



Oregon
Theodore R. Kulongoski, Governor

Department of Land Conservation and Development

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NOTICE OF ADOPTED AMENDMENT

01/27/2012

TO: Subscribers to Notice of Adopted Plan
or Land Use Regulation Amendments

FROM: Plan Amendment Program Specialis

SUBJECT: City of Hillsboro Plan Amendment
DLCD File Number 003-11

The Department of Land Conservation and Development (DLCD) received the attached notice of adoption. A Copy of the adopted plan amendment is available for review at the DLCD office in Salem and the local government office.

Appeal Procedures*

DLCD ACKNOWLEDGMENT or DEADLINE TO APPEAL: Friday, February 10, 2012

This amendment was submitted to DLCD for review prior to adoption pursuant to ORS 197.830(2)(b) only persons who participated in the local government proceedings leading to adoption of the amendment are eligible to appeal this decision to the Land Use Board of Appeals (LUBA).

If you wish to appeal, you must file a notice of intent to appeal with the Land Use Board of Appeals (LUBA) no later than 21 days from the date the decision was mailed to you by the local government. If you have questions, check with the local government to determine the appeal deadline. Copies of the notice of intent to appeal must be served upon the local government and others who received written notice of the final decision from the local government. The notice of intent to appeal must be served and filed in the form and manner prescribed by LUBA, (OAR Chapter 661, Division 10). Please call LUBA at 503-373-1265, if you have questions about appeal procedures.

***NOTE:** The Acknowledgment or Appeal Deadline is based upon the date the decision was mailed by local government. A decision may have been mailed to you on a different date than it was mailed to DLCD. As a result, your appeal deadline may be earlier than the above date specified. NO LUBA Notification to the jurisdiction of an appeal by the deadline, this Plan Amendment is acknowledged

Cc: Debbie Raber, City of Hillsboro
Angela Lazarean, DLCD Urban Planner
Anne Debbaut, DLCD Regional Representative
Thomas Hogue, DLCD Economic Development Policy Analyst

Amanda Punton, DLCD Natural Resources Specialist

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FORM

2

DLCD

Notice of Adoption

This Form 2 must be mailed to DLCD within **5-Working Days after the Final Ordinance is signed** by the public Official Designated by the jurisdiction and all other requirements of ORS 197.615 and OAR 660-018-000

☐ In person ☐ electronic ☐ mailed

DATE
STAMP

DEPT OF

JAN 23 2012

LAND CONSERVATION
AND DEVELOPMENT
For Office Use Only

Jurisdiction: **City of Hillsboro**

Local file number: **HCP 2-11**

Date of Adoption: **1/17/2012**

Date Mailed: **1/20/2012**

Was a Notice of Proposed Amendment (Form 1) mailed to DLCD? ☒ Yes ☐ No Date: **5/6/2011**

☒ Comprehensive Plan Text Amendment

☐ Comprehensive Plan Map Amendment

☐ Land Use Regulation Amendment

☐ Zoning Map Amendment

☐ New Land Use Regulation

☐ Other:

Summarize the adopted amendment. Do not use technical terms. Do not write "See Attached".

Proposal combines and consolidates existing HCP Section 20 Shute Road Industrial Site, Section 24 Evergreen Area Industrial Plan, and Section 25 Helvetia Area Industrial Plan into a single Section 30 North Hillsboro Industrial Area Community Plan. THIS NOTICE IS A RESUBMITTAL OF THE ORIGINAL (DATED 3/15/2011) REFLECTING THE POSTPONED HEARING DATE.

Does the Adoption differ from proposal? Yes, Please explain below:

Minor change in Figure 30-G (one asterisk shifted westward)

Plan Map Changed from: **NA**

to: **NA**

Zone Map Changed from: **NA**

to: **NA**

Location: **NA**

Acres Involved: **0**

Specify Density: Previous: **NA**

New: **NA**

Applicable statewide planning goals:

1 **2** **3** **4** **5** **6** **7** **8** **9** **10** **11** **12** **13** **14** **15** **16** **17** **18** **19**
☐ ☒ ☐ ☐ ☐ ☐ ☐ ☐ ☒ ☐ ☒ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐

Was an Exception Adopted? ☐ YES ☒ NO

Did DLCD receive a Notice of Proposed Amendment...

35-days prior to first evidentiary hearing?

☒ Yes ☐ No

If no, do the statewide planning goals apply?

☐ Yes ☒ No

If no, did Emergency Circumstances require immediate adoption?

☐ Yes ☒ No

DLCD File No. 003-11 (18755) [16908]

DLCD file No. _____

Please list all affected State or Federal Agencies, Local Governments or Special Districts:

Metro, Washington County, Tualatin Valley Water District, Clean Water Services

Local Contact: **Debbie Raber**

Phone: **(503) 681-6155** Extension:

Address: **150 E. Main Street, 4th Floor**

Fax Number: **503-681-6245**

City: **Hillsboro**

Zip: **97123-**

E-mail Address: **debbier@ci.hillsboro.or.us**

ADOPTION SUBMITTAL REQUIREMENTS

This Form 2 must be received by DLCD no later than 5 working days after the ordinance has been signed by the public official designated by the jurisdiction to sign the approved ordinance(s)
per ORS 197.615 and OAR Chapter 660, Division 18

1. This Form 2 must be submitted by local jurisdictions only (not by applicant).
2. When submitting the adopted amendment, please print a completed copy of Form 2 on light green paper if available.
3. Send this Form 2 and one complete paper copy (documents and maps) of the adopted amendment to the address below.
4. Submittal of this Notice of Adoption must include the final signed ordinance(s), all supporting finding(s), exhibit(s) and any other supplementary information (ORS 197.615).
5. Deadline to appeals to LUBA is calculated **twenty-one (21) days** from the receipt (postmark date) by DLCD of the adoption (ORS 197.830 to 197.845).
6. In addition to sending the Form 2 - Notice of Adoption to DLCD, please also remember to notify persons who participated in the local hearing and requested notice of the final decision. (ORS 197.615).
7. Submit **one complete paper copy** via United States Postal Service, Common Carrier or Hand Carried to the DLCD Salem Office and stamped with the incoming date stamp.
8. Please mail the adopted amendment packet to:

**ATTENTION: PLAN AMENDMENT SPECIALIST
DEPARTMENT OF LAND CONSERVATION AND DEVELOPMENT
635 CAPITOL STREET NE, SUITE 150
SALEM, OREGON 97301-2540**

9. **Need More Copies?** Please print forms on 8½ -1/2x11 green paper only if available. If you have any questions or would like assistance, please contact your DLCD regional representative or contact the DLCD Salem Office at (503) 373-0050 x238 or e-mail plan.amendments@state.or.us.

<http://www.oregon.gov/LCD/forms.shtml>

Updated December 30, 2011

ORDINANCE NO. 5977

HCP 2-11: NORTH HILLSBORO INDUSTRIAL AREA COMMUNITY PLAN

AN ORDINANCE AMENDING THE COMPREHENSIVE PLAN, ADDING A NEW SECTION 30 NORTH HILLSBORO INDUSTRIAL AREA COMMUNITY PLAN; AND DELETING SECTION 20 SHUTE ROAD INDUSTRIAL SITE, SECTION 24 EVERGREEN AREA INDUSTRIAL PLAN, AND SECTION 25 HELVETIA AREA INDUSTRIAL PLAN.

WHEREAS, Hillsboro Comprehensive Plan Section 20 Shute Road Industrial Site was added to the Comprehensive Plan in 2004; Section 24 Evergreen Area Industrial Plan in 2008; and Section 25 Helvetia Area Industrial Plan also in 2008, following the additions of these lands into the Urban Growth Boundary in 2002, 2004, and 2005 respectively, and

WHEREAS, these three community plans include several specific provisions limiting types of industrial development, land division, and lot sizes, largely based on conditions placed on the additions of these areas into the Urban Growth Boundary, and

WHEREAS, the differences among the Plans has created a policy patchwork of narrow use lists and restrictive, complicated lot division requirements in these areas, and

WHEREAS, during the recent regional Urban/Rural Reserves process, emphasis has been placed on reviewing regulatory systems within the Urban Growth Boundary to encourage the most effective possible use of lands already inside the Boundary, and

WHEREAS, growing consensus among regional economic development experts indicates that the narrow use lists and restrictive, complicated lot division requirements in the community plans have dissuaded several other major industrial users from siting in Hillsboro, and

WHEREAS, the Planning Commission believed it may be appropriate to consider revising the Comprehensive Plan to remove the policy and implementation discrepancies among Sections 20, 24 and 25, and

WHEREAS, Comprehensive Plan Section 1 Planning and Citizen Involvement Subsection (II)(G) authorizes the Planning Commission to initiate Major Comprehensive Plan text and map amendments and sets forth the process for review, and

WHEREAS, pursuant to Comprehensive Plan Section 1 (III)(A)(1), the Planning Commission, acting as the interim Citizen Involvement Advisory Committee (CIAC) as authorized by the City Council, endorsed a public involvement program and initiated this amendment through adoption of Order No. 8039 on March 9, 2011, and

WHEREAS, the Planning Commission conducted a public hearing on the proposed amendments on June 15, 2011 and subsequently recommended City Council approval of the initiated Comprehensive Plan amendments through adoption of Order No. 8045 on July 13, 2011, including as supporting findings the Planning Department Staff Report dated June 15,

2011 attached hereto as Exhibit A and the supplementary evidence submitted into the Record on June 15, 2011 attached hereto as Exhibit B, and

WHEREAS, the City Council considered the Planning Commission's recommendation at its regular meeting on August 16, 2011, and approved the first reading of this Ordinance on that date, and

WHEREAS, the City Council held a public hearing on changes to the proposed ordinance on January 17, 2012, and approved the changes as described in the Planning Department staff report dated January 10, 2012, and

WHEREAS, the City Council adopts the findings attached hereto as Exhibits A and B in support of their decision.

