MINUTES Planning Commission

7 pm - August 24, 2015

City Council Chambers – 155 NW 2nd Ave

Present: Commissioners John Savory, Shawn Hensley, John Serlet, and Larry Boatright Absent: Commissioners Kristene Rocha and Tyler Smith

Staff: Bryan Brown, Planning Director, Renate Mengelberg, Economic Development Director, and Laney Fouse, Planning Staff

Others: Jeff Gordon, Aaron Jones, Scott McCormack, Eric McCormack, Heather Austin, Melody & Tracy Boyce, Michael Poissant, Gerry Snavsly, Liz Belz-Templeman

CALL TO ORDER

The meeting was called to order by Chair Savory at 7 pm.

CITIZEN INPUT ON NON-AGENDA ITEMS – None.

MINUTES

Planning Commission Minutes, June 30, 2015

MOTION:

A motion was made by Commissioner Serlet to approve the June 30, 2015 minutes. The motion was seconded by Commissioner Boatright and passed 4/0.

PUBLIC HEARING

a. Consider the Comprehensive Plan Map Amendment, Zoning Map Amendment and Lot Line Adjustment applications from Urban IDM to change zoning for 7.6 acres from M-2 Heavy Industrial to R-2 High Density Residential for a proposed apartment complex for property located at 235 S Sequoia Parkway. (CPA-15-01/ZC-15-01/LLA 15-04)

Chair Savory opened the public hearing and read the public hearing format. He asked for any declarations of conflict of interest or ex parte contact.

No Commissioner had a conflict of interest. Commissioner Boatright said he drove by the site, Commissioners Hensley and Serlet said they had no ex parte contact.

Bryan Brown, Planning Director, entered his staff report into the record for the Canby Commons Comprehensive Plan Amendment, Zoning Map Amendment, and Lot Line Adjustment to change zoning for 7.6 acres from M-2 Heavy Industrial to R-2 High Density Residential for a proposed 166 unit apartment complex. He explained the tax lot map of the area, readjustment of the property line, and conceptual plan for the apartment complex. He gave background information on the application, including the justification for the zone change from industrial to residential. The applicant had difficulty marketing this property as industrial and it was an odd piece of property in its shape and the fact that the majority of it did not have frontage on the main collector street. It was next to Fred Meyer and was a walkable area to stores and employment. In the review the applicant had gone through in deep detail conformance with the Code criteria. It had to conform with the City's Comprehensive Plan goals and policies. Staff worked closely with DLCD (Department of Land Conservation and Development) who recommended an analysis of how the Statewide Planning Goals were met. Staff found the application consistent with the Comprehensive Plan. One finding was in regard to Statewide Planning Goal 2, and stating the fact the City still had large amounts of vacant sites available in the Industrial Park of various sizes and locations. Staff did an Industrial Employment Land Supply & Demand Analysis that showed the City had 164.72 acres of vacant industrial land and another 108 acres of re-developable industrial

land. He explained the improvement conditions which focused on protecting the health, safety, and welfare of existing businesses and providing good quality living environment for the residents of the future Canby Commons. There were five areas that needed zone change conditions of approval. One was screening and buffering, and staff proposed a 25 foot landscape buffer against the parcel that would be retaining the M-2 zoning, a buffer against the rail line, and a minimum 15 foot landscape screening. Another area was sound and vibration and staff proposed building construction standards to protect against noise and adverse vibration impacts, such as triple paned windows and extra insulation of the building and a study of the rail traffic vibration. The third condition had to do with the remaining parcel that was not being rezoned. The applicant would record a deed restriction to limit the outright permitted uses on the remaining parcel to only those allowed in the M-1 Light Industrial Zone. The fourth condition was in regard to limiting driveway access. The applicant would get one driveway per parcel even if it did not meet the 200 foot separation, but they might want to share a driveway with the industrial site for internal circulation in the apartment complex and for emergency access. The traffic study results showed there would be an increase in traffic resulting from the rezone and the adverse impact would be at the Hazel Dell/Sequoia Parkway intersection. The Transportation Planning Rule called for mitigation, and staff proposed a signal light at that intersection. A proportionate share of the cost of the signal could be assessed to the applicant, and staff proposed a 4% contribution in the conditions. The final condition was if this was approved, they were also recommending the signal light and to make it happen within the next 20 years, the Transportation System Plan had to be amended so the signal light was a listed project and it had to be added to the Capital Improvement Plan to make it fundable. The left turn lanes at Township and Sequoia Parkway that was listed in the Transportation System Plan was to be removed from the list in order to add the signal light project. There was also a Lot Line Adjustment with this application and he explained the conditions for the Adjustment. The applicant would need to do a re-plat of the area to satisfy Clackamas County for the exact boundaries, which needed to be done within a year of approval. The City needed ODOT's approval to support the signal light, which the City did get and ODOT recommended two additional conditions of approval. The supplemental traffic analysis would be revised to include lengthening the left turn bay on Sequoia and widening the Fred Meyer driveway to three lanes instead of two with installation of the signal. The City's Bicycle and Pedestrian Committee strongly encouraged access to the City park and Logging Road trail from the apartment complex.

