Appendices.

Proposed Code Revisions:

1. Revisions are proposed to 17.10 (R-5, R-3.5) for clear and objective standards
 - a. Section 17.10.080 Additional Standards for Park Place Concept Plan are proposed to provide a transition area and buffer new development from existing development. Proposed code may requires a transition area contain a combination of landscaping and screening. Lot sizes are also



required to maintain a minimum area in order to provide enough room for a landscaped transition area.

Options:

1. Consider amending chapter 17.44.060 (H) to add language that prohibits development on slopes greater than 25% to implement the open space concept in the Concept Plan. This will shift and concentrate density and could prohibit transportation connections. If the Commission directs staff to consider this amendment, an analysis will be needed to determine if any constitutional takings could result from such a revision.

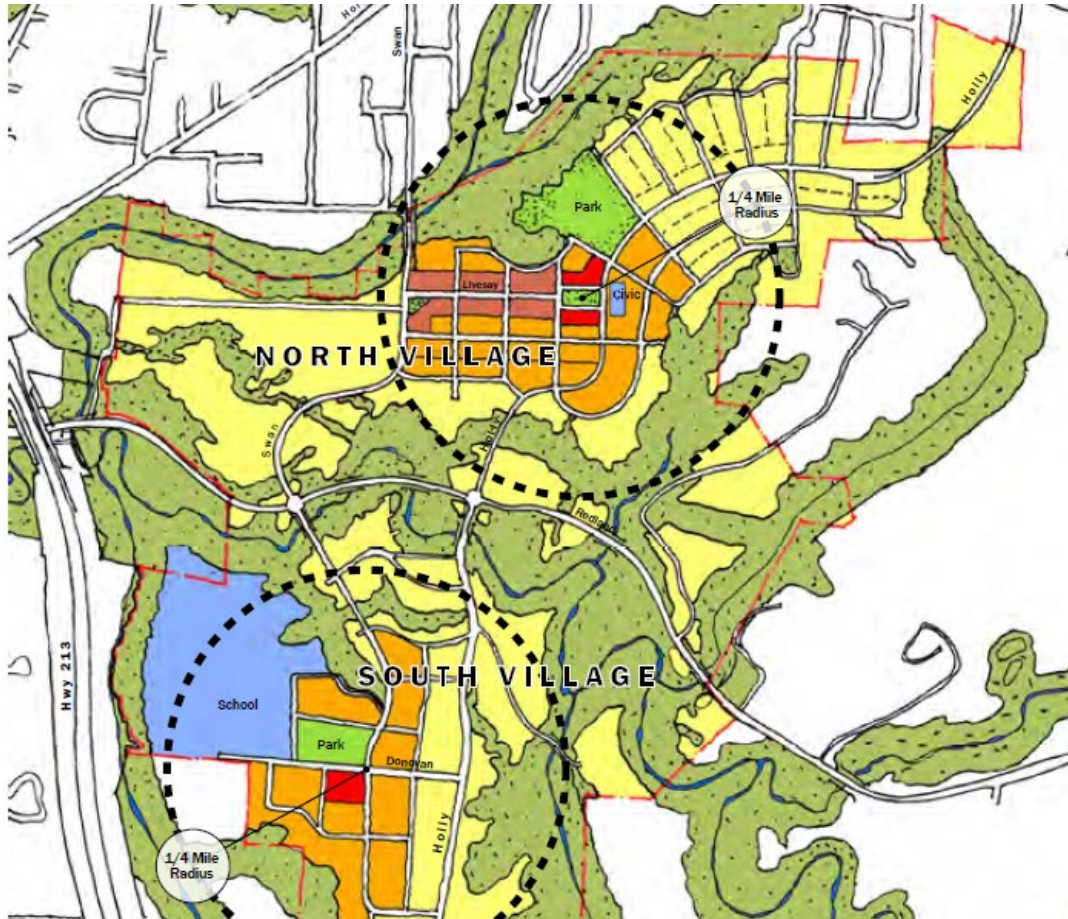
11. Parks and Open Space

How this was implemented?

The Concept plan identified the need for two neighborhood parks, one in the North Village and one in the South Village. The North Village park land need is 8-10 acres and within walking distance of Livesay Main Street. The South Village park is 3-5 acres and surrounded by medium/high density residential.

Proposed Code Revisions:

1. Revisions are proposed to 17.62.059 to add a new section of code requiring dedication of public park, trail, and open space requirements in Park Place Concept Plan area. Similar revisions are proposed for OCMC 16.08.040 that would require dedication at time of a land division.



ASSESSMENT OF DEVELOPMENT EXPECTATIONS COMMERCIAL COMPONENT OF THE PARK PLACE CONCEPT PLACE NORTH VILLAGE

PREPARED FOR
CITY OF OREGON CITY
MARCH 2024

JOHNSON ECONOMICS, LLC

621 SW Alder St, Suite 506
Portland, Oregon 97205



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I. INTRODUCTION

JOHNSON ECONOMICS was retained by THE CITY OF OREGON CITY to evaluate expected development of commercially designated parcels within the Park Place Concept Plan. The plan envisioned a main street development pattern along Livesay Street, with a Village Green surrounded by commercial uses at the eastern edge. Prospective uses include coffee shops, bookstores, dry cleaners, and a café. Additional commercial tenants were also anticipated along Livesay to the west as ground floor uses. An additional small retail node was envisioned at South Village, located south of Redland Road.

This analysis focuses on the commercial concentration along Livesay Road and assesses the expected commercial development viability on these parcels.

II. EXECUTIVE SUMMARY

SITE LOCATION

The subject site is centrally located within the North Village of the Park Place Concept Plan area. At the current time, the site does not enjoy either visibility or access, both of which are critical to the success of commercial space. When the transportation system through the area is improved, most notably Holly Road, access will improve but this site will be at a competitive disadvantage for tenants vis-à-vis sites on major arterials with higher traffic volumes and visibility. Commercial development in the area is expected to be limited to tenants serving the local community, largely residents living south of Holcomb and north of Redlands roads.

MARKET TRENDS

The Oregon City submarket has seen a negligible level of new retail construction over the last several years, with the last notable product introduction occurring in the third quarter of 2007. Overall vacancy rates increased sharply during the 2009/2010 recession but recovered during subsequent years with modest levels of net absorption and no new construction. The overall vacancy rate has been rising significantly in the last half of 2023 and 2024 year to date despite a lack of new construction. The overall vacancy rate is currently estimated at 9.8% in the submarket.

