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**STAFF REPORT ON ODOT LETTER FOR REVIEW
OF THE COMPREHENSIVE PLAN AND CODE FROM
APRIL 14, 2008**

This staff report covers comments received by the City of Molalla from ODOT (Oregon Department of Transportation). Staff comments and suggestions are made in ***Bold Italic*** print.

STAFF REPORT

A primary concern with the current Draft is the inconsistencies between it and the proposed Municipal Code Chapters 16-29 (Development Code), as well as between these documents and the *Downtown Development/OR 211 Streetscape Plan (Recommended, June 2007)*. (Which is referred to as the “Downtown Plan” in the proposed comprehensive plan.) Proposed Molalla Comprehensive Plan 2 ODOT Recommendations 4/14/08

This letter is dated April 14, 2008. In December of 2008 staff, at the recommendation from the Planning Commission, made major changes and enhancements to the code. While there are still issues staff are addressing as part of more recent comments and findings many of the concerns expressed in this letter were addresses in a March 2009 meeting with ODOT representative Sonya Kazen.

Integrating the Molalla Downtown Development/OR 211 Streetscape Plan

The City, with the assistance of Cogan Owens Cogan consulting firm, conducted a land use and transportation plan for Molalla’s downtown along with a streetscape plan for OR 211 in 2006-2007. It was partially funded by a state Transportation Growth Management grant. I was the grant manager and served on the Technical Advisory Committee, and coordinated ODOT’s review of the OR 211 design proposals. The *Recommended Molalla Downtown Development/OR 211 Streetscape Plan* (June, 2007) was developed with extensive public involvement and supported by the citizens task force. The Recommended plan was presented to the Planning Commission and City Council in June, 2007 and these bodies expressed support.

The City decided to delay adoption hearings, and now intends to consider the *Downtown Development Plan/OR 211 Streetscape Plan* along with the new Comprehensive Plan, Development Code, and Parks and Recreation Plan. These plans need to be consistent with one another.

The *Recommended Downtown Development/OR 211 Streetscape Plan - Implementation Plan* includes specific “Recommended Comprehensive Plan Changes”, “Recommended Zoning Code Changes”, and as well as guidance on integration into the “City of Molalla Transportation System Plan”. These provide useful guidance, however the recommendations were based on the City’s existing comprehensive plan and code, and do not fully address integration with the newly proposed comp plan and code.

Staff has addressed many of the items in the Downtown/OR 211 Streetscape Plan. Many additional items will be addressed as part of these and future staff reports.

In the following review, I have attempted to identify areas where these recommendations can be incorporated, and where inconsistencies between the proposed plans currently occurs.

COMPREHENSIVE PLAN

The following comments pertain only to areas of concern identified in my review:

- The Plan does not appear to include policies or process for evaluating proposed amendments to the Comprehensive Plan (including the Comprehensive Plan Land Use Map) . Proposed amendments can be made legislatively by the City, or proposed by citizens and processed as quasi-judicial land use actions. The state Transportation Rule OAR 660-12-060 applies directly to comprehensive plan amendments and should be referenced in the comp plan amendment approval criteria.

Enhancements and refinements made to the code since December of 2008 have addressed these concerns by ODOT. Staff did not recommend a zone change as recommended in the Downtown/OR 211 Streetscape Plan since this will be completed as part of Phase II which will follow the approval of the phase we are currently in.

- The Plan does not support mixed-use residential commercial development downtown, as recommended in the *Downtown Development/OR 211 Streetscape Plan*.

Changes to the plans and code since the date of this letter address mixed-use development in the downtown. This was a major change to the code that the Planning Commission requested. More specific details of how the City addressed this issue can be found in the March 2009 staff report by both ODOT and DLCD.

GOAL 9 ECONOMIC DEVELOPMENT

Central Business District & Community Planning Areas

Opening paragraphs:

- Recommend that a discussion about the development and role of the *Downtown Development/OR 211 Streetscape Plan* be included in this section.

See staff report in March 2009 ODOT letter.

