



Mayor
Patricia Smith

Council President
Mark Clark

Councilors
Stanley Dirks

Timothy Clark

Scott Harden

**JOINT WORKSHOP OF THE
WOOD VILLAGE CITY COUNCIL AND PLANNING COMMISSION**

October 8, 2013

MINUTES

PRESENT: Mayor Smith, Council President Mark Clark, Councilors Stanley Dirks, Tim Clark and Scott Harden, Planning Commissioners Craig Howard, Mary Clark, Bruce Nissen, Al Evans, and Chuck Rhoads, City Attorney Condit, City Administrator Bill Peterson, Finance Director Peggy Minter, Public Works Director Mark Gunter, Public Works Administrative Assistant Marie Kizzar, Contract Planner Carole Connell, and interested parties.

ABSENT: Planning Commissioner Jim Mott.

MAYOR SMITH CALLED THE MEETING TO ORDER AT 7:00 PM.

PRESENTATION AND DISCUSSION: TOWN CENTER ZONE

Peterson stated that there is no set agenda for the discussion, and several property owners have expressed interest in developing in the Town Center. The purpose of this workshop is to generally discuss the Town Center and potential future development. Peterson asked if property owners and business representatives could introduce themselves. Jim Coombs from Fred Meyer, Tim McFadden representative from the Greyhound Park Property, Lee Leighton West Lake Consultants, Karen Schaaf West Columbia Gorge Chamber of Commerce, Michael Ojeda from Lowes, and Greg Mickelson from GM Realty Advisors.

Peterson stated that Mickelson raised the initial question about different developments in the Town Center, and wanted to provide him with the first opportunity to discuss his thoughts and ideas. Mickelson explained that he has been involved with the Town Center since the beginning. Mickelson stated that the concept that was developed in the 1990's was to develop a place where people can live, work and shop. The first buildings were constructed in 2001, and consisted of Fred Meyers and Lowes. The next large development came in 2003 when Kohl's built in the Town Center. Mickelson explained that before Kohl's came in the idea was to have smaller retail stores, and the two stores that almost built in the Town Center were Circuit City and Linens and Things. Both of those retail operations have gone bankrupt. Mickelson stated that the River Wood development was built the following year which brought 88 new homes to the City.

Mickelson explained that entrepreneur and author Seth Godin wrote that great projects are not just building, but are actually gardens. Mickelson stated that gardens grow, adapt and reflect their environment. If something does not work, things are adjusted and we try again. Mickelson

explained that he would like to help the Town Center grow and prosper. Mickelson stated that his plot is about 6.8 acres and is currently slatted for 62,000 square feet of nonretail commercial use. That site cannot compete for that type of use, even as the economy recovers and improves. Mickelson explained that he and his team have reviewed several options that could be viable in that location and support the Town Center. A multifamily housing development could be very beneficial for the Town Center. Mickelson stated that over 300 residential units were originally planned for the Town Center, and the time is good for multifamily development.

Mickelson explained that a multifamily development will bring more people to the Town Center, and it is the people the drive successful town centers. Mickelson stated that the question of renting is no longer about those with financial resource and those without. New trends have emerged, and young families and millennials are looking for higher end rental options that are close to amenities. It is a lifestyle choice, and a multifamily development would be a great fit for the Town Center. Mickelson stated that they are ready to build as soon as the code is revised.

Mark Clark stated that he likes the idea, and asked if the cottage housing concept would be a good fit. Harden stated the cottage housing is still a single family development. Peterson stated that it does incorporate the common facility features, but it is significantly less densely populated than the multifamily development that Mickelson is discussing. Dirks stated that he has strong opinions about high density housing in the area. There is no guarantee that this development would not turn into subsidized housing, or what the condition of the development will be like in 20 years. Dirks explained that the area also lacks amenities like public transportation, and the schools are already overburdened. The City has a high rate of young families that have a lower income, and that is probably what a multifamily development will attract. Dirks stated that the City needs developments which will better the City, and he feels that this development will not do that.

Howard asked what type of multifamily development is being proposed. Mickelson stated that they typically build two or three level developments. They put a lot of emphasis on creating nice common areas. Howard asked if these would be apartments for rent. Mickelson stated they would be. Howard asked how many units would be planned. Mickelson stated that they have not come up with a final proposal, but it would be around 150 units. Peterson stated that zone currently allows for about 195 units.

Harden stated that he understands that housing vouchers for low income renters cannot be turned down by any complex. Peterson stated that is correct. Harden stated that the determining factor of whether the units become housing to low income people may be the starting rent. Condit stated that there is a new law for nondiscrimination for section 8 vouchers, but the market can still be a factor. Harden stated that he feels more people will be moving to East County as other areas gentrify, and he would not mind having housing opportunities for those people. Harden

stated that a lot of the blighted multifamily housing in the area has been blighted for a long time. There is little effort put into those units to care for them. If nice units are built, there may be more of an effort to keep those units nice and livable.