COMMERCIAL DEMAND

Projected retail expenditures by category were reconciled with current estimates of retail supply in the area to assess retail demand, leakage, and potential sectors of opportunity at the subject site. Current residents in the designated trade area conduct much of their shopping outside the area, with our analysis indicating significant leakage of retail sales. On the supply side, many retail establishments dependent on customers from large trade areas (e.g., malls, Costco, Target, auto dealers, furniture stores) do not find adequate support in smaller markets, and instead draw residents from smaller markets to regional centers. The result is that much of the retail demand generated within the trade area will be met by supply outside this area.

Many retail categories are unrealistic at the subject site, with the retail categories outlined in the Park Place Concept Plan consistent with what would be expected at the subject site. Our analysis indicates demand for a range of tenant types, although the ability of the subject site to capture this demand is a function of the demographic and infrastructure in place when fully developed. The site will need a substantive amount of the planned residential development to be completed, as well as the Holly Road connection between Holcomb and Redlands before commercial development is viewed as viable at the site. Even when fully developed, the overall level of commercial demand is unlikely to provide much support for commercial space in mixed-use programs on the Livesay Main Street west of the commercial parcels.

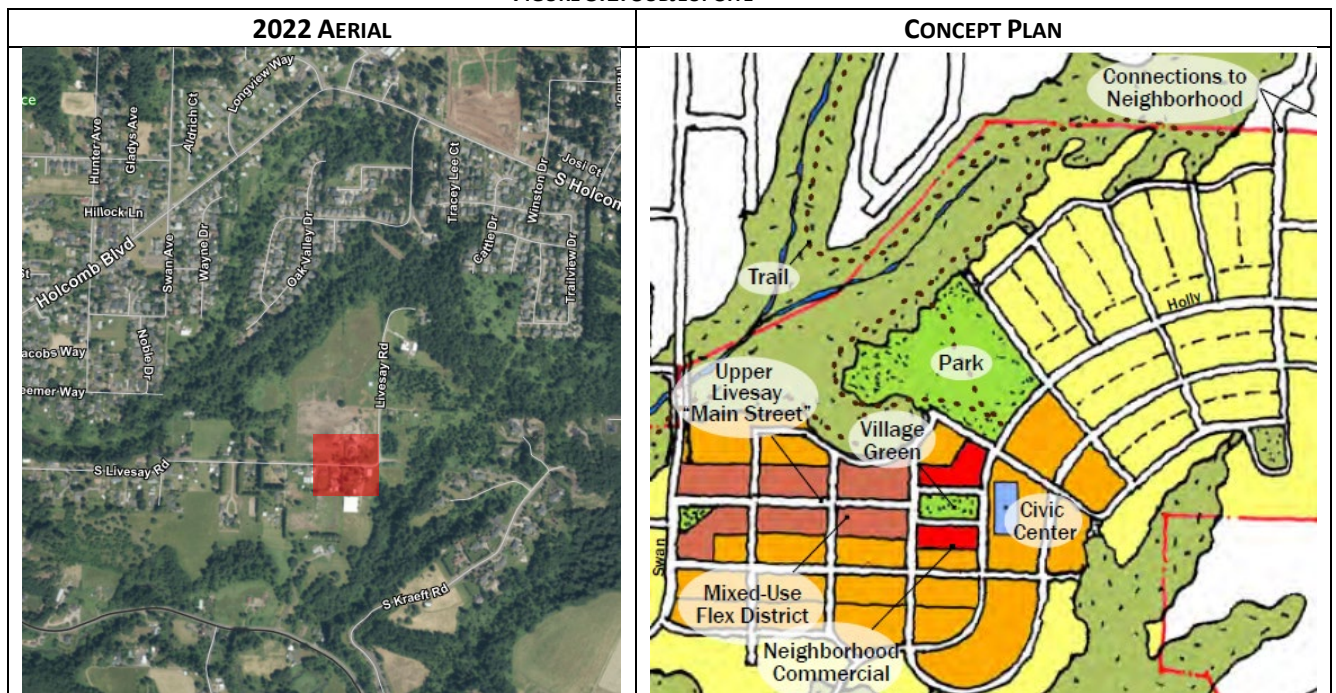


III. SITE ANALYSIS

SUBJECT SITE

The subject site is currently located in a largely rural area, cut off from residential development to the north by the Livesay Creek canyon. The topography of the area has a significant impact on potential transportation links, and Holly Road was envisioned as the primary link between the two arterials serving the area, Holcomb Road to the north and Redlands Road to the south. At the current time, this roadway has not been extended. Current improvements along Livesay Road are low density residential, with a difficult and limited interchange at Redland Road the only access point.

FIGURE 3.1: SUBJECT SITE



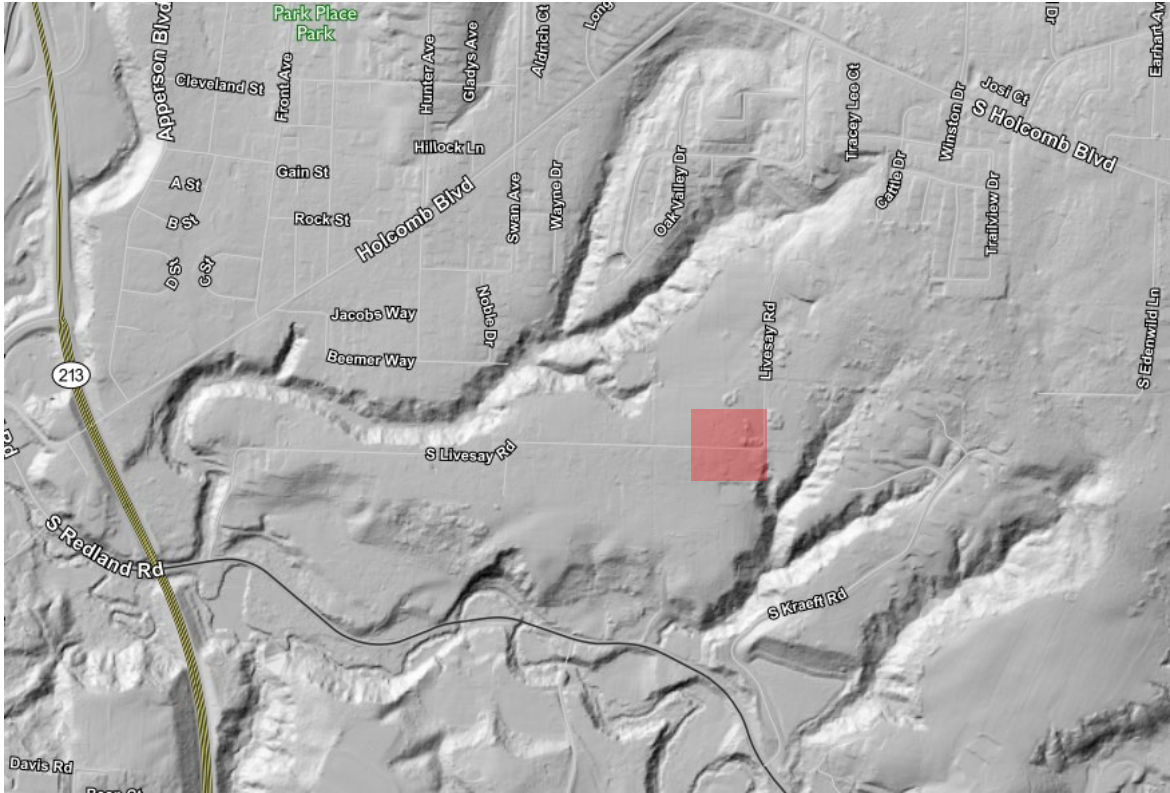
SOURCE: Clackamas County GIS, Concept Plan

