



**CITY OF CORNELIUS
COMMUNITY DEVELOPMENT DEPARTMENT
STAFF REPORT**

**Cornelius Economic Opportunities Analysis
Type IV Legislative Amendment to the Comprehensive Plan**

Land Use File Number CPA-01-24

**Planning Commission Hearing Date: March 26, 2024
Staff Report Date: March 1, 2024**

Request: A Type IV Legislative Amendment to the Cornelius Comprehensive Plan to amend Appendix O, Economic Opportunities Analysis and Strategic Action Plan adopted in 2017 via CPA-01-17, with a new Economic Opportunities Analysis while retaining the Strategic Action Plan. Compliant with Statewide Planning Goal 9, the Economic Opportunities Analysis is a 20-year forecast of population and job growth.

Public Hearing Notice: Type IV – Legislative Comprehensive Plan Amendment

Project Name: Economic Opportunities Analysis

Applicant: City of Cornelius Community Development Department

Site Address: No specific property

Legal Description: No specific property

Zones: Highway Commercial, C-2; Core Commercial, CC; General Industrial, M-1; Light Industrial, LI; Gateway Mixed-Use, GMU; and Central Mixed-Use, CMU.

Applicable Criteria: Statewide Planning Goals (OAR 660-015-0000); Metro Urban Growth Management Functional Plan (Metro Code Section 3.09); Cornelius Comprehensive Plan Amendment Criteria found in Chapter 1; Cornelius Municipal Code Chapter 18.130 Comprehensive Plan, §18.130.020(E) Amendment Procedures.

Process: Approval of a Type IV Legislative Amendment shall be processed consistent with Cornelius Municipal Code (CMC) Section 18.130.020(E). The application shall be processed with

notice and a public hearing before the Planning Commission pursuant to CMC Chapter 18.15.030. The notice of the Planning Commission's decision shall be provided to the applicant, interested parties, and anyone that testifies in the matter.

APPEAL RIGHTS

The Planning Commission makes a recommendation to the City Council concerning the request. Any appeal of a decision by City Council shall be made to the State Land Use Board of Appeals (LUBA) per ORS 197.830. In order for an issue to be appealed to LUBA, it must be raised before the close of the record of the Public Hearing. Such issues must be raised with sufficient specificity to afford the hearing body and parties an adequate opportunity to respond to each issue.

GENERAL FACTS

- The purpose of the Economic Opportunities Analysis (EOA) is to assist the community in understanding our likely future employment and business growth, and the land and infrastructure needed for said growth.
- The EOA assists staff and the community to manage commercial and industrial land development within the Urban Growth Boundary (UGB).
- Adoption of an EOA serves to meet Statewide Planning Goal 9 (Economic Development).
- While this EOA updates the city's existing employment and land forecasting, the Strategic and Action Plan adopted in CPA-01-17 remains in effect and is still applicable to development in the City.

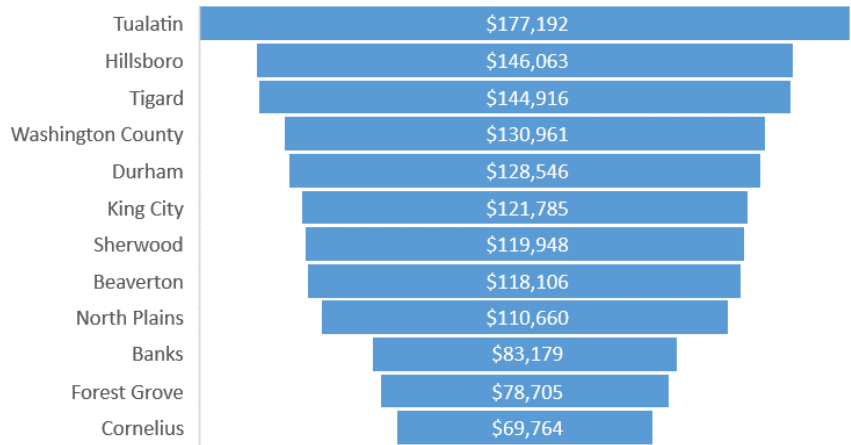
It should be noted that 89% of the City's land is zoned as residential and over 94% of the city's land supply has existing development. The remaining 6% of land is either classified as redevelopable which may have constraints such as brownfields or natural resource overlays or the land owner is not ready to redevelop. Of the 6% land remaining, approximately 9 percent is entitled with projects that have stalled due to inflation and are ramping up for construction in the summer of 2024.

