

**Testimony by Wilsonville Mayor Tim Knapp
in Opposition to HB 3520:**



**Proposed Legislation Preempts Local Government
Zoning and Creates Unintended Consequences**

For Public Hearing Scheduled on April 14, 2015, Before the
House Committee on Rural Communities, Land Use, and Water

To Chair Clem, Vice-Chairs Helm and Post, and Members of the Committee:

The City of Wilsonville opposes HB 3520 as introduced. From the City’s perspective, HB 3520 poses several issues of concern focused on state preemption, local control, impracticality of implementation and potential detrimental unintended consequences.

The bill preempts a local government’s zoning and development ordinances that are an embodiment of the will of the people. Section 1(6) indicates that, “A local government *may not* restrict industrial use of land” (emphasis added). In addition to defending the City’s grant of home-rule authority under the Oregon Constitution, the City seeks to advance higher-value, family-wage industrial development through an architectural design overlay district in a Regionally Significant Industrial Area (RSIA).

The City seeks to encourage higher-value construction for an attractive industrial zone similar to that of Wilsonville’s “high-tech campus” employment area of FLIR–Mentor Graphics–Oregon Tech–Rockwell Collins–Xerox. These kinds of industrial firms—often in the high-tech or software manufacturing sectors—seek a higher caliber of building and to be located near other similar firms and built environments.

The “Day Road Design Overlay District” zone is an integral component of the Coffee Creek RSIA, as designated by Metro. The architectural overlay district is essentially one lot deep that fronts Day Road, which is the primary entry way for both the Coffee Creek RSIA and future adjacent Basalt Creek Industrial Area.

The immediate purpose of the Day Road Design Overlay District—codified as Wilsonville Code Section 4.134—is to establish standards for site design and exterior architecture of all structures located along Day Road (also known as Day Street). The ultimate goal of the overlay zone is to facilitate recruiting family-wage employers in growing traded-sectors of the economy that require higher-quality development.

In order to facilitate timely development of the Coffee Creek RSIA, the City won a \$60,000 grant from the Dept. of Land Conservation and Development to create an

innovative “Form-Based Code” never before used in Oregon. The simple and direct “Form-Based Code” for the Coffee Creek RSIA promises to substantially reduce both the cost and time for building design approval and permitting.

The City of Wilsonville has been a leader in the state both in economic development and producing family-wage jobs, as well as in advancing high-quality construction. The proposed legislation in effect imposes the lower-quality denominator approach to industrial development, harming the community’s long-term aspirations.

In the case of Coffee Creek RSIA, which is composed of multiple landowners, the bill would present new obstacles that could be difficult to overcome by requiring the “receipt of express written consent from all landowners of property * * *.” Thus, although the objective of the “Day Road Design Overlay” zone is to create a higher standard of development—and therefore a higher building value with higher-wage jobs—the proposed legislation states that a “local government may not restrict industrial use” without “express written consent from all landowners of property.” Section 1 (C)(7).

The bill removes a primary tool used by local governments in negotiating with property owners and developers for advancing community aspirations; Section 1 (C)(7) states that, “A local government *may not require* a landowner of property * * * to provide express written consent * * * as a condition for receipt or approval of any permit” (emphasis added). By using the phrase “[a]ny restriction of industrial use,” the proposed legislation creates other uncertainty regarding local government zoning and land-use ordinances. For example, under the proposed legislation, it appears that local governments could not regulate industrial marijuana-growing operations that are located in an RSIA.

Please find attached to this testimony the City of Wilsonville’s Coffee Creek Industrial Area “Development Overview” publication that provides additional information.

In total, HB 3520 poses several issues of concern focused on state preemption, local control, impracticality of implementation and potential detrimental unintended consequences. The City of Wilsonville respectfully urges a “Do Not Pass” vote on HB 3520 by the House Committee on Rural Communities, Land Use, and Water. Thank you for your time and consideration.