Downtown Development and Policies

- Recommend that the “Vision and Guiding Principles” in the *Downtown Development/OR 211 Streetscape Plan* be incorporated into this section rather than merely referenced. Of particular importance is the recommendation for mixed use residential-commercial within the CBD to support downtown economic viability and livability.

Staff believes that as a supporting document of the Comprehensive Plan the Downtown/OR 211 Streetscape Plan would be sufficient and no additional language would be necessary.

Community Planning Area Policies

The Comprehensive Plan goals and code language are inconsistent regarding small scale residential-supportive commercial development.

The proposed Comp Plan goals do support “commercial” uses for this new zone. However, Proposed Code 18.16.100 only would allow specific small scale commercial uses on parcels in a defined geographic area, rather than as a specific percentage of the land area of any CPAs created. This is not integrated mixed-use development.

Staff concurs with ODOT's assessment and has pulled much of the language associated with community planning areas. The purpose of this was due to the projected site the city had when first envisioning this development concept. Reduced language has been made in all documents. However staff does agree with ODOT that adding a percentage of mix for commercial type uses and limiting size of commercial uses for this zone may benefit the code much more than by identifying pockets of commercial development that may or may not end up developing as the Planning Commission had originally discussed.

Small Scale Mixed Use Development

The intent and scope of the proposed policies are unclear. Does the City intend to create mixed-use residential-commercial zones or neighborhood commercial zones? Except for the commercial uses allowed in a portion of the Community Planning Area 18.16.100, the proposed development code does not allow for any neighborhood commercial or mixed residential-commercial development within residential zones.

Due to the potential neighborhood impacts of commercial development (traffic, noise, hours of operation), commercial operations in residential zoning districts should be clearly regulated in terms of size and use within the residential zoning code for each parcel or master planned area.

This language is associated with mixed use commercial/residential which does allow for a mix while all residential zones do not allow for commercial uses. The community is of a size that commercial uses can be found in close proximity to all residential uses and therefore no mix of commercial/residential in residential zoned areas are necessary.

Commercial Development Policies

Recommend that policies be added which support development code requirements for multi-modal transportation access to and within commercial developments. Providing a range of travel options supports the economic viability of commercial areas. Proposed Molalla Comprehensive Plan 4 ODOT Recommendations

Policies have been added as recent as April 2009 which have been reviewed and discussed with ODOT representative Sonya Kazen to further address multi-modal transportation.

Industrial Development Policies

There do not appear to be policies to support the creation of the Employment Zone which is proposed in the new Development Code (and recommended in the *Downtown Development/OR 211 Streetscape Plan*).

There are no policies which support office development. The City's proposed development code only includes "Offices" as a permitted outright use in the proposed Employment zone. Recommend the City consider adding "office" in the new Commercial-Industrial and Light Industrial Zones. There are no operating or planned rail services within Molalla, therefore "rail access" references should be deleted from the comprehensive plan.

Major changes to the code since July 2008 have been made which incorporated policies to support an employment zone as well as office uses.

The employment zone was not created until nearly the end of the Downtown/OR 211 Streetscape Plan creation. The employment zone was created as a result of discussion regarding potential contamination sites in Molalla. Discussions held strongly suggested the need for an employment zone to protect lands which have not been tested for contamination but have a strong suggestion that contamination might exist.

GOAL 10: HOUSING

Zoning and Implementation – Mixed Use Residential Measures

The policies do not clearly support mixed housing-commercial development within Downtown. The *Recommended Downtown Development/OR 211 Streetscape Plan* supports mixed use commercial-residential zoning within the CBD. Opportunities for living downtown would enable residents to walk or bicycle to services rather than drive, and help promote a vibrant downtown which would not close down at the end of the work day.

Discussions made earlier in this report as well as in depth discussions made in the ODOT letter dated March 2009 show Molalla's desire to bring residential uses into the CBD. Proper residential development can help Downtown become more walkable, and viable. Improper residential development in the downtown can end up setting the downtown back rather than advancing the CBD.