Applicant:

Jeff Gordon, Urban IDM, 1498 SE Tech Center Place, Suite 150, Vancouver, WA, and Aaron Jones, Urban IDM, 4200 SE Columbia Way, Suite F, Vancouver, WA, were the applicants. Mr. Gordon gave a background on the applicants, who were multi-family and industrial owners who built garden style apartment complexes. They also did urban in fill apartments and institutional quality light industrial facilities or concrete tilt wall buildings. Their goal was long term ownerships, they built on what they owned, and they managed what they owned. Originally their plan was to build industrial on the whole 12 acres, but with the inclusion of residential it made it a lot more attractive to industrial users and manufacturers because they liked the proximity of work force housing near their businesses. They had no problem with keeping the other five acres as light industrial. Mr. Gordon showed examples of other projects they had done in Vancouver and what the apartment complex would look like and the amenities the apartment complex would have. A neighborhood meeting was held and they took into consideration the comments in the application. They were in agreement with the conditions proposed by staff. They wanted to provide a range of affordable housing for those who worked in the Industrial Park. Mr. Jones said the market they were trying to attract was people more focused on walkability to work and stores and reduced car trips.

Proponents:

Scott McCormack, Trend Business Center, was in favor of the application. Trend owned two buildings in the Industrial Park that were leased to tenants and planned to construct a third building next year. They did have several concerns at first, but these had been addressed. This would be a good quality, market-rate, middle income apartment complex and they would be happy to have them as a neighbor. This would be a gated community with good landscaping and buffers. Jeff Gordon was a good developer who had a long track record of quality projects. In reviewing the staff report and conditions of approval, their concerns had been addressed. It was good the number of driveways was limited and that the five acre parcel would remain industrial to serve as a buffer. He suggested one other condition stated as follows, "The applicant shall record a deed restriction in favor of all the industrial zoned lots in the Canby Pioneer Industrial Park acknowledging the industrial uses in the industrial zoned properties are pre-existing and do not constitute a nuisance and the apartment owners and residents waive any future claims for nuisance arising out of the current or future industrial uses of those properties."

Renate Mengelberg, Economic Development Director for the City, said they were blessed with industrial land that was ready and waiting for sale. She worked with Mr. Gordon on a number of ideas for this property. It had been priced below market value for a long time and he had not been able to move the site. This was a hard site and without this proposal it would sit vacant for many years. She had tried to provide access to the rail lines on the site, but found that there was not a demand for it at this time. Employers wanted to attract a younger work force that could live in the City. This would be a high quality development at a price point that would serve a lot of different needs and that met the wages employers paid. A business survey was done in the spring, and industrial employers said work force was one of their main issues. There was also a bus stop at the corner by Fred Meyer. The walkability to work, stores, a park, restaurants, health care, and the option to take the bus would serve the needs of the future work force. Trains ran on the track about once a week and where the apartment complex would be they ran slowly. There would not be a loud, thundering noise from it. She encouraged their support of the application.

Liz Belz-Templeman, Chair of the Bicycle & Pedestrian Committee, liked the idea of the apartment complex in this location. The Committee encouraged connectivity to the Logging Road trail, access to the park, and access to Fred Meyer. If there was a fence around the complex, she questioned how people would get access to these pathways and how kids would walk to school.

Opponents: None

Neutral: None

Chair Savory closed the public hearing at 8:17 pm.

Commissioner Serlet asked about irrigating the landscaping. Mr. Brown clarified the Code required the landscape area to be irrigated.

Commissioner Serlet liked what he heard, thought it was well planned, and would support a motion to approve it.

