

**CITY OF OREGON CITY
CITY COMMISSION
MEETING MINUTES**

APRIL 21, 2004

Mayor Norris called the regular meeting of the City Commission to order at 7:03 p.m. on April 21, 2004 at the Pioneer Community Center, 615 5th Street, Oregon City.

Roll Call: Commissioners Doug Neeley, Gary Hewitt, Tom Lemons, Bob Bailey, and Mayor Alice Norris.

Staff Present: Larry Patterson, City Manager; Edward J. Sullivan, City Attorney; Nancy Kraushaar, City Engineer and Public Works Director; Dan Drentlaw, Community Development Director; Dee Craig, Community Services Director; Leilani Bronson-Crelly, City Recorder; Sean Cook, Associate Planner; and Christina Robertson-Gardiner, Associate Planner.

1.0 CALL TO ORDER

1.1 **Mayor Norris** asked each member to introduce himself.

1.2 Flag Salute

1.3 Presentations

- **Mayor Norris** announced the opening of the Amtrak station in Oregon City last week. There are two trains each day going north and south. She thanked the 21-member Advanced Choir, Nancy Kraushaar, and Sherry McGinnis for their contributions to the success of the event. **Commissioner Bailey** added he went by the station on Sunday, and there were numerous people waiting for the 11:20 a.m. train. **Mayor Norris** said a telephone and trash receptacle would be installed shortly. **Ms. Kraushaar** said a sign is coming soon that will have a map of Oregon City and instructions for purchasing tickets.
- Proclamation: Friendship City Status between the City of Oregon City and County of Maui
Mayor Norris read a proclamation recognizing Monday, April 26, 2004, as the first day the City of Oregon City becomes "A Friendship City with the County of Maui." Prominent City employees City Recorder Leilani Bronson-Crelly and Julie Miguel and citizens Bob and Carol Suzuki arranged this status. The purpose of this relationship is to exchange ideas, government practices, tourism information, and economic development ideas.
- Nelson Report Summary
Mr. Patterson provided copies of the Nelson Report executive summary. He indicated he was in the process of coordinating a presentation by the consultant preferably to both the City Commission and the Blue Ribbon Task Force and suggested the evening of May 18. Mr. Patterson referred to page 24 – Conclusion. There were 381 respondents with a margin of error of $\pm 5\%$

which provides at good sampling of community attitudes. A large number of respondents gave Oregon City a positive performance rating. People feel things are going well with a good response to many of the problems. One of the reasons for the negative performance rating had to do with the fire apparatus, but this survey was done when there was negative press and before the City Commission had an opportunity to explain its position. This illustrated the importance of discussing issues as they come up. The report further indicated that a high number of respondents rated the quality of life in Oregon City as positive and considered it a friendly community and a nice place to raise a family. An unusually high number of respondents were generally satisfied with City services. The highest priority was emergency services. Utilities and Clackamas County Fire District #1 (CCFD#1) were given positive performance ratings. A large percentage of respondents were in favor of annexing the City to CCFD#1. Mr. Patterson discussed tax rates and the respondents' understanding of the funding needed to provide services. Police topped the list of services to fund followed by the library and fire. There was strong support for staffing the South End Fire Station. Overall this was a good report and pointed out some issues that still needed work.

2.0 CITIZEN COMMENTS

- **Kathy Hogan**, 19721 South Central Point Road, Oregon City, Oregon. She announced the Hazel Grove Westling Neighborhood Association would meet on May 18. There would not be a neighborhood newsletter this month, but the notice will be posted on the City website www.orcity.org.
- **Jerry Hermann**, Oregon City Cleanup and Enhancement President, announced the Saturday cleanup of 18 sites with the assistance of 70 PGE volunteers. He commented on the east gateway area. On May 2 there is a SOLV-sanctioned riverside cleanup. He presented t-shirts to the Commission and staff. **Commissioner Neeley** said PGE has been involved with these types of cleanups for the past several years, and this year's coordinator is Scott Gupitill, a Gladstone resident and President of the Executive Committee of the Oregon Trail Foundation Board. **Mayor Norris** understood PGE just named Gupitill as this year's outstanding volunteer.

3.0 CONSENT AGENDA

Commissioner Neeley asked that item 3.1 – Commission Report No. 04-071 be pulled for a more detailed explanation.

Commissioners Bailey/Neeley m/s to approve Consent Agenda Item Nos. 3.2, 3.3, 3.4, 3.5, and 3.6. A roll call was taken, and the motion passed with Commissioners Bailey, Neeley, Hewitt, Lemons, and Mayor Norris voting 'aye'. 5:0.

3.2 Commission Report No. 04-077, Deed of Dedication, Temporary Construction Easement, and Public Utility Easement for the Property Located at 895 Molalla Avenue for the Molalla Avenue Sidewalk Infill, Phase 2 Project;

3.3 Approval of Work Session Minutes of March 17, 2004;

3.4 Commission Report No. 04-078, Deed of Dedication, Temporary Construction Easement for the Property Located at 904 Molalla Avenue for the Molalla Avenue Sidewalk Infill, Phase 2 Project;

3.5 Commission Report No. 04-079, Deed of Dedication, Temporary Construction Easement for the Property Located at 129 Molalla Avenue and 618 Holmes Lane for the Molalla Avenue Sidewalk Infill, Phase 2 Project; and

3.6 Commission Report No. 04-080, Proposed Resolution No. 04-15, to Vacate Perimeter Utility Easements for Several Lots in Parrish Grove Subdivision.

