



TIGARD MADE

Maintain, Advance & Diversify Employment

The report and attachment dated March 8, 2022 and provided below highlights the history of research, policy-setting, and intensive community outreach that were completed as part of the Tigard MADE project and informed the 2022 Economic Opportunities Analysis.

AIS-4866	5.
Business Meeting	
Meeting Date:	03/08/2022
Length (in minutes):	45 Minutes
Agenda Title:	Joint Presentation on MADE with the Planning Commission
Authored By:	Hope Pollard
Item Type:	Update, Discussion, Direct Staff
Public Hearing	No
Legal Ad Required?:	
Publication Date:	

Information

EXPLANATION OF ISSUE

Policy discussion on the Tigard MADE (Maintain, Advance, & Diversify Employment) code project.

ACTION REQUESTED

Briefing only - no formal action requested at this time. Staff requests confirmation from the Planning Commission and City Council on their previous policy direction prioritizing equity, job density, and walkability in Development Code updates.

BACKGROUND INFORMATION

Introduction

Tigard MADE (Maintain, Advance, and Diversify Employment), which started in August 2020, updates the existing land use regulations governing Tigard's employment lands. A changing development landscape, an evolving economy, and a constrained land supply are catalysts creating an opportunity to build Strategic Plan Objectives, the Community Promise, and City Council Goals directly into the Development Code.

The Planning Commission and City Council were introduced to the project in October and November of 2020. In a joint briefing in July 2021, the Planning Commission and City Council directed staff to continue with Development Code updates that advance Strategic Plan Objectives and Council Goals, including changes such as:

- Enhancing **equity** by establishing an industrial sanctuary, which prioritizes job-dense industries with career pathways and living wages.
- Prioritizing **job density** and building density to efficiently use available employment land.
- Promoting **walkability** through mixed-use and pedestrian-friendly development, providing employees and community members better access to services within walking distance.

During this briefing, staff will introduce draft code updates that have since been developed. Staff will also discuss how, in order to respond to the city's limited supply of employment land and advance priorities like equity, job density, and walkability, the draft code creates nonconforming circumstances for some existing businesses.

While no formal action is required at this time, staff requests confirmation of past policy direction regarding the following questions:

1. Should the Development Code prioritize equity?
2. Should the Development Code prioritize job density?
3. Should the Development Code prioritize walkability?
4. How should the Development Code treat nonconforming uses?

Project Background

In 2021, the City's consultant, Johnson Economics, completed an Economic Opportunities Analysis (EOA). The EOA found that over the next 20 years, the City's employment is projected to nearly double in size, growing by up to 18,971 new employees and **necessitating up to 1,132 acres** of land to support business growth. There is currently an **estimated 230 acres of vacant, partially vacant, or redevelopable land available** to accommodate this projected growth. The city is land-constrained, without sufficient land supply to accommodate the projected employment/business growth.

Staff has developed draft code updates that use this land-constrained situation as an opportunity to find innovative job-creating solutions and build Strategic Plan Objectives into the Development Code. These code updates recognize that, given the City's land constrained situation, it's time to make decisions about how to use the existing limited land supply to support a growing economy. The draft code prioritizes:

1. **Equity**—The draft code advances equity through the creation of an industrial sanctuary. This zone prioritizes industries (like manufacturing) that typically provide a higher density of family wage jobs with career pathways, therefore promoting economic mobility for employees.
2. **Job density**—The draft code includes standards that promote building density and job-dense business types. Density and intensification of use is key to managing growth with limited land resources available.
3. **Walkability**—While the draft code accommodates auto-centric and transportation-heavy uses where appropriate, it prioritizes pedestrian friendliness and walkability overall. In some zones, this means prohibiting auto-heavy uses such as drive-throughs, gas stations, and distribution centers.

The draft code converts nine existing base zones into four new base zones. These new base zones are listed below in order of the least restrictive to the most restrictive.

- **C-G: General Commercial:** allows a **wide range** of auto-centric commercial activity and building sizes.
- **MUE: Mixed-Use Employment:** allows the broadest range of low impact uses to locate near each other, with a focus on an enhanced **pedestrian experience**.
- **I-L: Light Industrial:** The I-L zone functions as a sanctuary for manufacturing businesses with a **higher density** of on-site industrial-sector jobs.
- **I-H: Heavy Industrial:** The I-H zone is a refuge for **heavy manufacturing** with heavier off-site impacts.

Nonconforming Circumstances

The proposed draft code advances Strategic Plan Objectives and City Council Goals through land use policy and accommodates the city’s limited supply of available land. The draft code under consideration also creates nonconforming circumstances for some existing businesses and properties.