Sincerely,



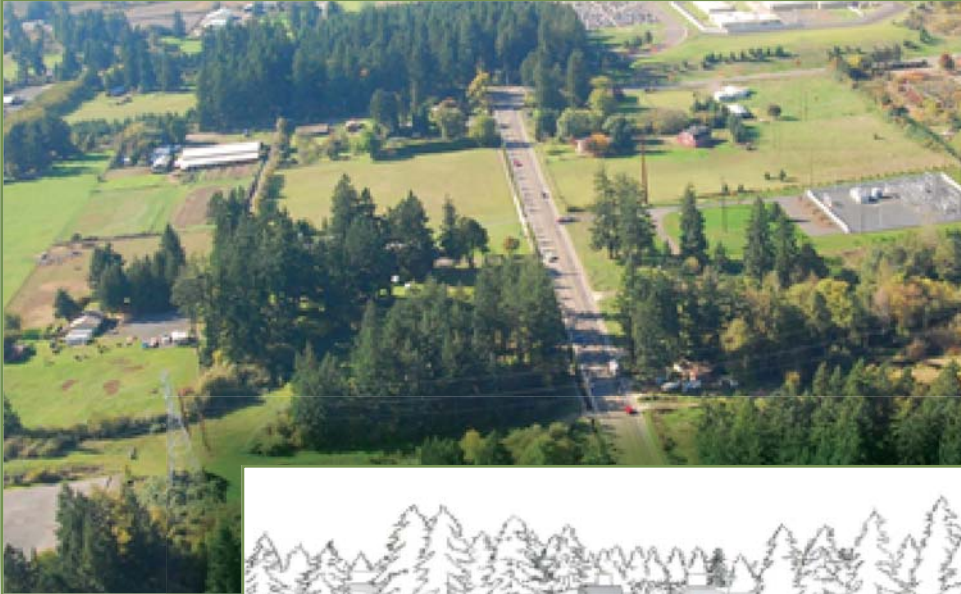
Tim Knapp, Mayor
City of Wilsonville



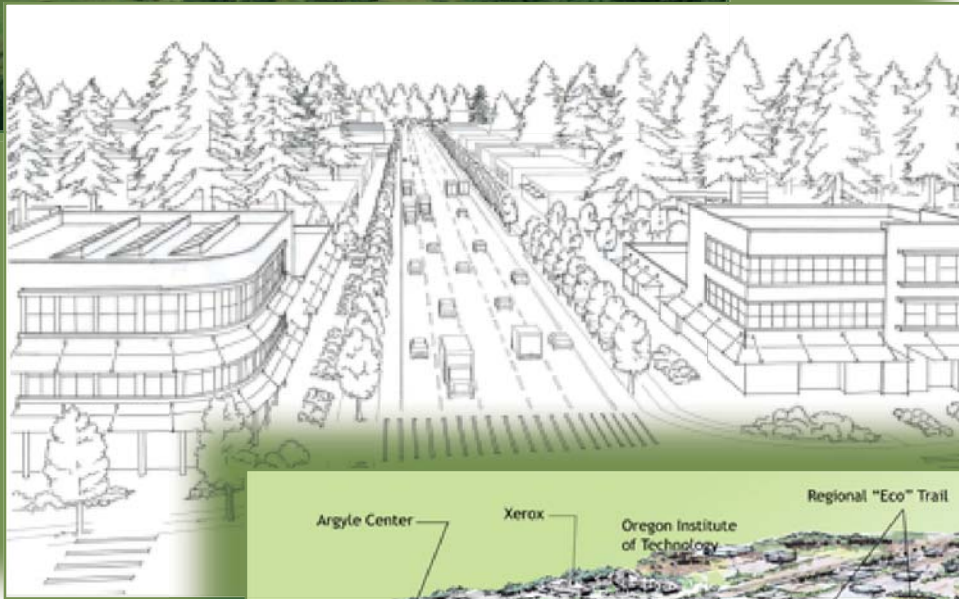
City of Wilsonville

Exhibit Attachment to Testimony by Wilsonville Mayor Tim Knapp on HB 3520
For Public Hearing Scheduled on April 14, 2015, Before the House Committee on Rural Communities, Land Use, and Water

Coffee Creek Industrial Area



Development Overview



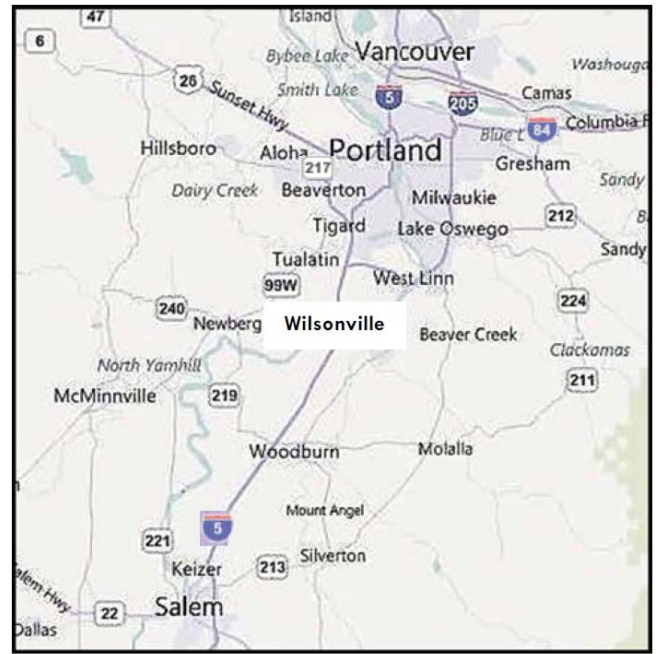
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This brochure was made possible in part by financial assistance provided by the Oregon Department of Land Conservation and Development Technical Assistance Grant Program.

The south Metro region has experienced rapid growth over the past two decades. The cities of Wilsonville, Tualatin and Sherwood have undergone significant increases in population, households and employment. In 2002, Metro added the Coffee Creek Industrial Area into the Urban Growth Boundary with the designation as a Regionally Significant Industrial Area (RSIA), which protects the area from competing commercial or residential development.

The Coffee Creek Industrial Area is located in an area of unincorporated Washington County that is within the City of Wilsonville’s designated urban growth boundary. Washington County is currently the governing jurisdiction for activities in the area; however, future development of this area requires annexation into the City of Wilsonville. The City’s Planned Development – Industrial Zone (PDI-RSIA) complies with the Metro RSIA designation.



Bing Maps



The Coffee Creek Industrial Area is free of commercial and residential encroachment.

A master plan for the Coffee Creek Industrial Area was completed by the city of Wilsonville in 2007. The master planned area includes 216 acres south of Day Road which provides a framework to guide the development of public facilities and private uses. A detailed infrastructure study was completed in 2011.

The Coffee Creek Master Plan envisions development of a new employment center in North Wilsonville for approximately 1,800 jobs. The Coffee Creek Master Plan features design standards that support multi-level industrial-office buildings along Day Road and a pedestrian/bicycle network that creates a transit and pedestrian-oriented “Class A” employment center. Green street design standards with a passive-solar building orientation/street grid are also incorporated into the employment center. New development is expected to serve general industrial, warehouse, flex, and research and development (R&D) functions. Pedestrian and bicycle facilities are to be provided along all collector and arterial streets for convenient and safe access to all modes of travel.

