



April 25, 2012

SUPPLEMENTAL STAFF REPORT

TO: Planning Commission

FROM: Planning Department

RE: Case File No.: Zoning Ordinance Amendment 1-12, Section 143 Urban Center Zones. Proposed Zoning Ordinance text and map amendments to adopt and apply new urban center zones to the AmberGlen Community Plan area

PURPOSE

This supplemental staff report identifies additional revisions to the Zoning Ordinance amendments (provided with the February 15, 2012 staff report as Exhibit “A”) for the Commission’s consideration. These revisions are suggested in addition to the revisions provided in the April 18, 2012 staff report as Attachment 2. These revisions are indicated with tracking notation as follows: **Underline** indicates insertion of new text; strikethrough (~~strikethrough~~) indicates deletion of text. The intent is to provide a record tracking all proposed changes. Also, letters of testimony received after the April 18, 2012 staff report are attached herein as exhibits.

ADDITIONAL REVISIONS TO PROPOSED AMENDMENTS

Section 143.X. Application and Review Procedures, F. Type III Procedure

Subsequent to distribution of the April 18, 2012 staff report, staff discovered a provision within the Application and Review Procedures section that requires further revision in order to comply with existing practices related to when and how often a notice of public hearing for a Type III application is published in a local newspaper.

7. Published Notice of Public Hearing

(a) Notice of the public hearing shall be published one time in a newspaper of general circulation in the City as follows: ~~at least 14 days before the public hearing.~~

(1) Notice for a Planned Unit Development application or a Zone Change application shall be published not more than 10 days and not less than 4 days before the public hearing.

(2) Notice for a Floodplain Alteration or Special Use application, Significant Natural Resource Permit (major) application, or a Conditional Use application shall be published not more than 18 days and not less than 4 days before the public hearing.

- (b) The newspaper's affidavit of publication of the notice shall be made a part of the case file.

Section 143.XI. Parking and Loading, A. General Provisions

Testimony was received at the March 14, 2012 public hearing from Steve Abel representing Principal Financial Group regarding the parking standard (Section 143.VI.A.3) that requires new buildings exceeding 75,000 gross square feet of floor area to limit surface parking area to no more than 25% of the lot or parcel area. Other concerns were related to the practicality of the grid imposed by the street and connectivity standards (Section 143.VIII.C), location-specific requirements for 60 percent of the ground floor street frontage of a building to be constructed to accommodate pedestrian-active retail and service uses (Section 143.IV.D), and concerns with uncertainty regarding infrastructure necessary to support envisioned densities.

Proposal:

Steve Abel on behalf of Principal Financial requested that the following amendment be advanced before the Planning Commission:

Proposed Modification of Paragraph VI.A.3

- VI.A.3 *When a new primary structure containing more than ~~75,000~~ 200,000 square feet of gross floor area is constructed after the effective date of this ordinance, no more than 25 percent of the lot or parcel area may be occupied by surface parking areas, including aisles necessary for circulation within the parking lot, but not including access driveways leading to or from the parking lot.*

Rationale

As originally stated, this regulation would require that no more than 25 percent of the area of a lot or parcel would be allowed to be in surface parking if the FAR of a building on the site is in excess of 75,000 square feet. Principal believes that this provision is a significant obstacle to development. Further, because of the restrictive elements of the provision, the motivation for developers will be to build building FARs with less than 75,000 square feet. The provision will result in small buildings which are simply not consistent with the vision of the AmberGlen Plan.

The proposed modification increases the amount of building allowable on a site to 200,000 square feet of FAR without the parking structure mandate.

Staff Response:

Staff had previously analyzed the standard to confirm the likelihood that near-term, lower density residential development with parking ratios supportable by the current market could proceed under the proposed standards. Staff's analysis and conclusion was provided with the March 7, 2012 Supplemental Staff Report as Attachment 2. Staff concluded that the parking standard provides flexibility with regard to surface parking limitations in response to near-term as well as future market conditions. Higher costs associated full level structured parking would typically be incurred for development at higher densities and intensities anticipated under future market conditions, when area amenities and related price premiums would contribute to development feasibility.

However, staff's previous analysis also confirms that if demand now supports development in excess of 43 dwelling units per net acre, the 75,000 gross square foot threshold would likely soon be exceeded and surface parking area would be required to be limited, necessitating structured solutions and the related cost burden.