NOW, THEREFORE, THE CITY OF HILLSBORO ORDAINS AS FOLLOWS:

Section 1. Comprehensive Plan Ordinance No. 2793, as amended, is further amended to add Section 30 North Hillsboro Industrial Area Community Plan, attached hereto as Exhibit C.

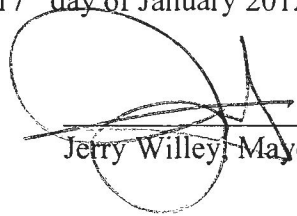
Section 2. Comprehensive Plan Ordinance No. 2793 as amended is further amended to delete Section 20 Shute Road Industrial Site, Section 24 Evergreen Area Industrial Plan, and Section 25 Helvetia Area Industrial Plan.

Section 3. This ordinance shall be effective from and after 30 days following its passage and approval by the Mayor.

First approval of the Council on this 16th day of August 2011.

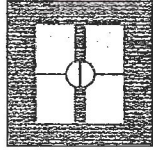
Second approval and adoption by the Council on this 17th day of January 2012.

Approved by the Mayor on this 17th day of January 2012.


Jerry Willey, Mayor

ATTEST: 
Amber Ames, City Recorder

CITY OF HILLSBORO



June 15, 2011

STAFF REPORT

TO: Planning Commission
FROM: Planning Department

RE: Proposed Comprehensive Plan and Zoning Ordinance text amendments creating the North Hillsboro Industrial Area Community Plan and the I-S Industrial Sanctuary zone: Case Files HCP 2-11 and ZOA 2-11

REQUEST

At the regular meeting on June 22, 2011, the Planning Commission will hold a public hearing on proposed text amendments to the Hillsboro Comprehensive Plan (HCP) and the Hillsboro Zoning Ordinance (HZO). The proposed HCP amendments would consolidate the existing Shute Road, Evergreen and Helvetia Community Plans into a single North Hillsboro Industrial Area Community Plan. The HZO amendment would consolidate the original Special Industrial District zone, and the Shute Road, Evergreen and Helvetia Special Industrial District zones into a single I-S Industrial Sanctuary zone.

The Commission initiated these amendments in March 2011.

BACKGROUND

Present Status of Comprehensive Plan language:

HCP Section 20 Shute Road Industrial Site was added to the Comprehensive Plan in 2004; Section 24 Evergreen Area Industrial Plan in 2008; and Section 25 Helvetia Area Industrial Plan also in 2008. The lands covered by these Plans were added to the UGB in 2002, 2004, and 2005 respectively. Conditions were placed on each of the UGB additions, limiting types of industrial development, lot sizes, or both. The Community Plans also include these specific provisions, largely based on the Metro conditions. Each of the Industrial Plans is therefore different, creating a policy patchwork.

Present Status of Zoning Ordinance language:

The HZO presently has two industrial base zones: M-2 Industrial and M-P Industrial Park. The M-2 zone now functions as a mixed use commercial-industrial zone in many locations, and the M-P zone allows office uses as well as industrial uses. The M-P zone also serves as the basis for four Special Industrial Districts (SIDs) which have applied to areas added to the Urban Growth

Boundary since the late 1980s. These SIDs are: West Union (HZO Section 134); Shute Road (HZO Section 134A); Evergreen (HZO Section 134B); and Helvetia (HZO Section 134C). The Evergreen SID further has two sub-areas A and B: this division effectively creates a fifth SID.

The “five” SIDs reflect the specificity of the three Community Plans: Shute Road; Evergreen; and Helvetia. Among the “five” SIDs, there are three distinct permitted use lists, all of which are very specific and narrow and implement the restrictions in the Industrial Community Plans. Commercial uses are tightly restricted, as appropriate for regionally-significant industrial areas. The “five” SIDS also have four separate “regimes” for lot division, to encourage retention of existing large lots and creation of new large lots: these provisions are also entirely appropriate and necessary in these regionally-significant industrial areas.

With the exception of Genentech and several smaller companies in West Union, the SIDs have remained undeveloped. Growing consensus among regional economic development experts indicates that the narrow use lists and restrictive, complicated lot division requirements in the SIDs have dissuaded several other major industrial users from siting in Hillsboro.

PROPOSED COMPREHENSIVE PLAN AMENDMENTS

Attachment A is the proposed Comprehensive text amendment language: this language has been slightly revised from the initiation in March to correct typographic errors in the figure citations in Sections G and H, and to remove an erroneous reference to alternative concept plans. The eight figures cited are also included in the attachment. The draft consolidates HCP Section 20, 24 and 25 into a new Section 30 North Hillsboro Industrial Area Community Plan, which would replace the patchwork specificity of the existing plans with more general language. Policies regarding retention of large lots and restrictions on commercial development would be retained and in some cases strengthened. The concepts in the North Hillsboro Community Plan were developed during the Urban and Rural Reserves process, with the intent that this Plan could be applied both inside the current UGB and on industrial lands in future UGB additions.

The primary elements of the North Hillsboro Community Plan are:

- Consolidation of three community plans into one set of policies and standards
- Consolidation of Implementation Measures :
 - Annexation
 - Commercial nodes
 - Compatibility with agricultural uses
 - Natural resources management
 - Compliance with Metro Functional Plan and UGB expansion conditions
 - Public infrastructure (water, sanitary sewer, and storm drainage) plans
 - Transportation system plans
- Retention of emphasis on industrial development but broadening allowable industrial uses
- Continue focusing commercial support uses in logical locations internal to industrial areas
- Establishing policy basis for more flexible land division while retaining large lots
- Establishing a planning foundation for possible future UGB expansions

PROPOSED ZONING ORDINANCE AMENDMENTS

Attachment B is the proposed Hillsboro Zoning Ordinance (HZO) text amendment language that would consolidate HZO Sections 134, 134A, 134B, and 134C into a single new Section 134D I-S Industrial Sanctuary zone. This language has been slightly revised from the initiation in March for clarification and correction of typographic errors and omissions. The I-S zone was originally drafted in the Community Development Code (CDC) format, relying on the Use Categories concept rather than a specific permitted use list as is used in the present HZO. To facilitate planning for the new Urban Reserve areas and possible UGB expansions, the new zone was reformatted to allow its insertion into the present HZO in 2011. The concepts in the new I-S zone were developed in conjunction with the North Hillsboro Community Plan, to remove the ineffectiveness of the SIDs, their patchwork differences and restrictive specificity.

The primary elements of the I-S Industrial Sanctuary zone are:

- Consolidation of five existing Special Industrial Districts (SIDs) into one new Section, to be applied (in a separate process) to five mapped sub-areas
- Emphasis placed on large lot preservation for industrial use through specific citation in Purpose section
- Removal of restrictive language limiting industrial development to specific clusters
- Retention of industrial focus, but replacement of rigid and unresponsive use restrictions
- Reinforcement of improved standards for development of commercial support uses
- Improvement of land division standards to encourage consolidation for large lots and better platting patterns for small and mid-sized industrial uses
- Restriction of retail, office and service support commercial uses to three areas embedded in the industrial area (not on perimeter arterials):
 - Location permitted only where identified on the community plan map
 - Maximum size of any single use < 20,000 sq. ft.
 - Maximum size of any commercial node < 5.0 GA; with < 50,000 gsf total floor area
 - Development allowed only after thresholds met (gsf industrial permits issued):
 - ✓ 500,000 sq. ft. in West Union/Helvetia or Evergreen West
 - ✓ 1,000,000 sq. ft. in Evergreen East/Shute
- Creation of specific development standards:
 - Setbacks, building heights, lot coverage, landscaping and parking consistent with M-P Industrial Park standards
 - Dimensions for new lots: 600 foot minimum depth/width are greater than M-P
 - Lot areas subject to Lot Reconfiguration and Division Standards
 - Certain areas subject to HIO ASCO zones regulating outdoor lighting, reflectivity, steam or particulate emissions and water impoundments
- Creation of tabular lot area standards for lot divisions: West Union/Helvetia and Evergreen West; Evergreen East/Shute (corrects inconsistencies in existing Evergreen and Helvetia SID zoning)
- Serial (sequential) lot reconfigurations or divisions are restricted to every 5 years

COORDINATION WITH METRO

The concepts in the HCP and HZO amendments have been discussed with Metro for over a year. To adopt these amendments, Metro's concurrence will be needed on three major regional factors:

- Revision of the conditions attached to the UGB additions (which were the basis for the current Comprehensive Plan policies and Zoning Ordinance standards);
- Revision of the Title 4 map to reflect current non-industrial and non-employment development
- Support for the new NHIA Community Plan and I-S zoning as the better alternative to a “just in time” UGB amendment process in the North Hillsboro Urban Reserves

PUBLIC INVOLVEMENT

HCP Section 1 Planning and Citizen Involvement requires Citizen Involvement Advisory Committee (CIAC) endorsement for major Plan amendments and extensive Plan revisions, and encourages CIAC endorsement of public involvement processes in text amendments of more limited scope. The City Council has appointed the Planning Commission as the interim CIAC. During initiation in March, Planning Commission endorsed a public involvement and proposed review schedule which called for an information meeting with the Hillsboro Chamber and other interested parties, an open house for affected property owners, a “Ballot Measure 56” notice, and published notices in the Hillsboro Argus. Although the original schedule was postponed, the elements were retained on the following revised schedule:

March 15	DLCD notice mailed; text change posted to city web site
April 19	informational meeting with Chamber and interested parties
May 6	notice of postponed hearing mailed to DLCD
May 27	M56 notice of public hearing and open house mailed to affected property owners
May 31	First Argus notice published
June 6	informational open house for property owners and interested parties
June 7	Second Argus notice published
June 10	Third Argus notice published
June 22	Planning Commission public hearing opens
July 13	possible continuation of PC hearing

RECOMMENDATION

Following discussion at the June 22nd meeting, Planning staff recommends that the Commission continue the hearing to allow opportunity to respond to any concerns or comments. If no comments are received, and if the Commissioners find the language acceptable, draft Orders recommending Council approval will be returned to the Commission on July 13th.