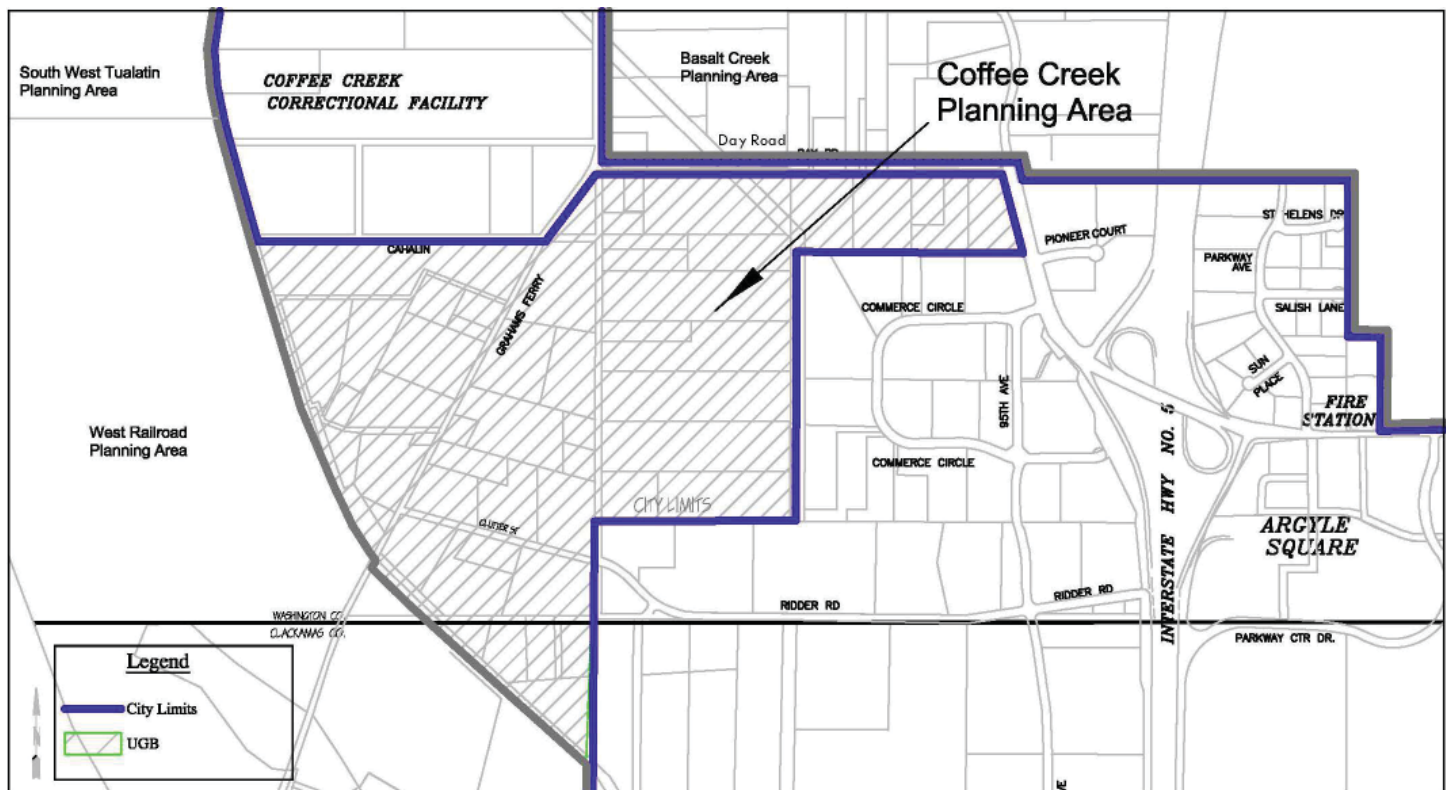
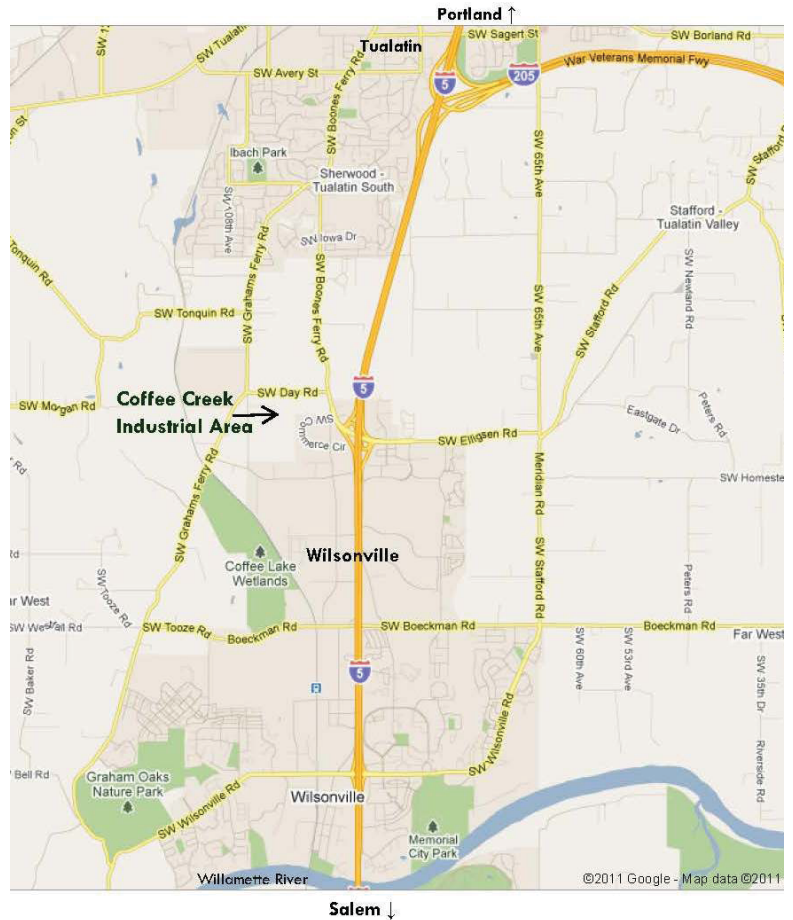
The Coffee Creek Master Plan allows for fast-track permitting and application processing from City departments that understand business needs for industrial development. One “pre-application” meeting with all of the key departments highlights any issues and provides a map forward.