Key locational attributes for commercial development include access and visibility. The site scores exceptionally low on both criteria currently. Extension of Holly Road from Holcomb to Redlands would increase both attributes. In addition, significant residential development in the surrounding properties would increase local buying power, but the topography of the area will limit pedestrian activity from the north and south.

Any significant development in the area will require an improved link to Holcomb or Redlands to meet transportation needs. The cost of these improvements will be significant and would require a large development to offset the required infrastructure investment. Even with improved access the site is likely to suffer from a lack of visibility, limiting commercial options to smaller tenants supported by the immediate community.



FIGURE 3.2: SUBJECT SITE AND TOPOGRAPHY



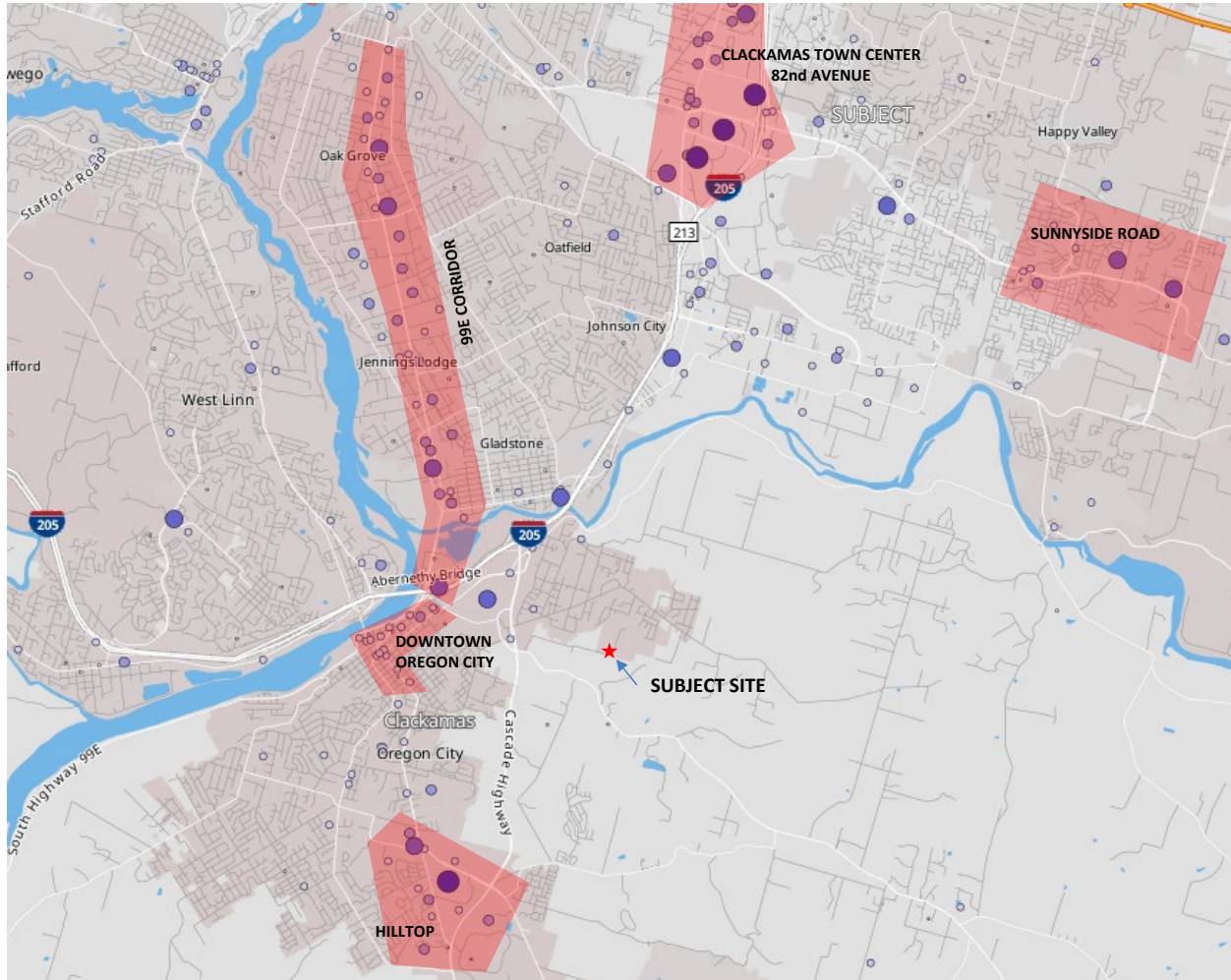
SOURCE: Clackamas County GIS, LIDAR



REGIONAL CONTEXT

The subject site's location is expected to limit support for commercial uses to a trade area east of Highway 213 and south of the Clackamas River. Major retail concentrations are found along Highway 99E and downtown Oregon City to the west of the site, in the Hilltop area south of the site, and in the Clackamas Town Center and 82nd Avenue corridor concentrations to the north via I-205.