2.0 CITRIZEN COMMENTS, continued

- **Mr. Nunn** said the Oregon City Fire Department is about 151 years old. He does not have a problem with Oregon City going to CCFD#1, but the taxpayers need to know how much their property taxes will go up. For a \$150,000 home, taxes will go up about \$360. He believes the City Commission will take that \$1.90/\$1,000 currently going to Fire Services and use it to fund other services. Voters should decide what that \$1.90 is going to be used for, and Nunn urged the Commission to be honest. People need to know their taxes will go up. He served almost 30 years on the Oregon City Fire Department.

Mayor Norris said there is a 24-person Blue Ribbon Task Force that is spending six intensive weeks studying service priorities and financial issues to resolve some of the confusion about the District annexation proposal. The City Commission is expecting a recommendation from the group by the middle of June to help the City determine its next steps.

Mr. Patterson said the purpose of the group was to study the issues Mayor Norris mentioned, bring forth a recommendation so these issues are on the table and explained, and then, if the City Commission chooses to go forward with the annexation, have that explanation for the public when it goes to a vote.

Commissioner Hewitt said the Commission is very concerned about this topic. For the record, the City is not taking any money above and beyond the annexation from the citizens if they do not want it taken. This is the purpose of the Blue Ribbon group. The difference between the annexation cost and that money that the City would not collect will not be used for services like the library, pool, and police unless taxpayers agree. The problem is what service level does that dictate, which is the question being answered by the Blue Ribbon Task Force. The public is welcome to attend these meetings and comment.

Mr. Nunn complained about the sound quality of the audiovisual system in the chambers and made some suggestions for improvements.

Commissioner Lemons said these questions are substantial and regretted Nunn had not heard about the Blue Ribbon Task Force. He hoped Nunn would attend future meetings of that group.

Mr. Patterson said the next meeting of the Blue Ribbon Task Force would be in this facility on April 27, 2004 at 6:00 p.m.

3.0 CONSENT AGENDA

3.1 Commission Report No. 04-072, Deed of Dedication for Canyon Ridge Drive.

Commissioner Neeley's specific question on this item had to do with the nature of this right-of-way dedication. Typically, the developer dedicates the right-of-way, but this seemed to be a different process since the City owns it.

Mr. Drentlaw said the situation is unique. The City received the right-of-way from Clackamas County in 1999 but never went through the formal acceptance process. This came to light due to an adjacent development.

Commissioners Neeley/Lemons m/s approval of agenda item 3.1 – Commission Report No. 04-072, Deed of Dedication for Canyon Ridge Drive. A roll call was taken, and the motion passed with Commissioners Bailey, Neeley, Hewitt, Lemons, and Mayor Norris voting 'aye'. 5:0.

4.0 PUBLIC HEARINGS

LEGISLATIVE PUBLIC HEARING ITEMS:

4.1 Commission Report No. 04-076, Ordinance No. 03-1014, the Adoption of a New Comprehensive Plan, Comprehensive Map and Zoning Map; Amendments to the Zoning Code; and New Water and Sanitary Sewer Master Plans as Ancillary Documents to the Oregon City Comprehensive Plan.

Mayor Norris said the City Commission discussed this item during the work session. This was the final opportunity for oral public testimony; written testimony will be taken for one more week.

Mr. Drentlaw provided the staff report. The first public hearing on the City Commission level was on February 18, 2004, was continued to April 7, and then continued to April 21, 2004. The Comprehensive Plan and Map and Zoning Map and Zone Changes were approved by the Planning Commission in January 2004.

He noted four display maps: the far left was the Comprehensive Plan Map that showed the different generalized land use designations for the City; next was the proposed zoning map; next a map indicating areas where zoning will be increased

from low-density residential to mid- and high-density residential; and finally a map of public and park ownership properties.

Mr. Drentlaw briefly summarized major changes from the last meeting:

- Neighborhood Commercial Designation of South End and Partlow. There were a lot of concerns from the residents and the City Commission, so that area has been removed from the map. In its place is a Comprehensive Plan Policy that states: “when concept planning is done for the South End Neighborhood, it shall include some neighborhood commercial to serve the needs of the people in the South End area.” That is an issue that will be discussed eventually but not addressed with this Comprehensive Plan.
- Zone changes that will make some structures non-conforming uses with Les Schwab as an example. If non-conforming uses were destroyed by fire, for example, there are currently strong restrictions on how and when they can be rebuilt. Language has been added to the code that allows rebuilding and expansion if certain criteria are met. Rebuilding and relocation may go through an administrative process.
- Provisions for adjustments. Adjustments are similar to variances and are ways for an applicant to deal with a code provision that cannot be met. This came up in the Parker site where minimum floor area ratios (FAR) were an issue. The intent of the standard is to encourage fairly high-density development in the regional center. The FAR applies essentially to the downtown, the Parker site, and the Cove site.

Public Testimony

- Bob Short, Glacier NW, 1050 N. River Street, Portland, Oregon 97227. He addressed the concrete plant that has been near the Cove site for 40 years. He referred to Policy 9.3 relating to retention of existing employers. It states, “Retain existing employers, whether public or private, and encourage them to grow and expand within the City.” The current version of proposed zone changes would result in a change from industrial to mixed-use downtown and make the existing business a non-conforming use.