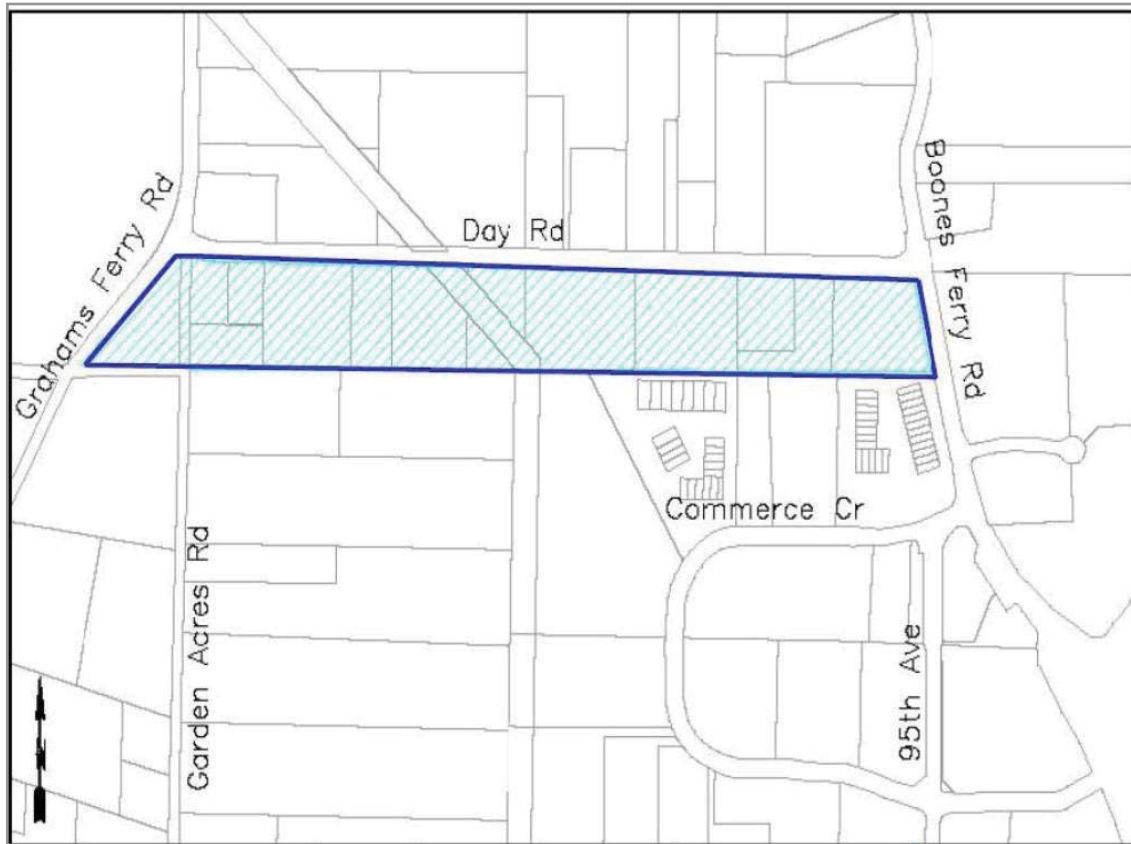
Ideal location for business. Located along Interstate-5, the West Coast commerce corridor, Wilsonville is situated as a strategic 'dual gateway' between the southern edge of Portland metropolitan area and Salem (the state capitol).

Wilsonville has excellent I-5 freeway access to I-205 / I-84 and west to Oregon Highways 217 / 26 that make Wilsonville a transportation hub for interstate transport. Wilsonville's industrial zones are located immediately adjacent to I-5, helping to minimize truck and automobile traffic interaction on city streets and speed the delivery of freight.

New economic opportunities with Coffee Creek Industrial Area: The proposed Coffee Creek Industrial Area will be the City's next area of major business development that is projected to host over 1,800 family-wage jobs with an annual payroll of \$55 million at build-out. The City has conducted additional studies and undertaking planning efforts for infrastructure requirements, which are estimated at \$34 million, with the majority of costs for roads at \$26 million.



The Coffee Creek Industrial Area includes approximately 216 acres south of Day Road. It is primarily located in unincorporated Washington County, with a small triangle (south of Clutter Road) located in unincorporated Clackamas County. The area is generally bounded by the Coffee Creek Correctional Facility and Day Road on the north, the Portland and Western Railroad to the west and south, and the existing Wilsonville city limits to the east.



The Day Road Design Overlay District is a special design zone for a portion of the Coffee Creek Industrial Area. The purpose of the Day Road Design Overlay District (Wilsonville Code Section 4.134) is to establish standards for site design and exterior architecture of all structures located along Day Road (also known as Day Street).

Buildings constructed in this area on the map, above, will have to comply with specific design standards. These standards are intended to ensure high-quality design of development and redevelopment at the Day Road gateway to the city of Wilsonville including:

- Coordinated design of building exteriors, additions and accessory structure exteriors.
- Preservation of trees and natural features.
- Minimization of adverse impacts on adjacent properties from development that detracts from the character and appearance of the area.
- Integration of the design of signage into architectural and site design.
- Minimization of the visibility of vehicular parking, circulation and loading areas.
- Improved pedestrian linkages and to provide for public transit.
- Encourage architectural design in relationship to the proposed land use, site characteristics, and interior building layout.



Day Road looking west from Boones Ferry Road intersection.

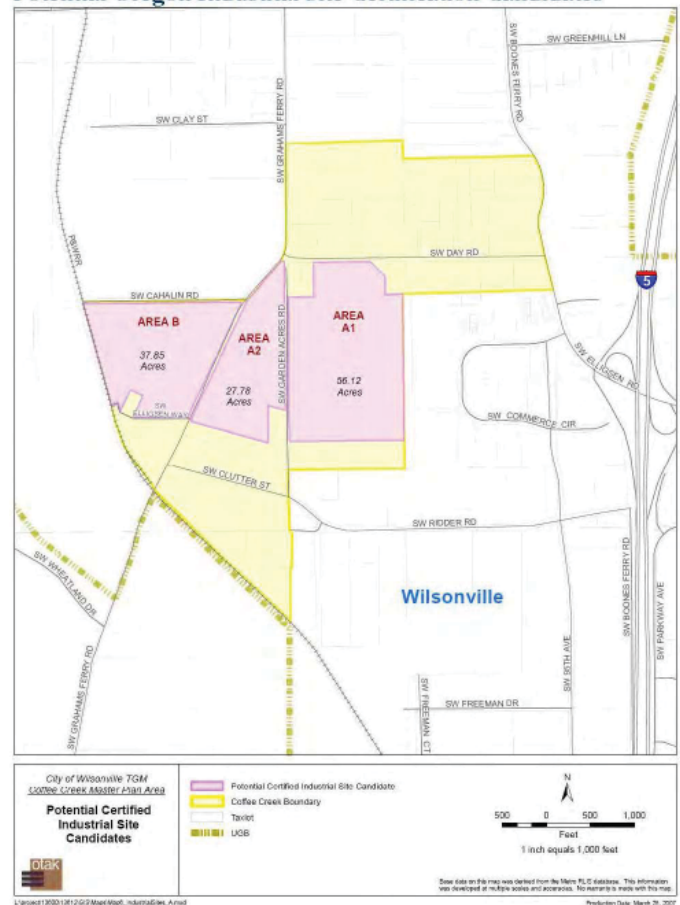
Appendix F Potential Oregon Industrial Site Certification Candidates

Statewide Planning Goal 9 Economic Opportunities Analysis (EOA)

The City of Wilsonville completed a Statewide Planning Goal 9 Economic Opportunities Analysis (EOA) in accordance with Oregon Department of Land Conservation and Development (DLCD) requirements in January 2008.