Respectfully submitted,

CITY OF HILLSBORO PLANNING DEPARTMENT



Deborah A. Raber AICP
Planning Project Manager

Attachments: Attachment A: draft NHIA Community Plan and Figures 30-A to 30-H
Attachment B: draft I-S Industrial Zone

EXHIBIT B
Fact Sheet
Proposed Zoning and Comprehensive Plan Amendments
for
North Hillsboro Industrial Sanctuary

Over the past few years, it has become clear that some of the standards and requirements -- which became Urban Growth Boundary expansion “**conditions of approval**” for specific industrial areas in Hillsboro -- **created unintended impediments to effective use of large lots to support desired job growth in the Silicon Forest**. So, Hillsboro staff worked closely with the private-sector, Metro staff and other stakeholders to propose changes to the City’s Zoning Ordinance and Comprehensive Plan to address these problems.

A new **Industrial Sanctuary Zone** will enable more efficient use of UGB industrial capacity while **supporting the continued market success of the Silicon Forest** as a desirable place to locate and expand industries. A summary of the problems and their solutions is provided below.

Problems with Current Code and Plan

- ◆ Industrial lands brought into the UGB at different times have different and confusing restrictions, requirements and standards
- ◆ Industrial Businesses, Brokers, Site Selectors, Metro staff and Hillsboro have determined that these differing standards are an impediment for location and expansion by many industrial uses
- ◆ The current plan and zoning allow too much discretion and scattering of commercial support areas in this key industrial area, which can negatively impact general industrial areas to the south
- ◆ The current plan and zoning provisions allow opportunities for individual property owners to do “serial” lot partitions, which can undermine the goal of preserving most of these lands for large lot industrial users

Proposed Solutions to Address these Problems

- ◆ Make definition of permitted uses consistent across all existing and future industrial sanctuary lands -- thus eliminating different list of permitted and restricted uses in various subareas (*Evergreen, Helvetia, Shute, West Union*)
- ◆ Establish more stringent location (*nodes*) and use requirements for commercial support areas in the industrial sanctuary – strictly limiting general office and places of assembly
- ◆ Eliminate serial land partition potential to preserve large lots as major employment sites
- ◆ Add land division standards to encourage land assembly and better lot configurations for small and mid-sized industrial suppliers and their facilities

EXHIBIT C:
Findings of Fact and Conclusions of Law
HCP 2-11 North Hillsboro Industrial Area Community Plan
ZOA 2-11 Industrial Sanctuary Zone

The City of Hillsboro is required to comply with Metro's Urban Growth Management Functional Plan (UGMFP) when amending its Comprehensive Plan and Zoning Code. Metro's role in promoting and sustaining a strong, competitive regional economy is partially implemented by cities and counties through compliance with UGMFP Title 4 (Industrial and Other Employment Areas). Title 4 protects a diverse group of industrial and employment lands throughout the region in order to provide for good jobs and enable the efficient movement of goods and freight. The value of large public and private investments in these lands – such as ports and other freight facilities – can be lost if they are converted to other uses.

Metro addresses employment lands in three categories: regionally significant industrial areas, other industrial areas and employment areas. These areas are officially designated on a map approved by the Metro Council and reflected in city and county zoning. Title 4 of Metro's UGMFP, located in Metro Code Chapter 3.07, provides greater detail on Metro's policies relating to the protection of RSIA's, other industrial areas and employment areas.¹

In 2009 Metro reviewed the region's employment and housing needs for the next 20 years, which resulted in an urban growth report indicating that the region already had a sufficient supply of office, retail and light industrial lands within the urban growth boundary to serve future employment needs through 2030. The urban growth report indicated that the region needed to add lands for future industrial employers who might require sites of 50 acres or larger. Such lands are typically designated for regionally significant industrial uses. As a result, in October 2011, the Metro Council added 1,985 acres to the urban growth boundary, of which 330 acres were set aside for future large-lot industrial employment.

City of Hillsboro Urban Growth Management Functional Plan Compliance

The Urban Growth Management Functional Plan requires cities and counties to bring their local development regulations into compliance with the UGMFP within two years of acknowledgement by the Oregon Land Conservation and Development Commission (LCDC) of an amendment to the UGMFP (Section 3.07.810(B)).

Metro amended the Regional Framework Plan and portions of the Urban Growth Management Functional Plan in 2010 and 2011, adopting Ordinance 10-1244B on Dec. 16, 2010, and Ordinance 11-1252A on Jan. 13, 2011. The adopted ordinances identify actions that address housing needs identified in the 2009 Urban Growth Report, state an intent to add large-lot industrial capacity in 2011, amend the Regional Framework Plan relating to Metro Council policies, and amend Metro Code Chapter 3.07 (UGMFP) to implement regional policy. These amendments strengthen protection of industrial land and increase focus on public investments that can serve growth in town and regional centers, employment areas and transportation corridors.

¹ <http://www.oregonmetro.gov/index.cfm/go/by.web/id=5370>

Metro submitted its material to LCDC on March 24, 2011. The Commission will review the material in the coming months and may formally acknowledge the ordinance when it also reviews the Metro Council's October 2011 decision to make adjustments to the urban growth boundary. If LCDC acknowledges Metro's actions in 2012, cities and counties in the region will have two years from the date of acknowledgment to bring their land use regulations into conformance with the UGMFP.

City Response:

The City's existing comprehensive plan and zoning regulations have been deemed by Metro to be in compliance with Title 4 (Sections 3.07.410-3.07.450) as it existed prior to adoption of Metro Ordinance 10-1244B and Ordinance 11-1252A.² **While the City is not yet required to amend its land development regulations to comply with the most recent Title 4 changes, the proposed amendments to the Hillsboro Comprehensive Plan (HCP 2-11) and Zoning Code (ZOA 2-11) substantially comply with Metro's most recent amendments.**

The City has developed the North Hillsboro Industrial Area Community Plan and its implementing I-S zone as a proactive industrial land management tool to facilitate greater industrial development opportunities while complying with Metro Code 3.07 Title 4. The proposed I-S zone will ensure future industrial areas are developed in a cohesive manner that maximizes efficient use of job-creating industrial land. The City staff report dated June 15, 2011 and attached hereto as Exhibit A describes the amendments and public review process in detail. The following sections outline UGMFP Title 4 requirements for regionally significant industrial areas, other industrial areas and employment areas and describe how the City's proposed Comprehensive Plan and Zoning Code amendments comply with those requirements.

Regionally Significant Industrial Areas (RSIAs)

According to Metro, regionally significant industrial areas are those industrial areas near the region's most significant transportation facilities that enable the efficient movement of freight. RSIAs also include other areas most suitable for the movement and storage of goods.

Because of the significance of these areas to the region's overall economy, they are regulated to ensure their continued use and availability as industrial lands. While cities and counties have zoning authority for these areas, Metro's code places limits on the size and location of new buildings for retail commercial uses, such as stores, restaurants, and medical offices, so that these businesses primarily serve the needs of workers in those industrial areas (Section 3.07.420(B)).

Revisions to Title 4 improve protections of significant industrial lands by limiting the development of new parks, schools and places of assembly in those areas.³ Section 3.07.420(D) restricts the placement of schools, places of assembly (20,000 square feet or larger), and parks in RSIAs. Metro also limits the division of lots 50 acres in size or larger in order to maintain an

² See attached letters: June 22, 2009 from Ray Valone to Pat Ribellia; August 17, 2011 from Tim O'Brien to Pat Ribellia.

³ <http://www.oregonmetro.gov/index.cfm/go/by.web/id=34529>

*adequate supply of large-lot industrial sites for current and future employment needs (Section 3.07.420(F)).*⁴

In Regionally Significant Industrial Areas, non-industrial uses are limited to:

- *Retail and professional service uses less than 20,000 square feet per development project, amounting to no more than 3,000 square feet of sales or service area in a single outlet (Section 3.07.420(B));*
- *Uses necessary to serve the needs of businesses and employees of the Regionally Significant Industrial Area. (Section 3.07.420(B)); and*
- *Uses that will not reduce off-peak road performance on major regional freight network routes. (Section 3.07.420(C))*

City Response:

In accordance with (Section 3.07.420(A)), the City derived “specific plan designation and zoning district boundaries of RSIA within its jurisdiction” from Metro’s Title 4 Employment and Industrial Areas Map, using that map as a basis for the boundaries of the proposed I-S zone. The proposed I-S zone includes lands designated for both RSIA and other Industrial uses, including lands in the Evergreen, Helvetia, Shute Road and West Union Special Industrial Districts (SIDs).

The city’s existing development regulations for the Evergreen, Helvetia, Shute Road and West Union Special Industrial Districts (SIDs) prohibit or severely restrict new commercial retail uses while allowing “commercial office uses that are accessory to and in the same building containing businesses engaged in high-technology product manufacturing.”⁵ Title 4 compliance in the I-S Zone is achieved by limiting the scale and location of “eating and drinking establishments, general office uses, and retail goods and services,” requiring those uses must “serve primarily the needs of the businesses and employees in the industrial area.”

The locational limitations of Metro Code Section 3.07.420(B) are implemented in HCP 2-11 through a commercial support nodes map that strictly limits the location of commercial and independent office uses to the interior of industrial areas. Further, ZOA 2-11 permits commercial uses only after certain thresholds of industrial development are met or exceeded. Since the Shute Road SID has additional restrictions on commercial uses that were part of Metro’s conditions of approval for UGB expansion, the North Hillsboro Industrial Area Community Plan (NHIA) amendment specifically locates future commercial nodes outside the Shute Road UGB expansion area.

The NHIA restricts stand-alone retail, office and service support commercial uses to three areas embedded in the industrial area. These locations are identified on NHIA Community Plan Figure 30-G, which shows an alternative location for a commercial node roughly at the intersection of Huffman Road and 253rd on the boundary of the Shute Road site. Strict compliance with Shute Road Condition #8 was achieved by locating this alternative node to the west side of 253rd on the Community Plan map.

