

# Comprehensive Plan Update: Employment Zoning Project Stakeholder Focus Group Results

Public involvement in concept development for the Employment Zoning Project consisted primarily of four stakeholder focus groups, which were held in April and May 2015. The purpose of the focus groups was to help identify and understand potential implementation issues of preliminary code concepts being considered in this project. Given the short timeframe of the project, the focus groups also helped to expeditiously reach out to a broad range of stakeholders. Their perspectives and interests diverge on some topics involved in the project and overlap on others.

An In-House Draft was also circulated to inter-bureau partners to help identify and understand implementation issues addressing code administration, environmental services, parks, and transportation. Public involvement addressing the Central Eastside code change proposals was conducted separately through the Southeast Quadrant Plan process of the Central City Plan Update.

## Who participated?

Figure 1. Focus group participants

STAKEHOLDER	DATE	ATTENDEES
Industrial/commercial <b>real estate</b> brokers and developers	Thursday, April 30, 2015	Joe Mollusky, Port of Portland Eric Sporre, PacTrust Don Ossey, Capacity Commercial Todd Johnson, Mackenzie Brad Malsen, Beam Development Peter Finley Fry, CEIC Bob Thompson, Mackenzie Tom Dechenne, NBS Realtors
Adjacent <b>neighborhood associations</b>	Monday, May 04, 2015	Peter Maris, Montavilla Neighborhood Assoc. Cora Potter, Lents Neighborhood Assoc. Arlene Kimura, Hazelwood Nghbd. Assoc. David Sweet, Cully Assoc. of Neighborhoods Martha Johnston, E. Columbia Nghbd. Assoc.
<b>Business associations</b> in industrial/employment areas	Wednesday, May 06, 2015	Katie Meyer, Parkrose Bus. Assoc. Pia Welch, Portland Freight Committee Marion Haynes, PBA Corky Collier, CCA Don Howard, 82 <sup>nd</sup> Ave of Roses Bus. Assoc. Ellen Wax, Working Waterfront Coalition Heather Hoell, Venture Portland Sarah Angell, SIBA Harold Hutchinson, NINA
<b>Equity groups</b> representing underserved populations	Tuesday, May 12, 2015	Nicole Knudsen, SEIU Local 49 Judith Mowry, OEHR Matthew Tschabold, Housing Bureau Polo Catalani, ONI Tony DeFalco, Living Cully

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Figure 15 lists the participants of the four focus groups conducted. Ten to twelve participants were invited to each focus group meeting, although not everyone attended. One focus group consisted of representatives of business and industrial district associations whose members occupy Industrial and Mixed Employment areas being addressed. A second focus group involved representatives of neighborhood associations with boundaries that encompass the new Mixed Employment areas or that overlap the proposed Prime Industrial overlays. A third group consisted of equity representatives, including labor unions, service providers, and community organizations. Underserved and underrepresented groups, particularly workers, often participate less in land use processes. A fourth group consisted of real estate industry representatives, including brokers, developers, and development representatives. The real estate industry generally implements zoning requirements, represents property owners, and has expertise in development markets.

## What discussion questions were asked?

The focus groups discussed the following five topic areas relevant to the proposal. Background materials describing preliminary code concepts were emailed to participants about one to two weeks before the focus group meetings.

1. Prime industrial land retention
2. Land-efficient I Industrial zones
3. Land-efficient EG General Employment zones
4. Residential compatibility of EG zones
5. Golf course rezoning criteria.

Each focus group responded to two questions for each of the five topics:

- **What issues do we need to think more about** for this code change to be appropriate and effective? Examples might be special circumstances or locations, unforeseen impacts, fairness considerations, or other concerns. And if you have suggestions to resolve these issues, what are they?
- **Who in particular should we try to involve** in this project in order to better understand and resolve these issues?

## What we heard

For each zoning change topic area, the results of the focus groups are summarized below. Figure 2 in the main body of the report summarizes the themes of issues raised in the focus groups.