Areas within Coffee Creek Industrial Area have been identified as “potential industrial site certification candidates” under the Oregon Business Development Department’s Industrial Site Certification Program.

Given Wilsonville’s strong existing cluster of industrial businesses, Wilsonville is competitive with the region and the state for expansion and attraction of industrial development. The potential availability of land, access to well-educated labor force, and relatively high-quality of life in Wilsonville, help retain and attract growing manufacturing and industry sectors.



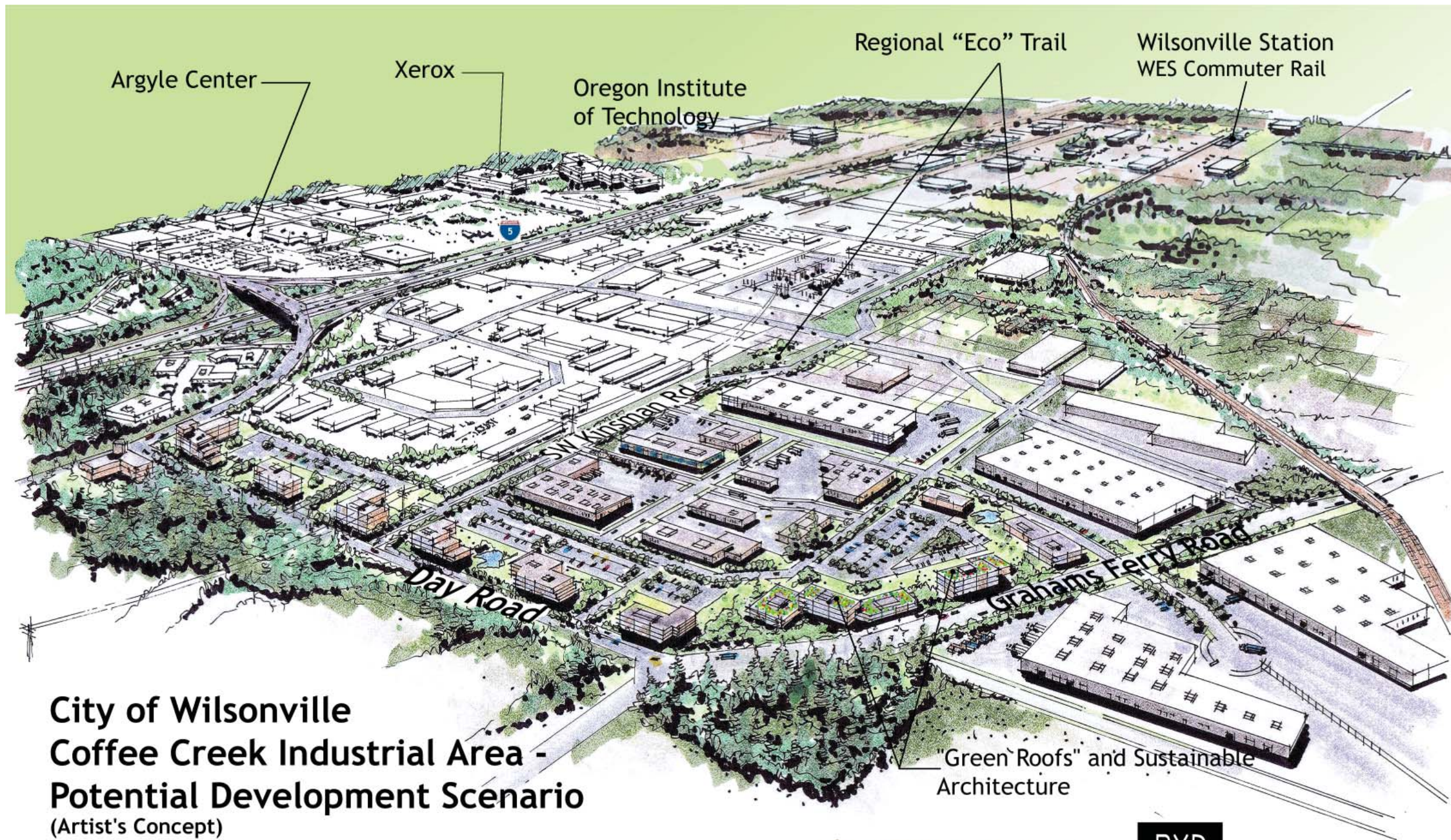
City of Wilsonville Economic Opportunity Analysis



Wilsonville locational advantages coupled with incentives are intended to “level the playing field” as a great place to do business.

- **For Developed Industrial Properties:**
 - * Most SDCs Already Paid: A majority of systems development charges (SDCs) associated with most existing industrial facilities in Wilsonville have been paid in the construction process.
- **For Undeveloped “Greenfield” Properties**
 - * Development Agreements between the City and businesses can provide companies with credits against SDCs when a newly developed site expands public infrastructure.
 - * Financing Agreements can lock-in current rates to prevent escalators (i.e., phased SDC rate increases) from kicking-in for a period of time as a company completes build-out.
- **Reduced Taxation**
 - * Transit Tax Savings: Wilsonville has lower payrolls-tax costs due to reduced Wilsonville SMART transit tax when compared to all Portland-area cities Tri-Met payroll tax. Wilsonville’s employer-paid payroll tax to subsidize public transit operations is one-third less (0.50% vs. 0.6818%) than that for businesses located in all other areas of Portland served by Tri-Met; for higher-wage or larger employers, this differential can produce considerable savings.
 - On \$10 million in annual wages, a business would save over \$18,000 in payroll tax by being located in Wilsonville.
 - * No Business Income Tax: Unlike some jurisdictions, Wilsonville has no business income tax.
- **Relocation Assistance**
 - * Wilsonville can work with the company and the Wilsonville Chamber of Commerce to create customized relocation packets for employees.