A nonconforming circumstance is defined by the Development Code in Section 18.50.020 as “lots, structures, uses of land, and site improvements that were lawful when established, but would not be allowed under current regulations as a result of a change to the applicable base zone or development standards.”

Section 18.50.030 of the existing Development Code regulates how nonconforming circumstances are treated. According to this chapter, where the draft code changes create nonconforming situations for existing land uses:

- These uses will be allowed to continue their operation but not expand.
- The use can continue even if tenants/owners change, so long as the property remains vacant for no longer than six months.
- Once an allowed-by-right use occupies the property, it will terminate the nonconforming rights for that property.

It’s important to note that while the proposed code updates will change *where* some uses are allowed, it does not prohibit any existing use citywide. For example, the code may prohibit warehouse and distribution in the industrial sanctuary but newly allow it in the General Commercial zone along 99W. These changes are discussed briefly below.

- **C-G: General Commercial:** creates *no* nonconforming situations. Instead, this zone will open up to allow a number of uses that are currently prohibited in commercial zones.
- **MUE: Mixed-Use Employment:** creates some nonconforming circumstances for existing auto-oriented uses like drive-throughs, distribution centers, gas stations, and large format retail.
- **I-L: Light Industrial and I-H Heavy Industrial:** create some nonconforming circumstances as the code’s definition of “industrial” uses shifts to focus on job density and career pathways. Some existing uses with typically low job density—such as warehouses, bulk sales, wholesale and equipment rental, outdoor sales, and off-site services—will become nonconforming.

The following uses will be most impacted by these changes:

- **Warehouse and distribution** would no longer be allowed in the I-L zone but would be newly allowed in the C-G zone.
- **Off-site services** would be restricted to 7,000 square feet in the I-L and MUE zones.
- **Commercial sales and services** would be restricted to 25,000 square feet where land is being rezoned from a commercial zone to MUE. Additionally, wholesale and bulk sale uses would no longer be allowed in the I-L zone.
- **Drive-throughs, gas stations, and motor vehicle sales and repair** would no longer be allowed where land is rezoned from a commercial zone to MUE.
- **Indoor entertainment** would no longer be allowed in the I-L zone.

Planning Commission and City Council Decision

Given the City's land constrained situation, it's time to start making decisions about how to use the existing limited and underused available land supply. This policy decision requires Planning Commission and City Council input.

While no formal action is required at this time, staff requests direction on the following questions.

1. Should the Development Code prioritize **equity?**
2. Should the Development Code prioritize **job density?**
3. Should the Development Code prioritize **walkability?**
4. How should the Development Code treat **nonconforming uses?**

Conclusion

The City of Tigard is land constrained with insufficient employment land to meet forecasts of land needed to accommodate business growth according to the EOA. Staff have developed draft Development Code updates that respond to this constraint and prioritize equity, job density, and walkability. To advance these priorities, some uses will become nonconforming.

Staff recommends moving forward with draft code updates, including where they create nonconforming situations. This allows the city to accommodate greater job density in the future while promoting equity and walkability—values reflected by the Strategic Plan, Community Promise, and City Council Goals.

Based on input from the Commission and Council, staff will formalize draft code updates, including where they create nonconforming circumstances, and return to Planning Commission and City Council for adoption in June/July 2022.

Dates of Previous and Potential Future Considerations

November 17, 2020: First briefing on project direction and objectives.

July 20, 2021: Second briefing on Economic Opportunities Analysis and staff recommendations for solutions to land constraint.

Upcoming:

June and July 2022: Consideration of code updates for adoption.

Public Involvement

At the previous briefing for the MADE project in July 2021, City staff introduced the expansive community engagement efforts that this project is founded on (Attachment 1).

Since the previous briefing, staff has continued to seek community input through the following formats:

- Town hall series
 - Staff invited all impacted business owners and property owners to a town hall series that consisted of four in-person events and two virtual events. This series was advertised through mailers sent directly to all impacted business and property owners (approximately **1,500 mailers** in total), alerting recipients that upcoming zoning changes could impact how they operate. A total of two property owners and two business owners attended these sessions; none expressed significant concern.
- Website with search tool and survey
 - City staff developed a tool accessible via the MADE engagement website that allows community members to search an address and see how the draft code would impact that property. The tool includes a survey to gather feedback on these changes. The survey received four responses (three expressing support of the changes and one expressing strong dislike).
- Coordination with the Tigard Chamber of Commerce
 - City staff presented at a virtual event hosted by the Chamber, introducing the project to about 20 attendees and requesting feedback. Staff received no feedback expressing strong concern.
 - City staff identified 61 Chamber members who would be impacted by MADE-related changes and sent personalized emails to each member, identifying how they might be impacted and requesting feedback. Staff received no feedback expressing strong concern.
- City staff conducted two types of interviews via Microsoft Teams with two business owners, two property owners, eight developers, and partner agencies:
 - Went over code changes and implications in detail, received input, and made changes to the code accordingly
 - Requested professional input regarding development standards and incentive structure

Impacts

The Tigard MADE project's draft code as written will open the door for equitable, job-dense, walkable development in the city's employment lands. While it will create nonconforming circumstances for some existing businesses and properties, it will advance the City's Strategic Plan Objectives and City Council Goals, particularly the following:

City Strategic Plan Objective 3.1 – Pursue land development that maximizes public health benefits while increasing connection between people and community destinations.