### Prime industrial land retention

Participants in the real estate industry focus group emphasized that not all sites are equal. They generally objected that prohibiting quasi-judicial map changes may not be flexible enough for a dynamic marketplace. A suggestion was made to relook at the edges of Prime Industrial areas and consider removing sites that may be too constrained or less suitable for typical industrial uses. Some participants added that landowners and business owners should be able to successfully contest map designations in areas that yield less-than-optimal market conditions or on sites that have a layout or configuration that makes it infeasible for industrial development. One example cited was the Brooklyn Yard industrial

**Figure 2. Summary themes of focus group comments by topic area**

TOPIC	REAL ESTATE	NEIGHBORHOOD ASSOC.	BUSINESS ASSOC.	EQUITY
<b>Prime Industrial Land Retention</b>	<ul style="list-style-type: none"> <li>▸ Take a more granular approach with flexibility for small map changes.</li> <li>▸ Edges of Prime Industrial Areas may need to be adjusted for sites too constrained for industrial use.</li> </ul>		<ul style="list-style-type: none"> <li>▸ Prioritize freight mobility as well as land use, such as by locating and designing trails to prevent adverse impacts on freight mobility.</li> </ul>	<ul style="list-style-type: none"> <li>▸ Reframe proposals to emphasize equity benefits to disadvantaged groups rather than business needs or growth capacity.</li> </ul>
<b>Land-Efficient I-Zones</b>	<ul style="list-style-type: none"> <li>▸ Focus restrictions on specific undesirable uses.</li> <li>▸ Recognize dynamic synergies of industrial and commercial uses to better respond to market changes.</li> <li>▸ Explore options to allow mitigation banks for off-site landscaped areas.</li> </ul>	<ul style="list-style-type: none"> <li>▸ Open area restrictions should allow for new trails and mitigation areas.</li> <li>▸ Some places, such as Columbia Blvd., could be more attractive to infill through street trees and design aesthetics.</li> </ul>	<ul style="list-style-type: none"> <li>▸ Differing views in the group included whether open area buffers should be allowed in I zones, shifted to R zones, or both.</li> </ul>	<ul style="list-style-type: none"> <li>▸ Prioritize job growth and leverage equity benefits.</li> <li>▸ Consider community benefits agreement requirements for infrastructure investments.</li> <li>▸ Involve and help educate DCL partners: Urban League, NAYA, Latino Network, CIO and APANO.</li> </ul>
<b>Land-Efficient EG-Zones</b>	<ul style="list-style-type: none"> <li>▸ Make retail over 20,000 sf a conditional use.</li> <li>▸ Yes, prohibit residential uses in these zones.</li> </ul>	<ul style="list-style-type: none"> <li>▸ Allow a percentage expansion for existing retail to accommodate sites with room to expand.</li> </ul>	<ul style="list-style-type: none"> <li>▸ Make retail over 20,000 sf a conditional use.</li> <li>▸ Yes, prohibit residential uses in EG zones.</li> </ul>	<ul style="list-style-type: none"> <li>▸ Examine impacts on land for affordable housing.</li> <li>▸ Retain N Cully Plan District to leverage equity benefits.</li> </ul>
<b>Residential Compatibility of EG Zones</b>	<ul style="list-style-type: none"> <li>▸ Ensure infrequent needs for outdoor storage and display can be allowed with a permit.</li> </ul>	<ul style="list-style-type: none"> <li>▸ Reduce noise allowance from 75dB in EG1.</li> </ul>	<ul style="list-style-type: none"> <li>▸ Don't add compatibility rules that push industry out of EG-zones, since the I-zones don't have surplus land available.</li> </ul>	<ul style="list-style-type: none"> <li>▸ Ensure environmental justice, e.g., through good neighbor agreements.</li> </ul>
<b>Golf Course Rezoning Criteria</b>	<ul style="list-style-type: none"> <li>▸ Concerned about offering job lands to open space, which is plentiful elsewhere in the city and outside the UGB.</li> </ul>	<ul style="list-style-type: none"> <li>▸ Differing views include support of rezoning criteria for a Colwood-like outcome and objection to loss of open space.</li> </ul>	<ul style="list-style-type: none"> <li>▸ Why does comp plan add more new OS than I land in Prime Industrial areas? Prioritize jobs there, not open space.</li> </ul>	<ul style="list-style-type: none"> <li>▸ Leverage shifts in land uses to increase access to equity for disadvantaged groups.</li> </ul>

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area, which is in an inner neighborhood setting where a new light rail line is under construction. Industrial edge areas in urban locations may become less functional for industry over time.