Currently, residents travel over 29 minutes to work outside the city due to an overabundance of residential land with little opportunity for employment. While home occupations are allowed in the residential areas and recent legislative changes designate child care as a residential permitted use, additional opportunities are needed for the residential base here in Cornelius.

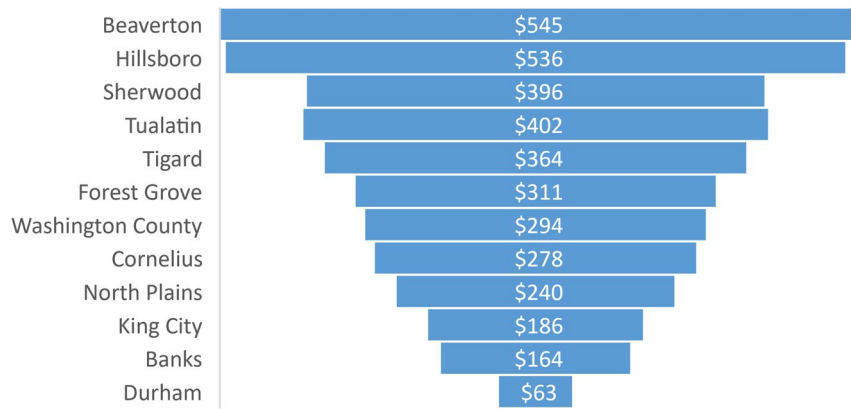
This EOA suggests opportunities to balance these inequities and the resulting tax implications of a majority residential community. Cornelius receives over 70% of its assessed value and taxes from residential properties.

Using the 2023 assessed values in Washington County, the City has identified that the assessed value per capita in Cornelius is the lowest of all the cities in the County and the County itself. The revenue per capita is fourth from the bottom as the City has a healthy tax rate (see charts on next page).

Per Capita Assessed Value



Per Capita Revenue



APPLICATION REVIEW

Section 1: Statewide Planning Goals (OAR 660-015-0000)

Goal 1: Citizen Involvement

Throughout the process of this update, the consultant and the city convened the Economic Development Commission and the Planning Commission to review the documents produced. In addition to these meetings, which were available for public attendance, the City held a joint work session with the Economic Development Commission and the Planning Commission to determine any missing information that needed to be addressed prior to submitting a formal amendment.

Notice for this amendment was submitted to the Department of Land Conservation and Development through the Post Acknowledgement Plan Amendment web portal (Exhibit A) on February 20, 2024, more than 35 days prior to the first evidentiary hearing of March 26, 2024. Notice was mailed to the necessary parties list (Exhibit B) on February 21, 2024, more than 20 days and less than 45 days prior to the first evidentiary hearing on the proposal. Notice was published in the Forest Grove News Times (Exhibit C) on February 28, 2024, more than 20 days and less than 45 days prior to the first evidentiary hearing on the proposal.

Goal 2: Land Use Planning

This amendment replaces the existing Economic Opportunities Analysis while retaining the Strategic and Action Plan adopted in CPA-01-17. Through following the adopted land use planning processes in the Comprehensive Plan and Cornelius Municipal Code, and by sending notice to necessary parties, the requirements of Goal 2 have been met.

Goal 3 – Agricultural Land

This proposal does not affect land designated for agricultural uses. Goal 3 does not apply.

Goal 4 – Forest Land

The amendment does not impact land designated for forestry uses. Goal 4 does not apply.

Goal 5 – Natural Resources, Scenic and Historic Areas, and Open Space.

The amendment does not impact natural resources, scenic and historic areas or open spaces. Goal 5 does not apply.

Goal 6 – Air, Water and Land Resources Quality

The amendment does not directly or indirectly impact air, water, and land resources quality. Goal 6 does not apply.

Goal 7 – Areas subject to Natural Disasters and Hazards

Areas designated as Commercial or Industrial on the City's Comprehensive Plan are subject to

Federal, State, Regional and Local regulations regarding flooding. No changes to the regulations or to land area in or around the flood zones are proposed. Existing regulations apply to new development, such as geotechnical analysis and flood elevation certification. These protective measures and requirements apply to all land adjacent to floodplains, including those identified as Commercial or Industrial on the City's Comprehensive Plan maps. Thus, the requirements of Goal 7 are met when development occurs.