FIGURE 3.3: REGIONAL CONTEXT



SOURCE: US Census Bureau LEHD data and JOHNSON ECONOMICS

When evaluating the potential for commercial uses at the subject site, we will analyze the demand in the primary market area (PMA) as outlined following. The PMA is limited by major retail concentrations as well as the Clackamas River. Additional support may be derived from the area to the east, but the area is rural in nature and outside of the UGB. As such, residential density and buying power is limited.



FIGURE 3.4: PRIMARY MARKET AREA

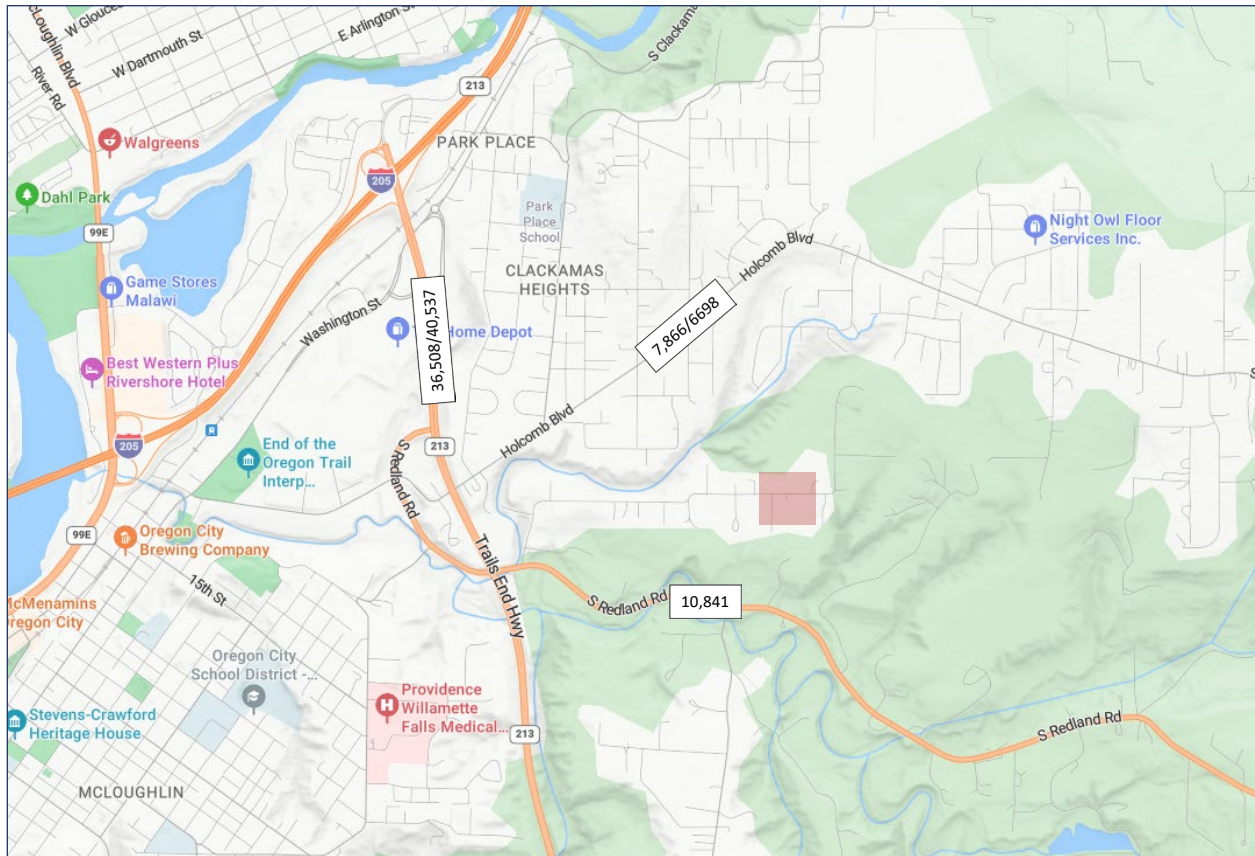


SOURCE: Johnson Economics

The greatest traffic volume proximate to the subject site is on Highway 213, with an average daily trip volume between 36,000 and 40,500. Redland Road to the south has almost 11,000 daily trips, while Holcomb has between 6,700 to 7,900 trips. The site has no visibility from any of these routes and will require improvement of Holly to have full access to either Holcomb or Redland Road.