⁴ <http://www.oregonmetro.gov/index.cfm/go/by.web/id=274>

⁵ HZO Sections 134A.D.1b, 134B.D.1d and 134C.D.1d.

Similarly, the 50+ acre land division restrictions of Section 3.07.420(F) are met through lot reconfiguration and division standards that require retention and creation of lots of certain sizes, as shown in Tables 134D-2 and 134D-3 in Subsection B and as required in Subsection C for Shute Road. Tables 134D-2 and 134D-3 retain the emphasis on retention/creation of large industrial parcels while allowing a variety of parcel combinations to accommodate future development needs in these more parcelized UGB expansion areas where land assembly will likely be needed to create large scale industrial development sites. Property line adjustments are also addressed in Subsection 134D.10.E and can be permitted in the Shute Road sub-area. Such property line adjustments will be necessary to accomplish the large parcel land assembly outcomes established in the Shute Road Conditions of UGB Approval. This approach is further supported by Subsection 134D.10.D, which echoes Metro Code sections 3.07.420(4) and 3.07.430(4) provisions for exceptions to minimum lot size standards.

Other Industrial Areas

According to Metro, industrial areas that are not designated as RSLAs are important to the region's economy but are not necessarily located near the most important regional transportation connections. Most of the RSLA regional protections against certain types of non-industrial uses also apply in industrial areas to protect freight routes. Many of the limits on creating new industrial lots smaller than 50 acres still apply, though cities and counties have some additional flexibility in zoning.⁶

In Other Industrial Areas, non-industrial uses are limited to:

- *Retail and professional service uses less than 20,000 square feet per development project, amounting to no more than 5,000 square feet of sales or service area in a single outlet (Section 3.07.430(A)); and*
- *Uses that will interfere with the efficient movement of freight on the regional freight network. (Section 3.07.430(B))*

City Response:

In the future, the proposed I-S zone could be applied to lands designated either RSIA or Industrial on Metro's Title 4 Employment and Industrial Areas Map. Those areas include the East and West Evergreen, Helvetia, Shute Road and West Union industrial areas. The proposed North Hillsboro Industrial Area Community Plan amendment and its implementing I-S zone consolidates the existing "patchwork quilt" of policies and standards in the existing Special Industrial Districts (SIDs), which apply to both Title 4 RSIA and Other Industrial lands. Thus, because the I-S zone will implement RSIA restrictions, it also implements the less extensive requirements of the Title 4 Industrial Areas designation (Section 3.07.430). It should also be noted that adoption of the I-S zone ordinance will modify the text of the Hillsboro Zoning Code, but will not apply to any lands within the city until the City Planning and Zoning Hearings Board holds separate public hearing(s) and acts to apply the new zone to specific properties.

Employment Areas

According to Metro, employment areas include a mix of employment uses and may feature higher concentrations of office and retail-oriented businesses. Retail businesses in these areas primarily serve those who work in other businesses within these areas. This distinguishes

⁶ <http://www.oregonmetro.gov/index.cfm/go/by.web/id=274>

employment areas from neighborhood business districts and other commercial areas that cater to nearby residents or other guests.⁷ Metro places some limits on the types of commercial retail uses that cities and counties may allow in employment areas in order to ensure that these commercial retail uses are appropriate in type and size to serve needs of businesses, employees and residents of these areas.

In Employment Areas, retail uses are limited to less than 60,000 square feet. This can be increased if it is demonstrated that transportation facilities are adequate to serve the retail use and to serve other planned uses in the Employment Area.

City Response:

The NHIA comprehensive plan and I-S zoning code amendments will not apply to any UGMFP Title 4 Employment lands. Thus, compliance with Title 4 requirements for Employment Areas is not required for HCP 2-11 or ZOA 2-11. Similarly, since no zoning map amendments will be adopted as part of HCP 2-11 or ZOA 2-11, Metro Code Section 3.07.450 (Employment and Industrial Areas Map) does not apply to these amendments.

Conclusion:

City and Metro staff worked together as the HCP 2-11/ZOA 2-11 text amendments were being drafted. Hillsboro mailed notice of the proposed plan and zoning code amendments to Metro staff on May 6, 2011, 47 days prior to the first evidentiary hearing on this matter on June 22, 2011. At that hearing the Planning Commission recommended approval of the proposed amendments to City Council. A Council work session, followed by first reading of the ordinance, occurred on August 16, 2011.

As documented in City staff reports, Metro and city staff met on March 3, 2010 and July 2, 2010 prior to formal City review of the plan and zoning code amendments. Alternative land regulation approaches were discussed that would meet the various conditions of approval for UGB expansion areas while creating a unified industrial area regulation system to facilitate land assembly and efficient use of regionally significant industrial areas.

A third meeting with Metro staff was held on August 12, 2011 following the city Planning Commission's recommendation for approval to the City Council. The proposed I-S zone was reviewed for compliance with Metro's Shute Road conditions of approval. Final comments were reviewed and incorporated into Exhibit D, attached.

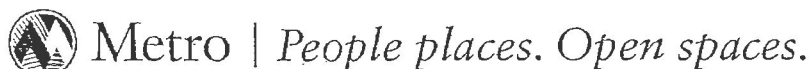
On January 5, 2012 the City received the attached letter from Tim O'Brien, Metro Principal Regional Planner stating "I am confident that the proposed text amendments meet the conditions of approval for the Shute Road addition to the Urban Growth Boundary as outlined in Metro Ordinance No. 02-983B."

⁷ <http://www.oregonmetro.gov/index.cfm/go/by.web/id=274>

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503-797-1797 fax

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FILE



June 22, 2009

Pat Ribellia
Planning Director
City of Hillsboro
150 E. Main Street
Hillsboro, OR 97123

RECEIVED

JUN 24 2009

CITY OF HILLSBORO
PLANNING DEPARTMENT

RE: METRO TITLE 4 COMPLIANCE

Dear Mr. Ribellia:

Metro staff recently re-reviewed current City of Hillsboro land use standards as they apply to designated Title 4 lands. Based on our review, and subsequent discussions regarding elements of Title 4 compliance, Metro finds that the City of Hillsboro meets the test of "substantial compliance" with Title 4 of Metro's Urban Growth Management Functional Plan (UGMFP). We apologize for the delay in reaching our conclusion. The unique manner in which the City has applied Title 4 standards has required extended discussion within our planning department and between Metro and City of Hillsboro staff.

It should be noted that, should the City of Hillsboro in the future work with Metro to add Industrial or Employment land to the Urban Growth Boundary, the newly added land will be subject to the requirements of the UGMFP. Consequently, any newly added lands would need to comply with Title 4 in their entirety.

Also, Section 3.07.450 of the UGMFP sets out a process and criteria for changes to Metro's Employment and Industrial Areas map. While this process does not have to be included in the City's comprehensive plan or implementing codes, we want you to be aware of this should the City contemplate changes to areas designated as Regionally Significant Industrial Area, Industrial Area or Employment Area.

Title 4 was amended by the Metro Council in June 2004 in conjunction with the UGB expansion to fulfill the region's need for industrial land. The purpose of the code change was to protect the supply of employment sites by limiting the types and scale of non-industrial uses in areas designated as Industrial or Regionally Significant Industrial. The change also sought to provide the benefits of 'clustering' to industries that operate more productively and efficiently in proximity to one another, and to protect the capacity and efficiency of the region's transportation system for the movement of goods and services.

We believe the steps the City has taken since the June 2004 changes to Title 4 will help the region achieve these goals, and for industrial areas in particular. Please do not hesitate to contact me if you have any questions.

Sincerely,

Ray Valone
Principal Regional Planner

cc: David Bragdon, Metro Council President
Councilor Kathryn Harrington, District 3
Chris Deffebach, Land Use Planning

600 NE Grand Ave.
Portland, OR 97232-2736

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08-13-11A10:46 RCVD

August 17, 2011

Pat Ribellia
Director, Planning Department
City of Hillsboro
150 Main Street, 4th Floor
Hillsboro, OR 97123

Dear Pat:

Thank you for the opportunity to meet with you and your staff on August 12, 2011 regarding the city's proposed Comprehensive Plan and Zoning Ordinance text amendments creating the North Hillsboro Industrial Area Community Plan and the I-S Industrial Sanctuary zone (Case Files HCP 2-11 and ZOA 2-11). We realize that Hillsboro staff has found it complicated to implement the various conditions that were applied to the three different industrial expansion areas and support the city's effort to create a consistent development process for this significant job producing area.

As noted in our discussion, it is unclear to Metro staff as to how the Lot Division or Assembly Reconfiguration Calculations in Table 134D-3 of Exhibit C to ZOA 2-11 meet the lot/parcel reconfiguration requirements for the Shute Road addition to the Urban Growth Boundary as outlined in Condition 7 of Exhibit B to Metro Ordinance No. 02-983B. Please provide Metro with an explanation as to how the proposed lot division or assembly reconfiguration calculations meet condition 7 of the Shute Road urban growth boundary expansion ordinance. Also, please explain how the plan and zoning ordinance changes address the limitations on non-industrial uses in condition 8 of the ordinance. We ask for this information pursuant to Metro Code 3.07.820A.

We look forward to continue working with you on this proposal to consolidate the existing Shute Road, Evergreen and Helvetia Community Plans into a single North Hillsboro Industrial Area Community Plan that will eliminate some of the unintended impediments that have occurred over the last few years related to the efficient use of large industrial sites.