Goal 8 – Recreational

The amendment does not impact any recreational opportunity. All development is subject to Park Systems Development Charges, so any development in Commercial or Industrial designations on the Comprehensive Plan map will contribute to recreational opportunities in the city. Nothing in this amendment affects the existing Comprehensive Plan map designations or the implementation of the systems development charges, therefore; this goal does not apply to this amendment.

Goal 9 – Economic Development

The plan and map are acknowledged by the Oregon Land Conservation and Development Commission and Metro. Compliance with the Oregon Administrative Rules (OAR) regarding economic development (OAR 660-009) requires provision and maintenance of an adequate land supply for economic development and employment growth. Metro Title 4 (Industrial and Other Employment Areas) also requires an adequate land supply for economic development and employment growth.

The proposed Economic Opportunity Analysis (EOA) is divided into seven parts:

- Key Objectives for the City are found on page 2 of the EOA
- Economic Trends- identifies national, state and local economic trends affecting Washington County and Cornelius. This includes population projections, employment growth, and a demographic profile.
- Economic Development Potential – discusses the comparative advantages of the local community and work force.
- Target Industries – identifies and analyzes key industry typologies that the city should consider targeting as economic opportunities.
- Employment Land Needs – Examines the projected demand for industrial and commercial land based on anticipated employment growth rates by sector.
- Capacity – Summarizes the City's inventory of vacant and redevelopable industrial and commercial land within the City's UGB
- Reconciliation – Compares short and long term demand for employment land to the existing land inventory to determine the adequacy and appropriateness of capacity over the five- and twenty- year horizons.

The EOA ends with Conclusions and Recommendations, which summarize the findings and policy implications.

This proposed EOA supports and meets the requirements of Goal 9.

Goal 10 – Housing

This project does not affect housing. It should be noted that 89% of the City's land is zoned as residential and over 94% of the city's land supply has existing development. The remaining 6% of land is either classified as redevelopable which may have constraints such as brownfields or natural resource overlays or the land owner is not ready to redevelop. Of the 6% land remaining, approximately 9 percent is entitled with projects that have stalled due to inflation and are ramping up for construction in the summer of 2024.

Currently, residents travel over 29 minutes to work outside the city due to an overabundance of residential land with little opportunity for employment. While home occupations are allowed in the residential areas and recent legislative changes designate child care as a residential permitted use, additional opportunities are needed for the residential base here in Cornelius.

The EOA does not impact the existing residential neighborhoods or any residentially zoned lands. Thus, this Goal does not apply.

Goal 11 – Public Facilities and Services

Within the current city limits, water, sanitary and storm sewer are available for development. While the City has approximately 56 acres of industrially designated land in our UGB that is not within the City, public facilities are currently stubbed in 4th and 10th Avenues of sufficient size to accommodate any development in the area. Transportation facilities are sized for the planned development. No new infrastructure is necessary for development within the city limits or the north west industrial area within the UGB. The requirements of Goal 11 are met.

Goal 12 – Transportation

The EOA does not modify the planned development of any land in the city or its' UGB. These areas have a planned transportation system that meets the needs of the community. Thus, the requirements of Goal 12 have been met.

Goal 13 - Energy Conservation

Energy conservation measures are found within the solar regulations of the Cornelius Municipal Code and the Building Code. Any future development must be compliant with both. While business can conserve energy, there is a limit to the capacity of the existing electrical system before it must be upgraded. The City needs an additional PGE substation and related transformers. This is on PGE's radar, but we have no knowledge of actual planning or acquisition of any land needed for the substation.

Goal 14 – Urbanization

This EOA does not affect any land outside the UGB. The EOA does identify that the city is in need of an additional 354 gross acres, or 293 net acres, that is of sufficient size to accommodate mid-sized industry. While the goal of the region may be to attain a certain number of jobs in the region and to supply that throughout the region, the region's congestion and related greenhouse gas emissions can be related to the lack of balance in offering living wage jobs in close proximity to housing. The city's goal is to add jobs for its residents, a bigger need is to increase the tax base to avoid over 70% of the tax revenue coming from only residences. The City Council, City Manager, and staff are resolved to using its resources to attract taxable development and expand its UGB to provide additional industrial jobs for its residents.