Wilsonville is a city well-accustomed to working with industrial firms in manufacturing and wholesale distribution. Over half of the 15,000 full-time employees who work in Wilsonville are employed in industrial occupations - principally in high-tech, healthcare products and distribution logistics.



**City of Wilsonville
Coffee Creek Industrial Area -
Potential Development Scenario
(Artist's Concept)**



Coffee Creek Concept Rendering (view looking southeast from corner of Day Road and Grahams Ferry Road)

The Planned Development Industrial – Regionally Significant Industrial Area (PDI-RSIA) is Wilsonville’s newest industrial zone district. This zone designation applies to the Coffee Creek Industrial Area and is appropriate for most light manufacturing, warehousing, distribution, and flex uses. Corporate headquarters and technology campuses are also appropriate for the PDI-RSIA. The PDI-RSIA designation will help meet the Region’s documented needs for high-wage, light-industrial development, and provide a land-use type that is compatible with surrounding industrial uses, and the Coffee Creek Correctional Facility.

The City has worked with Metro, the State and others to plan for a regionally significant 200-acre industrial development area in the northwest quadrant of Wilsonville in Washington County near the Oregon Coffee Creek Correctional Facility. The proposed Coffee Creek Industrial Area will be the City’s next areas of major business and economic development that is projected to host over 1,800 family-wage jobs with an annual payroll of \$55 million at build-out. The City is in the process of conducting additional studies and undertaking planning efforts for infrastructure requirements, which are estimated at \$34 million, with the majority of costs for roads at \$26 million.

The artist’s rendering on the left depicts what the area might look like at buildout.

Target Development:

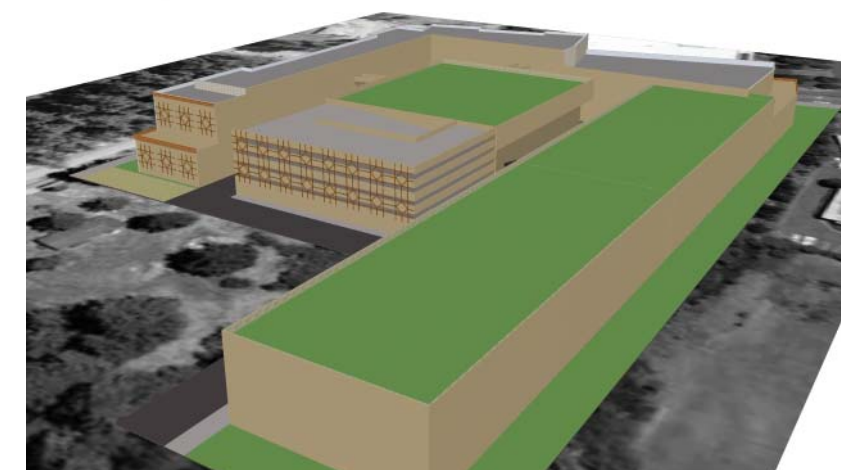
A mix of general industrial/flex and R&D/tech buildings totaling approximately 2.1 million square feet of industrial development floor area at build-out:

- Two-thirds general industrial/flex with floor-to-area (FAR) ratio of 0.30
- One-third Research & Development/Technology building types with a FAR ratio of 0.25

Wilsonville is a city well accustomed to working with industrial firms in manufacturing and wholesale distribution. Approximately two-thirds of the 15,000 full-time employees who work in Wilsonville are employed in industrial occupations — principally in manufacturing and distribution logistics.

The city’s leading industrial firms include Xerox, Mentor Graphics, Tyco Electronics, FLIR Systems, Rockwell Collins, SYSCO Food Services, Rite Aid Distribution, Coca-Cola Bottling and OrePac Building Products Inc.

Sustainable development practices (green streets, eco-roofs, eco-efficient employment techniques, low-impact developments, sustainable energy) are encouraged in the Coffee Creek Industrial Area, and will help to give the area a market edge over traditional industrial development.



Courtesy of Nathaniel Rotta



Employment: Family-wage industrial jobs.

Wilsonville's 800-plus businesses provide 15,000 full-time jobs (FTE), with over half of these positions in high-wage industrial occupations of manufacturing or wholesale distribution.

Total annual private-sector payroll in Wilsonville is approximately \$800 million annually, a 63% increase since 2000 that generates a total direct/indirect regional economic impact of over \$1.9 billion per year.



Top-30 Wilsonville Employers

Business	Type	FTE	Business	Type	FTE
Xerox Corporation	M	1,500	Vision Plastics Inc	M	130
Mentor Graphics Corporation	M	1,100	S S I Shredding Systems Inc	M	125
Tyco Electronics—Medical Prods.	M	550	Hartung/Oregon Glass Co.	M	120
Sysco Food Services of Portland	D	520	Costco Wholesale, Wilsonville	R	115
Oregon Dept. of Corrections	G	450	Coherent, Inc	M	105
FLIR Systems	M	440	Prograss, Inc	S	105
Rockwell Collins	M	430	Crimson Trace Corp.	M	100
Rite Aid Distribution Center	D	240	McKesson Drug Co.	D	100
Fry's Electronics, Inc	R	230	N T P Distribution Inc	D	100
Coca-Cola Bottling of the NW	M/D	170	Precision Countertops Inc	M	95
City of Wilsonville/SMART	G	160	Target Store, Wilsonville	R	95
Adecco USA Inc	S	155	Portland General Electric Co.	U	85
Houston's Inc	D	145	West Coast Bank Service Ctr	S	90
Kinetics Climax Inc	M	135	bioMérieux, Inc.	M	80
OrePac Building Products Inc.	D	135	Wilsonville Toyota/Scion	R	80