Ideally, the company would prefer the property stay an industrial zone. Alternately, there is a Code provision on page 61, item 17.34.050 – Pre-Existing Industrial Uses – that addresses another site and another industrial use in the same area. It talks about special provisions, and Glacier NW is interested in a similar provision. He asked for clarification of what it means to his company to be a non-conforming use. It is a concrete batch plant with moving parts that need maintenance. The company has no current plans for additional uses on the site or to expand beyond the current footprint. The questions that come to mind are:

- o Would the company be allowed to upgrade its environmental and safety systems with new technology?

- o Can the company take measures to make the plant operate more efficiently while keeping essentially the same structure?
- o Can the company replace worn elements of the structure such as cement silos?
- o Can the company continue to keep the plant in a sufficiently modern condition so it can make the product competitively and continue to serve the market place?

Glacier NW is not necessarily concerned about a huge expansion, but it wants to be able to continually upgrade the plant.

Mr. Drentlaw said the quick answer was “yes”, and he referred to section 17.58.040 of the new code on page 97 that specifically allows those types of upgrades.

Mr. Short was satisfied with this response.

- Jim Kosel, 11466 Finnegan’s Way, Oregon City, Oregon 97045
He spoke as Chair of the Central Point/Leland Road/New Era Community Planning Organization (CPO). At the April 1, 2004, CPO meeting, the members voted unanimously to oppose any commercial or retail development at South End Road both in the short-term and the long-term. With the exception of a church on South End opposite Kellan Court, the entire area is exclusively residential ranging from urban to rural densities. To plan for any commercial services in the residential area, the CPO feels would violate the Comprehensive Plan Policy 2.4.1, which covers protecting and strengthening existing residential neighborhoods. In addition, any commercial services would impact the compatibility of the surrounding area covered under Clackamas County’s zoning and development ordinances 309.01.D and 310.01.D – “Conflict Caused by Urbanization.” Other relative County zoning and development ordinances include 401.01.A -- preserving agricultural use of the agricultural lands; 401.01.B – protecting agricultural lands from conflicting uses, high taxation, and the cost of public facilities unnecessary for agriculture; 1203.01.D “will not alter the character of the surrounding area in a manner that substantially limits, impairs, or precludes the use of the surrounding properties for primary uses.”

Additional commercial development along South End Road with the necessary parking lots and drives could alter the water resources in the area as identified in the hydrological study of *South End Basin Report* prepared for the City in February 1996. There was a water system upgrade to a 12-inch waterline along South End Road which he believed was done jointly with Clackamas River Water about 3 years ago. This upgrade did little to resolve the low water pressure problems to properties near or at the end of the line. There would need to be additional equipment such as a pump station before any kind of development could happen in the South End area.

South End Road is a narrow, 2-lane road without shoulders and sidewalks and is not designed to handle traffic necessary to support commercial development. Commercial development may result in an unfair financial burden to the County to upgrade parts of South End Road outside the current Urban Growth Boundary. Near the end of South End Road at Highway 99E there is a 70 turn, which probably has more accidents than other similarly used road in the County because of the curve and black ice during the winter. The noise and lighting generated by commercial development and additional traffic will carry over into some of the canyon areas impacting the livability of neighbors in the area.

Other comments from the neighbors:

- o The City should be supporting existing business areas—not adding more and potentially creating more vacancies in those areas.
- o A member stated the CPO wants to be a part of the process from the beginning. Members' vision for future needs should receive priority consideration as the City prepares for its future.
- o The City should incorporate an action item in the Comprehensive Plan to include citizens from areas within and contiguous to the Urban Growth Boundary and its land use and zoning processes from the beginning.
- o This is a great opportunity for the City to create a dialogue with the neighborhoods outside its current political boundaries resulting in long-term positive planning that balances the wishes and needs of the City with those living in the rural and agricultural areas surrounding the City.

Mayor Norris said the commercial zoning area was removed at Partlow Road.

Mr. Kosel understood the mixed use commercial had been removed, but there was still talk of a large development.

Mayor Norris explained citizen input would be part of developing that concept plan.

Mr. Kosel said people voted unanimously to oppose any commercial development and noted the CPO goes beyond the Urban Growth Boundary.

Commissioner Neeley spoke to the recommendation for having some commercial to support residential development. That expansion was driven in part by the notion that there was a desire to look at commercial possibilities to serve that particular area.

Commissioner Hewitt said it was good to hear from the CPO and felt there was an advantage to discussing future development. He also liked the idea of

talking to those CPO members outside of any City. He wanted to make sure these people were part of the notification process to keep CPOs informed about projects going on in their areas.

Mr. Kosel thanked staff Mr. Cullison and Mr. Drentlaw for attending the CPO meeting and answering questions.

- Kathy Hogan, 19721 S. Central Point Road, Oregon City, Oregon 97045
She agreed with Kosel's comments and is concerned about the truck traffic that would be created in the community and wear on the streets. She referred to page 14-6 – Policy 14.3.7 relating to annexations initiated by a private party and the City's requiring inclusion of other properties. She asked if she were one of those properties what her recourse would be since she does not ever wish to be annexed. She wanted to know what her rights were and who was going to protect them.

Commissioner Neeley explained this would not do away with double majority requirements in annexations.

City Attorney Sullivan added this deals with hold out properties that say "no" under any circumstances. This allows the City to say, "We know you are a dissenter and think it is appropriate to annex the property anyway."

Ms. Hogan said four houses where she lives connect to the Urban Growth Boundary. She has no need to pay \$2/\$1,000 more than the County is currently charging. She discussed the annexation attempt 14 years ago and her lack of trust.