Staff analyzed recent development projects to understand current market demand and likely impacts to development subject to the proposed zones and standards. Parking ratios of 1.0 to 1.5 are evident. At these ratios, it is logical for developers to tailor projects to avoid the 75,000 gross square foot threshold. However, staff initially doubted if the proposed 200,000 gross square foot threshold could be accepted because at such a high level of development, most projects would not need to limit surface parking. Limiting surface parking is necessary to achieve the urban vision and required densities. However, densities may be depressed in the near-term to avoid the standard. Staff turned to the case studies to assess how scale of development, percentage of surface parking area, street frontage coverage, and the scale of the circulation grid as determined by block length. Staff concluded that the urban vision would best be served by adhering to the connectivity requirements and retaining a 300 foot walkable, urban grid. Street frontage requirements are expected to ensure the quality of the public realm until area amenities and land values support structured parking solutions. Staff's analysis is provided in the presentation and included in the record as evidence of this conclusion. Staff supports the proposed amendment to Section 143.VI.A.3 to raise the threshold for limiting surface parking area from 75,000 gross square feet to 200,000 gross square feet.

Section 143.V. B. Exceptions to Development Standards, 3. Exceptions to Front Property Line Coverage

To allow for phased development to meet the standards over time, the following new text is suggested:

3. Exceptions to the Front Property Line Coverage

- a) In order to provide flexibility for the construction of buildings that meet either the minimum Floor Area Ratio or minimum Residential Density, an applicant may be allowed to reduce the Front Property Line Coverage standards by no greater than 25 percent provided that the applicant shall enter into a phased development plan that is recorded with the land in the form of a Development Agreement demonstrating how the standard can ultimately be met.

This standard would allow development, including surface parking lots, to meet a lesser standard for Front Property Line Coverage standards only in cases where the applicant submits to a contractual obligation with the City specifying how the standard can ultimately be met over time. Staff finds the provision to be consistent with economic vitality principles. It serves adopted goals by allowing development to proceed in support of the community's vision while ensuring ultimate compliance with the front property line coverage standard.

TESTIMONY RECEIVED

Since the April 18, 2012 staff report, the following letters of support have been received and are attached as Exhibits:

Letter of Support from Kathryn Krygier of Tri-Met, dated April 24, 2012

Letter of Support from Brian Harper of Metro, dated April 24, 2012

Respectfully submitted,

CITY OF HILLSBORO PLANNING DEPARTMENT

A handwritten signature in black ink that reads "Paige Goganian". The signature is written in a cursive, flowing style.

Paige Goganian, AICP, AIA
Urban Design Planner

Attachments:

Letter dated April 24, 2012 from Kathryn Krygier of Tri-Met

Letter dated April 24, 2012 from Brian Harper of Metro



April 24, 2012
Colin Cooper, AICP, AIA
Assistant Community Development Director
City of Hillsboro
150 E. Main Street, 4th Floor
Hillsboro, OR 97123

Dear Colin,

I am in support of the Urban Center zones for the AmberGlen Community Plan area. Adoption of the changes to zoning and development standards by City Council is a milestone to realize the vision of an urban neighborhood to allow a walkable, mixed-use regional center supported by transit. The following provisions in the code amendments are particularly important to create successful transit:

- **Parking Management:** Provisions for low parking ratios are necessary to support alternative modes of transportation.
- **Connectivity:** Standards that support street connectivity to establish the urban form and multi-modal character desired for the area.
- **Minimum Densities:** Standards that establish minimum densities necessary to realize an urban environment.
- **Affordable Housing.** Provisions that allow mixed income housing in return for limited adjustments to the standards. TriMet encourages the City to develop an affordable housing strategy for the plan area to ensure that people of all income levels will be able to live in AmberGlen.

I look forward to working with Hillsboro to implement the plan.

Sincerely,

A handwritten signature in black ink, appearing to read "K. Krygier".

Kathryn Krygier AIA
Transit-Oriented Development Program Leader
TriMet Capital Projects



April 24, 2012

Colin Cooper, AICP, AIA
Assistant Community Development Director
City of Hillsboro
150 E Main Street, 4th Floor
Hillsboro, OR 97123

Dear Colin,

I would like to take this opportunity to congratulate you and the staff at the City of Hillsboro on the recent completion of the draft Urban Center Zones for the AmberGlen area. Adoption of these zones is a critical step toward accomplishing the region's vision for a dense, mixed-use community centered around transit and public amenities, and for accommodating future growth consistent with our Regional 2040 principles.

As you move forward with your next steps in the AmberGlen planning and implementation process, please consider the following:

- We encourage the City of Hillsboro to work within the framework of System Expansion Policy (SEP) in regards to possible future extension of high capacity transit through AmberGlen and into Tanasbourne. By following guidelines established in the Regional Transportation Plan, Hillsboro stands the best chance of moving up in priority under the Regional HCT Plan.
- It is important that the City of Hillsboro continue to update your transportation project list to support AmberGlen through your local Transportation System Plan. For Metro to offer the most assistance possible, we will need a clear understanding of what investment needs are critical to early success in AmberGlen
- As the City of Hillsboro proceeds with study of a possible Urban Renewal District in the Tanasbourne/AmberGlen Regional Center area, it will be important to explore additional options for funding in order to meet the full project costs. Urban Renewal has clearly proven its value towards redevelopment, but should not be relied on exclusively as a funding source in any planning process. This consideration would show the commitment and seriousness of any proposal put forward by the City.
- As we support your efforts in the AmberGlen area, Metro will continue to support the City of Hillsboro's efforts in the Downtown Regional Center. It is important to realize the potential of Downtown at the same time as investing in Tanasbourne/AmberGlen. Opportunities to leverage transit to support growth in the City's regional and other growth centers should continue to be a desired outcome of the City's planning efforts.