FIGURE 3.5: 2022 TRAFFIC VOLUMES



SOURCE: Oregon Department of Transportation, JOHNSON ECONOMICS

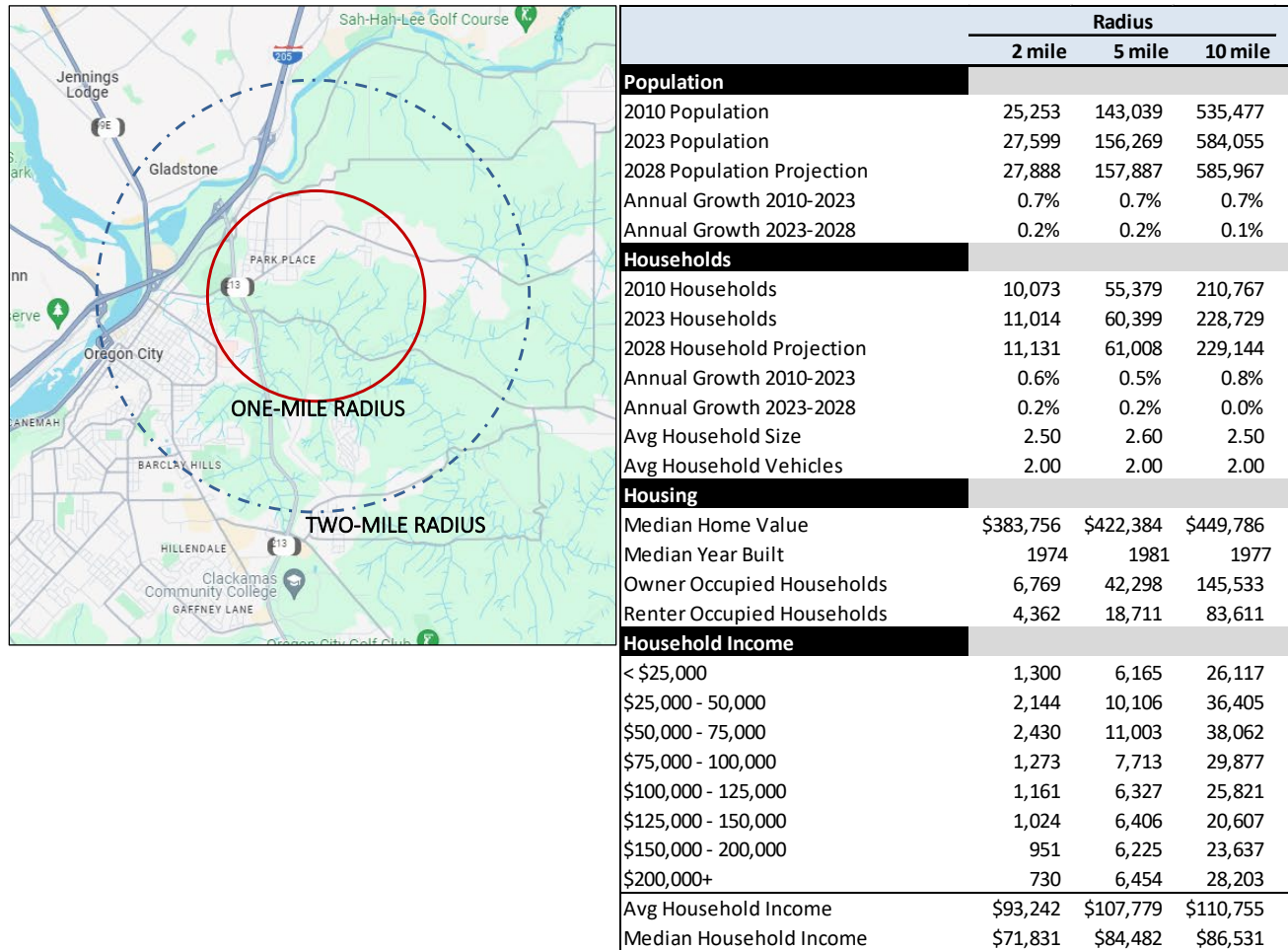
DEMOGRAPHICS

Demographic information was collected within a two-, five-, and ten-mile radius from the subject site. Of these three bands, we consider the 2-mile ring to be the most relevant due to the limited scale of anticipated retail and limited exposure and access. The estimated population within two miles of the subject site was just under 27,600 in 2023. Growth has been modest since 2010, average 0.7% during that period. The number of households is estimated at just over 11,000, reflecting an average household size of 2.5. The current income distribution in the area is relatively low, with a median household income of \$71,800 in 2023.

While development of the concept plan area is expected to increase the demographics significantly, anticipation of that growth has not yet shown up in third party demographic forecasts. Our expectation is that new development in the concept plan area will add roughly 1,800 households in the immediate area, although it may take ten to fifteen years to realize this growth.



FIGURE 3.6: KEY DEMOGRAPHICS, TWO-, FIVE-, AND TEN-MILE RINGS



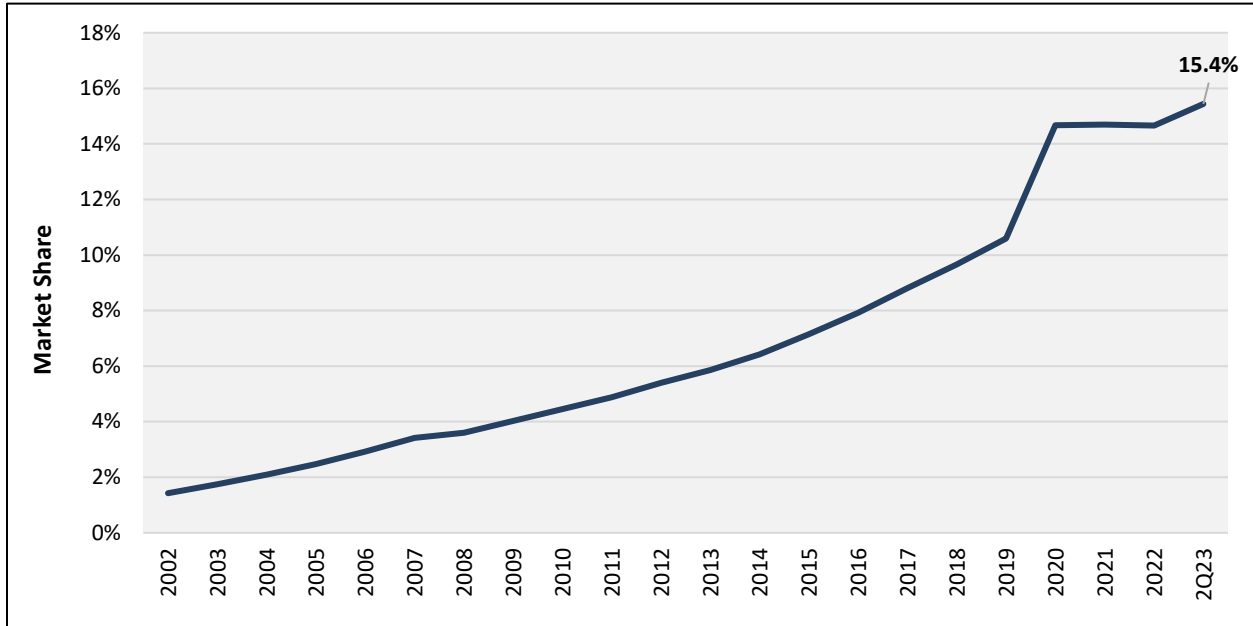
IV. COMMERCIAL MARKET TRENDS

In this section we focus on retail market trends in Primary Market Area (PMA) and the surrounding metro area. The limited amount of retail in the PMA provides limited insight into retail market patterns, so we have included data at the regional level as well.

The commercial real estate market has undergone dramatic changes over the past decade. Within the retail segment, the shift to online shopping has reduced the need for brick-and-mortar space, especially from retailers selling physical goods. Pre-COVID, online retailing accounted for around 10% of all retail spending – after gaining roughly one percentage point per year over the last few years. During COVID, the online market share jumped to 15%, and the growth has continued above this level in 2023. In general, the retailers that have remained competitive in physical stores are those with the highest per-square-foot sales. This has resulted in lower space needs among the remaining brick-and-mortar stores, resulting in weaker space demand than indicated purely by the shift in market share.