- John Dinges, 18896 S. Rose Road, Oregon City, Oregon 97045
He went on record to say he opposed the zone change of the property on Rose Road that was originally R-6. Residents sought an R-10 zone to be more compatible with the area and after consideration it was zoned R-8. When you go through an R-10 development there are motor homes and boats, but there is no room to park them in R-8 developments. People are moving out of these developments because the lots are smaller than they thought. Developers understand people want bigger lots, but the land just is not there. There are also issues with the 2040 Plan and neighborhood character. This area is probably about 200 acres and suddenly there is a little six-acre spot with R-8 zoning. It does not fit the pattern. He has lived there for over 50 years. It is a great neighborhood, and people would like the City Commission to look at the issues from the residents' perspective.
- Dan Berge, POB 1798, 20122 S. Molalla Avenue, Oregon City, Oregon
He requested the City Commission allow his property to be part of the Comprehensive Plan Map change and accompanying zone change package. Mr. Berge said that Mr. Drentlaw indicated he would have to make an

application after adoption of the Comprehensive Plan and zone change. This would be detrimental to continuation of his business. The property has been a long-term commercial use that provides area jobs and continues to be a valuable part of Oregon City's economy. Without immediate action, the business will not be able to expand in the future and as a result limit his ability to grow and continue to be a valuable business. The City Code prohibits him from future expansion as noted in a recent discussion to include the changes that will allow Les Schwab Tire's business to continue to expand without interruption. He wished to ensure his current employees a future. His property is best suited for commercial use because of the existing manufacturing plant and office building on the site. It is consistent with commercial development along Hwy. 213. The newest building on the property was a permitted expansion prior to the property's being annexed into the City. Without this positive action from the Commission, there will be a loss of over 28 new jobs in a recent expansion of the wireless antenna products. Further, there will be a very real potential of 67 future employment positions in the next 140 days. With his inability to plan and secure the company's future growth, he hoped the Commission would consider keeping the property commercial, as it has been for many years. Berge hopes to stay in Oregon, but he needs to keep on schedule.

Commissioner Lemons asked Berge how many employees he has now.

Mr. Berge said there were currently 24 employees. The new product would add over 100 jobs, and there are other companies that do subassembly. All of these jobs will disappear

- Jill Long, 601 SW 2nd Avenue, Suite 1820, Portland, Oregon 97204
She spoke on behalf of Park Place Development and the Parker family that owns the landfill site. She appreciated the Commission's thoughtful discussion of the landfill property and its understanding of the barriers to the development of this property. First, Long would address the reasons for the belief that the regulations still present a barrier to development. Second she would propose some revisions she thought would help alleviate the barriers while preserving the City's need to regulate the property.

Taken individually, when one looks at a conditional use or possibly an adjustment, they do not seem significant. What Park Place Development sees is an economically challenged piece of property that is a landfill with significant barriers to development. Combined with the need for a conditional use permit and an adjustment, this becomes a very unattractive package for a developer. The Home Depot, which is an experienced developer, was significantly over budget because of the landfill issues. Dealing with all these issues is very cumbersome.

Ms. Long discussed permitted uses and referred to code revision page 59. It speaks to retail trade in a freestanding building that does not exceed 60,000 square feet. Combining that with the way the conditional use section is written, it becomes unclear about what size of building is allowed with what types of uses. To make it clear, Long suggested using an example that makes it clear that a free-standing building over 60,000 square feet does not require a conditional use permit as long as there are multiple stores inside. For example, there might be an 800,000 square foot mall with multiple users, and she understood a conditional use permit would not be required. It is, however, unclear the way it is written.

Mr. Drentlaw said the language says a freestanding building with a single store does not exceed 60,000 square feet. A mall situation would not fall under this provision.

Ms. Long asked that an example be added because when she reads the conditional use section, retail trade in a free standing building exceeding 60,000 square feet would require a condition use. She felt there could be some uncertainty and that an example could add clarity.

Commissioner Hewitt thought an example would clarify things for the future.

It was the consensus of the City Commission to modify the language as Ms. Long suggested.

Ms. Long referred to page 55, section 17.31.060 – Dimensional Standards. There is a building type standard of 60 feet in height, and then if there is a carve out under certain circumstances the maximum height could be 85 feet. She suggested the FAR be dealt with similarly on the landfill property. The landfill property is unique and would meet the adjustment criteria for FAR. Rather than setting up another hurdle for the developer, Long suggested acknowledging the uniqueness of this property and that different development standards apply by using a .2 rather than a .25 FAR standard.

Mr. Drentlaw did not have a strong feeling one way or another about that suggestion. The intent was to consistently apply the FAR in the regional center.

Ms. Long understood during the work session that City Commission acknowledged the uniqueness of the landfill property and that the adjustment section was there to allow it to develop at a lower FAR and be more attractive to a developer.

Staff agreed to consider this proposal.

- Don Vedder, 126 Cherry Avenue, Oregon City, Oregon, 97045
From a developer's standpoint, the high FAR is advantageous. There is more space to sell or lease. The landfill is a unique property that will cost more to develop. Home Depot, for example, was \$8 million over budget. Had Home Depot known it would cost that much, it would not have come to that site. The 60,000 square foot or smaller buildings cannot afford to build on the landfill site nor can they afford to mitigate traffic. As far as he knows there is no way to prorate for the smaller users for the long term. The Commission adopted the Corridor Plan, but ODOT and Metro have not. There is no way to know what the long-term fix will be or how much it will cost. These probably could not be piecemealed.