The draft regulations are an impressive undertaking as the City seeks to lay the groundwork for successful development outcomes in the district. Your staff and the various consultants you have utilized in this process have produced an outstanding guide for future development, and we hope to continue working as a partner with the City of Hillsboro to build a successful center in the AmberGlen area.

Sincerely,

Brian Harper
Assistant Regional Planner

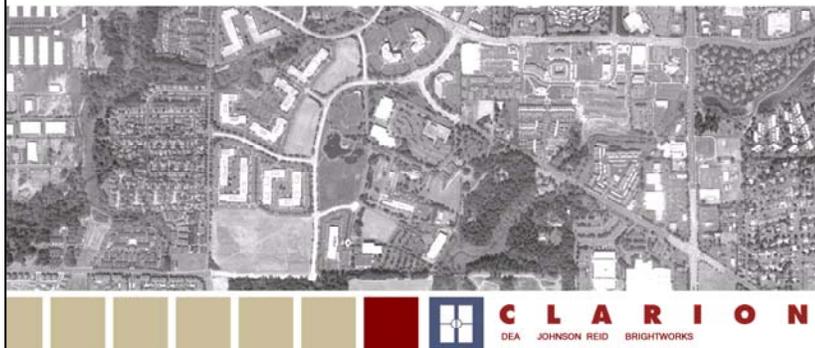
c: Councilor Kathryn Harrington, Metro District 4
Robin McArthur, Planning Director

AmberGlen Zones and Development Regulations

City of Hillsboro, Oregon

Planning Commission Public Hearing: ZOA 1-12

April 25, 2012



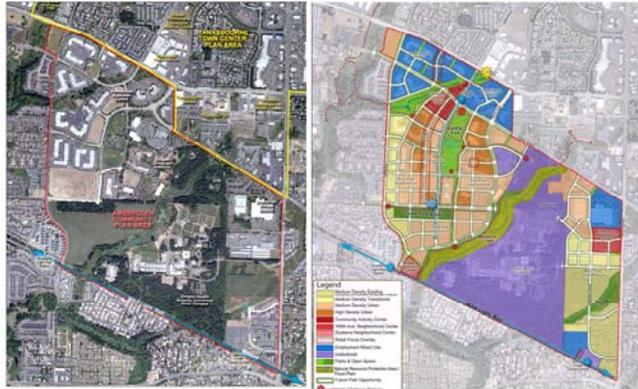
The purpose of this presentation is to address the issues raised in testimony received at the March 14, 2012 public hearing.

Steve Abel representing Principal Financial Group focused on:

- Economic viability of development subject to the proposed zoning amendments, and
- Concerns regarding infrastructure necessary to support envisioned densities.

Ty Barker representing another AmberGlen property owner testified that he shared similar concerns and noted that proposed zones create uncertainty about the future that may adversely affect property values.

AMBERGLEN ZONES AND DEVELOPMENT REGULATIONS



OUTSTANDING ISSUES:

- Focus on economic viability
- Street grid/connectivity standards
- Pedestrian Active Use Requirements
- Limitation on surface parking area

CLARION - DEA

An intent of the UC zones and standards is to transform a suburban, auto-oriented office/research campus (existing conditions map on left) to an urban, mixed-use district supported by transit (adopted vision and Concept Plan on the right), in a manner that supports ongoing economic vitality for the area.

Specific standards of concern identified by Able for Principal Financial:

- Practicality of the grid imposed by the street and connectivity standards (Section 143.VIII.C Connectivity and Circulation)
- Location-specific requirements for 60 percent of the ground floor street frontage of a building to be constructed to accommodate pedestrian-active retail and service uses (Section 143.IV.D Pedestrian-Active Use Requirements)
- Parking standard (Section 143.VI.A.3) that requires new buildings exceeding 75,000 gross square feet of floor area to limit surface parking area to no more than 25% of the lot or parcel area.