FIGURE 4.1: E-COMMERCE SHARE OF ALL RETAIL, UNITED STATES (2002-2023)



SOURCE: U.S. Dept. of Commerce, JOHNSON ECONOMICS

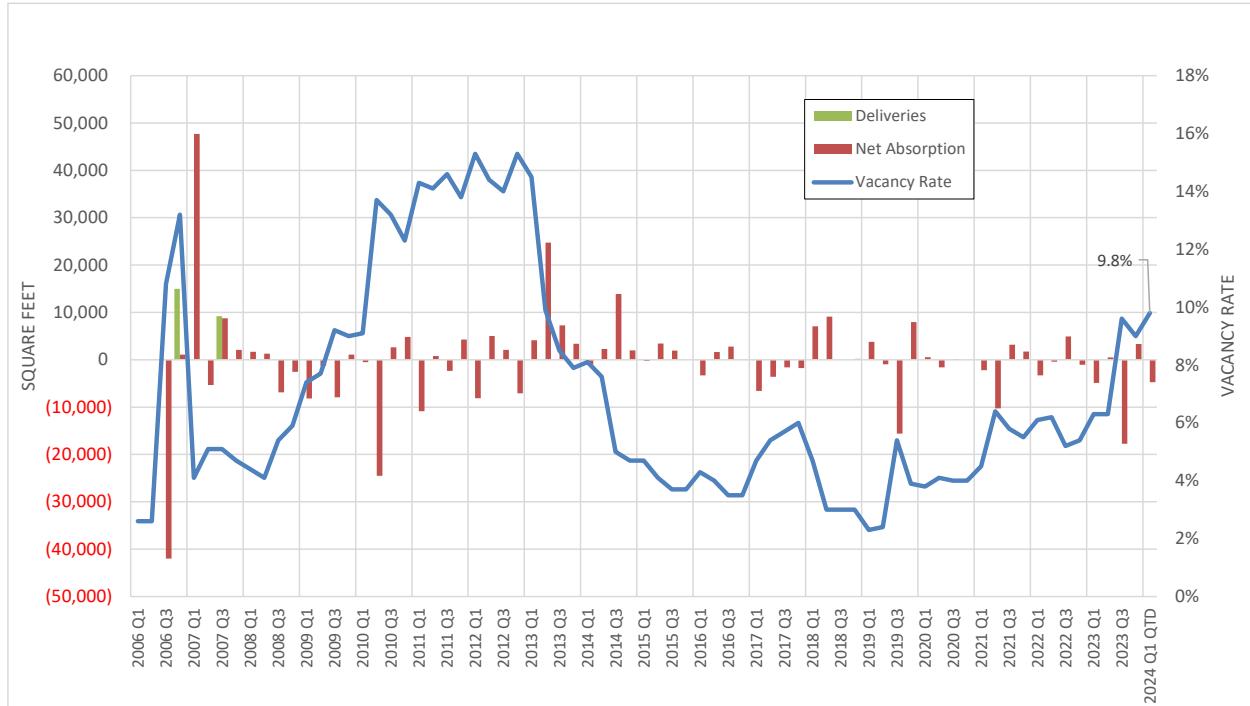
An older trend, which continues to change the retail market, is the shift from goods to services. Since the middle of the last century, the share of personal spending on physical goods has declined from over 60% to around 30%. Commercial tenants that benefit from this shift include restaurants, coffee shops, healthcare providers, beauty salons, and financial advisors. This has led to increased demand for smaller spaces while demand for large spaces has declined due to online competition. Over the past decade, only one-fifth of the net absorption of retail space has been driven by physical goods retailers, as service providers and eating/drinking places have dominated.

The Oregon City submarket has seen a negligible level of new retail construction over the last several years, with the last notable product introduction occurring in the third quarter of 2007. Overall vacancy rates increased sharply during the 2009/2010 recession but recovered during subsequent years with modest levels of net absorption and no new construction. The overall vacancy rate has been rising significantly in the last half of 2023 and 2024 year to date despite a lack of new construction. The overall vacancy rate is now estimated at 9.8% in the submarket.

Market data for the Primary Trade Area (PTA) is of limited value but does reflect the limited scale of the market. The local vacancy rate is very tight at less than 1.0%.

