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CITY OF BEAVERTON STAFF REPORT

TO: Planning Commission

STAFF REPORT DATE: Wednesday, July 20, 2016

HEARING DATE: Wednesday, July 27, 2016

STAFF: Cassera Phipps, Associate Planner

SUBJECT: **CPA2015-0005 (Comprehensive Plan Economy Element)**

REQUEST: The proposed amendment repeals the existing Economy Element (Chapter 9), found within Volume 1 of the Comprehensive Plan, and replaces it with the updated Economy Element. The proposed amendment also adds the Economic Opportunities Analysis to Volume 2 (Background Information and Supporting Documents) of the Comprehensive Plan.

APPLICANT: City of Beaverton – Planning Division

APPLICABLE CRITERIA: Criteria for Legislative Amendments are listed in Section 1.5 of the Comprehensive Plan

RECOMMENDATION: Staff recommend the Planning Commission review the proposed amendment, hold a public hearing, and recommend approval of CPA2015-0005 to the City Council.

1. Background

A Comprehensive Plan is a municipality's road map for the future. The plan is typically written for a 20-year time period, and provides policy direction on matters related to future growth and physical development of the city including land use, economy, transportation, housing and natural resources and other relevant topics. Oregon state law requires all cities and counties to prepare and adopt comprehensive plans that are consistent with Statewide Planning Goals, which are the framework of the state's land use planning system. Upon approval by the state's Land Conservation and Development Commission (LCDC), a Comprehensive Plan is said to be *acknowledged* and becomes the City's controlling document for land use policy.

Beaverton's existing Comprehensive Plan, Volume 1 contains an introduction and the following ten chapters, also referred to as elements:

1. Comprehensive Plan Amendment Procedures
2. Community Involvement
3. Land Use
4. Housing
5. Public Facilities and Services
6. Transportation
7. Natural, Cultural, Historic, Scenic, Energy, and Groundwater Resources
8. Environmental Quality and Safety
9. Economy
10. Community Health

Comprehensive plan updates are typically undertaken when chapters of the plan become outdated and do not accurately reflect recent trends or conditions in the community. Since its original adoption in 1972, the City's Comprehensive Plan has undergone a number of major updates and minor plan amendments. The most extensive update occurred in 2002, at which time the city was engaged in the state's periodic review process and updated the majority of the Comprehensive Plan's elements. Since that time, the Comprehensive Plan has been amended several times, including the adoption of the new Community Health Element (Chapter 10) in 2014, an updated Community Involvement Element (Chapter 2) in 2015, and an updated Introduction and Housing Element (Chapter 4) in 2016. Changes to the Comprehensive Plan outside of the state's periodic review process are called post-acknowledgment plan amendments.

Since periodic review in 2002, the community has experienced significant economic and demographic changes, including a housing boom, followed by a major economic recession, and the current economic and housing recovery. In addition, the City Council adopted the Community Vision in 2010, the Beaverton Urban Renewal Plan and the Civic Plan in 2011, and Creekside District Master Plan in 2014, establishing a number of new goals, recommendations, actions and strategies to help guide future planning efforts and public investments in the City.

Following adoption of the Civic Plan in 2012, it was determined that an update to several chapters of the City's Comprehensive Plan was needed to reflect current conditions and projected trends, and to ensure consistency with recent planning and visioning efforts. The City Council directed city staff to begin the Comprehensive Plan update process - known as Comprehensive Plan 2035 - by updating the Community Involvement Element (Chapter 1), Housing Element (Chapter 4), and the Economy Element (Chapter 9). As the planning process unfolded, it became apparent that a new Introduction would improve clarity and provide context by describing the various planning efforts and changes that have occurred in the community since the last major plan update in 2002.

Following several rounds of public input and review, staff has prepared an amendment intended to replace the existing Economy Element (Chapter 9) in its entirety. The Economy Element will be followed by updates to the Land Use Element (Chapter 3) and Transportation Element (Chapter 6).

2. Summary of Proposed Amendment

As noted above, the subject proposal is to amend the Economy Element (Chapter 9) of the City of Beaverton Comprehensive Plan. The proposed amendment is intended to replace the existing Economy Element. The amendment is the result of a two-year planning process that included substantial input from the public, project advisory committees, Beaverton Committee for Community Involvement (BCCI), Planning Commission and City Council. The update seeks to make the Comprehensive Plan more readable and user-friendly, and include a new format that incorporates photos, sidebars, and graphics that highlight key information and provide visual interest. A summary of the primary features and substance of the updated Economy Element is included below.