AMBERGLEN ZONES AND DEVELOPMENT REGULATIONS

Proposed Modification of Paragraph VI.A.3

VI.A.3 *When a new primary structure containing more than ~~75,000~~ 200,000 square feet of gross floor area is constructed after the effective date of this ordinance, no more than 25 percent of the lot or parcel area may be occupied by surface parking areas, including aisles necessary for circulation within the parking lot, but not including access driveways leading to or from the parking lot.*

Rationale

As originally stated, this regulation would require that no more than 25 percent of the area of a lot or parcel would be allowed to be in surface parking if the FAR of a building on the site is in excess of 75,000 square feet. Principal believes that this provision is a significant obstacle to development. Further, because of the restrictive elements of the provision, the motivation for developers will be to build building FARs with less than 75,000 square feet. The provision will result in small buildings which are simply not consistent with the vision of the AmberGlen Plan.

The proposed modification increases the amount of building allowable on a site to 200,000 square feet of FAR without the parking structure mandate.

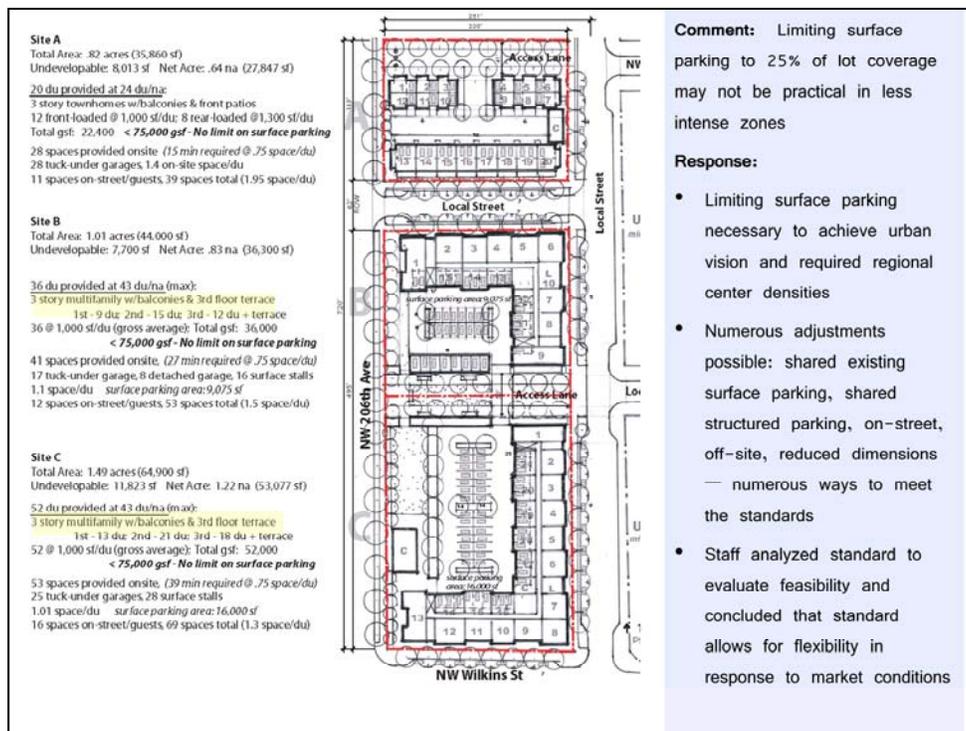
CLARION - DEA

- Staff has been in discussion with representatives from Principal Financial to address these concerns.
- Steve Abel on behalf of Principal Financial requested that this proposed modification to the standard limiting surface parking area be advanced before the Planning Commission.
- The modification increases the threshold for limiting surface parking from 75,000 gsf to 200,000 gsf.
- The rationale notes that without the modification, the standard is a significant obstacle to development and may lead developers to build smaller buildings at lower densities to avoid triggering the surface parking limitation.

Prior Concept Plan Analysis: Staff's prior analysis on this issue (presented at March 11 public hearing) addressed the concern that limiting surface parking to 25% of lot area may not be practical in less intense zones.

- Staff developed an illustrative concept plan to illustrate that minimum parking ratios and threshold densities required by the standards could be met.
- Staff found that in lower density zones (UC-RM) at maximum 43 du/na, it is possible for the 75,000 gsf threshold to not be triggered, and no limitation on surface parking area would be required.

Conclusion: Minimum standards could be met at lower densities.



Current Market Considerations: However, the illustrative plan also demonstrates issues for development under current market conditions:

- At 43 du/na, the standard limits surface parking to approximately 1 space per du (onsite).
- As density begins to exceed 43 du/na, parking ratios would decline to the point where structured parking would be needed.
- As project economist Bill Reid has shown, the market today cannot support the additional cost associated with structured parking (without the amenity value provided by transit, urban retail, and a high quality park and open space framework).
- Staff suspected that the market currently supports area densities in excess of 43 du/na, and requires onsite parking in excess of 1 space/du.

Conclusion and Concern: It is logical in the near-term for higher density zones (i.e. UC-MU; UC-AC) for the standard to pose a challenge to the degree that developers could logically be expected to build at artificially suppressed densities so as to not exceed the 75,000 gsf threshold and thereby trigger limitations to surface parking.