City Strategic Plan Objective 3.2 – Focus development-associated resources in parts of the city that have the capacity to serve, house, employ, and attract the most people with the least impact on Tigard’s systems and the climate.

City Strategic Plan Objective 3.3 – Understand the effects of development on vulnerable Tigard residents and mitigate these impacts within projects over time.

City Strategic Plan Objective 3.5 – Plan and create in a manner that reduces climate impacts to the maximum extent practicable, especially for those most vulnerable.

City Council Goal 2 Outcome - A thriving Tigard community post-pandemic.

City Council Goal 3 Outcome – A reduced carbon footprint for the City.

ALTERNATIVES

Council may direct staff to pursue Development Code updates and propose an approach that avoids creating nonconforming circumstances for existing businesses. Provide staff with specific directives, identifying objectives, concerns, and standards that should be addressed.

ADDITIONAL RESOURCES

MADE engagement website (including search tool and survey):

<https://www.engage.tigard-or.gov/made>

Attachments

[MADE Attachment 1_Prevous Engagement Feedback](#)



Community Outreach: Phase I

Tigard MADE: Community Input Summary

Staff conducted extensive community outreach while developing potential updates to land use policies and the Development Code, recognizing that changes need be built on the real needs and concerns of community members, this includes residents, commercial property owners, businesses and employees. Our outreach approach included:

- A website with information and surveys for business owners and residents. **226 participants** spent time on at least one tab, **126 residents** completed a survey, and **34 business owners** completed a survey.
- Presentations via hosted events, with more than **35 business owners**.
- Individual interviews with **38 business owners, developers, and planning experts**.

Community Input

Business Owners

In order to understand local business owner perspective, staff:

- Held **two events** for the Spanish-speaking business community with Adelante Mujeres (**with 20 and 15 participants**, respectively).
- Held **one event** for the English-speaking business community with the Tigard Chamber of Commerce (**with 12 participants**).
- Presented at the January 2021 Oregon Association of Minority Entrepreneurs (OAME) Coffee and Issues meeting, to listen to the concerns of **86 members** of the regional business community and share information on MADE.
- Hosted an online survey for business owners, available in both English and Spanish. **We received 34 responses (33 in English, 1 in Spanish)**.
- Conducted interviews with **five business owners** via Microsoft Teams.

Feedback from business owners indicates broad support for expanding allowable uses throughout the city. Most business owners indicate an interest in occupying flex space, small offices, mixed-use developments, and strip malls while desiring to be further away from large format retail and heavy manufacturing. They note the most



Community Outreach: Phase I

important aspects of choosing a business location are access to highways and major roads; access to loans, funding, and assistance programs; affordable rent; and flexible parking requirements. New or prospective business owners note a need for assistance with funding and navigating the process of starting a business in Tigard. Outreach thus also served as an opportunity to introduce these new community members to the city’s existing economic development programs that support new businesses.

Residents

In order to understand resident concerns and desires regarding Tigard’s employment land and local commercial activity, staff hosted an online survey, available in English and Spanish, which received **126 responses**.

Resident survey responses indicated a demand for coffee shops, takeout, and restaurants close to home, followed by personal service, convenience food stores, and retail. Responses show support of these uses within .25-.5 miles of home. On the other hand, surveys indicate a desire for warehouse, large format retail, offices, and flex spaces at least a mile from home. Responses also show that residents’ highest priorities when looking for employment opportunities are pay and commute.