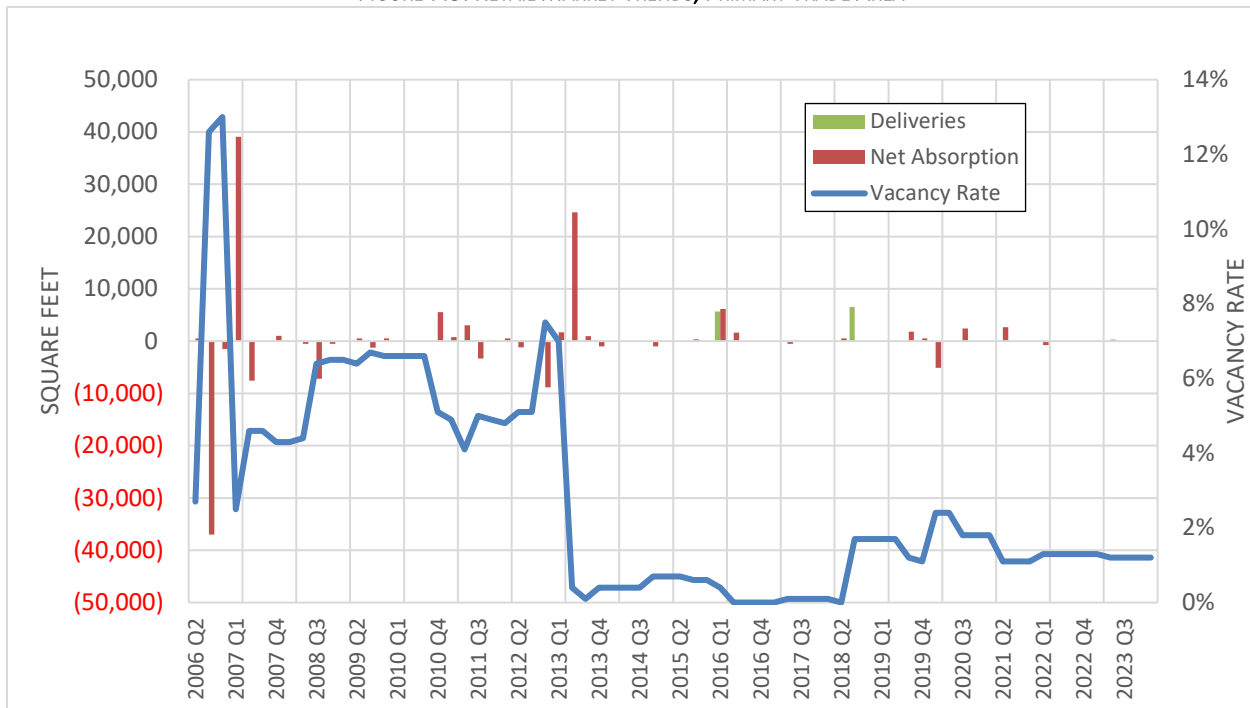


FIGURE 4.2: RETAIL MARKET TRENDS, OREGON CITY SUBMARKET, 2006-2024 YTD



SOURCE: CoStar, JOHNSON ECONOMICS

FIGURE 7.3: RETAIL MARKET TRENDS, PRIMARY TRADE AREA



SOURCE: CoStar, JOHNSON ECONOMICS



V. COMMERCIAL SUPPORT

RETAIL SALES

The first step in assessing the potential demand for commercial space at the subject site is to delineate the geographic area from which the subject development is likely to draw demand for retail and services. For this determination, we assume that each household in the surrounding area will use the nearest commercial center for most of their needs. Though households typically shop at multiple locations, we assume that the nearest commercial center has the advantage in capturing shopping traffic from the household if the type of retail or service is provided at this location.

The subject site is centrally located within the Park Place district, but too far from major arterials to capture a significant level of drive by traffic. The area is not a significant employment center and serves as a bedroom community, and as such is not expected to have a large daytime population to supplement expenditures.

FIGURE 5.1: PRIMARY MARKET AREA



SOURCE: Johnson Economics

Current residents in the PTA conduct much of their shopping outside the PTA, due to the residential character of the area and the concentration of commercial supply outlined previously in this report. On the supply side, many retail establishments dependent on customers from large trade areas (e.g., malls, Costco, Target, auto dealers, furniture stores) do not find adequate support in smaller markets, and instead draw residents from smaller markets to regional



centers. On the demand side, many trade area residents have employment or leisure activities outside of the market and do some of their shopping in conjunction with these trips. The result is that much of the retail demand generated within the PTA will be met by supply outside this area.

A comparison of current retail spending by households in the PTA to current retail sales at stores within this area reveals these patterns of spending leakage. For this analysis, we rely on estimates by Environics/Claritas. Data on retail spending is based on the Consumer Expenditure Survey conducted by the Bureau of Labor Statistics, while data on sales by retailers is sourced from the Census Bureau's Retail Sales Survey and Economic Census.

FIGURE 5.2: SUMMARY OF RETAIL DEMAND AND SALES, PRIMARY TRADE AREA (2023)

MAJOR CATEGORY	2023		Opportunity Gap Surplus (\$)	% Leakage
	Demand (\$)	Supply (\$)		
Motor Vehicle and Parts Dealers	54,803,522	8,670,018	46,133,504	84%
Furniture and Home Furnishings Stores	5,228,299	2,864,309	2,363,990	45%
Electronics and Appliance Stores	3,733,882	3,184,468	549,414	15%
Building Material and Garden Equipment and Supplies Dealers	17,249,735	17,841,591	(591,856)	-3%
Food and Beverage Stores	33,421,037	25,069,723	8,351,314	25%
Health and Personal Care Stores	13,669,386	2,234,809	11,434,577	84%
Gasoline Stations	18,375,280	2,351,882	16,023,398	87%
Clothing and Clothing Accessories Stores	11,545,869	2,048,885	9,496,984	82%
Sporting Goods, Hobby, Musical Instrument, and Book Stores	3,853,122	4,240,978	(387,856)	-10%
General Merchandise Stores	29,679,245	26,674,524	3,004,721	10%
Miscellaneous Store Retailers	5,071,730	4,037,988	1,033,742	20%
Food Services and Drinking Places	30,437,369	10,598,474	19,838,895	65%
TOTAL	\$227,068,476	\$109,817,649	\$117,250,827	52%

SOURCE: Claritas, JOHNSON ECONOMICS

Many retail categories are unrealistic at the subject site. As indicated, big box stores and typical mall tenants dependent on central locations that can attract regional traffic are unlikely to locate at the subject site. The retail categories outlined in the Park Place Concept Plan are more consistent with what would be expected at the subject site. To convert current and projected sales volumes to demand for retail space, we apply typical per-square-foot sales in each retail category. We have focused on retail segments with significant local leakage, and which are prospective tenant types in the subject project.

FIGURE 5.3: PROJECTED UNMET RETAIL SPACE DEMAND GENERATED BY PTA HOUSEHOLDS (2023 AND 2043)

	2023	23-43	Average Sales/SF	Supportable SF	
	Leakage	Growth		Current	Future
Automotive parts and accessories stores (NAICS 44131)	\$1,404,250	\$1,334,007	\$338	4,150	8,092
Hardware stores (NAICS 44413)	\$330,793	\$570,907	\$318	1,041	2,836
Nursery, garden center, and farm supply stores (NAICS 44422)	\$1,783,125	\$811,947	\$654	2,726	3,968
Supermarkets and other grocery (except convenience) stores (NAICS 44511)	\$7,010,382	\$13,037,851	\$729	9,614	27,494
Specialty food stores (NAICS 4452)	\$529,231	\$394,267	\$261	2,027	3,538
Beer, wine, and liquor stores (NAICS 4453)	\$2,181,535	\$1,212,201	\$473	4,610	7,172
Pharmacies and drug stores (NAICS 44611)	\$10,690,225	\$5,340,992	\$790	13,540	20,304
Optical goods stores (NAICS 44613)	\$325,219	\$177,951	\$283	1,149	1,778
Clothing stores (NAICS 4481)	\$7,150,653	\$3,592,613	\$529	13,522	20,315
Florists (NAICS 4531)	\$215,535	\$111,032	\$386	558	846
Office supplies, stationery, and gift stores (NAICS 4532)	\$429,573	\$429,425	\$251	1,710	3,420
Pet and pet supplies stores (NAICS 45391)	\$175,081	\$465,160	\$286	612	2,236
Full-service restaurants (NAICS 722511)	\$9,696,233	\$6,163,780	\$516	18,785	30,727
Limited-service restaurants (NAICS 722513)	\$6,951,446	\$5,193,341	\$456	15,235	26,617
Snack and non-alcoholic beverage bars (NAICS 722515)	\$343,361	\$793,537	\$255	1,346	4,457
Total, Targeted	\$41,921,835	\$33,642,134		90,626	163,801

¹ Survey of trade publications and financial reports for publicly traded retailers in 2021-22, inflation-adjusted to 2024 levels.