Staff initially doubted if the proposed 200,000 gross square foot threshold could be accepted because at such a high level of development, most projects would not need to limit surface parking. Limiting surface parking is necessary to achieve the urban vision and required densities. **However, densities may be depressed in the near-term to avoid the standard.**

Additional information needed to determine what change, if any, in threshold number would allow near-term development of market-supported densities, and also be acceptable relative to public goals? Why?

To understand current market demand and likely impacts to development subject to the proposed zones and standards, staff analyzed case studies from recent development projects to assess how scale of development, percentage of surface parking area, street frontage coverage, and the scale of the circulation grid as determined by block length affect density and the character of the envisioned urban environment (walkable, transit-supportive).



Living Green, Orenco Station, SCR-V (currently under construction)

Three stories of flats over ground floor commercial and live-work spaces; Tandem tuck-under garages, surface and on-street parking.

Gross Site Area	2.34 ac (101,930 sf)
Net Site Area	2.12 net ac (92,738 sf)
Dwelling Units	173 du
Commercial Floor Area	6,300 sf
Total Floor Area	195,549 gsf
Density	81.6 du/net ac
FAR	0.52
On-site Parking	183 spaces (1.1 spaces/du)
Surface Parking	69 spaces (30,975 sf)
Percent Surface Parking area/Gross Site Area	30%
Total Parking (includes on-street)	219 spaces (< 1.3 spaces/du)
Lot Dimensions / Block Dimensions	480' x 220'

- Comes in just under proposed 200,000 gsf threshold for limiting surface parking area
- Market supporting higher density of 81.6 du/net ac in proximity to transit and Orenco Station shopping
- 1.1 spaces/du related to proximity to transit (LRT)
- Good street frontage environment
- Pedestrian active uses provided for entire ground floor
- Surface parking area at 30% is close to current max (25%); Overwhelms internal environment due to scale of block (exceeds 300' UC max block standard)
- Meets UC standards with proposed modification if modified to comply with 300' max block length or provide green access lane.



Nexus Apartments, Orenco Station, SCR-V (2005)

Three stories of flats; Ground floor commercial at Orenco Station Parkway; Tuck-under garages and surface parking.

Gross Site Area	15.4 ac (670,824 sf)
Net Site Area (est.)	13.6 net ac (593,178 sf)
Dwelling Units	412 du
Commercial Floor Area	7,000 sf
Total Floor Area	453,200 gsf (est.)
Density	30 du/net ac
FAR	0.54
On-site Parking	618 res. spaces < 1.5 spaces/du)
Surface Parking	427 spaces (200,000 sf est)
Percent Surface Parking area/Gross Site Area	30%
Total Parking (includes on-street)	618 res. spaces (< 1.5 spaces/du)
Lot Dimensions	800' x 839'

- 453,200 gsf divided among 8 buildings (average 56,650 gsf/building)
- 7 years ago, market supported medium density of 30 du/net ac and a parking ratio of around 1.5 spaces/du in proximity to transit (LRT) and shopping
- Pedestrian active uses provided at Orenco Station Parkway and Cornell Road
- Good street frontage coverage. Urban on the outside, suburban on the inside
- Surface parking area at 30% is close to current max (25%); However, parking very much overwhelms and degrades internal environment due to immense scale of development (15.4 acres)
- Buildings allow pedestrian access at 400' and 300' intervals, but there is no dominant grid to scale the pedestrian environment. Absence of a regulating grid is the primary reason why development with this internal character would not be built in the UC zones.