Mayor Norris believed one of the goals was to be as flexible as possible to respond to those unknowns and to keep prospective businesses interested in the community.

Mr. Vedder said he has a prospect, but there is a 3-year window in which to walk. He has to keep this worst-case scenario in mind.

- Rocky Younger, 15080 South Maple Lane Road, Oregon City, Oregon
He referred to an article in the April 15, 2004 *Oregonian*. The section below financial challenges stated, "we have a three-point action plan for financial health to bring City expenses in line with revenues and bring in new businesses and jobs." He spent hundreds of thousand of dollars trying to bring in new businesses and jobs to a 12-acre site. He agreed to provide access to Beavercreek Road from the proposed retail development. In Exhibit J of the Oregon City Planning Commission hearing on February 24, 2003, Carol Suzuki of Danielson's Hilltop Mall stated she "did not oppose an appropriately designed retail development on the existing commercially zoned property." On March 16, 2004 that goal was met. After spending hundreds of thousands of dollars and working through all of the City's required instructions and changes and spending over 10 years of his life, he was turned down by the City Commission when he tried to add property as the City staff directed. He respectfully encouraged the Commission not to allow this proposal to be changed from general commercial. He hoped there would be some fair play. On February 25, 2004 in a letter addressed to Mayor Norris, Younger's attorney stated, "Anybody who believes that the MUC classification does not seriously restrict development on a large size commercial holding is out of touch with reality." He discussed addressing environmental concerns on a commercial development. Younger encouraged the Commission to change the proposed Comprehensive Plan and leave his property zoned commercial. His attorney put this material on the record, and Younger hoped the City Commission would consider it.
- Gegory Kurahashi, 215 NW 107th Avenue, Portland, Oregon 97229

He owns property at 314 Pleasant in Oregon City. Kurahashi had provided a written statement earlier in terms of the property he owns in that area, and he had also notified his neighbors of the proposal. These residents lived at 310 and 333 Myrtle and 365 Caufield. Kurahashi provided the City Commission with the material he gave the residents including zoning information. He also provided a color aerial map.

The options he discussed were difficult to explain because they were convoluted. There may or may not be a roadway, and there may be a widening of Caufield. He reviewed the two options. One of the reasons he asked for the overall property to be zoned MUC is because it is difficult for him to develop a building with an elevator. The square footage of the area does not economically work for the property unless it was larger. That means that if the roadway goes through, it would be difficult. The architect and builder he works with have come to the common decision -- Kurahashi needs to stay between 6,000 and 7,000 square feet with no elevator. He needs to have more mixed use to make it work. He would like to have an elevator, so he could use it for medical offices or other facilities that would be handicapped accessible. He understood that would impact his neighbors, and he knows that he cannot make an option that would satisfy their need for a buffer.

His other choice is to develop all of it as MUC, and he would like to make two units on the R-6 property. As the parcel is shown on this plan, after the dedication of Caufield, it would be a little more than 10,000 and is currently 4,000 square feet over the standard R-6 size. He felt he was being penalized for having the large lot. Either option would be satisfactory, as he simply wants to maximize the use of the property as R-6 residential or MUC. The key is the roadway. If Myrtle does not go through, he could have two lots rather than one.

Commissioner Neeley understood Kurahashi wanted the property designation to go unchanged.

Mr. Kurahashi originally proposed making the R-6 all MUC-1 so he can have a larger building.

Commissioner Neeley understood that Kurahashi referred to lots 1, 2, and 3.

Mr. Kurahashi said that was correct.

Commissioner Bailey said lot 3 was already shown on the map as MUC, but lots 1 and 2 were not. He further understood that Kurahashi was asking that lot 1, across Myrtle Street, be planned and zoned as a contiguous parcel with lot 3.

Mr. Kurahashi explained his request was that all 3 lots be zoned together.

Commissioner Hewitt asked Kurahashi what he thought of R-6 and MUC zoning with a connection to Myrtle from Caufield.

Mr. Kurahashi would have no problem with that if it were required by a traffic study. If it is not needed, he believed it could be left as one parcel.

Commissioner Hewitt would have less of a problem with the MUC if there were a connection and a street in front of commercial. Without a street, he would have a problem with the MUC designation.

Mr. Drentlaw said staff would not have a problem with that. For clarification, he said the discussion was about adding lots 1 and 2 to the MUC. The width of the lot should be 80 feet, but if the dedication of Caufield is greater, it has to be wider.

Commissioner Lemons understood Drentlaw would meet with Kurahashi to change any language.

Commissioner Neeley discussed Berge's concerns about potential expansion and understood there was a process he could go through.

Mr. Drentlaw explained there was no problem keeping his existing business. If Berge is going from 25 to 100 employees, there are some issues.

- Denyse McGriff, McLoughlin Neighborhood Association, 815 Washington Street, POB 247, Oregon City, Oregon 97045**
 McGriff is the McLoughlin Neighborhood Land Use Chair and submitted written testimony in December 2003. The group is concerned with the current proposal to do away with the McLoughlin Conditional Residential District and the protections it provides and changing that to an R-3.5. This would not address the unique qualities of the McLoughlin Neighborhood and the Conservation District. The Neighborhood is very dense, and it probably has zoning that ranges from 3,500 to 4,000 square feet. It likely already has the density Metro would like, and surveying the Neighborhood she doubted there were lots of 6,000 square feet. It is probably a pre-existing non-conforming area. Residents are concerned that other non-compatible uses will be allowed. For example, a person wanting a duplex would have to have a minimum of 8,000 square feet, and the code proposes 7,000 square feet. The Neighborhood would like more criteria to specifically address the unique nature of that area. There are already a lot of non-conforming lots with houses on them, and there needs to be something that goes with the McLoughlin Conservation District to protect the neighborhood. Other changes were submitted regarding some wording that was discussed with staff.