Sincerely,

Tim O'Brien, AICP
Principal Regional Planner

c: Deborah Raber, Project Manager, Hillsboro Planning Dept.
Alwin Turiel, Supervisor, Hillsboro Planning Dept.
Councilor Kathryn Harrington, District No. 4
Richard Benner, Senior Attorney
John Williams, Interim Director, Planning and Development

600 NE Grand Ave.
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01-07-12A04:55 RCV0

January 5, 2012

Pat Ribellia
Planning Director
City of Hillsboro
150 Main Street, 4th Floor
Hillsboro, OR 97123

Dear Pat:

I am in receipt of your letter dated December 8, 2011 regarding the proposed text amendments to create the North Hillsboro Industrial Community Plan & Industrial Sanctuary Zone (HCP 2-11 & ZOA 2-11). After reviewing the attachments you included with the letter and discussing the issue with Alwin Turiel of your staff, I am confident that the proposed text amendments meet the conditions of approval for the Shute Road addition to the Urban Growth Boundary as outlined in Metro Ordinance No. 02-983B.

Please include this letter in the packet for the Hillsboro City Council work session on January 17, 2012. Again, we recognize all of the hard work the City has done to develop the North Hillsboro Industrial Area Community Plan and we look forward to continuing to work with you in the future to ensure the efficient use of large industrial sites in Hillsboro.

Sincerely,

Tim O'Brien, AICP
Principal Regional Planner

c: Deborah Raber, Project Manager, Hillsboro Planning Dept.
Alwin Turiel, Supervisor, Hillsboro Planning Dept.
Councilor Kathryn Harrington, District No. 4
John Williams, Deputy Director, Planning and Development

HCP 2-11: NORTH HILLSBORO INDUSTRIAL AREA

Section 30 North Hillsboro Industrial Area Community Plan

(I) Goals

- (A) To identify land planning and design concepts for the North Hillsboro Industrial Area that shall generally guide land use, development lotting patterns and public facilities planning and implementation within the Area.
- (B) To expand and diversify the Hillsboro industrial economic base by providing for:
- Large parcels to accommodate industrial campuses, vertically-integrated companies and related businesses; and other industrial users;
 - Medium and small parcels to accommodate industrial campuses and business parks for flex space users, research and development companies, incubator businesses, business suppliers, spin-off companies and other businesses that derive from, or are extensions of larger campus users and industrial developments within the North Hillsboro Industrial Area and the Portland Region.

(II) Policies.

- (A) Where the prevailing ownership pattern is larger lots, encourage and facilitate the creation of large industrial sites (parcels 50 – 100 or more acres in size) for large-scale industrial campuses and development projects, and land assembly and reservation of such sites where large-size parcels form the prevailing land ownership pattern.
- (B) Where the prevailing ownership pattern is smaller lots, encourage and facilitate the development of smaller, diversified industrial uses and sites (20 – 50 acres in size) - especially smaller-scaled flex-space industrial business parks.
- (C) Create opportunity for location of support commercial nodes at specific areas, to reduce vehicle miles traveled and serve the daily commerce needs of businesses and employees in the surrounding industrial areas, provided that such nodes are created based on demonstrable need from surrounding development.
- (D) Provide for aesthetically attractive, well designed industrial development within every development site in the North Hillsboro Industrial Area.
- (E) In accordance with ORS 268.390 (SB 722 '07), develop and apply an Industrial Sanctuary zone that substantially complies with Metro Urban Growth Boundary (UGB) Conditions of Approval and Urban Growth Management Functional Plan requirements that may apply to properties in the North Hillsboro Industrial Area.

(III) Implementation Measures.

(A) Annexation.

Prior to their annexation to the City and the concurrent application of the Industrial Sanctuary zoning to properties in the North Hillsboro Industrial Area, land uses within the Area shall continue to be governed by the existing Washington County zoning of the properties. Annexation of Area properties to the City shall take place in accordance with annexation policies and practices set forth in the City Municipal Code and in the Code of the Portland Metropolitan Service District ("Metro").

(B) Compatibility with agricultural uses.

Site design and architectural measures that provide for compatibility between and among industrial land uses developed within the Area and nearby agricultural uses and operations shall be provided through the City Development Review/Approval process (Section 133 of the Hillsboro Zoning Ordinance), unless demonstrated to be physically or financially impracticable. Possible compatibility measures include, but are not limited to: building orientation and setbacks; landscaping; land buffers; and access easements for farming vehicles and machinery.

(C) Commercial nodes

Development of new commercial uses shall be clustered into nodes within the Area. New commercial development will demonstrably primarily serve the spectrum of daily convenient commerce needs of businesses and employees in the surrounding industrial area. Support commercial service developments may contain child care and pet care facilities.

(D) Natural Resources Management

In accordance with the City's Goal 5 provisions of Section 6, Natural Resources, Open Space, Scenic and Historical Sites, of the Hillsboro Comprehensive Plan, significant wetland and riparian/upland wildlife habitat resources in the North Hillsboro Industrial Area shall be accorded the appropriate protection level prescribed by Section 131A, Significant Natural Resources Overlay District, of the Hillsboro Zoning Ordinance upon annexation to the City of the land on which they exist.

In particular, mitigation and enhancement activities shall emphasize the improvement of the Waible Creek Tributary wetlands, floodplain and riparian upland wildlife habitat resources, collectively referenced as the Waible Creek Tributary Riparian Corridor. In the Corridor, the guiding principle for mitigation and enhancement activities is connectivity of resource types, to allow wildlife passage between larger habitat units and genetic flow between plant communities. Where development projects impact significant natural resources, the City may identify and require appropriate mitigation and

enhancement measures by such projects to improve connectivity and resource functions and values within and connected to the Corridor.

(E) Historic Resources

At the time of Development Review and construction on property in the vicinity of the probable former location of the historic *Methodist Meeting House*, as documented on the Washington County cultural and historic resource list, the City shall require construction of a Monument on that property by the developer. The Monument shall commemorate the historical importance of the Methodist Meeting House and shall include plaques or other written descriptions of the history of the Meeting House and its historical significance to the local community and Washington County. The Monument shall further include historical information relating to burial grounds once associated with the Meeting House location. Final design and location of the Monument shall be reviewed and approved by the Planning Director as a part of required project Development Review prior to its construction.

(F) Compliance with Metro Functional Plan and UGB expansion conditions

Consistent with ORS 268.390, the City shall adopt an Industrial Sanctuary zone to assure that public and private land use and development actions within the Area attain substantial compliance with Regional UGB Conditions of Approval, including standards assuring substantial compliance with Title 4 development requirements and Regionally Significant Industrial Area (RSIA) designations.

(G) Public Infrastructure (Water and Sanitary Sewer) Management Plans

The recommended water system, sanitary sewer system, and stormwater disposal system facilities shown on the *North Hillsboro Industrial Area Public Facilities and Services Maps*, as shown in Figures 30-A through 30-F, shall be incorporated into the following *Hillsboro Public Facilities Plan* (2001) Maps as appropriate:

- *Water System Improvements Map* (June, 2001)
- *Surface Water Management System Improvements Map* (June, 2001)
- *Sanitary Sewer System Improvements Map* (June, 2001)

(H) Transportation System Plans

Transportation System Plans are shown in Figures 30-G and 30 – H. Proposed roadway improvements include the following:

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Arterial Streets:

NW Evergreen Road
NW Brookwood Parkway

Collector Streets:

NE Huffman extension
Dawson Creek Drive extension
NW 253rd Avenue
NW 263rd / 264th Avenue
NW Sewell Road
NW 273rd Avenue
NW Jacobson Road realignment
NW Schaff Road extension
NW Pubols Road extension

The location and design of the transportation facilities shown in Figures 30-G and 30-H are conceptual and general in nature. Specific roadway alignments and intersection improvements shall be incorporated into the City Transportation System Plan (TSP) when such alignments and improvements have been firmly determined and finalized.