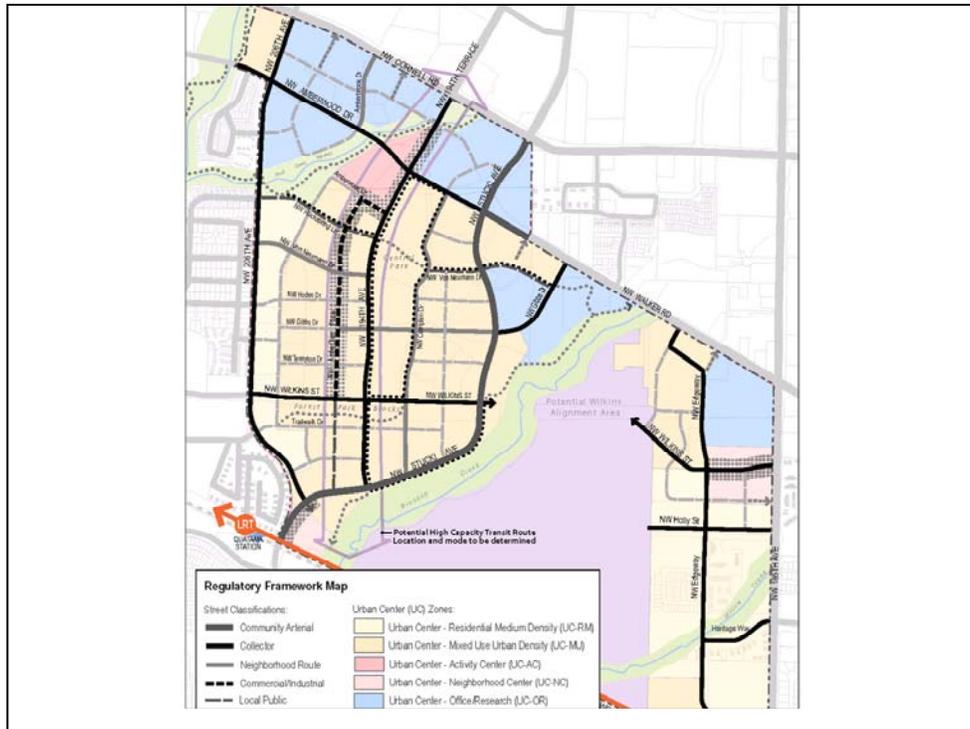


**John Olson Site, MU-C current/UC-MU proposed,
(Preliminary Concept Plans, 2012)**

Two four story buildings with residential flats; Tuck-under garages and surface parking.

Gross Site Area	5.3 ac (230,868 sf)
Net Site Area (est.)	3.6 net ac (157,721 sf)
Dwelling Units	200 du
Commercial Floor Area	na
Total Floor Area	229,385 gsf
Density	55.2 du/net ac
FAR	---
On-site Parking	280 spaces (1.4 space/du)
Surface Parking	217 spaces (80,000 sf est.)
Percent Surface Parking area/Gross Site Area	35%
Total Parking (includes on-street)	280 spaces (1.4 space/du)
Lot Dimensions	330' x 700'

- Market currently supporting density of 55.2 du/net ac and 1.4 spaces/du parking ratio with no proximate HCT (planned), some urban retail within ½ mile
- Good street frontage coverage. Urban on the outside, suburban on the inside
- Surface parking area at 35% is close to current max (25%); However, parking overwhelms and somewhat degrades internal environment
- Green Access Lane helps to scale 5.3 acres and 229,385 gsf into two sites/buildings with pedestrian access lane and access to regional trail
- Dead-end lane not effective for providing grid to scale the development and pedestrian environment. UC zones would require local street (public or private) to break up 700' block length, connecting 206th to AmberWood Dr.

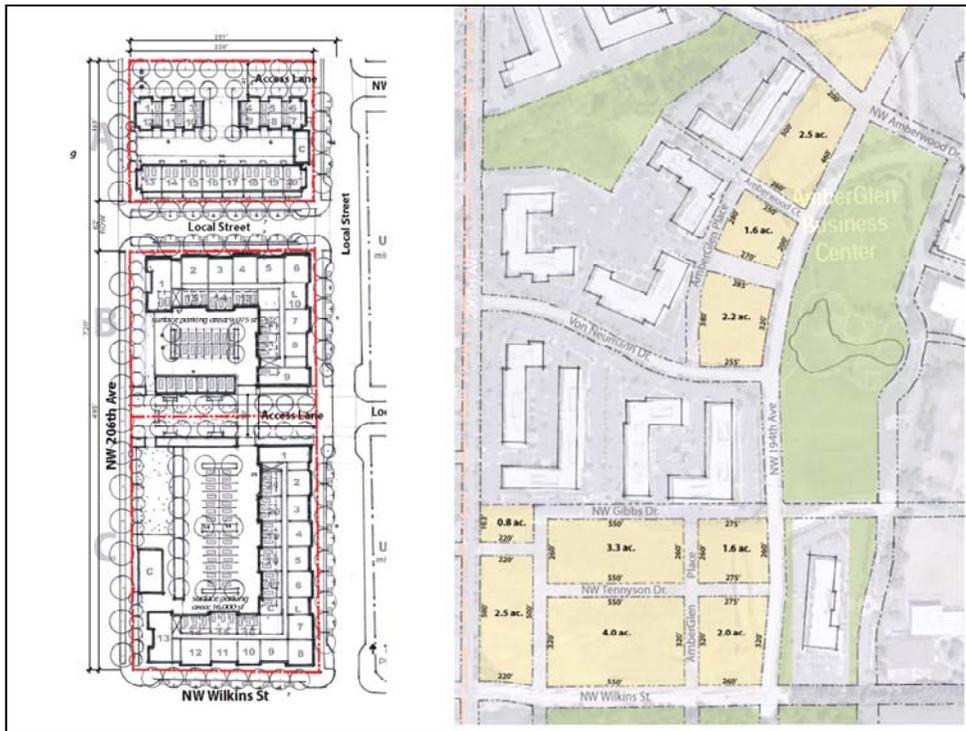


Conclusion: Densities exceeding 50 du/net acre are currently viable, but do not support costs for structured parking. Limiting surface parking area not as critical to accomplishing adopted urban vision as connectivity standards to impose a grid of pedestrian-scaled streets based on a 300' block length.