The equity focus group took a higher-level approach to addressing the proposed changes generally. Some participants expressed frustration that the proposals gave too much attention to business needs and growth-capacity shortfalls. Reframing the proposals was urged, in order to emphasize equity benefits to disadvantaged groups, particularly low-income populations and populations of color. Attendees encouraged City staff to explore tools that would leverage equity benefits, such as contracting to minority- and women-owned businesses, local-source hiring, and community benefits agreements. Another issue cited is that some people know so much about these topics and most people so little. More focused outreach to engage and inform people of color was suggested, particularly the Diversity and Civic Leadership Program (DCL) Partners, including the Urban League, NAYA, Latino Network, CIO and APANO. Involvement of 1000 Friends of Oregon and environmental groups was also suggested.

Concern was expressed during the business association focus group that the conversion trends are disturbing. Participants also asked whether the Prime Industrial Land designation, which prioritizes land use direction based on freight infrastructure, can also be used to prioritize freight mobility in transportation decisions. We need to move products in and out of these areas, it was emphasized. Consideration was suggested to require locating and designing trails and bike lanes in Prime Industrial Areas to avoid adverse impacts on freight mobility and safety. There were also contending viewpoints on this topic. Some participants noted the increasing legitimacy of bicycle delivery via cargo bicycles and that these delivery modes should be able to safely operate in industrial areas. Confusion was expressed about applying the term “multimodal” to both freight modes and active transportation modes.

The neighborhood association focus group did not discuss prime industrial land retention.

### **Land-efficient Industrial-zones**

Equity focus group participants made the point that the proposed land use limitations have distributional implications for residents and workers. A suggestion was made that conditional use requirements for secondary uses could stipulate the provision of affordable housing or facilities for community organizations. Community benefits agreements for infrastructure investments in industrial areas were also suggested to help ensure benefits to nearby neighborhoods. Framing the approach to land-efficient industrial zones was also suggested to prioritize job density targets. This idea was also discussed by the business association group, including concerns that industrial businesses vary widely in job density and that higher job-density commercial areas tend to have a less equitable income distribution.

The real estate focus group discussed the need to foster a “dynamic market” within industrial zones. As discussed, a dynamic market means more than just shifting industries. The synergies of industrial and commercial uses are also changing. Industrial business owners may prefer to locate near commercial businesses that are their customers or vendors. The Central Eastside Industrial District was mentioned as an example of the mix of uses that create synergies across markets, which contributes to Portland’s attractiveness for the creative community. Participants encouraged policy makers to consider the nature, size and scale of supportive businesses. To do so, one suggestion was to focus use restrictions on specific, undesirable uses.

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The business associations group also discussed taking a more granular approach to link employment goals and land use. They agreed that a mix of uses can be a good thing. A broad-stroke approach was described as being less effective for filtering incompatible uses from supportive uses. Participants noted that the proposed change to remove self-service storage as an allowable use is a step in the right direction to pursuing this approach.

### **Discussion on limiting Parks and Open Areas in Prime Industrial areas**

Responding to the proposed limitations on Parks and Open Areas, neighborhood association focus group participants voiced concern that the proposed restrictions should not limit new trails nor mitigation areas. Participants also expressed enthusiasm for community gardens and would like to see more of them. This focus group also diverged from some of the points made by the real estate and business association groups, noting that well-maintained green features in industrial areas and along their frontages perform an important aesthetic function in attracting businesses to those locations. For example, Columbia Blvd. would be more attractive for infill development, it was suggested, with more street trees and aesthetic design standards.

Participants in the real estate and the business association focus groups also generally recommended allowing off-site mitigation areas, as an option for leveraging development through open space. Off-site mitigation was discussed as a more flexible approach to site design, which in turn would facilitate more efficient use of industrial land.