Figure 30-A: Evergreen/Shute Sub-Areas Conceptual Water System

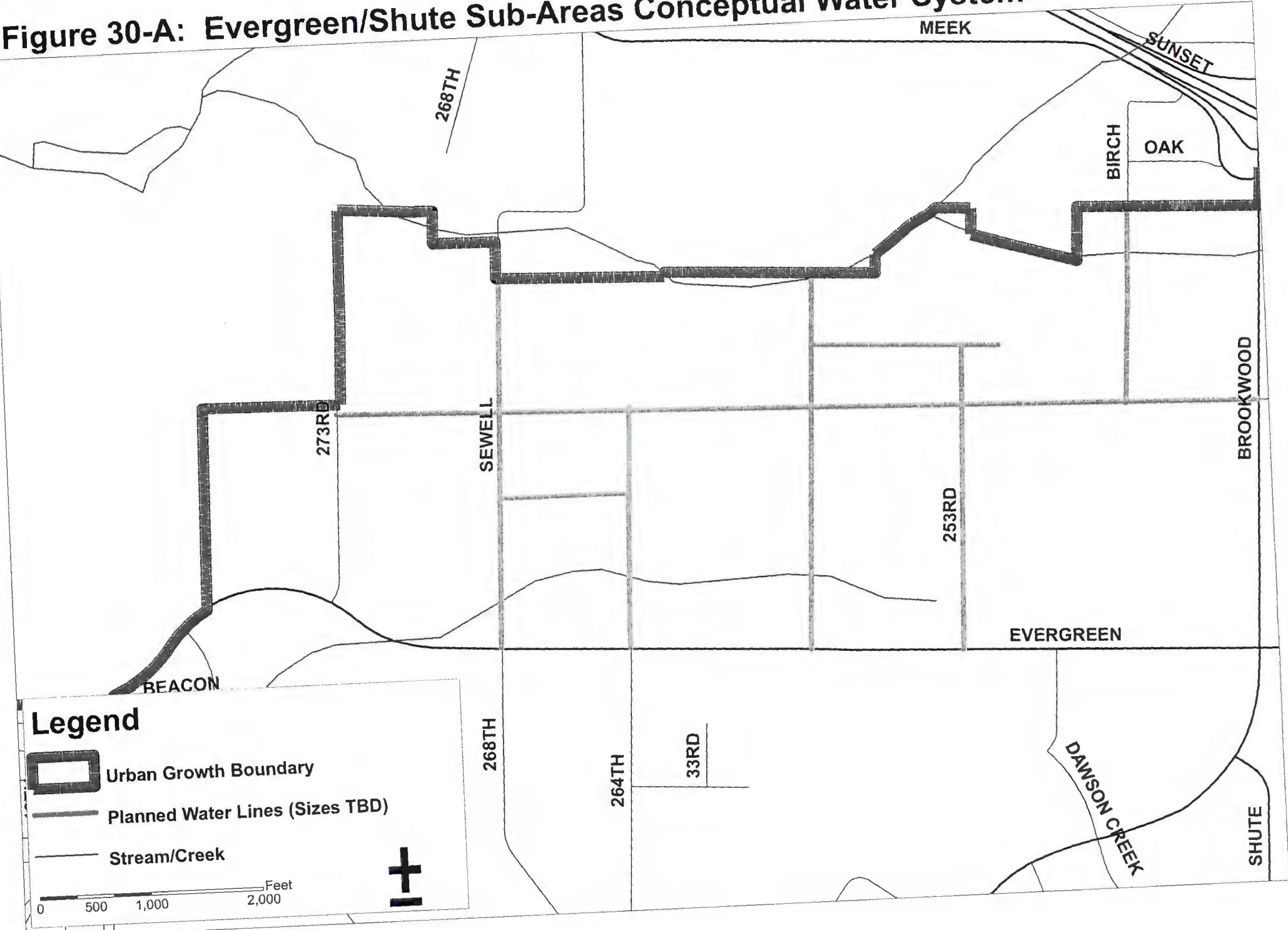


Figure 30-B: Helvetia/West Union Sub-Areas Conceptual Water System

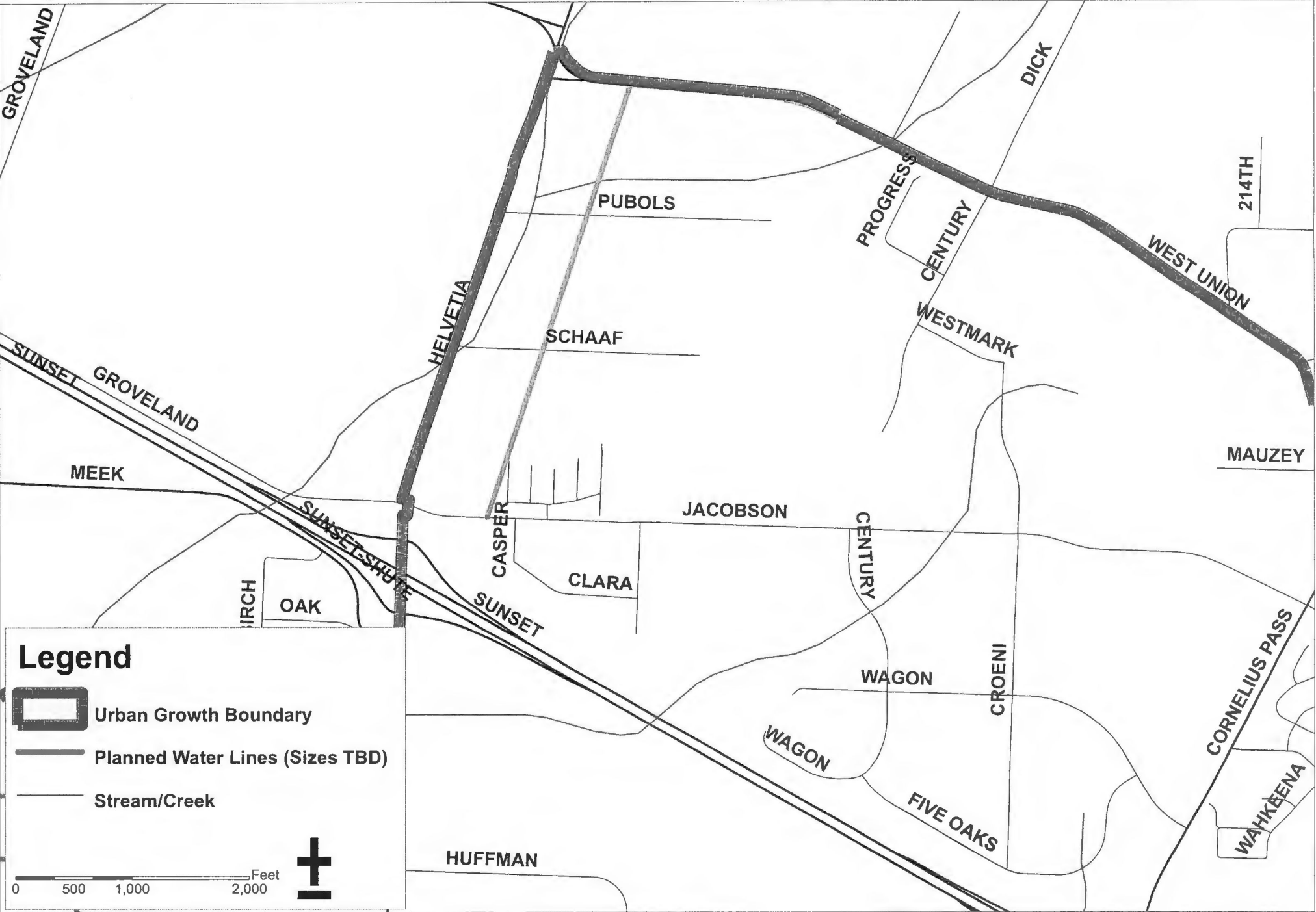


Figure 30-C: Evergreen/Shute Sub-Areas Conceptual Sanitary Sewer System

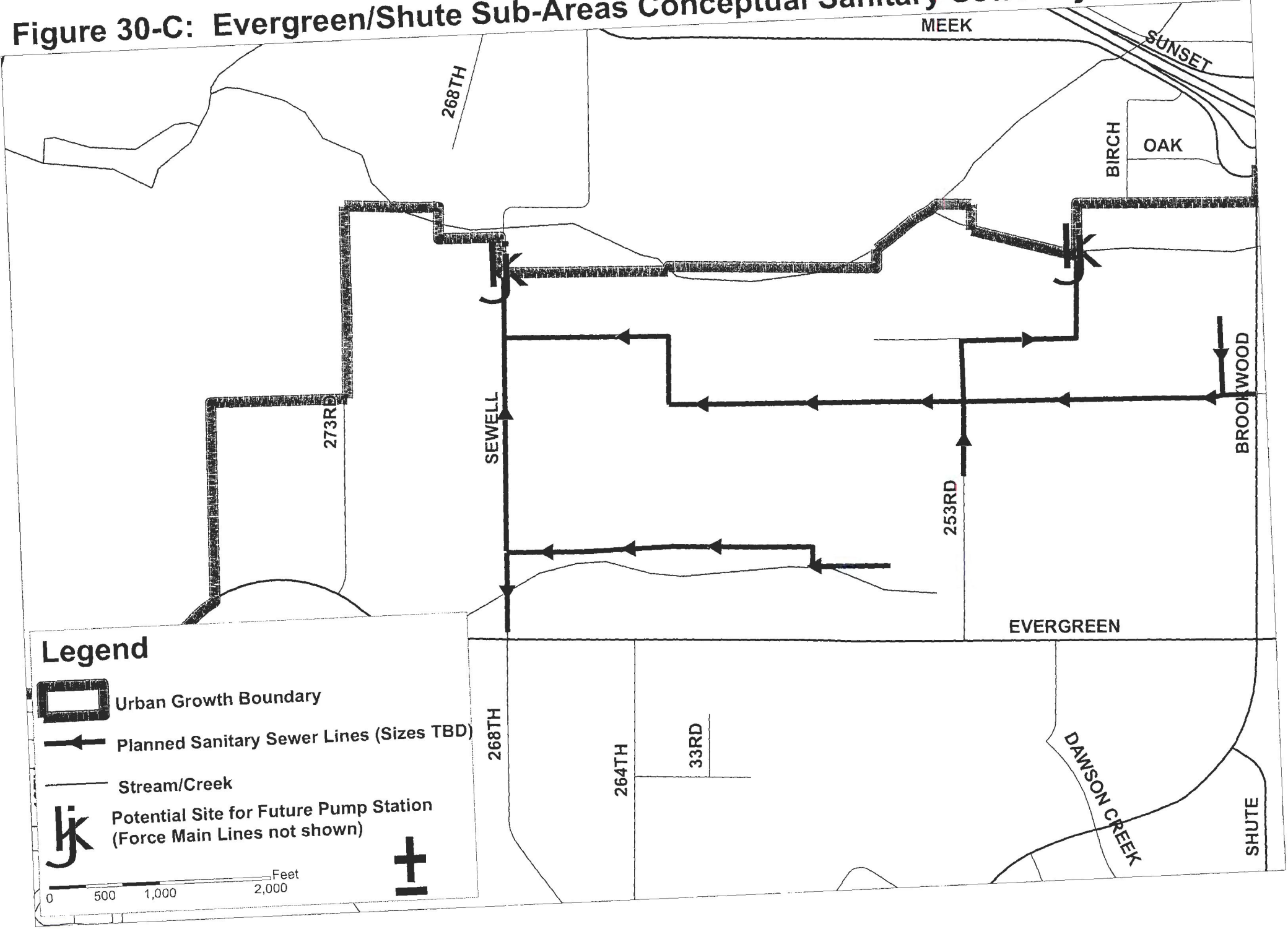


Figure 30-D: Helvetia/West Union Sub-Areas Conceptual Sanitary Sewer System

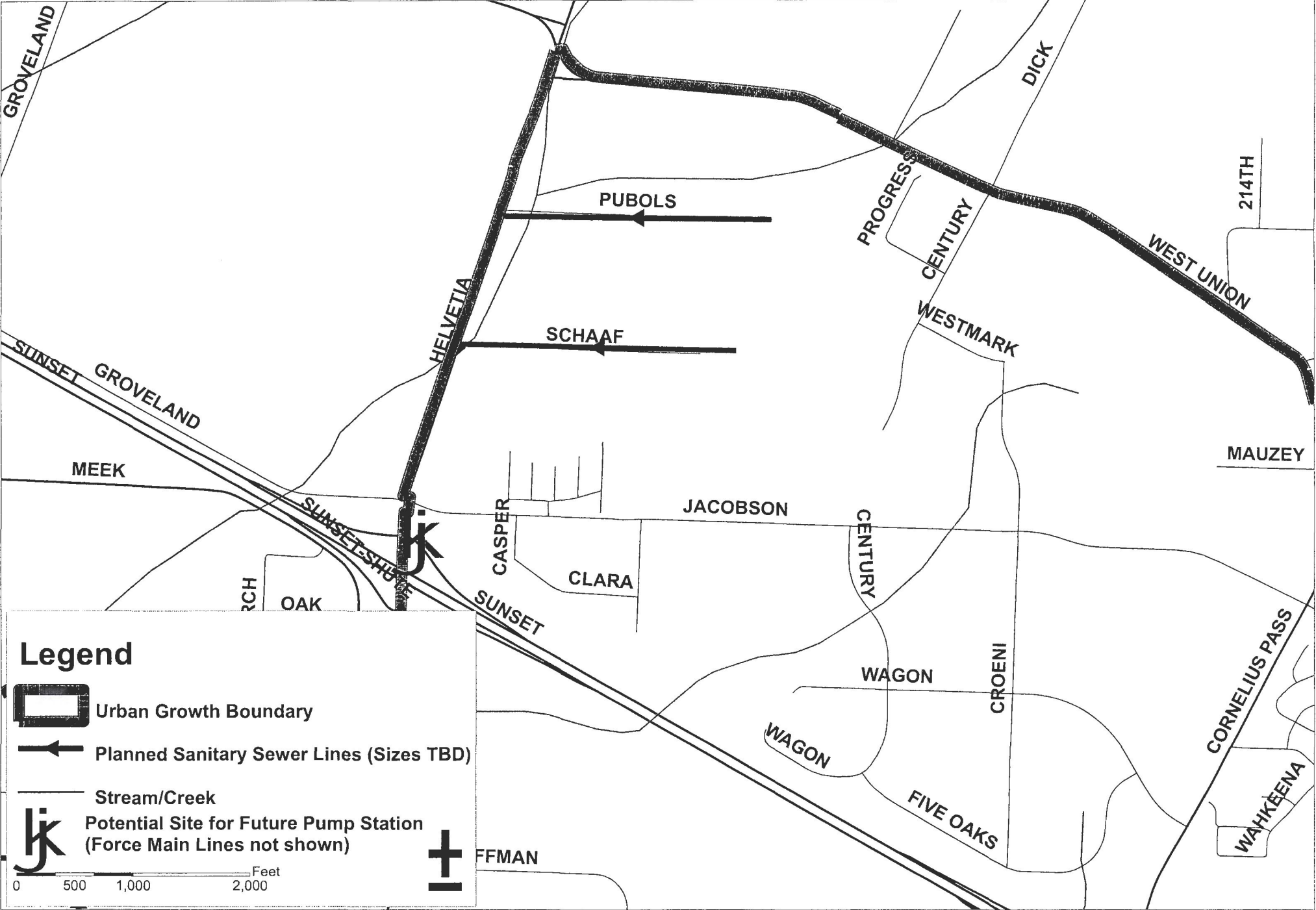