Business Type: D=Distribution; G=Government; M=Manufacturing; R=Retail; S=Service; U=Utility



Wilsonville-based businesses workforce composition by:

- Occupation (job type)

Occupation	# Jobs	% Jobs
Admin Support	2800	18%
Pro Specialty	2300	14%
Exec/Mgrs/Admin	2200	13%
Sales / Clerks	2100	13%
Other Services *	1700	11%
Precision/Craft*	1500	9%

* employment site-based workers

- Economic sector (business type)

Economic sector	# Jobs	% Jobs
Manufacturing	4200	26%
Wholesale Trade	3600	23%
Services	3200	20%
Retail Trade	3200	20%
Construction	500	3%



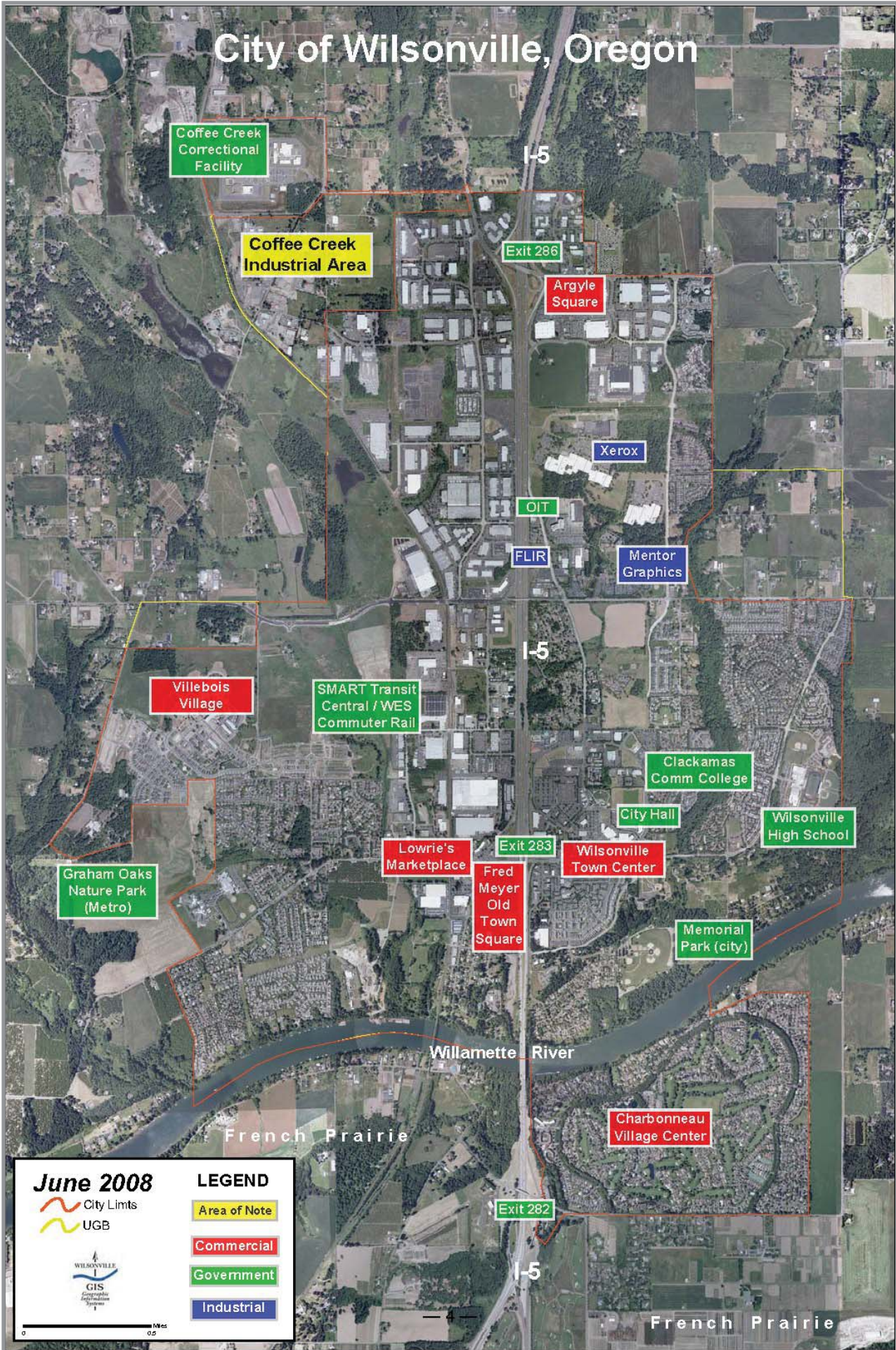
Wilsonville businesses continue job growth in Great Recession

Despite the high-profile closure of businesses like Hollywood Video/Movie Gallery and Joe's Sporting Goods—each of which had both corporate offices and warehouses in Wilsonville—that resulted in the loss of nearly 1,000 jobs, a number of other businesses have either expanded or announced plans to increase employment. Some job gains in the past year and upcoming include:

- Coca-Cola Bottling of the Northwest: consolidated operations, going from 60 to over 170 jobs
- Rockwell Collins expanding employment from 250 to nearly 450 high-wage jobs
- Fred Meyer Stores constructed a 195,000 square-foot shopping center with about 450 positions



City of Wilsonville, Oregon



June 2008

City Limits
 UGB

0 0.5 Miles

LEGEND

Area of Note
 Commercial
 Government
 Industrial



Water Treatment Plant

Water: Long-term supply of high-quality water

The city of Wilsonville enjoys high-quality, reliable water supplies with a stable rate structure due to major City investment of nearly \$50 million in the Willamette River Water Treatment Plant, which began operation in 2002. The plant is capable of processing 15 million gallons per day (mgd).

Water tests show that the treated water is of some of the highest quality municipal water in the US. In 2010, Coca-Cola Bottling of the Northwest consolidated bottling of Coke-products, including Dasani-branded water, for distribution in Oregon and Washington to an expanded facility in Wilsonville.