Goals 15 through 19 pertain to the Willamette River, Coast and Estuaries. Cornelius is not adjacent to any of these resources. Therefore, Goals 15 through 19 are inapplicable to this amendment.

Conclusion for Section 1: Statewide Planning Goals

Based on the analysis, staff finds that the Statewide Planning Goals have been met.

Section 2: Metro Urban Growth Management Functional Plan:

Title 1: Housing Capacity

This Comprehensive Plan Amendment does not propose a map amendment or any policy changes that affect housing capacity; therefore, the requirements for Title 1 are not applicable to this amendment.

Title 2: Regional Park Policy - repealed

Title 3: Regional Water Quality and Flood Management

This Comprehensive Plan Amendment does not propose a map amendment or policy changes that affect implementation of water quality or flood management. Existing regulations will apply to all new development in industrially and commercially designated lands and this amendment does not propose any changes to the regulations and does not propose any map amendments. Consequently, through implementation of the existing regulatory framework for new development, this title is met.

Title 4: Industrial and Other Employment Areas

No lands within the City are designated as Regionally Significant Industrial Area. Metro-designated employment lands in the City include:

Industrial Areas:

- North West UGB area, approximately 56 acres of vacant land,
- North Cornelius Industrial Park, approximately 15 acres of vacant land, over 12 of those areas are owned by Metro and are currently out of industrial development.
- Gas Distribution Facility on Baseline Road, approximately 1.20 acres
- North 19th Avenue Cemetery, approximately .96 acres.
- Land around Flax Plant Road, approximately 10.94 acres of potentially redevelopable non-contiguous land with significant flood constraints

Employment Areas:

- City owned and developed Land at Kodiak Circle, approximately 3.88 acres

This Comprehensive Plan Amendment does not propose a map amendment or any policy changes that affect Metro Designated Employment Lands and no additional lands are proposed for addition nor are any proposed for removal; therefore, the requirements of Title 4 are not applicable to this amendment.

Title 5: Neighbor Cities was repealed

Title 6: Centers, Corridors, Station Communities, and Main Streets

This Comprehensive Plan Amendment does not propose a map amendment or any policy changes that affect these areas; therefore, the requirements for Title 6 are not applicable to this amendment.

Title 7: Housing Choice

This Comprehensive Plan Amendment does not propose a map amendment or any policy changes that affect housing choices; therefore, the requirements for Title 7 are not applicable to this amendment.

Title 8: Compliance Procedures

Metro Code §3.07.080 requires amendments to a city or county comprehensive plan to comply with the Functional Plan. An amendment complies if the city provides Metro notice of the amendment. As noted earlier in this report, notice was sent to the Department of Land Conservation and Development through the PAPA notice requirements. The Department then provides that notice to all public agencies in Oregon. Additionally, Metro is on the City’s Necessary Parties list and was sent direct notice of the proposed amendment. Thus, the requirements of Title 8 have been met.

Title 9: Performance Measures have been repealed

Title 10: Functional Plan Definitions do not apply.

Title 11: Planning For New Urban Areas

This Comprehensive Plan Amendment does not propose a map amendment or any policy changes that affect housing choices; therefore, the requirements for Title 11 are not applicable to this amendment.

Title 12: Protection of Residential Neighborhoods

This Comprehensive Plan Amendment does not propose a map amendment or any policy changes that affect residential uses or neighborhoods; therefore, the requirements for Title 12 are not applicable to this amendment.

Title 13: Nature in Neighborhoods

This Comprehensive Plan Amendment does not propose a map amendment or any policy changes that affect natural resources or the ability to implement any conservation measures adjacent to stream corridors; therefore, the requirements for Title 13 are not applicable to this amendment.

Title 14: Urban Growth Boundary

This Comprehensive Plan Amendment does not propose a map amendment or any policy changes that affect the Urban Growth Boundary; therefore, the requirements for Title 14 are not applicable to this amendment.

Conclusion for Section 2: Metro Urban Growth Management Functional Plan

Based on the analysis, staff finds that the proposal complies with the applicable sections of the Metro Urban Growth Management Plan.

Section 3: Cornelius Comprehensive Plan:

Criteria: The proposed change or amendment must meet a public need. Such need must be documented by appropriate facts and evidence and should extend from the state-wide planning goals, Metro 2040 or the City's own Comprehensive Plan.