Commissioner Boatright thought it was a well-planned project, but had doubts it was compatible with the industrial zone.

Commissioner Hensley agreed with Commissioner Boatright about putting apartments next to industrial zoned land. This land had been made industrial for a reason and it had access to the rail line. He thought there would be issues putting residential in this location.

Chair Savory said they were blessed with an abundance of available industrial land. He was familiar with residential development pushing up against industrial lands in Portland and it was a continuous battle. He agreed sounds and smells would probably be a problem and the barriers would not keep them out. They would not be compatible.

Commissioner Serlet thought the location lent itself well to a residential area. He was concerned about the noise and driveways, but he was in favor of it due to the proximity of the shopping, dining, and park.

MOTION:

Commissioner Serlet moved to recommend approval of CPA 15-01/ZC 15-01/LLA 15-04 Canby Commons Apartments to the City Council. The motion was seconded by Chair Savory and failed 1/3 with Commissioners Boatright, Hensley, and Savory opposed.

MOTION:

Commissioner Hensley moved to recommend denial of CPA 15-01/ZC 15-01/LLA 15-04 Canby Commons Apartments to the City Council. The motion was seconded by Commissioner Boatright and passed 3/1 with Commissioner Serlet opposed.

b. Consider a Site and Design Review application from OBC Northwest for a proposed 15,000 square foot warehouse building including associated parking and landscaping areas on 2.14 acres of 1158 SW Berg Parkway. (**DR 15-03**)

Chair Savory opened the public hearing and read the public hearing format. He asked for any declarations of conflict of interest or ex parte contact.

No Commissioner had a conflict of interest. Commissioners Hensley and Serlet had no ex parte contact but Commissioner Boatright drove by the site every day.

Mr. Brown entered his staff report into the record. The applicant was proposing to construct a 15,000 square foot metal industrial warehouse on a 2.14 acre parcel. Office space was not proposed at this time. A lot line adjustment had been done changing two parcels into one, and in the future the applicant might build another warehouse over the previous tax lot line. The proposed warehouse would be on the northern part of the property. He explained the site distance issue as a building blocked the view of traffic on the curve. He thought in the future the Commission should address allowing zero setbacks to the property boundary in the M-1 Industrial Zone. Currently it was allowed and staff could not tell them not to use the driveway even though it was unsafe, but staff did say not to add any additional traffic to it. The applicant proposed a new driveway to the south which met the 300 foot separation distance requirement and addressed the issue. The applicant had thought about an alternative design for the building and loading docks, but staff thought the proposed design was preferable to protect the nearby residential area. The applicant also proposed to reduce the required onsite parking from 15 to 5 spaces. They had plenty of room to add more parking in the future if needed. Staff added a condition of approval recognizing if the applicant came in for another building permit that the parking would be increased to meet the standard at that time or waive the requirement if they demonstrated it was not needed.

Applicant:

Tracy Boyce, 3027 Turner Rd, West Linn, was representing the owners of the property and was a majority shareholder of OBC Northwest. They purchased lots 901 and 903 in June 2015 with the idea of building a warehouse on the property and leasing it to OBC Northwest. He gave a background on OBC Northwest, a manufacturer and distributor of agricultural products. They had about 45 employees and were currently leasing a warehouse off site.

The new building would be strictly for overflow inventory. No one would be stationed at the warehouse. The trucks would offload product at this warehouse at about one truck per day, and during the busy season it could be up to ten trucks per week. They were satisfied with all of the findings and conditions. Regarding the parking issue, because there would be no employees and one truck in and out, they would like to put in only five spaces. Operating hours were 7:30 am to 5 pm with no shipments after 3 pm. Their employees would offload the trucks.

There was no proponent, opponent or neutral testimony.

Chair Savory closed the public hearing at 9:02 pm

MOTION:

Commissioner Boatright moved to approve DR 15-03 OBC Northwest. The motion was seconded by Commissioner Serlet and passed 4/0.

c. **NEW BUSINESS** – None.

d. FINAL DECISIONS

(Note: These are final, written versions of previous oral decisions. No public testimony.)

a. OBC Northwest Final Findings (DR 15-03)

Mr. Brown reviewed the final findings.