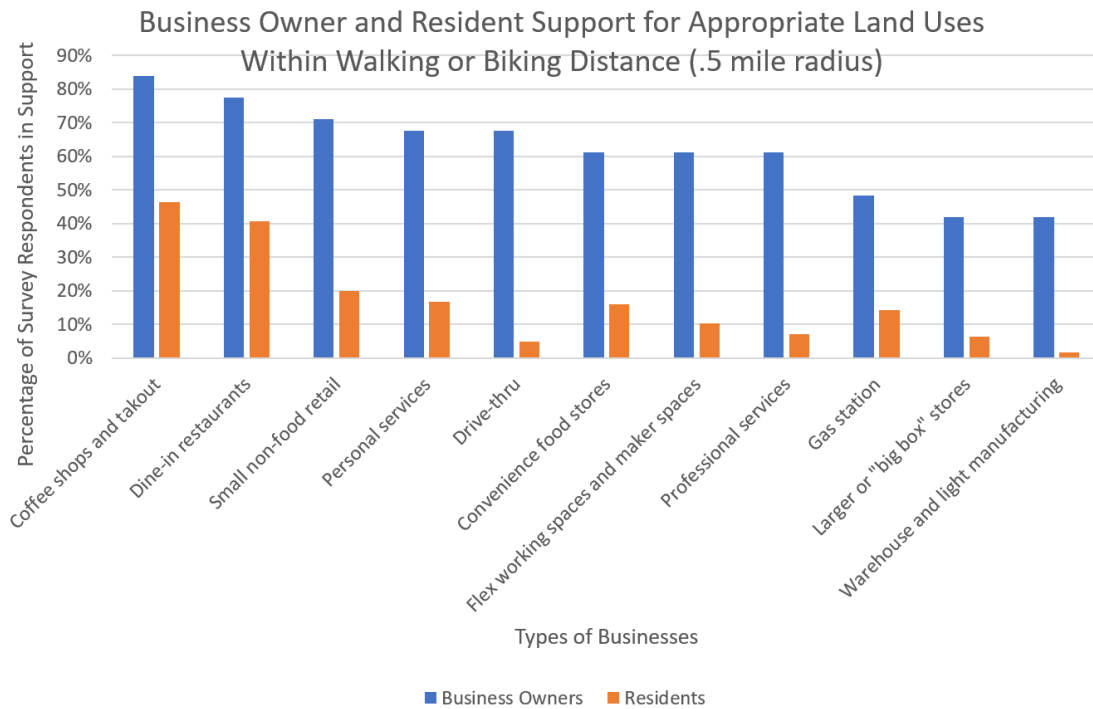


Figure 1: While business owners show support for a broader range of land uses located close to their businesses, residents generally desire businesses to operate further from home. However, both groups indicate a stronger preference for coffee shops, takeout restaurants, and dine-in restaurants within a half mile of their location. **Note: 82.3 percent of resident respondents own the place where they live.**



Community Outreach: Phase I

Builders, Bankers, and Brokers

In order to understand development constraints and market demand, staff held **15 interviews** with members of the local and regional development community (i.e. professionals in commercial banking, development, and real estate in Tigard or the Metro region).

Development professionals advocate for predictable land use standards, review processes, incentive structures, and subsidies or fee waivers to aid in meeting project bottom lines for innovative developments. They broadly support bringing together a mix of land uses and economic activity in new development, with the note that certain projects may not yet be feasible in a suburban environment (i.e. mixed-use structures with industrial ground floors) and that financing may not yet be available for certain types of redevelopment (i.e. conversion of office buildings to residential mixed-use).

Planning Experts

In order to translate feedback into effective land use regulations, staff:

- Attended the 2021 American Planning Association National Planning Conference, with a focus on sessions that addressed equity, sustainability, and mixed-use development.
- Conducted interviews with **five representatives** of City planning departments or private planning-related firms.
- Hosted a graduate team from Portland State University (PSU), who conducted case studies of five Cities throughout the nation and held interviews with **13 planning experts from across the country** to explore Tigard MADE themes.

Planning experts highly recommend the use of incentive structures and predictable yet flexible standards. Incentive structures are most effective when tied directly to reducing development costs. Standards are most effective when specific enough to avoid confusion and flexible enough to allow for adjustments that align with City objectives. They also encourage pursuing mixed-use zoning, except in industrial areas where residential and commercial encroachment could push out job-dense industrial uses. Planners also identify some key standards that can be used to encourage sustainability (i.e. reduced energy consumption, eco roofs, LEED certification) and equity (i.e. smaller tenant spaces, short term leases, publicly accessible open space).



Community Outreach: Phase I

Conclusion and Next Steps

Through Phase I of engagement, staff learned that the most important things for business owners and developers are clarity, predictability, and reduced costs. Residents desire walkable access to small retail, takeout, and coffee services. Planning experts recommend the use of clear but flexible standards, incentives structures, allowed mixing of compatible uses, and preserving industrial zones. Overall, community input indicates support for opening up more of the City's employment land to a mixture of uses, with the caveat that this be done intentionally and with heavier industrial uses still located further from residential and commercial nodes.

During Phase II of this project, staff will share more specific land use updates with the residential, business, and development community to gauge interest and concern regarding potential changes. Phase II will include continued conversations with existing business owners and property owners located in MADE-covered employment zones, hosting online or in-person town halls, and conducting additional interviews.