- Street coverage standards ensure quality of public realm while 300' grid scales sites
- If provided, surface parking does not overwhelm the character of the development
- Mix of street level active uses would serve as an amenity and further distinguish the district as pedestrian-oriented

Given the importance of the UC connectivity standards for accomplishing the community's vision, are they viable?

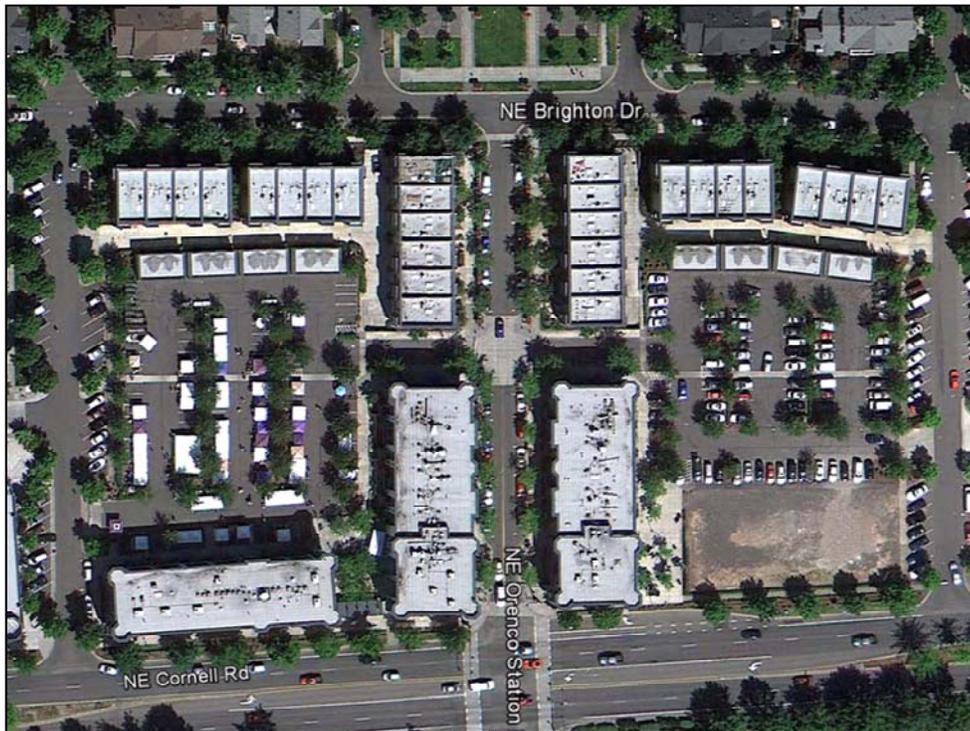
Does the 300' maximum block length standard applied in conjunction with the AmberGlen Streets Map result in developable sites?



UC Connectivity Standards

Illustration on right shows required streets and existing development for AmberGlen Plan area north of Wilkins Street and west of the planned Central Park:

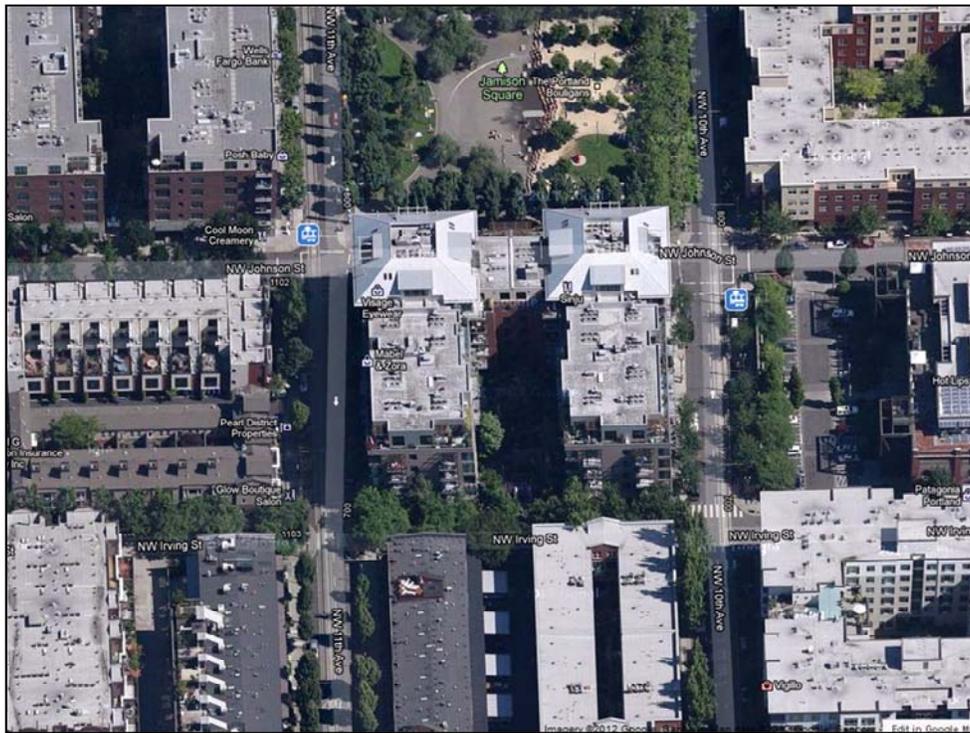
- Development sites/blocks that exceed 300' will require a local street or green access lane connection. These required connections are not shown. If connection is not a public right-of-way, a public access easement is required.
- Front property line coverage applies at all streets.
- Development sites range from 0.8 acres to 4.0 acres.
- Illustrative Concept Plan on left demonstrates development on the 0.8 acre and 2.5 acre sites (UC-RM) located at NW 206th Avenue north of NW Wilkins Street.