Mayor Norris asked McGriff if she had discussed the zone designation change with staff.

Ms. McGriff said she had, but it was not favorable.

Commissioner Bailey asked for clarification of the problem.

Ms. McGriff said the problem is that the RC-4 zone and the Comprehensive Plan designation for the area are being done away with and melded into another zone, which really, in the Neighborhood's opinion, does not get at the heart of the unique characteristics of the area. The R-3.5 is being applied to areas other than McLoughlin, and the question was how does that work? When someone comes in and the zoning is RC-4, you know where they are. She understood that staff felt there were too many zones and wished to consolidate them. With the current density, she would not feel comfortable adding more. She felt it needed another look and would be happy to discuss this more with staff.

The City Commission recessed at 8:35 p.m. and reconvened at 8:40 p.m.

Mr. Drentlaw addressed Ms. McGriff's concerns. The zone change will not affect any of the historic designations. In terms of density, McGriff's comments about the duplex were correct; a duplex would be allowed on a 7,000 square foot lot. Staff looked at all the vacant lots in that neighborhood and found eight lots in that range. In the worst-case scenario, there could potentially be seven more units. Staff did not feel the impact was significant.

Commissioner Neeley thought it would be challenging to do anything with infill otherwise. The lots are very peculiarly arranged with houses, flaglots and configurations that have been pieced together over time when there was probably no zoning. He had no great problem with the proposal because it does create infill opportunities when probably nothing else would. He is supportive of the current designation, as he understands it. There are few duplexes in the area that are probably of the same lot configuration. He thinks it is doable considering everything has to be compatible with the historic nature of the area.

Mr. Drentlaw added the old zone allows some non-residential uses, while this designation would not.

Commissioner Hewitt understood the McLoughlin Neighborhood area would be changed to R-3.5. If a developer goes into the area to build a duplex, for example, does it have to be built to different standards?

Mr. Drentlaw said it would depend on the historic designation rather than the zone.

Commissioner Hewitt asked if the historic designation was an overlay.

Mr. Drentlaw brought up vacant property because of potential infill lots and this provision for duplexes on smaller lots. Staff did the analysis to determine what the actual impact would be.

Commissioner Bailey asked what changing from RC-4 to 3.5 would leave out. The City would gain the ability to build duplexes on 7,000 square foot lots as opposed to 8,000 square foot lots. What would be prohibited that otherwise might be allowed?

Associate Planner Christina Robertson-Gardiner said any new construction over 300 square feet in the McLoughlin Conservation District requires review by staff or the Historic Review Board depending on its scope. Any new construction anywhere in the District would require review for historic compatibility. The R-3.5 zone increases the density.

Commissioner Bailey had the view that a lot is just that; it is not a new subdivision. Where else in the City would this zone apply?

Ms. Robertson-Gardiner replied the R-3.5 zone would predominantly be on the Molalla Avenue/7th Street corridor behind the mixed-use commercial zone, Westling Park between Leland Road and Pease Road, and an area between Leland and Central Point.

Mr. Drentlaw indicated those areas on a map.

Ms. Robertson-Gardiner checked and there were not that many vacant lots. There is no R-3.5 in Canemah, and the only existing multi-family zone has existed with a 1960's apartment complex on the north end. That would be changed to the technical R-2 zone. The new mixed-use commercial zone might allow residential use along the McLoughlin Corridor of Canemah.

Commissioner Bailey understood the R-3.5 was being applied in the McLoughlin Neighborhood chiefly as a result of the oddly shaped parcels. In the large areas off Pease Road and Central Point Road are large lots that could then be divided into relatively dense development. This would help the City meet its density requirements. He was not sure he was contemplating R-3.5 in that area. He was thinking more of an R-6 zoning and asked if the City was prepared from a service provision and psychological perspective for R-3.5 zoning. There are some large lots, and there could be some interesting planned unit development to minimize the impact.

Mr. Drentlaw said staff added that zoning at the request of the City Commission.

Commissioner Bailey was not expecting a jump from R-10 to R-3.5.

Commissioner Hewitt recalled the Commission asked for apartments buffering the area and a multi-family residential zone. Now it is a minimum 3,500 square foot lot.

Mr. Drentlaw said it was originally low-density residential in the Comprehensive Plan which is R-10, -8, and -6. Then there is medium-density residential that is R-3.5, and high-density is R-2.

Commissioner Lemons did not agree with the designation and thought it should be changed back.

Commissioner Bailey suggested calling it the McLoughlin R-3.5 designation to meet some of the concerns and to distinguish it.

Mr. Drentlaw said one of the things staff was attempting to do was simplify and condense when possible. There can be various areas with the same designations but have their own names like Caufield and McLoughlin.

Commissioner Neeley did not see a benefit of doing that because applications would have to go through the review process.