Wastewater Treatment: Commitment for sustained growth

The City has begun to undertake a major, \$45 million capital investment to upgrade and expand the capacity of the wastewater treatment facility. This project will replace aged equipment and structures to handle the community's current needs and address future growth of residents and jobs over the next 20 years.

The plant expansion and rehabilitation project is expected to start in 2011 and be completed by January 2014.



Wastewater Treatment Plant

Transportation & Transit: Timely and reliable movement of freight and commuting workers

The City works with partners at county governments, Metro, Oregon Department of Transportation and federal officials to acquire funds that improve the area's transportation and transit infrastructure. Over the 2009-10 period, over \$68 million was invested in major infrastructure projects in and near Wilsonville, of which \$53+ million was for road-related projects.



Excellent Public Transit Service. Wilsonville's efficient transit system facilitates employee recruitment from the greater Portland and North Willamette Valley labor-sheds. In order to provide our industrial employers with the most responsive transit service feasible, the City operates its own agency—SMART, South Metro Area Regional Transit—providing bus and commuter rail connections to Portland's TriMet, Canby Area Transit (CAT) and Salem Area Transit (Cherriots).

TriMet's Westside Express Service (WES) Commuter Rail, co-operated with SMART, provides train service to five stations from Beaverton to Wilsonville. North of Wilsonville, connections from the Commuter Rail stations are provided by TriMet serving Beaverton, Hillsboro, downtown Portland and the Portland International Airport. SMART's popular 10-minute "employee-delivery" service guarantees that commuting employees who use WES commuter train service are shuttled to Wilsonville worksites within 10 minutes of arrival of each WES train run.



Heavy-gauge Rail Access: Short-line Portland and Western Railroad, which runs along the western edge of Wilsonville, over the same tracks as WES, is a possible option for spur-line development.

Airport Access

Portland International Airport (PDX) is located 25 miles northeast of Wilsonville and offers commercial freight and passenger air service daily with direct flights to Europe, Asia, Mexico and cities throughout the United States.

Limited freight and charter passenger air service is available at Aurora State Airport located south of the beautifully planned community of Charbonneau on Airport Road.



Outstanding Power Reliability

A BPA transmission line corridor crosses Wilsonville with two major Portland General Electric substations; one is just across the road from Coffee Creek Industrial Area. Additionally, a PGE line service center and a PGE/PacifiCorp Western US linemen training center with Clackamas Community College are both located in Wilsonville

High Quality of Life for Wilsonville Residents

Wilsonville is a relatively young city that is a clean, uncluttered municipality with an attractive, upscale feel.



Residential living opportunities include private homes, townhomes, affordable housing, apartments, assisted living facilities, and condominiums in planned neighborhoods like the award-winning Villebois community. Named the 2010 Community of the Year by the National Association of

Home Builders, Villebois feels like a classic village with timeless European-inspired architecture and 160 acres of parks and beautiful landscaping.

The Charbonneau community is a planned community nestled amid the beautifully maintained landscape of a 27-hole public golf course. This community includes ten swimming pools, indoor & outdoor lighted tennis courts, miles of walking and jogging trails, and a boat marina on the Willamette River.



Other neighborhood communities include Wilsonville Meadows, Canyon Creek North, Morey's Landing, Town Center, River Green and Old Town.

Higher Education with a Focus on In-Demand, Market-Ready Skills

Oregon Institute of Technology (OIT), the state's premier university of applied engineering and advanced technology studies, has recently announced their intent to consolidate four Portland area campuses to one campus in Wilsonville in 2012.



Graduates of the program are prepared for graduate study or for immediate employment as field engineers, energy auditors, renewable energy system integrators for homes and businesses, manufacturing engineers for component and subsystem manufacturers, designers for components and subsystems, local and state government renewable-energy inspectors, planners and other positions in the energy field. OIT already has relationships with a cluster of high-tech firms through internship programs.

Clackamas Community College (CCC) has a Wilsonville campus focused on electrical utility training in conjunction with Portland General Electric and PacifiCorp. CCC works closely with the Workforce Investment Council of Clackamas County (WICCO) to develop vocational education and other technical training programs for specific industries and trades. Customized training classes for area businesses can be provided at the Wilsonville campus or at an employer's industrial site.



Pioneer Pacific College is a private vocational-education institution with two Wilsonville campuses, including one dedicated to healthcare-related training.

Oregon University System Four of the seven universities in the Oregon University System's main campuses are within an hour's driving time from Wilsonville. **Portland State University (PSU)** and extension campuses for **University of Oregon** and Oregon State University are located in downtown Portland and offer an array of advanced, university-level educational opportunities. OIT is consolidating its Portland campuses area to one campus in Wilsonville that is scheduled to open in 2012.

Strong Community Support for K-12 Education

West Linn-Wilsonville School District, one of Oregon's top-ranked school districts, serves Wilsonville with two elementary schools, a middle school, high school, special charter high school and an environmental studies center.



The schools within this school district consistently achieve test-scores as one of the best-performing public school systems in Oregon.

Canby School District **Canby School District** serves the Charbonneau area south of the Willamette River.

Wilsonville offers businesses and residents many amenities, including nearby shopping for all retail goods and services, wonderful city parks and recreation programs, an excellent public library, and a range of community events.



The provision of quality parks and recreation amenities are the centerpiece of a high-quality of life and community livability in Wilsonville. The residents of Wilsonville are active in a variety of sports and recreational activities, organized and offered through the City, schools and community organizations. Public and private golf courses are located in and near Wilsonville.



Wilsonville has been recognized as a Tree City, USA for over a decade. The community strives to maintain its natural beauty while accommodating new residents and businesses. For instance, the city has the good fortune of being home to three beautiful water features designed by the late Bob Murase, a world renowned landscape architect.



Relatively easy access to cultural events in Downtown Portland, the wine country of Oregon's Willamette Valley, many golf-course options, skiing and hiking in the Cascades mountain range, and beach play at the Oregon Coast.

Excellent schools, hundreds of acres of parks and hiking trails, sustainable communities with healthy neighborhoods and quality jobs make Wilsonville a desirable place to live and work. We look forward to talking with you about the City of Wilsonville.

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