UC Connectivity Standards

Orenco Station north of Cornell Road:

- 300' block length east west at Brighton and Cornell Road.
- 200' block north-south on Orenco Station Parkway.
- However, east-west street bisecting NE Orenco Station Parkway is not extended as a true grid to break up 1,200 sf surface parking area at block interior.



UC Connectivity Standards

Tanner Place at Jamison Square, The Pearl, Portland:

- 200' x 200' block grid.
- Pedestrian-only Lane replaces Irving Street.
- Small blocks. Pedestrian scale and character excellent.
- However, 200' x 200' grid has been faulted for being inefficient – high percentage of land for streets versus land for development.



UC Connectivity/Pedestrian-Active Use Standards

Illustration shows required streets and additional local street or green access lane connections at block lengths that exceed 300'

Pedestrian active use requirements apply at frontage locations with dashed line. Within each parcel, at least 60% of the ground floor street frontage shall be constructed:

- With floor to ceiling height of at least 13 ft;
- With a leasable area extending from street façade towards the interior of the building at least 30 ft; and
- With at least one pedestrian access from the street to a main building entrance per 100 feet of street frontage.



UC Connectivity/Pedestrian-Active Use Standards

Illustration demonstrates:

- Required streets and lanes,
- Front property line coverage,
- Retail focus frontage where pedestrian active use requirements would apply, and
- Potential surface parking areas at block interior

AMBERGLEN ZONES AND DEVELOPMENT REGULATIONS



OUTSTANDING ISSUES:

- Focus on economic viability
- Street grid/connectivity standards
- Pedestrian Active Use Requirements
- Limitation on surface parking area

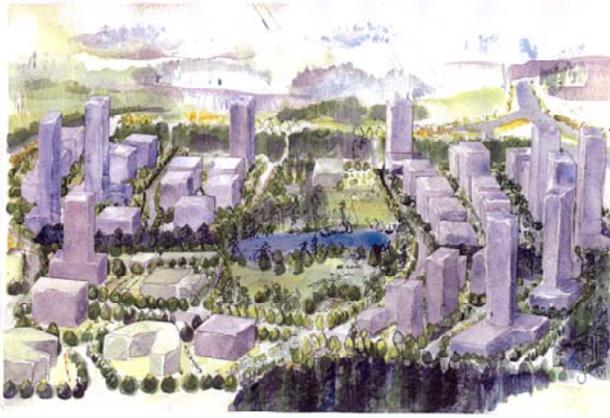
CLARION - DEA

Staff recommendations:

- No revisions to connectivity standards establishing an urban grid at a walkable scale. Standards are critical to accomplishing vision for reasons stated in this presentation.
- No revisions to Pedestrian-Active Use Requirements. They are reasonable and ensure against a single-use district by implementing the retail concept adopted in the AmberGlen Community Plan.
- Support proposed modification to standard limiting surface parking area, increasing the threshold for limiting surface parking from 75,000 gsf to 200,000 gsf.
 - Modification removes incentive to develop below market to avoid triggering limitation on surface parking.
 - Case studies show that regulating surface parking area is not as important as establishing a walkable grid with street front coverage standards.

AMBERGLEN COMMUNITY PLAN

Vision and Partnerships



Create a vibrant regional activity center enlivened with high-quality pedestrian and environmental amenities, taking advantage of the region's light rail system.

CLARION - DEA

Staff recommends UC zones and standards with modification to implement community's vision.