Ms. Robertson-Gardiner commented one of the main reasons for creating the McLoughlin District in the 1980's was to make the transition from the multi-family zones to a belief there should be more single-family residential zones. That zone was created to allow people to maintain the density as a permitted use and not considered a non-conforming use in a single-family residential zone. In the non-conforming use chapter, people are allowed to keep their density to their tax lots. This means if the structure were destroyed by fire, the property owner could build as before. This is now allowed throughout the City, so some of the uniqueness was taken out.

Commissioner Neeley did not believe there were that many medium-density properties in the City.

Mr. Drentlaw said that was correct.

Commissioner Neeley believed transitional housing was important.

Commissioner Bailey did not have a problem with the McLoughlin Neighborhood being R-3.5. Nothing is being lost in terms of development and protecting the style of the neighborhood.

Mayor Norris addressed each of the areas discussed:

- o McLoughlin Neighborhood consensus on R-3.5 designation.
- o Pease Road discussion of leaving as R-10 because it is not a transitional area. **Ms. Kraushaar** said the road is Meadowlawn Drive, and it is bounded by some large parcels, which may not partition into 10,000 square foot lots. **Mr. Drentlaw** added that for the most part the area is R-10. **Commissioner Bailey** encouraged the Commission to move toward the opportunity of providing more compact development in line with R-6, and **Mayor Norris** agreed with that recommendation. **Mr. Drentlaw** suggested changing the Comprehensive Plan designation back to low-density which means those properties could come back in the future for a rezone from R-10 to R-8 or R-6. **Commissioner Hewitt** was in favor of going back to the previous map, and the group agreed. **Ms. Kraushaar** thought it was important that the City Commission consider the smaller parcels that could be developed as well as consider their proximity to main arterials where diverse types of access can accommodate higher densities. **Commissioner Neeley** felt medium density was appropriate. **Commissioner Hewitt** wanted to go back to the original plan. **Commissioner Lemons** agreed with Hewitt. **Commissioner Bailey** said his interest was in the fact that there were a number of large lots that would have some value for redevelopment and could be partitioned into smaller lots. He was not thinking of inner city level development, but he is concerned and took into account Kraushaar's comments. He was looking for a way to allow these parcels to be developed in a logical pattern and allowing for smaller lots in a planned configuration. There are a number of parcels that exist in those 60 acres. **Ms. Kraushaar** discussed lots sizes and potential for flaglots. The lot sizes range from 19,000 to 24,000 square feet. **Commissioner Hewitt** asked Bailey to imagine going from R-10 to R-3.5. Maybe people will have to talk to their neighbors and come together on a proposal. **Mayor Norris** understood it was general direction to go back to the original zone.
- o Berge Issue. **Commissioner Hewitt** asked about Berge's concern. He is carrying out an industrial use on his property that has never had a commercial use. Why would Berge wish to go to C-3 and not keep the non-conforming use? What would the effect of a C-3 be in the future? **Mr. Drentlaw** said the problem with rezoning to commercial is that his current use would not allowed, so Berge is better off keeping the non-conforming rights if he is interested in keeping the business. **Commissioner Hewitt** asked if Berge could expand the business in a non-conforming use as it stands in the new code. **Mr. Drentlaw** said he could do some expansion under the new code. Berge could not expand in a C-3 zone.

Mayor Norris closed the public testimony and announced the written record would remain open to the close of business on April 28, 2004. All comments will be compiled with changes re-written for the May 3, 2004 study session at which time the code amendments would be considered. On May 5, 2004 the City Commission will have the first reading of the Comprehensive Plan and the code amendment with the second reading on May 19, 2004.

Commissioner Hewitt asked when the comments on the code amendments would be heard.

City Attorney Sullivan said this was a joint hearing for both items, and it was advertised. Written comment can be on both the Comprehensive Plan and the code amendments. He suggested the City Commission consider adding language that there would be a proceeding initiated before the Planning Commission to look at cleanup issues in another 60-90 days. He will draft that language as part of the Ordinance. This will be a new Ordinance procedure that will come to the Commission in the summer or fall. By that time, the Commission will have seen how the Ordinance acts.

5.0 COMMISSION BUSINESS

5.1 **Commission Report No. 04-074, Proposed Resolution No. 04-13, Supporting and Endorsing Clackamas Heritage Partners.**

Mayor Norris, Commissioner Neeley, and Community Services Director Craig serve on this committee.

Ms. Craig said this is a resolution supporting a momentous vote that occurred last week when the Museum of the Oregon Territory and the Oregon Trail Foundation agreed to form a transition board leading to unification of the two operations.

Mayor Norris added both organizations appointed five members to the transition team. A consultant was hired to work with the transition team to develop a strategic plan by July 1. The details of the organization will then be outlined and may result in hiring new staff.

Commissioner Neeley thought the process was excellent, and each of the separate boards unanimously approved this action.

Mayor Norris said for the survival and viability of the organizations, they agreed to work together on this process.

Commissioners Lemons/Hewitt m/s to adopt Proposed Resolution No. 04-13, Supporting and Endorsing Clackamas Heritage Partners. A roll call was taken, and the motion passed with Commissioners Bailey, Neeley, Hewitt, Lemons, and Mayor Norris voting 'aye'. 5:0.

- 5.2 **Commission Report No. 04-072, Second Reading of Proposed Ordinance No. 04-1002, an Ordinance Annexing Certain Property to the City of Oregon City and Approving the Election Results for AN-03-01.**

Commissioners Lemons/Hewitt m/s for the Second Reading of Proposed Ordinance No. 04-1002, and Ordinance Annexing Certain Property to the City of Oregon City and Approving the Election Results for AN03-01.