Mark Clark stated that he feels that multifamily developments like Treehill are nice and successful because there is ownership of the area. Mickelson stated that the new market trends do not necessarily mean that community pride only comes with ownership. Mickelson explained that the younger generation is more focused on flexibility and amenities like open community spaces. Those spaces create a sense of pride and community. Mickelson stated that retail operations also locate to where there are people.

Howard asked if there were any similar developments in the area in regards to rental rates and amenities. Mickelson stated that he cannot think of any in the area. Schaaf stated that she disagrees with the trend of younger families preferring rentals. Schaaf explained that her largest cliental groups are younger families who want homes on a large lot. Peterson stated that the Salish Ponds Apartments in Fairview could be comparable, or the units in Fairview Village. Smith asked if higher end units could be mandated. Condit explained that there are some things that can be written into the code such as the common area and other amenities. Smith stated that she may not mind higher end units, but does not want low end rentals.

Dirks asked how many single family homes could be built on that parcel. Peterson stated that it would be around 50 units. Tim Clark asked about the possibility of condos. Peterson stated that condos took a large financial loss when the market crashed, and that market has not recovered. Schaaf stated that condos in downtown have increased in value. McFadden stated that he owns a condo downtown, and is currently renting it because he cannot sell it.

Mark Clark asked about density, and creating enough parking while not having just a large parking lot. Mickelson stated that their initial plans have surface level parking at the units. Dirks stated that the long term vision should be considered. Dirks explained that it is just not about what can be built now, but what will be best for the City in the long term. Dirks stated that he would like to see people move to the City and be here for 5-20 years, not 5-20 months. Apartments may not achieve that.

Tim Clark stated that there was a session on generational differences and trends at the recent League of Oregon Cities conference. Tim Clark explained that while he agrees with Dirks, market trends are also important. Mickelson stated that he understands the Council's concerns regarding the vision of the Town Center and community quality. A sense of place can come from a multifamily development, and that can spread to the Town Center. Schaaf stated that by definition rental units are for transient populations, and it is harder to get a sense of place with a

transient population. Mickelson stated that he does not necessarily disagree, but the stores in the area do not care where what housing their shoppers come from.

Schaaf stated that the City is small, and it will take a concerted effort to make a successful community. Rental units may not bring that sense of community to the City. Ojeda stated that Lowes does not get a lot of business from rental units unless they get the bid to construct the development. Howard stated that the last thing the City needs are low income rental units. While low income units are not necessarily being proposed, there are economic limits to the area. Howard stated that there could be a new trend emerging in regards to home ownership, but he does not feel that this area could attract that kind of demographic. Howard explained that he is having a hard time finding the connection to having a higher level rental development. Mickelson stated that they are not looking at competing with low income rental options, and they are looking at complimenting and supporting the Town Center.

Coombs stated that a large higher end apartment complex is just being finished in Newberg adjacent to the Fred Meyer store. McFadden stated that he has seen that type of development all around the county, and not everyone wants a higher end unit in a downtown area. McFadden stated that having more of the final details about the project may help put it into better perspective. Harden asked what the possibility is of developing more single family homes on that lot. Mickelson stated that they are slim to none. Peterson asked about the non-retail options for that parcel. Mickelson stated that they cannot compete with other area parcels. Connell asked if Mickelson would be interested in more retail opportunities. Mickelson stated that his main focus is typically retail, but explained that the vacant parcels in the main portion of the Town Center should be occupied first.

Peterson invited McFadden to discuss ideas and options for the former dog track facility. McFadden stated that in the year since the option to purchase the property expired, they have been approached by all kinds of developers. McFadden explained that they are now taking a step back to get a better feel for what people want at that location, and what can be approved. McFadden stated that it would be beneficial to get some direction on what opportunities could be wanted or approved.

Harden stated that if the economics were put aside, he would like to see entertainment features developed at the site. Harden explained that he would like to see entertainment options for the people and families that live in the area. While the economics may not support that, it would be nice if that could be added as part of a larger development. Mary Clark stated that she would like to see a higher end movie theater constructed.

Tim Clark asked what types of developments have been proposed at the site. McFadden stated that they have been approached by retail operations, multifamily developers, and a retirement

community. McFadden explained that they are taking a step back, and want to take a fresh look at the options and opportunities. McFadden stated that they would like some direction on what developments could be approved. Tim Clark asked if the structure on the property was hindrance for new development. McFadden stated that they are receiving bids for the removal of the structure, so they can be better informed of any potential hurdles to new development.

Harden asked about the Urban Renewal Zone, and how that could potentially impact the area. Peterson presented a map of the Urban Renewal Zone. Mark Clark asked if the Town Center was at capacity for big box development. Peterson stated that is correct, and there is a minimal amount of area left for retail. Peterson explained that the Town Center Zone would have to be changed to allow for additional retail of any significant size.

