



City of Stevenson

Phone (509) 427-5970
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7121 E Loop Road, PO Box 371
Stevenson, Washington 98648

October 2020 Planning Commission Meeting

Monday, October 12, 2020

6:00 PM

Held Remotely.

Conference Call Info: (253) 215-8782 or (312) 626-6799 and PIN 834 8226 9900.

Online: <https://us02web.zoom.us/j/83482269900>

A. Preliminary Matters

1. **Public Comment Expectations:** Chair Selects Public Comment Option for Meeting
2. **Minutes:** September 14th, 2020 Planning Commission Meeting Minutes
3. **Public Comment Period:** (For items not located elsewhere on the agenda)

B. New Business

4. **Conditional Use Permit Reviews:** Reviewing Past Permits (including those issued between 2018 & 2019)

C. Old Business

5. **Housing Needs Analysis** Stevenson-specific information
6. **Zoning Amendment: Increasing Residential Building Capacity:** R3 Text Amendment & Preliminary Map Changes
7. **Zoning Amendment: Increasing Residential Building Capacity:** Reviewing C1 Parking Text Amendment Policy Questions & Public Engagement Efforts

D. Discussion

8. **Staff & Commission Reports:** Facade Renewal Program, Sewer Improvement Grants
9. **Thought of the Month:** Air Quality

E. Adjournment

September 14th Stevenson Planning Commission Meeting Minutes
Monday, September 14, 2020
6:00 PM Held Remotely

Conference Call Info: (253) 215-8782 or (312) 626-6799 and PIN 845 5958 3385 #
Online: <https://us02web.zoom.us/j/84559583385>

Attending via remote access: Chair Valerie Hoy-Rhodehamel, Commissioners Auguste Zettler, Mike Beck, Jeff Breckel.

City Staff: Community Development Director Ben Shumaker

Other: David Ray

Public attendees: None

Planning Commission Vice-Chair Auguste Zettler opened the meeting at 6:03 p.m. (NOTE: Chair Valerie Hoy-Rhodehamel had intermittent connection problems throughout the meeting.)

1. Preliminary Matters

a. Chair Describes Public Comment Expectations for Remote Meeting

Vice Chair Auguste Zettler asked **Community Development Director Ben Shumaker** to explained the process for making public comments using the remote platform. Participants were asked to keep comments to 5 minutes or less. Use *9 to raise and lower hand to make comments, use *6 to mute/unmute the phone.

b. Approval of Minutes: August 10th, 2020 Regular Planning Commission Meeting
One correction on page 5 was noted: **Commissioner Beck** offered to *personally* help with the recently awarded street tree planning grant. He did not volunteer any county services.

MOTION to approve the minutes from the August 10th, 2020 Planning Commission Meeting with corrections was made by **Commissioner Breckel** with a second provided by **Commissioner Beck**.

- Voting aye: **Commissioners Auguste Zettler, Mike Beck, Jeff Breckel.**
- Voting nay: None

c. Public Comment Period:(For items not located elsewhere on the agenda)
No comments were received.

2. New Business

a. Planning Commission Vacancy: Review Statements of Interest, Interview Candidates, & Recommend City Council Action

Community Development Director Ben Shumaker introduced David Ray, an applicant for the open position on the Planning Commission.

Vice Chair Auguste Zettler asked David Ray to provide information on his background. He stated he attended grad school in Oregon in public policy and planning and had been involved in some planning issues, including one in the Gorge.

Chair Valerie Hoy-Rhodehamel asked if he had attended any Stevenson Planning Commission or City Council meetings. He indicated he had attended in the past.

Commissioner Beck questioned Ray regarding what his current interest was in being a commissioner. Ray explained he had contacted Shumaker after a friend informed him of the opening. He related he was interested in transportation, environmental sustainability, land use planning, and new ways to encourage economic development. Shumaker read the written statement of interest allowed to assist discussion.

Commissioner Breckel asked him if he had been involved with workshops on downtown planning process, and Ray indicated he had not.

Community Development Director Ben Shumaker noted the Planning Commission had no authority to enter into an executive session to deliberate on the selection of an applicant. **Commissioner Breckel** suggested just holding the conversation and no Commissioners objected. Following several other questions, **Vice-Chair Zettler** asked the Commissioners to pass a recommendation on to Stevenson City Council regarding David Ray's application to the Planning Commission.

MOTION to recommend to Stevenson City Council to appoint David Ray to the Stevenson Planning Commission was made by **Commissioner Breckel** with a second by **Commissioner Beck**.

- Voting aye: **Commissioners Hoy-Rhodehamel Breckel, Beck, Zettler**
- Voting nay: **None**

b. Short Plat Review:

SP2020-02 Rick Pauly Short Plat Planning Commission Optional Review pg. 9/10

Community Development Director Ben Shumaker explained the Planning Department received a short plat application for a lot at the corner of Rock Creek Drive and Monda Road. The tax lot numbers for the properties are 02-07-01-2-0-0403. The vacant property in the R3 Multi-Family Residential District does not have an address. The proposal involves division of one ~1.2 acre property into 4 lots ranging between ~9,300sf to ~15,400sf.