Economy Element (CPA2015-0005)

The Economy Element is divided into four sections (9.1 through 9.4), each with a central goal and a series of policies supporting that goal. The four sections in the updated Economy Element (Exhibit 1) include: 9.1. Employment Growth; 9.2 Existing and Future Business Needs; 9.3 Targeted Industries; and 9.4 Development in the Central City.

As a whole, the four sections comprising the Economy Element meet the requirements of Statewide Planning Goal 9 – Economic Development (discussed in further detail below and in Section 4 of this staff report), and describe the current and future employment needs of Beaverton as it transitions from a traditional suburban bedroom community to a city that is becoming more diverse and urban. Goals and policies have been developed to provide a framework that aligns with the vision for Beaverton; one that provides a range of employment options, supports current and future businesses, and promotes the community's assets. The overall economic policy framework supports the transformational change associated with increasing urbanization, while recognizing the challenges of encouraging employment growth within the city's constrained land supply and a changing economy.

The next step for the City is to create a Five-Year Economic Development Strategic Plan that will identify and prioritize programs, projects, and actions that help implement the policies contained in Chapter 9 of the Comprehensive Plan. The strategic plan is proposed to be updated every five years to assess implementation progress and re-evaluate priorities.

To ensure compliance with Statewide Planning Goal 9 – Economic Development, the City contracted with Johnson Economics to complete an Economic Opportunities Analysis (EOA). The updated Chapter 9 includes some of the findings of this analysis, but the majority of the data that provides the factual basis for updated employment goals and policies is found in the EOA. The proposed amendment adds the EOA to Volume 2 of the Comprehensive Plan (Background and Supporting Material).

3. Summary of the Legislative Process

The proposed amendment to the Economy Element is the result of public input, technical analysis, goal and policy development, and public review. Various drafts of the documents have been reviewed by the Planning Commission, City Council, project advisory committees, city boards and commissions, and the general public. Over the past two years, hundreds of comments were received, helping inform the nature and content of the proposed amendment.

Comprehensive Plan 2035 kicked off with a joint meeting of the Planning Commission and City Council on January 28, 2014, during which staff presented an approach for updating the Comprehensive Plan. After receiving direction from the commission and council, staff developed a public involvement plan and project advisory committees were formed. The Community Advisory Committee (CAC) and Economy Technical Advisory Committee (ETAC) guided development of the technical analysis and outreach process, with the first meetings held in June 2014.

As Comprehensive Plan 2035 and the five-year update to the Community Vision action plan were on similar timelines, staff aligned outreach efforts during summer 2014 to focus on large community events including the Beaverton Farmer's Market, THPRD Concerts, Picnics in the Park, and Beaverton Last Tuesday. Ideas and feedback gathered from these events focused on what people would like to see in Beaverton in the next 20 years, and general preferences related to housing and the economy. In fall 2014, topic specific surveys were developed in order to solicit more informative responses related to housing and employment. Online surveys were distributed in October 2014, which resulted in over 300 responses from local employers and employees.

After incorporating comments from city staff, a draft of the Economy Element was prepared for work sessions with the City Council (June 7, 2016) and Planning Commission (June 22, 2016). The work sessions generated substantial feedback primarily focused on reducing technical jargon and improving the readability of the document. Comments received at the work sessions are summarized in Exhibit 2.

Staff has made considerable efforts to ensure that the goals and policies are reflective of the input received from the community over the course of the project. The draft Economy element can be viewed as a compilation of interviews with economic development experts, survey responses, feedback from the project advisory committees, comments from internal staff, and guidance from City Council and Planning Commission.

4. Comprehensive Plan Amendment Procedures and Approval Criteria

Section 1.1.1 establishes procedures for city-initiated amendments of the Comprehensive Plan, stating that amendment requests shall be submitted to the Community Development Director for preparation and analysis for a Planning Commission public hearing or City Council consideration. The Planning Commission and City Council have the right to accept, reject or modify any specific request for amendment in accordance with the City's policies and procedures.

Section 1.3 identifies legislative amendments to the Comprehensive Plan text or map as those having a generalized nature that are initiated by the City, and which apply to an entire land use map category or a large number of individuals or properties, or that establish or modify policy or procedure. Legislative amendments include additions or deletions of text or land use map categories.

Section 1.4.1 establishes the notice requirements for legislative amendments including: inter-agency notice of the initial hearing to the Department of Land Conservation and Development (DLCD), as well as to Neighborhood Association Committees (NACs) and BCCI; publication in a newspaper of general circulation; posting in Beaverton City Hall and the Beaverton City Library; and posting on the city's website.