MOTION:

Commissioner Boatright moved to approve DR 15-03 OBC Northwest Final Findings. The motion was seconded by Commissioner Hensley and passed 4/0.

e. ITEMS OF INTEREST/REPORT FROM STAFF

a. Next Regular Planning Commission meeting scheduled for Monday, September 14, 2015

Mr. Brown announced there would be an all City Committee Work Session scheduled for Wednesday, October 28, 2015 at 6 pm at the Canby Police Department Community Room.

f. ITEMS OF INTEREST/GUIDANCE FROM PLANNING COMMISSION – None.

ADJOURNMENT

MOTION:

Commissioner Hensley moved to adjourn the meeting. The motion was seconded by Commissioner Boatright and passed 4/0. The meeting was adjourned at 9 pm.

Wall Street Journal wed, sept. 9,2015 page C8 The Property Report

Where Everyone Walks to Work

BY ROBYN A. FRIEDMAN

Corporate office parks, suburban campuses created by 🕄 companies decades ago to escape cities, are being reimagined as small versions of the urban-style communities they once avoided.

The latest example is in Minnetonka, Minn., a suburb of

DEAL OF THE WEEK

Minneapolis. There, Roers Investments LLC and CPM Cos. want to demolish

two vacant warehouses to build a 274-unit luxury-apartment project in the middle of the 600-acre Opus II Business Park.

The \$62 million development, which will include a fitness center, rooftop patio, fire pit and underground, heated parking, will feature apartments with monthly rents that range from \$1,155 for a studio to \$2,520 for a two-bedroom unit.

Adding apartments to corporate parks has numerous advantages for developers, according to Maureen McAvey, a senior resident fellow at the Urban Land Institute in Washington. First, most corporate parks are owned by a single entity, making it easier for developers to aggregate the parcels needed to build. With land increasingly scarce in urban and suburban locations, business parks have an abundance of underused space. Corporate parks also usually have easy access to major highways and mass transit, as well as infrastructure such as roads and utilities, which make redevelopment easier and less expensive.

"Virtually every major city in the country is getting stran-

gled by congestion, so the opportunity to live near where you work is attractive to virtually everyone of all age groups," Ms. McAvey said.

Ms. McAvey said that, in general, government officials have been supportive of redevelopment, because it increases the tax base. Their concern, she says, is infrastructure-whether substantial new traffic can be accommodated in the immediate neighborhood of the redevelopment. But in many cases, she said, "because these corporate parks were originally situated near freeways and major arterials, often infrastructure is not a major problem."

'The opportunity to live near where yob work is attractive to virtually everyone.

Brian Roers, owner of Roers Investments, a real-estate firm based in Long Lake, Minn., said the development site, about a 15-minute drive from downtown Minneapolis, also is attractive because it is heavily wooded, with walking and bike paths and ponds. "It is one of the most peaceful sites in Minneapolis, and you would have no idea that you're a quarter mile from two of the busiest roads in the area," he said.

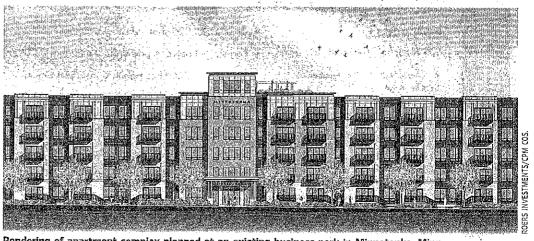
The park is also a major employment center-home to such companies as United-Health Group Inc., Digi International Inc. and Communications Systems Inc.--and is close to a light rail system, allowing future tenants to either walk or bike to work nearby or commute downtown with ease. Jim DePietro, senior vice

president of industrial services at commercial brokerage CBRE Group Inc. in Minneapolis, said he expects retail businesses to come next to Opus II. "We've found higher and better uses for the properties, and I think some will be reallocated toward retail to service the people who will be living here," he said.

Another developer adding apartments to a business park is Jamie Danburg, president of Boca Raton, Fla.-based Danburg Management Corp. Mr. Danburg is developing a 282-unit luxury apartment project within the Park at Broken Sound, a 700-acre corporate park in Boca Ratonwhere raw land is hard to find. Three residential projects are already approved for the park, which has 5.2 million square feet of office space.

Mr. Danburg's project, where rents will range from \$1,775 to \$3,100, will have numerous amenities, including a gym, yoga studio, theater, a pool with cabanas, and bicycle-repair stations. The apartments will be within walking or biking distance of major employers and a commuter railroad., "We're improving on what already exists rather than pushing farther west," Mr. Danburg said.