SOURCE: Environics, trade publications, retailer financial reports, JOHNSON ECONOMICS



While the analysis indicates demand for a range of tenant types, many of these will prefer a location that is more centrally located within their market area. As an example, categories such as apparel are considered comparison goods, in which buyers will prefer a location that allows for convenient cross shopping such as a regional mall. Drug stores prefer convenient drive through access and prefer to locate on arterials. Snack and non-alcoholic beverage bars include coffee and tea shops and could be viewed as a prospective tenant category at the site. There are a few other categories that may consider this location, but the competitive environment will favor locations with better access and/or visibility.

The previous analysis covers retail and food/beverage sales, but not professional, medical, or personal services, which have become important retail tenants in recent years. In 2018, JOHNSON ECONOMICS conducted an in-depth analysis of the location patterns of service providers relative to surrounding populations. The analysis analyzed 230 commercial areas/nodes in the region, with focus on establishments in commercial/retail centers. Based on the typical ratios between establishments and the surrounding household base observed in this analysis, we estimate the following support for commercial services in the PTA. It is important to note that this reflects total support for such facilities, and that these needs are already met by existing facilities elsewhere in the region. The service demand is therefore presented as prospective demand that the subject site can compete for going forward.

The tenant categories are listed in order of number of average-size establishments supported by the PTA households. Physicians are at the top of the list, with support for 1.9 average-size establishments supported by the demographics within the PTA, increasing to 5.3 supported by households withing a two-mile ring. Based on the average size of clinics, these figures correspond to a total need for 24,609 square feet in the PTA. Again, much of this will be among establishments that for assorted reasons prefer locations with a broader regional draw or locations close to hospitals. Only a minority can therefore be captured by space within the Park Place Concept Plan. In addition to physicians, 4 other tenant categories exhibit unmet demand for at least one average-size establishment.

FIGURE 5.4: PROJECTED SERVICE SPACE DEMAND GENERATED BY CDA HOUSEHOLDS (PTA AND 2 MILE RING)

SERVICE DEMAND BY RADIUS Category	ESTABLISHMENTS		Average Size (SF) ¹	SQUARE FEET	
	PTA	2 Mile		PTA	2 Mile
Physician/clinic	1.9	5.3	12,623	24,609	66,421
Dentist	1.8	5.0	2,136	3,949	10,657
Chiropractor/physical therapy	1.7	4.5	2,486	4,137	11,166
Auto service/carwash	1.6	4.4	4,607	7,426	20,042
Hair/nail/spa	1.6	4.3	1,873	2,964	7,999
Insurance	1.4	3.7	2,891	3,959	10,685
Bank	0.9	2.4	4,909	4,387	11,840
Fitness	0.8	2.0	13,819	10,412	28,104
Real estate agent	0.7	1.8	1,224	810	2,186
CPA	0.6	1.7	1,198	773	2,086
Attorney	0.6	1.7	1,829	1,151	3,106
Financial advisor/broker	0.6	1.6	921	560	1,512
Vet/animal clinic	0.6	0.0	2,271	1,315	0
Total	14.8	38.4		66,451	175,805

¹ 2018 survey by Johnson Economics of establishments in commercial space in the Portland Metro Area.

SOURCE: JOHNSON ECONOMICS



VI. IMPACT OF DESIGN STANDARDS

Oregon City's municipal code contains a number of design standards for commercial buildings under 17.62.055. The following are standards we feel could substantively impact commercial development in the area.

- Site setbacks and frontage – For sites with 100 feet or more of frontage, at least 60% of the site frontage width shall be occupied by buildings within five feet of the property line.
 - This standard may impact commercial development if the site configuration is not deep enough to allow an adequate parking to square footage ratio. Single story retail typically has an FAR of about 0.25 to allow adequate parking. If a site has a long frontage and limited depth, the requirement may preclude a viable layout.
- Building orientation – All buildings along the street frontage shall have a functional primary entrance facing the street.
 - This standard often requires multiple entrances to an individual commercial space, with a separate entrance oriented towards the parking field. This can be challenging to tenants as it can be difficult to monitor multiple access points, particularly for a small tenant with a single employee. In addition, the configuration of the space is often less efficient.
- Corner lots – The primary entrance of the building shall be located at the corner of the building, or within 25' of the corner of the building.
 - The impact of this is similar to the building orientation standards.
- Windows – Minimum window requirements for ground floor commercial space required windows for a minimum of 60% of the street facing façade, and 30% of the ground floor facades.
 - The impact of this will vary by retail tenant type. For many of the anticipated tenants this will not necessarily pose a significant issue. Exterior windows can reduce the efficiency of retail space, precluding or limiting shelving and storage along these frontages. As an example, major drug store chains such as CVS and Walgreens have only limited exterior windows.

The city is currently drafting additional standards for Livesay "Main Street." While not yet available we understand that they may be like those recently adopted for the Thimble Creek Concept Plan area. The following are some standards from Thimble Creek that would be expected to substantively impact commercial development if adopted for Park Place.

- Maximum footprint - All uses permitted are limited to a maximum footprint for a single tenant of 10,000 square feet.
 - This is unlikely to impact expected commercial development at the subject site, as anticipated tenants would be smaller in size.
- Drive-throughs and gas stations prohibited.
 - These will limit the market, and the impact of the drive-through prohibition may impact selected tenants such as coffee shops and pharmacies. The subject site is not expected to be attractive to auto-oriented uses in any case due to its' limited access and visibility.
- Minimum building height shall be 25' or two stories.
 - This will pose a significant challenge to commercial development, as retail is almost always single story. The 25' height could be reached using a parapet, but this will add cost.
- Minimum floor area ratio (FAR) shall be 0.5.
 - This effectively requires a structured parking solution or for retail space to be under parked on site. Available street and/or district parking may be able to address this, but many tenants will not accept this type of solution.
- Site design standards - Parking areas shall be located behind the building façade that is closest to the street and shall not be located on the sides of buildings.
 - This standard could make configuration difficult, particularly for parcels without adequate depth.



CITY OF OREGON CITY

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Oregon City, OR
97045
503-657-0891

Staff Report

To: City Commission

Agenda Date: August 13, 2024

From:

SUBJECT:

Consent Agenda Contract Amount

STAFF RECOMMENDATION:

EXECUTIVE SUMMARY:

BACKGROUND:

OPTIONS:

1. Approve Consent Agenda Contract Amount.
2. Approve Consent Agenda Contract Amount with Amendments.
3. Deny Consent Agenda Contract Amount and provide further direction.