Mr. Sullivan read the ordinance for the second time.

There was no public comment.

A roll call was taken, and the motion passed with Commissioners Bailey, Neeley, Hewitt, Lemons, and Mayor Norris voting ‘aye’. 5:0.

- 5.3 **Commission Report No. 04-073, Second Reading of Proposed Ordinance No. 04-1003, an Ordinance Annexing Certain Property to the City of Oregon City and Approving the Election Results for AN03-03.**

Commissioners Bailey/Lemons m/s for the Second Reading of Proposed Ordinance No. 04-1003, and Ordinance Annexing Certain Property to the City of Oregon City and Approving the Election Results for AN03-03.

Ms. Sullivan read the ordinance for the second time.

There was no public comment.

A roll call was taken, and the motion passed with Commissioners Bailey, Neeley, Hewitt, Lemons, and Mayor Norris voting ‘aye’. 5:0.

- 5.4 **Commission Report No. 04-075, Proposed Resolution No. 04-14, a Resolution of the City of Oregon City Opposing the Expansion of the Urban Growth Boundary South of the Willamette River.**

Mayor Norris explained the Metropolitan Policy Advisory Committee (MPAC) upon which Commissioner Neeley represents the City of Oregon City is considering this issue as Metro deliberates over the Urban Growth Boundary.

Mr. Sullivan announced he had a conflict and could not participate in advising the City Commission.

Mr. Drentlaw said the Metro Executive made his recommendation on industrial lands cutting them from 30,000 acres to less than 3,000 region-wide. As a result, the whole south of Wilsonville was eliminated from consideration, as were all three areas of Oregon City except for the 60-acre golf course.

Commissioner Hewitt believed it was still a good idea to move this resolution forward to support Wilsonville. There needs to be a strong concerted message to Metro that this is hands off, so the next time this comes up they will know.

Commissioner Neeley said the ordinance is still before the Metro Council. This position was included in the ordinance Councilor Hosticka was putting forward. In the piece that is there, other areas could be tied to it in the future if Metro feels the basic components of the ordinance would support such exclusions in the future. The criteria were still in place for the other parts.

Commissioner Bailey said the message is important and not just to Metro but also to the sister cities around the state and the Willamette Valley. Oregon City is working hard to redevelop the community, adhere to an urban growth boundary and provide jobs and housing. He wanted other cities to have the same opportunity, and it could potentially open the floodgates down the I-5 corridor for development. That is the heart of Oregon's agriculture and many things important to others. This resolution supports the protection of farmland.

Mayor Norris added the cities of Clackamas County are working cooperatively while remaining autonomous.

Commissioner Neeley said the MPAC vote was 17-4 in support of this proposal, and the entire Clackamas County delegation supported it.

Commissioners Neeley/Bailey m/s to adopt the Proposed Resolution No. 04-14, a Resolution of the City of Oregon City Opposing the Expansion of the Urban Growth Boundary South of the Willamette River.

There was no public comment.

A roll call was taken, and the motion passed with Commissioners Bailey, Neeley, Hewitt, Lemons, and Mayor Norris voting 'aye'. 5:0.

Commissioner Neeley said the Metro ordinance has an emergency clause, so the second reading will be tomorrow.

6.0 DISCUSSION ITEMS

7.0 COMMISSION/CITY MANAGER INFORMATION

7.1 City Manager's Report

Mr. Patterson discussed the format of *The Trail News* and the move toward a pamphlet style.

- 7.2 Ms. Craig** discussed a grant from Land and Water Conservation for the development of Wesley Lynn Park Phase 1. The grant was in the amount of \$175,086. Staff is asking the City Commission to authorize the city manager to

sign the contract with the National Park Service. She wanted the Commission to be aware that by accepting this, Oregon City guarantees it will be public park property in perpetuity. The park was purchased with SDC funds. If the City wanted to make a change at some future time, it would have to do a conversion acceptable to the Parks Service with an open space of equal size. Otherwise, the City would have to repay the grant plus interest.

Commissioner Bailey understood the proposal was to develop the park with funds from the National Park Service.

Ms. Craig said that was correct; it is part of the Land and Conservation Fund for off shore drilling. Phase 1 would include leveling the site, building a parking lot, bringing in utilities, installing the initial pathways, and creating one ball field.

Commissioners Neeley/Lemons m/s to authorize the city manager to sign the contract with the National Park Service.

There was no public comment.

A roll call was taken, and the motion passed with Commissioners Bailey, Neeley, Hewitt, Lemons, and Mayor Norris voting 'aye'. 5:0.

7.2 Commissioner Communications

7.2.a Mayoral Appointments

Mayor Norris appointed Commissioner Bailey to represent the City Commission on Clackamas Heritage Partners.

7.2.b Commissioner Hewitt asked if there would be time to discuss consolidation of the sewage treatment plants before meeting with Water Environment Services (WES). The City needs to have some time to bring the questions to the table and pass them along to Ted Kyle.

Mr. Patterson suggested each City Commission member e-mail his/her questions to him, and he will compile a comprehensive list.

7.2.c Commissioner Neeley missed the second Budget Committee meeting so he could attend the MPAC meeting and to ensure training and education facilities would be permitted on significant industrial land. He reported that language was included.

8.0 Mayor Norris adjourned the meeting at 9:29 p.m.

Respectfully Submitted,

Leilani Bronson-Crelly
City Recorder