Section 1.5.1 outlines the criteria for legislative amendment decisions. For the proposed Comprehensive Plan text amendments, the findings are as follows:

1.5.1.A. The proposed amendment is consistent and compatible with relevant Statewide Planning Goals and related Oregon Administrative Rules;

Of the 19 Statewide Planning Goals, Goals 1 (Citizen Involvement) and 9 (Economic Development) are directly applicable to the proposed amendments.

Goal 1 - Citizen Involvement

Statewide Planning Goal 1 calls for cities and counties to “develop a citizen involvement program that insures the opportunity for citizens to be involved in all phases of the planning process”, and that “the citizen involvement program shall be appropriate to the scale of the planning effort”.

The Beaverton Citizen Involvement Program adopted by Resolution 2229 in 1980, established a formalized public participation program for the Beaverton Committee for Community Involvement (BCCI) that provides a method by which the committee and other

community members can communicate their opinions and inquiries about city matters, including the planning process.

As previously noted in Section 3 of the staff report, the Comprehensive Plan 2035 update process included robust public outreach and community involvement. The project began in Spring 2014, and over the last two years has provided multiple opportunities for residents, business owners, employees, advisory committee members, BCCI, and elected and appointed city officials to comment and provide direction on the proposed amendment. On June 27, 2016, staff provided an update on Economy Element update to BCCI.

Goal 9 – Economic Development

As part of its update to the Economy element, the city was required to complete an EOA to show compliance with Statewide Planning Goal 9 –Economic Development.

Statewide Planning Goal 9 calls on cities and counties “to provide adequate opportunities throughout the state for a variety of economic activities vital to the health, welfare, and prosperity of Oregon’s citizens,” and their Comprehensive Plans must include, at a minimum, the following:

- An analysis of the community’s economic patterns, potential, strengths, and deficiencies;
- Policies concerning the economic development opportunities in the community;
- An analysis that shows an adequate supply of employment sites of suitable sizes, types, locations, and service levels for a variety of industrial and commercial uses; and
- Policies that limit uses on or near sites zoned for specific industrial and commercial uses to those which are compatible with proposed uses.

The City contracted with Johnson Economics to complete an EOA (Exhibit 2), that will be added to Volume 2 of the Comprehensive Plan (Background and Supporting Material) in conjunction with the amendment to the Economy Element (Chapter 9). Based on Metro’s 2014 Urban Growth Report, the city is expected to add approximately 18,000 jobs by 2034. The EOA compares Metro’s employment projection (Scenario I) with Oregon Employment Department industry sector forecasts that assume a faster rate of growth (Scenario II), resulting in an additional 28,000 jobs by 2034.

Both employment forecasts described in the EOA identify a mismatch between the future demand and supply for employment lands over the 20-year planning period. Generally, there is a forecasted shortage of land available for both commercial and industrial land types, both within incorporated city limits and the city’s Urban Service Boundary. While the city is not required to meet 20-year employment allocations, the projections shape the goals and policies in Chapter 9, with an increasing emphasis on redevelopment and intensification of uses on already developed sites to help address employment needs.

The EOA has been reviewed by Oregon Department of Land Conservation and Development (DLCD) which found it to be consistent with the requirements of Statewide Planning Goal 9.

Finding: Staff finds that the proposed amendments to the Comprehensive Plan Introduction and Housing Element are consistent and compatible with Statewide Planning Goals 1 and 9, thereby satisfying Criterion 1.5.1.A.

1.5.1.B. The proposed amendment is consistent and compatible with the applicable Titles of the Metro Urban Growth Management Functional Plan and Regional Transportation Plan;

The applicable Titles of the Metro Urban Growth Management Functional Plan (UGMFP Chapter 3.07) are addressed below. Transportation policies are not addressed in the proposed amendment; the Transportation Element (Chapter 6) will be updated in the future to comply with the Regional Transportation Plan (RTP), which is currently under revision by Metro.

Title 4: Industrial and Other Employment Areas

The intent of Section 3.07.410 of the Metro UGMFP is to protect a supply of sites for employment by limiting the types and scale of non-industrial uses in Regionally Significant Industrial Areas (RSIAs), and Industrial and Employment Areas. Title 4 includes a map of Employment and Industrial Areas and establishes requirements for cities and counties to protect these lands. While there are no RSIAs located within the city, there are Industrial and Employment lands in Beaverton. The proposed amendment does not modify existing measures the city has adopted to limit new retail and commercial uses in Employment and Industrial Areas to those uses appropriate to serve the needs of business, employees and residents of employment areas.