But while living close to work may be a boon for many tenants, it isn't for everybody. "Anything that can increase traffic is always a problem with existing residents of a site," said Ms. McAvey of the. Urban Land Institute. "And if it's a truly industrial site, there may be some concerns by the industrial users that, once residents are introduced, they can object to truck traffic and delivery schedules."



Rendering of apartment complex planned at an existing business park in Minnetonka, Minn.

2014 Apartment Overview for Canby, Oregon

			Number of Units			Amenities:					
	Name of Property	Year Built	Total Units	Types of Units	Monthly Rent Range	Park- ing	Car Port	Balcony- Patio	Washer/ Dryer in Unit	Commun- ity Center or Gym	Pool
	Stutzman Apartments	1978	13	2 BR	\$585	yes	no	no	hookup	no	no
	Greenbriar Apartments	1974	86	2-3 BR	\$670-875*	yes	no	yes	some	no	yes
	Brentwood Apartments	1976- 77	13	2 BR	\$660	yes	no	no	hookup	no	no
	Canby Garden Townhomes	1972	34	2 BR	\$875	yes	yes	patio	hookup	no	no
	Canby Townhouse	1956- 68	35	2-3 BR	\$825-895	yes	no	patio	yes	no	no
	Canby West Apartments	1983	24	1-2 BR	\$806- 1020, \$555-625*	yes	no	patio	coin-op	yes	no
	Cedar Villa Apartments	1972	16	2-3 BR	\$700-817	yes	no	yes	coin-op	no	no
	Cedars 12 Apartments	1978- 79	12	2 BR	\$690	yes	no	patio	coin-op	no	no
	Crawdad Properties	1966	6	2 BR	\$655	yes	yes	patio	hookup	no	no
	David Hafner Properties	1968	12	2-3 BR	\$698-798	yes	yes	patio	hookup	no	no
	Willamette Grove Apartments	2003	86	1-3 BR	\$725-1025	yes	yes	yes	yes	yes	no
HIE	Pine Terrace Apartments	1996	40	2 BR	\$765	yes	no	yes	hookup	no	no
	Sunburst Apartments	1976	5	2 BR	\$750	yes	yes	yes	hookup	no	no

*LIHTC, Section 8, RD 515, or Senior housing

	4		Number of Units			Amenities:				S. DOW	- 19 -
	Name of Property	Year Built	Total Units	Types of Units	Monthly Rent Range	Park- ing	Car Port	Balcony- Patio	Washer/ Dryer in Unit	Commun- ity Center or Gym	Pool
	Sunset Villa Apartments	1977	16	2 BR	\$775-795	yes	no	no	coin-op	no	no
U	Timber Terrace Apartments	1967- 68	32	2-3 BR	\$725-850*	yes	yes	patio	hookup	no	no
	Kim-Ton Properties	1972	8	2-3 BR	\$795-850	yes	no	patio	free laundry facility	no	no
	Redwood Terrace	1993- 95	57	1-2 BR	\$890-995	yes	yes	most do	yes	yes	no
Lux.	Northwest Carriage Court		30	1 BR	\$628-669, *or 30% of income	yes	no	some patios	coin-op	yes	no
	Rancho Real Apartments	1968	16	1 BR	\$665*	yes	no	no	coin-op	no	no
	Maple Terrace	1990	28	2 BR	\$800	yes	yes	some patios	coin-op	no	no
	The Orchards Apartments	1994, 1999	76	2-3 BR	\$800-1060	yes	no	yes	yes	no	no
Bank	The Township Apartment Homes		92	1-3 BR	\$900-1450	yes	extra fee	yes	yes	yes	no
	Cascade House	1997- 98	50	1-2 BR	\$580-770*	yes	no	yes	coin-op	yes	no
	The Meadows	2004	50	1-2 BR	\$695-795*	yes	no	yes	coin-op	yes	no
TURNE	Canby Village: Senior Apartments	1983	52	1-2 BR	\$635-852, *or 30% of income	yes	no	yes	coin-op	yes	no
TOTALS & AVERAGES		Avg. 35 years old	899	1 BR: 214 2BR: 547 3 BR:128	<u>Avg. Rent</u> 1BR: \$750 2BR: \$783 3 BR: \$947	100%	36%	84%	coin-op: 10 hookup: 8 w/d: 6 other: 1	32%	1