The proposed adoption of a new EOA addresses several significant needs:

- The EOA attempts to reconcile the inequity in taxation resulting from 89% of the City classified as Residential land and is taxed as such. This results in an inequitable tax burden on the residents in the city who pay 77% of the taxes received by the city as opposed to employment land.
- The EOA attempts to identify the need for additional land in the City as 94% of the land in the city is developed.
- The EOA attempts to identify the need for additional INDUSTRIALLY zoned land for living wage jobs for residents of the City.
- The EOA attempts to identify the target industries that could result in living wage jobs for residents in the city.
- Finally, the EOA attempts to identify the resulting land need in acres for Industrial land to reconcile the inequities noted above.

Criteria: The amendment is necessary to implement the adopted vision for the community, or to respond to unanticipated local circumstances.

The proposed adoption of the new EOA responds to the unanticipated local circumstances resulting from legislative actions about urban growth boundary decisions in the area around Cornelius. In the legislative action termed “the Grand Bargain” in 2014 and, secondarily, the legislative action responding to the Federal CHIPS Act in 2023, the City of Cornelius asked for approximately 300 acres of land for industrial purposes. In both instances, the land around the City was either designated Rural Reserve or was specifically excluded while other higher quality farmlands were included in the Urban Land Designation or were added to the UGB for development. This inequitable distribution of Urban Land and economic opportunity in the Portland Metropolitan region results in “bedroom” communities serving neighboring economically advantaged communities.

Criteria: The proposed change or amendment must be in conformance with the unamended goals and policies of the Comprehensive Plan, as well as being consistent with state and regional policies.

The proposed EOA is consistent with state and regional policies as evidenced by the analysis in Sections 1 and 2 of this staff report.

The following is the analysis of conformity with the goals and policies of the Comprehensive Plan.

Chapter I Citizen and Agency Involvement

- This chapter identifies and documents the processes and procedures for involvement of community members and agency personnel. Notice of this amendment was sent to the agency list documented in Exhibit B to this staff report. Additionally, Staff met with the Economic Development Commission three times in the preparation of the EOA and once in a joint Economic Development and Planning Commission meeting. These opportunities allowed the two commissions and members of the community to provide input along the way in preparing the document.
- The procedures for amending the Comprehensive Plan note amendments may be initiated by the City Council, Planning Commission, City staff, or a property owner or group of owners. City staff initiated this amendment. Thus, the proper procedure has been followed for initiating the amendment.
- The amendment shall include specific recommendations or requests from the applicant, supported by factual documentation as to why the amendment is necessary and appropriate. Factual documentation is included in this staff report.
- A staff report shall be prepared and presented to the Planning Commission. This report is a staff report and will be provided to the Planning Commission on March 1, 2024. Additionally, a presentation will be given to the Planning Commission on March 26, 2024.
- A public hearing shall be held before any amendment is approved. The Planning Commission will hold a public hearing on March 26, 2024.
- The Commission shall make a formal recommendation to the City Council. At the conclusion of the hearing on March 26, 2024, the Planning Commission will make a recommendation to the City Council.
- The City Council shall then hold a public hearing before making a final decision to amend the Plan. This item is tentatively scheduled for a City Council hearing at their meeting on May 6, 2024. An ordinance will be drafted and offered to the City Council for their consideration following the public hearing.

Chapter 2 Urbanization

- This chapter identifies and documents information regarding the efficient use of land, such as minimum density for residential development, in-fill criteria to allow for reasonable adjustments to accommodate development of remnant parcels, provision for accessory dwelling units in residential areas, development of lands within the UGB prior to development outside the UGB, and processes to request Metro to adjust the UGB Boundary. The adjustments noted for efficient use of land have been made in the Cornelius Municipal Code, accessory dwelling units are permitted in conjunction with

any single dwelling, the city has an adjustment process that is administrative, The process to request Metro adjust the UGB are irrelevant as the Grand Bargain cited earlier in this report locked the boundary for Cornelius. The annexation requirements are not applicable to this amendment as it does not involve annexation of any land. Thus, the requirements in this Chapter are not applicable to this proposal.

Chapter 3 Land Use

- The chapter documents the existing land uses within the city limits. The current Comprehensive Plan map documents the city limits and the land use designations applied therein. It also documents the City's Urban Growth Boundary and the land use designations documented for the lands therein. The information in Chapter 3 is outdated and the city is beginning a Comprehensive Plan rewrite to address the issue holistically.