Tim Clark asked what the Council thought of permitting additional retail use. Mark Clark stated that he wants the Town Center to be successful, and the Council should look at success for now and into the future. Harden stated that once there is increment, the Urban Renewal Zone can be used to induce additional development and interest. Smith stated that there has to be development interest in the area as well. Mark Clark stated that there is interest in the area. Smith stated that the development interest has been for a multifamily development.

Schaaf asked where the Council feels the heart or center of the City is located. Howard stated that the City does not have one. Tim Clark stated that the Council has discussed that topic, and the idea would be to have it at the City Hall site. Harden stated that the idea was to have the center of the City at the location with the most vehicle traffic. Peterson presented concept drawings of what the City Hall site could look like if it were redeveloped.

Mary Clark asked what the tax base would be for the various types of developments. Peterson stated that big box stores have a relatively low tax value, and multi-family developments depend on their overall quality. Even if the relative unit value is low, the overall value can be high based on the number of units. Tim Clark stated that there would have to be a code revision to allow for additional big box developments. Peterson stated that is correct. McFadden stated that positives and negatives could be expressed for almost any type of land use, and they would like to get a sense of the direction they should go in marketing their property. McFadden explained that they want a development that is feasible, and good for the City.

Peterson stated that the higher end apartment units that Mickelson has been talking about would have the highest value of the developments discussed so far. Dirks asked if it is possible to discuss what developments would not be economically feasible in the Town Center. Dirks explained that he thinks it would be better to review what is not feasible, so the Council can focus on what developments could work in the Town Center.

McFadden stated that he appreciates the suggestion from Dirks, and it might be a good idea to start crossing items on the list so the focus can remain on what will work in the Town Center. McFadden stated that multifamily developments will bring people to the Town Center, and they will spend money in the Town Center and community. A higher end development may benefit the City, and renters can still be focused and involved with the community. McFadden stated that the concept of a higher end development is not a bad idea, but he appreciates the concerns regarding lower end units.

Evans asked if there have been any studies conducted about the turnover rates for higher end apartment units. Peterson stated that he cannot think of any study that has been done on the topic. Mark Clark stated that there are people who stay in apartment units for long periods of time. Mark Clark explained that he is concerned that this area may not sustain a higher end apartment development.

Peterson stated that when the Council had the discussion about the heart of the City, the consultant group mentioned that it takes about 200 roofs to support 100,000 square feet of retail space. Peterson asked who could be accepted as an economic authority to conduct a feasibility analysis. Leighton stated that Dave Leland with the Leland Consulting Group has been involved with several successful developments. Leighton explained that the Town Center has some challenges with the existing shipping routes, but the center can be expanded and made to feel larger if certain developments and design aspects were incorporated. Leighton explained that a successful town center needs places for people to go. An entertainment feature can help fill that role within the Town Center and region.

Peterson stated that gathering an economic professional for an assessment analysis seems to be the direction that the group wants to go. Peterson explained that will incur some cost, and the purpose will be to look at the properties and determine what is viable at those locations. Smith stated that the analysis would have to be conducted by an expert. Connell stated that Jim Johnston of Johnston Reid might be a good person to conduct the analysis.

Mary Clark stated that she understands that Portland is lacking apartments, and that could have an impact on developing a multifamily complex in the City. Connell stated that part of the allure of Portland is all of the amenities such as entertainment and mass transit options. Coombs stated that Portland does not always have parking spaces, and that could be something that can attract a higher end user to this area. Coombs explained that Fred Meyer had to include a multifamily aspect to their Wilsonville store, and it has worked out very well.

Leighton stated that the majority of the conversation has been about specific properties, but there has not been much of a discussion on the overall Town Center and what that means to the community. Leighton explained that the overall vision has probably changed from the original

concepts, and the real question is not what can be built on specific parcels but what opportunities the center can the bring to the community.

Kizzar stated that if a higher end multifamily development were built at the proposed location, the residents would have a view of a manufactured home park and big box stores. Kizzar explained that there is also not a lot of evening entertainment options in the area. Mickelson stated that becomes part of the chicken or the egg question. The question is do you build the entertainment features first, or the residential features. Mickelson explained that this development is not intended to compete with units in the Peal District, but it will have higher quality features that can become a new standard for the City. McFadden stated that he can envision younger professionals wanting higher amenities, but do not want to pay Peal District prices. Leighton stated that while there may not be entrainment options within walking distance from the Town Center, the Gorge, Downtown Portland, and Mt Hood are not far away.

Tim Clark asked if the multifamily development is a real project or just an idea. Mickelson stated that his company is ready to build the complex as soon as it could be approved. Howard stated that a multifamily development in the Town Center could be beneficial for the community and center. Mickelson stated that he understands the concerns raised, and a development has to be right for the community.

Peterson stated that he understands that the next steps in this process will be to work with a professional to determine what is feasible in the current marketplace. There may also be a visioning piece added to the process. Peterson explained that the discussion will include all types of land uses including residential.

ADJOURN

With no further business being discussed, the Council joint session adjourned at 8:35pm.



Patricia Smith
Mayor

11-14-2013

Date

ATTEST:



Greg Dirks
City Recorder