The business association group also discussed making wider buffers along R-zones an allowed Parks and Open Space and whether the buffer should be concentrated in the R-zone, the I-zone, or both. Some individuals pointed out the value of buffers, supporting an exemption from the proposed Parks and Open Areas limitation. Others noted that the burden of creating landscape buffering falls disproportionately on industrial developers and business owners, requesting that it should apply on both sides of residential/industrial zone boundaries, such as when housing development occurs next to industrial facilities. And some attendees noted that Portland has a shortfall of industrial land and surplus residential capacity, so the buffer should be concentrated on residential land.

### **Land-efficient General Employment zones**

Real estate focus group participants suggested that retail developments larger than 20,000 square feet should be a conditional use in EG zones, rather than prohibiting them. Examples were pointed out where the conditional use process has worked well for screening commercial uses that serve industrial area market needs. Participants generally supported the proposal to prohibit residential uses in EG zones. Reasons discussed included the surplus of residential capacity available citywide and the potential for continuing conversion of EG land in residential settings. Others suggested that this restriction could vary with scale, saying it may be okay in some circumstances but can't be allowed to become too large.

The business association group participants also expressed support for making retail uses larger than 20,000 square feet a conditional use and for prohibiting housing in industrial lands.

Neighborhood association group attendees expressed concern that the proposed retail limitation of 20,000 square foot will be difficult for larger existing retail facilities on sites with expansion room. As discussed, this issue depends partly on how sites are defined. Participants suggested a creative option

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for accommodating expansion of large, non-conforming retail stores: permit their expansion up to a fixed percentage of the existing building area, such as 20 percent.

A suggestion was made in the equity focus group to keep the North Cully Plan District in effect, as an opportunity to negotiate community benefits agreements. Thomas Cully Park development was noted as an example of how this has worked in the plan district, and community members are currently trying to negotiate community benefits in the Comcast development proposal. Participants expressed general support for mechanisms to leverage community benefits. Some also asked that the impacts on land for affordable housing be examined, including consideration for conditional use exceptions to the housing prohibition if affordable housing is provided.

### **Residential compatibility of EG-zones**

The neighborhood association group discussed that sound levels are regulated by zone in the noise code, allowing up to 75 dB in I and EG zones. Participants commented that noise from incompatible uses there is a constant problem. Attendees suggested reducing the noise allowance from 75 dB in EG1, in order to improve residential compatibility. Participants also suggested additional landscaping, street trees, and design requirements, particularly along 82<sup>nd</sup> Avenue in order to help make it more attractive to residents, pedestrians and businesses alike.

Equity focus group participants emphasized concerns for environmental justice; consider who's living near industrial and employment zones. With historically marginalized groups and underserved populations often living near sites with pollution, noise and other nuisances, they felt the City should better equip these communities with mechanisms for mitigating those burdens. Good neighbor agreements were suggested as another opportunity to leverage equity benefits.

Business association focus group participants cautioned against adding compatibility rules that would push industry out of EG areas. Participants pointed out that the larger industrial districts lack extra room to accommodate industry displacement from EG zones in the long run. Some non-industrial business operations, it was pointed out, also create moderate nuisances for neighbors.

Real estate focus group participants suggested allowing infrequent needs for outdoor storage through a permit in EG-zones. One example offered was a winery, which must utilize outdoor space twice a year at a site that abuts a residential area.

### **Golf course rezoning criteria**

Participants in both the real estate development and business association focus groups voiced concern about conflicting policy direction in this proposed change. On one hand, policies aim to protect and expand industrial capacity to promote job growth. On the other hand, these proposed restrictions will make these new industrial areas more challenging to develop. Some participants questioned why golf course rezoning criteria should be applied at all, since most of the golf course area is designated as Open Space, and other zone changes don't have to meet similar requirements. Some also inquired why most of the new open-space designated land on the proposed Comprehensive Plan Map was coming out of prime industrial areas. Participants urged consideration of resulting sprawl from future Urban Growth Boundary expansion and loss of middle-wage job capacity.

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Differing views were voice in the neighborhood association focus group. Some attendees saw the conversion of any of the golf course land to industrial use as a net loss in open space, which should be preserved to protect habitat. However, others were pleased with the results of Colwood golf course reuse, including a new city park and additional natural area. They supported requirements that would result in similar community benefits with rezoning.