	Contact Information						
Name of Property	Address	Website	Phone				
Stutzman Apartments	408-418, 492-502 S Fir St	none	503-341-7287				
Greenbriar Apartments	250 S Locust St	http://cascade-management.com	503-266-5638				
Brentwood Apartments	410-470 S Knott St	none	503 829-7260				
Canby Garden Townhomes	553 N. Pine St	http://www.princetonproperty.com	503-266-3433				
Canby Townhouse	164-182 NE 4th Ave	none	503-266-9203				
Canby West Apartments	621 N. Douglas St	http://viridianmgt.com	503-266-2003				
Cedar Villa Apartments	401-435 N Cedar St	none	503-246-045				
Cedars 12 Apartments	533-555 N Cedar St	none	503-341-949				
Crawdad Properties	560 NE 16th Ave	none	503-655-288				
David Hafner Properties	620-1611 NE 16th Ave	none	503-263-496				
Willamette Grove Apartments	1802 N Pine St	http://www.norris-stevens.com	503-266-343				
Pine Terrace Apartments	800 N Pine St	none	503-263-496				
Sunburst Apartments	323 S Locust St	none	503-655-641				
Sunset Villa Apartments	340-378 Locust St	http://www.princetonproperty.com	503-242-930				
Timber Terrace Apartments	848 N Pine St	none	503-263-496				
Kim-Ton Properties	466 N Ivy St	none	503-266-920				
Makaweli Capital: Redwood Terrace	2040 N Redwood St	http://www.dalton-redwoodterrace.com	503-266-677				
Northwest Carriage Court	728 NW 5th Cir	none	503-266-233				
Rancho Real Apartments	290 SE 2nd Ave	http://www.princetonproperty.com	503-266-343				
Satellite Properties: Maple Terrace	1701 N Maple St	none	503-866-249				
The Orchards Apartments	450 S Pine St	http://www.princetonproperty.com	503-263-355				
The Township Apartment Homes	700 SE 5th Ave	http://www.liveatthetownship.com	855-591-008				
Cascade House at Hope Village	1555 S Ivy St	http://cascade-management.com	503-266-632				
The Meadows at Hope Village	1546 S Fir St	http://cascade-management.com	503-266-643				
Canby Village	488 NW 6th Ave	http://www.canbyvillage.com	503-266-443				

QUOTATIONS:

"A lot of long-term tenants live here. They like the feelings of security and familiarity." -manager at Pine Terrace

"We are at 100% occupancy and have 60 people on our waiting list It's a 9-12 month wait for a one bedroom apartment and a 2-5 year wait for a two bedroom unit." -manager at Canby Village

By word of mouth alone, "an apartment is spoken for before the previous tenant has left." She wishes she had more properties in Canby "because it is so easy to get renters." —manager at Crawdad Properties

Overview of Canby Apartment Market 2014

FAST FACTS:

Total Number of Apartment Units in Canby	899		
Average Age of Apartment Buildings	35 years old		
Number of Properties Built After 1990	7		
Range in Monthly Rents			
Studio	none		
1 Bedroom	\$580-1050		
2 Bedroom	\$585-1225		
3 Bedroom	\$798-1450		

Typical Amenities:

Free parking on property, balcony or patio attached to unit, all have laundry facilities: many coin-operated on-site, many provide washer/dryer hookups in the unit, and a few do provide washer/dryer in the unit.

NOTES:

- The apartment rental market is so tight, and word-of-mouth so prevalent, that to market widely, if at all.
- Every apartment property in Canby experiences very low turnover (1-3 per year) and many have potential tenants on waiting lists for months or years. Typical vacancy rates range from 0-5%.
- Newer apartment buildings (constructed after 1990) have 9% higher average rent is LIHTC
- Canby has 7 federally-subsidized (LIHTC, Section 8, RD 515, and/or Senior) apartment communities.
- A sample group, consisting of just 5 apartment properties in Oregon City and available units, nicer amenities, and are more visibly marketed through websites, internet searches, and listing publications.



property managers do not need to advertise. Oftentimes an upcoming vacancy is claimed before the current tenant has moved out, and waiting lists negate the need

rates* over older apartment buildings (constructed 1960s-1980s). *unless property

Wilsonville, contains 200 more units than the total number of apartment units that exist in all of Canby. These properties also have newer apartment buildings, more