The discussion in the second bullet is a discussion persuading against residential mixed use in the CBD (and the proposed CBD development code 18.18 does not include mixed use residential-commercial development as a permitted use; it only includes "condominium development" as a conditional use. However, condominium development is an ownership pattern, not a housing type.) The Community Planning Areas section includes a mixed use policy, but as discussed above, the proposed CPA code does not permit mixed residential-commercial development. Including language in the comprehensive plan, and providing for mixed use commercial-residential development in the development code, would ensure this development type is available if/when the real estate market in Molalla supports it.

Staff concurs with ODOT in the fact that there may be concerns with the "condominium development" idea. While we have not yet had a discussion with legal we have made changes to the code. These changes no longer address the requirement of "condominium development" requirements for the downtown. However in recent work sessions the Planning Commission directed staff to work with legal to find out what options were available for them to render a final recommendation on.

Residential Zoning Districts - R-5 Downtown Revitalization

The purpose and intended application of this residential zoning category is unclear, and the text is confusing, including a section about Community Planning Areas.

Downtown Revitalization zone does not currently exist within the City, nor does the Recommended Downtown Development/OR 211 Streetscape Plan call for creation of such a zone. Also, the proposed Development Code does not include an R-5 Downtown Revitalization zone or standards.

This language has been moved to the R-5 zone which has been revamped and identified with a different name. Staff agrees that the issues with the ODOT comments would have been difficult to address the way that they were written at the time.

TRANSPORTATION PLANNING RULE (TPR) OAR 660-12-060, Plan and Land Use Regulation Amendments

The city is required to address this state administrative rule through findings of fact when changes to the City's comprehensive plan and development code are adopted.

It is my understanding that the City does not intend to consider comprehensive land use plan or zoning map changes at this time. However, the TPR must be addressed for the proposed text changes if these effect the intensity and type of land uses allowed on properties within the current Molalla urban growth boundary.

OAR 660-12-060 (1) requires the City to demonstrate that the "proposed allowed land uses are consistent with the identified function, capacity and performance standards (e.g. level of service, volume to capacity ratio, etc.) of the facility", and that a plan or land use regulation amendment would not *significantly affect* a transportation facility.

A comparison of the densities and uses allowed in the existing comp plan and code and in the proposed comp plan and code relevant to their potential traffic impacts will need to be made to determine if there would be a *significant effect* (as defined in OAR 660-12-0060 (1) on the planned transportation system (City of Molalla adopted TSP).

If there are found to be *significant effects*, the City would need to address the effect(s) through one or a combination of the measures identified in OAR 660-12-0060 (2).

Staff used existing zoning to address this potential impact. While there was not much of a need for an R-2 zone in the proposed code which matches the current R-2 code we did need to keep the zoning to maintain our existing zoning. New zones which do not currently have a zone will not be placed on property until Phase II where an Urban Growth Boundary, Zone Changes, and a Transportation Systems Plan would be established.

PART IV PUBLIC FACILITIES AND TRANSPORTATION Public Facilities Funding Policies

40. The policy statement is inaccurate insofar as there are currently no state facilities within or surrounding the City which have "inadequate carrying capacities". All state highways are currently operating within *Oregon Highway Plan* mobility standards (as shown in the traffic analysis of existing conditions conducted for the *Molalla Downtown Development/OR 211 Streetscape Plan*). There are,

however, current deficiencies in pedestrians and bicycle facilities along OR 213 and OR 211, and there are locations where turn lanes or signals are warranted but have not yet been constructed. The state is committed to working with the City of Molalla to implement the improvements identified in the City's Transportation System Plan and *Molalla Downtown Development/OR 211 Streetscape Plan* as funding becomes available, and to engage in the City's land use review process to ensure that the transportation impacts of development are mitigated to address transportation safety and operations.

Actually staff believes from recent studies done through the Downtown/OR 211 Streetscape Plan that the intersection of Molalla Avenue and Main St (Hwy 211) is at or near failing.

GOAL 12: TRANSPORTATION

Background: Recommend adding the following to the first paragraph: "The TSP will be amended with adoption of the *Downtown Development/OR 211 Streetscape Plan* to incorporate downtown and OR 211 transportation elements."

Staff implemented several of the goals and policies of this section to address the needs of the TSP as well as the Downtown/OR 211 Streetscape Plan.