Figure 30-E: Evergreen/Shute Sub-Areas Conceptual Storm Drainage System

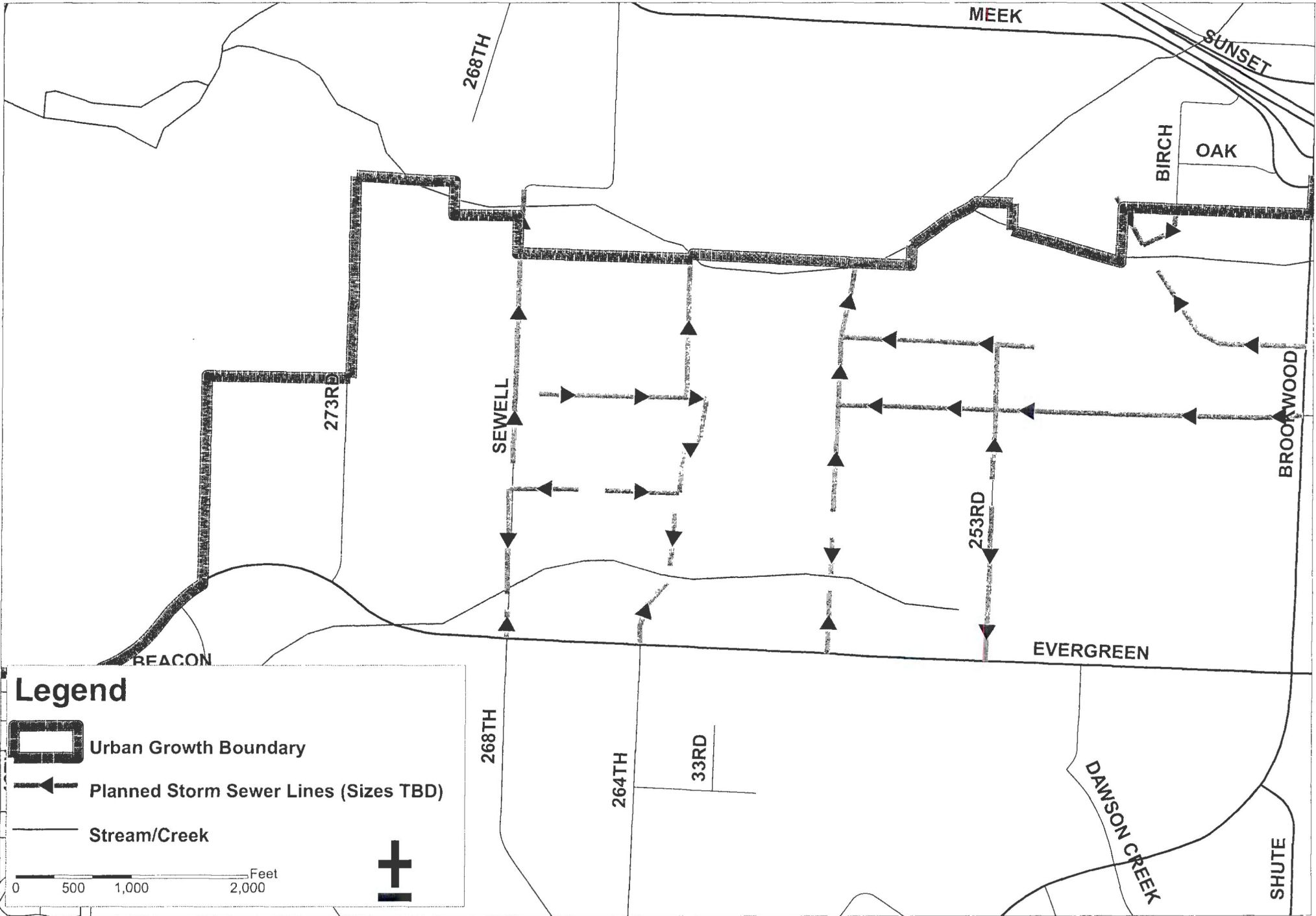


Figure 30-F: Helvetia/West Union Sub-Areas Conceptual Storm Drainage System

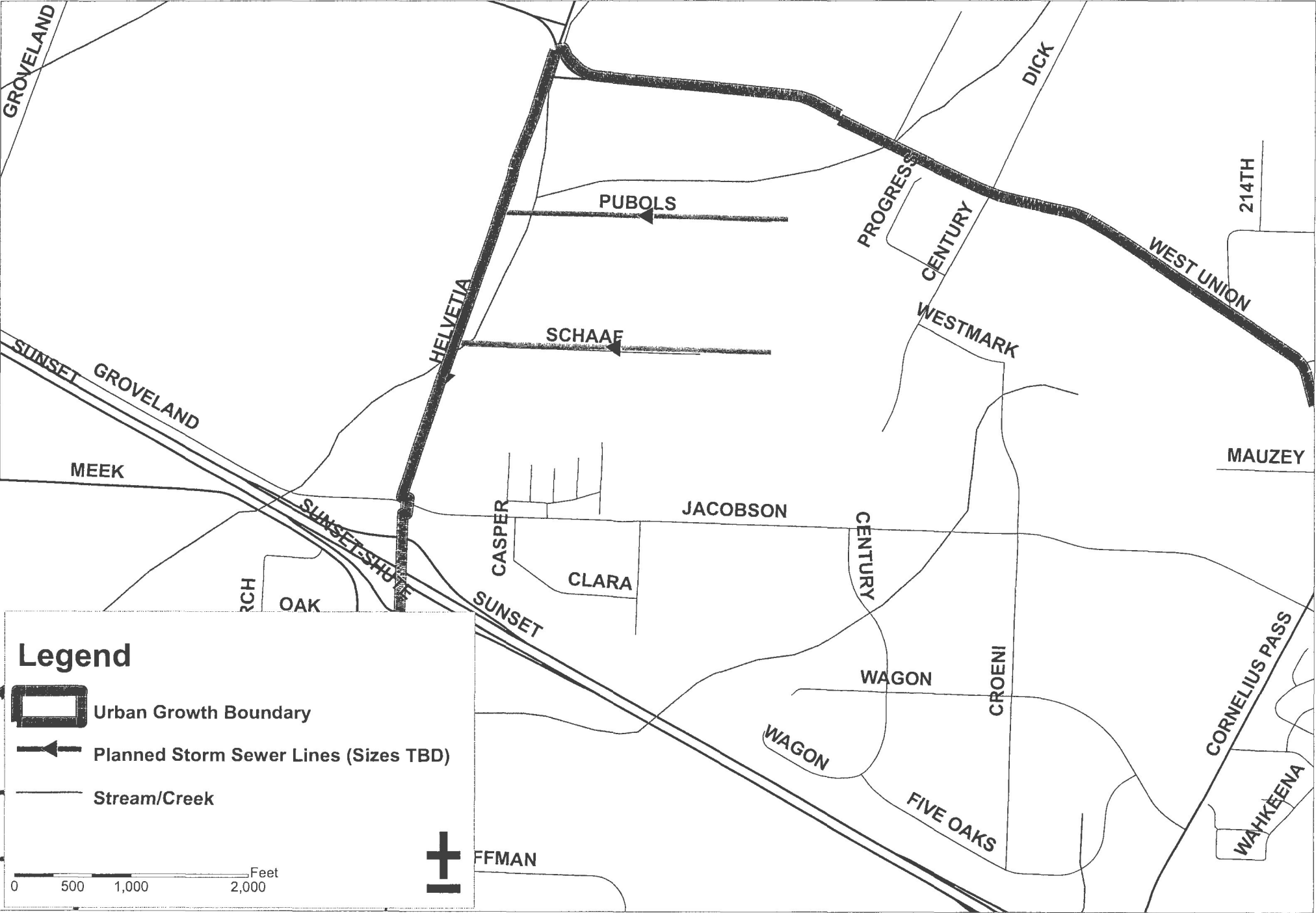


Figure 30-G: Evergreen/Shute Sub-Areas Conceptual Street System with Commercial Support Node Locations

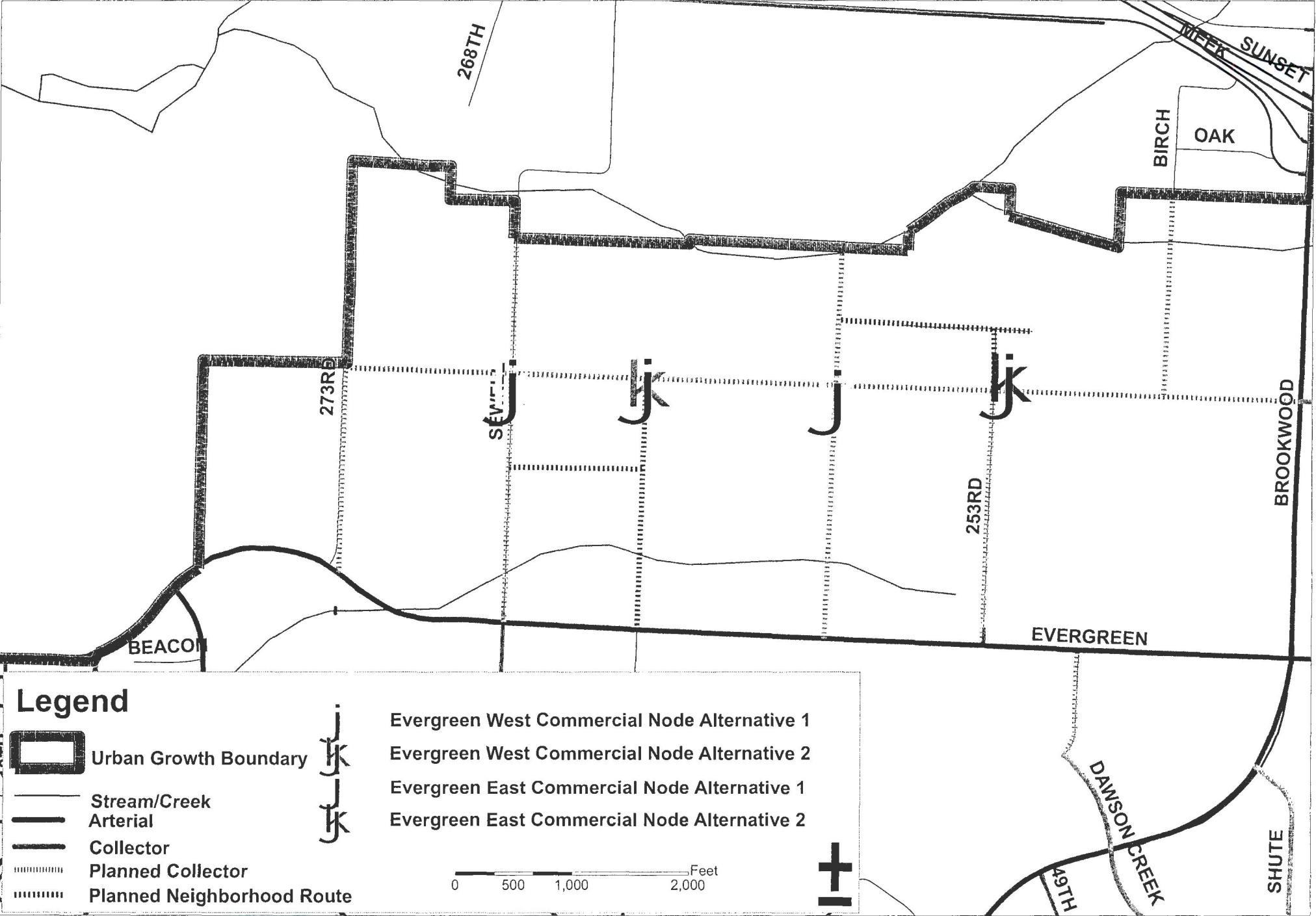
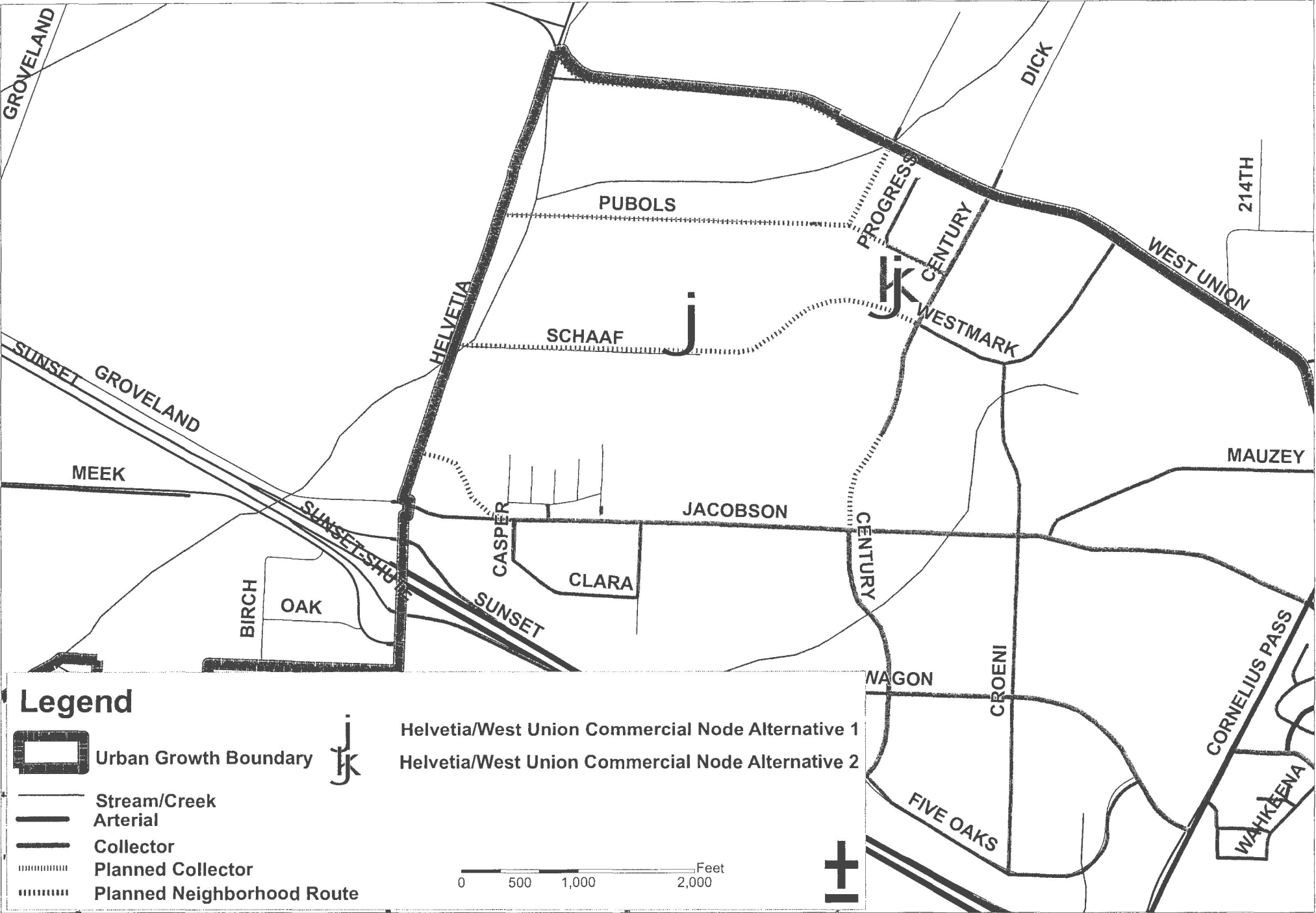
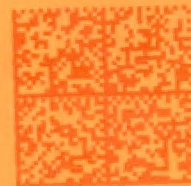


Figure 30-H: Helvetia/West Union Sub-Areas Conceptual Street System with Commercial Support Node Locations





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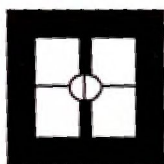
DEPT OF

JAN 23 2012

LAND CONSERVATION
AND DEVELOPMENT

Planning Department
150 E. Main Street, Fourth Floor Hillsboro OR 97123

CITY OF HILLSBORO



Attn: Plan Amendment Specialist
Dept of Land Conservation &
Development
635 Capitol Street NE, Suite 150
Salem Oregon 97301