As illustrated above, the goals and policies in the updated Economy Element (Chapter 9) are consistent with Metro Title 4.

Title 8: Compliance Procedures

Section 3.07.810.A of Metro Title 8 establishes a process for determining whether city or county comprehensive plans and land use regulations substantially comply with requirements of the UGMFP, and requires cities to submit proposed comprehensive plan amendments to Metro for their review. Notice and a copy of the proposed amendments were sent to Metro more than 45 days prior to the first evidentiary hearing. No response from Metro has been received to date.

Finding: The proposed amendments substantially comply with the relevant UGMFP Titles. The RTP is not applicable to the proposed amendments to Chapter 9 of the Comprehensive Plan. Criterion 1.5.1.B. is satisfied.

1.5.1.C. *The proposed amendment is consistent and compatible with the Comprehensive Plan and other applicable local plans;*

The proposed amendment consists of an update to the Comprehensive Plan Economy Element (Chapter 9). The update was initiated in order to make the Comprehensive Plan more readable and user friendly, and to account for current and anticipated demographic changes, development trends, and employment needs and supply. The update also incorporates major concepts, goals, and policies from recent planning efforts, including the Beaverton Community Vision, Civic Plan, Urban Renewal Plan, Creekside District Master Plan and South Cooper Mountain Community Plan.

Amendment Procedures (Chapter 1)

The proposal complies with the procedures and requirements for legislative Comprehensive Plan amendments found in Chapter 1 as described above. Pursuant to the notice requirements specified in Section 1.4.1, notices for the Planning Commission public hearing were mailed to DLCD, Metro, Washington County, the NAC Chairs, and the BCCI Chair on June 3, 2016 (at least 45 days prior to the scheduled hearing); posted in the Beaverton Building, the City Library, and on the city website on July 7, 2016 (between 20 and 40 days prior to the hearing); and published in the Beaverton Valley Times on July 7, 2016 (between 20 and 40 days prior to the hearing). At the time of this report, no written testimony has been received.

Community Involvement (Chapter 2)

The proposed amendment was developed through an extensive public outreach and review process consistent with the intent of the Community Involvement Element (Chapter 2), which was updated in June 2015 to simplify the planning process for city residents and other stakeholders, and to increase opportunities for community involvement. The updates to the Economy Element improve the readability of the document and provide goals and policies based on recently completed demographic analysis, employment needs/supply projections, employment trends and community input. As such, the proposed amendment is consistent with Chapter 2.

As other chapters of the Comprehensive Plan are updated, including the Land Use Element (Chapter 3) and Transportation Element (Chapter 6), consistency and relationships among policies of all chapters will be a prime consideration as amendments are prepared.

Finding: The proposed amendments are consistent with the policies of Chapters 1 through 10 of the Comprehensive Plan; therefore, Criterion 1.5.1.C. is met.

1.5.1.D. If the proposed amendment is to the Land Use Map, there is a demonstrated public need, which cannot be satisfied by other properties that now have the same designation as proposed by the amendment.

The proposal does not include changes to the Land Use Map; therefore, approval Criterion 1.5.1.D. is not applicable.

Finding: Approval Criterion 1.5.1.D. is not applicable.

Summary Findings for CPA2015-0005: Based on the facts and findings presented, staff conclude that the proposed text amendment to the Comprehensive Plan is consistent with all Legislative Comprehensive Plan amendment approval criteria set forth in Section 1.5.1.A. through D.

5. Staff Recommendation

Based on the facts and findings outlined in this staff report and contained in supporting documents, staff offers the following recommendation for the conduct of the July 27, 2016 public hearing for CPA2015-0005 (Comprehensive Plan Economy Element):

- A. Conduct the public hearing and receive all public testimony relating to the proposal.
- B. Consider the public testimony and the facts and findings presented in the staff report, deliberate on policy issues and other issues identified by the Commission or the public.
- C. Recommend **APPROVAL** of proposed legislative Comprehensive Plan text amendment (CPA2015-0005) to the City Council.

6. Exhibits

Exhibit 1. Economy Element (Chapter 9), amendment to Volume 1, City of Beaverton Comprehensive Plan

Exhibit 2. Economic Opportunities Analysis (Statewide Planning Goal 9 Analysis), amendment to Volume 2 (Background and Supporting Documents), City of Beaverton Comprehensive Plan

Exhibit 3. Comment Matrix, dated July 20, 2016