Chapter 4 Housing

- The chapter documents the existing conditions and factors effecting the housing market in Cornelius. A new Housing Needs Analysis was adopted in 2020. The Housing Needs Analysis provide current data. The existing plan is outdated. The information in Chapter 4 is outdated and the city is beginning a Comprehensive Plan rewrite to address the issue holistically.

Chapter 5 Economic Development

- The chapter documents the existing conditions, issues and policies for future commercial and industrial development. The proposed amendment will supplement the information found in this chapter and replace the outdated information. The amendment to the text of this chapter will occur with the Comprehensive Plan rewrite to address the Plan holistically.

Chapter 6 Natural and Cultural Resources

- The chapter discusses air, water, and land resources, open spaces and natural resources, archaeological resources, and areas subject to natural disasters. The EOA does not change the way the city implements any of the regulations related to air, water and land resources, open spaces and natural resources, archaeological resources, or areas subject to natural disasters. This chapter is not applicable to the amendment.

Chapter 7 Public Facilities and Services

- The chapter discusses recreation, schools, sewerage, water, solid waste facilities, transportation, utilities and other public facilities. The proposed amendment does not affect any of the city's facilities and services. However, the city's inability to change its tax base affects the ability to provide base services.

Chapter 8 Transportation System Plan

- The chapter addresses transportation for all modes in the City. The proposed amendment does not affect the city's ability to implement the Transportation System Plan or any of the Capital Improvements anticipated to meet the needs of all modes of transport in the city. However, the city's tax base affects the city's ability to build capital improvements.

Conclusion for Section 3: Cornelius Comprehensive Plan

Based on the analysis, staff finds that the proposal complies with the applicable sections of the Cornelius Comprehensive Plan. It should be noted that an adequate tax base provides the means to implement many of the policies within this Plan and the provision of basic services to the residents and businesses within the city.

Section 4: Cornelius Municipal Code Title 18

The Cornelius Municipal Code Title 18, Section 130.010(D) provides approval criteria for a comprehensive plan amendment. They are as follows:

(1) The proposed plan and amendments shall conform to the requirements of the Oregon Statewide Planning Goals and applicable administrative rules of the State Land Conservation and Development Commission.

The proposed amendment complies with the Statewide Planning Goals as shown in Section 1. The EOA was prepared following the methodology for preparing an Economic Opportunities Analysis found within OAR 660 division 9 (see Exhibit D, DLCDC Guidance Document). Also, the City followed the methodology for conducting a Buildable Lands Analysis for use within the EOA found within OAR 660 Division 7. Thus, this criterion is met.

(2) The proposed amendments shall comply with all other applicable laws, rules and regulations of the state, city and other governmental agencies having jurisdiction over land use regulation in the city.

The proposed amendment complies with the Metro Urban Growth Management Functional Plan as evidenced by the findings in Section 2 of this report.

(3) The proposed amendment shall address the criteria identified in Chapter 1 of the city comprehensive plan.

The proposed amendment complies with the Cornelius Comprehensive Plan as evidenced by the findings in Section 3 of this report.

Conclusion for Section 4: Cornelius Municipal Code Title 18

Based on the analysis, staff finds that the proposal complies with CMC 18.130.010(D).

Report Conclusion and Recommendation

Staff finds that the proposed EOA

- followed the methodology prescribed in the guidance documents (Exhibit D),
- followed the prescribed noticing requirements prescribed by the Department of Land Conservation and Development (Exhibit A), in the Cornelius Comprehensive Plan (Exhibit B) and Cornelius Municipal Code (Exhibit B and C),
- complies with the Statewide Planning Goals and Metro Urban Growth Management Functional Plan, and
- meets the criteria found within the Cornelius Comprehensive Plan and Cornelius Municipal Code.

Therefore, staff recommends that the Planning Commission recommend approval to the Cornelius City Council.

Date of recommendation: **March 1, 2024**

A handwritten signature in blue ink, appearing to read 'Barbara Fryer', is positioned above a horizontal line.

Barbara Fryer, AICP, Community Development Director

Exhibits:

- A: DLCDC PAPA Notice
- B: Affidavit of Mailed Notice
- C: Newspaper Notice
- D: DLCDC Guidance for preparing an EOA
- E: Proposed Economic Opportunities Analysis