Community Development Director Ben Shumaker reported who received the short plat application and pointed to information and graphics contained in the meeting packet. Per the city code, the Planning Commission is to be notified and given the opportunity to review the application. If the PC chooses to review, it will take place at the October 2020 Planning Commission meeting.

Shumaker recommended the Planning Commission bypass its review of the short plat and entrust the decision on the application to the Short Plat Administrator. No public comment is required, but is welcome. No comments have been received regarding the application.

The Commissioners agreed there was no need for a review, and the application could be handled by the Short Plat Administrator. **Commissioner Beck** observed a stream runs through the lot and suggested it be indicated on the survey.

3. Old Business

a. Zoning Amendment: Increasing Residential Building Capacity: Reviewing Policy Questions and Public Engagement Efforts

Community Development Director Ben Shumaker explained the purpose of the update on the proposed Zoning Amendments. He pointed to the public involvement activities associated with the potential Zoning Code and Map amendments under consideration and briefly described the 7 policy questions generated.

He asked the Commission to consider the information and determine what would be the best course of action to engage residents and the public in the process. He went over some additional points being considered, including setbacks, elimination of the lot coverage standard, and impervious surface coverage affecting stormwater quality/quantity.

He has reached out to all affected property owners regarding the potential changes and described communication opportunities provided to residents and property owners, including links on the city's Facebook page and a new website

<http://ci.stevenson.wa.us/letsbuild/> with questionnaires. One property on Monda Road split by different zoning districts has requested to be zoned only under one-SR Suburban Residential.

Shumaker related Commission discussion would take place beginning at the October 2020 Planning Commission meeting. By then he anticipates having public feedback to use in decision-making.

Commissioner Beck suggested mobile home zoning not be eliminated. He encouraged flexibility in affordable housing opportunities with tiny houses as an option.

b. Housing Needs Analysis: Discussing Report Methods, Conclusions, & Recommendations

The Commission discussed the recently completed Skamania County Housing Needs Analysis. **Commissioner Breckel** expressed a number of concerns regarding the report. He observed it treated Skamania County as homogenous, without accounting for the differences in the east and west ends of the county. He questioned the lack of detailed demographics and information on what is driving development in the area, noting there was no consideration of water supplies necessary to sustain 4,000 additional housing units the report suggests are possible over the next 20 years.

Other Commissioners offered similar concerns. **Commissioner Zettler** related the analysis did not appear to have information on what jobs would be available to support new residents. **Commissioner Beck** described the report as being coarse grained, but that it did offer some valuable recommendations regarding zoning. He noted it encouraged enlarging the Accessory Dwelling Units by 100sf.

Shumaker expressed appreciation to the Economic Development Council for doing the analysis. Local businesses can't recruit talent due to limited housing availability. He pointed out 80% of the buildable lands are currently constrained by current zoning.

Commissioner Zettler remarked the report showed the need for more property and suggested annexation would open more buildable lands. Infrastructure is limiting growth.

Additional discussion focused on projected population increases, planning forecasts, possible utility expansion and changes to the comprehensive plan. **Commissioner**

Breckel asked what economics are driving affordable housing and questioned why so few multiple family homes are being constructed. He asked how incentives and flexibility could be offered to encourage more construction. **Community Development Director Shumaker** explained lot sizes, state statutes, zoning requirements, developer interest and lender policies all affect the housing supply. He noted specific questions on the subject were included in the recent survey that went out, and one developer has responded so far. **Commissioner Beck** related the state might change tax incentives to encourage multi-family housing. He reiterated having flexible options for landowners could be a future incentive for more housing. **Commissioner Breckel** suggested talking with banks and lenders to learn their views on the lack of construction of multi-family dwellings. He highlighted the immediate need for housing.

4. Discussion

a. Staff & Commission Reports

Community Development Director Shumaker provided updates on the following:

- **Shoreline Management Program**
He reported having a long discussion with Department of Ecology staff regarding their review of the proposed Stevenson Shoreline Management Program. He anticipates their final recommendations by the end of 2020. He will bring the recommendations to the Planning Commission, City Council and Shoreline Management Committee if requested.
- **Columbia Street & 1st Street Overlook Projects**
The City has received 50% design of the project. A separate consultant is handling the relocation of Columbia. 1st Street funding is being used for the overlook, extension and guardrail work. More fund requests have been submitted to the state for further improvements.
- **Rock Cove Hospitality**
He relayed the City Council did act on the recommendations provided by the Planning Commission. He noted he was unable to coordinate with the minute taker to provide the Council with the details regarding minimum width of easements, but Commissioner Beck was in attendance and conveyed the recommendation to not reduce the width to less than 15'. The project is moving forward.

b. Thought of the Month:

Hope the air clears!

5. Adjournment was declared at 7:13 p.m.

Minutes recorded by Johanna Roe



City of Stevenson

Planning Department

(509)427-5970

7121 E Loop Road, PO Box 371
Stevenson, Washington 98648

TO: Planning Commission
FROM: Ben Shumaker
DATE: October 12th, 2020
SUBJECT: 2020 Conditional Use Permit Reviews

Introduction

The Stevenson Planning Commission is requested to review one (1) Conditional Use Permit issued during 2018 and 2019 for compliance with the conditions of approval and decide whether further review is merited.

Recommended Action

Staff recommends no further analysis of CUP2019-01, related to a Mural the C1 Commercial District.

Guiding City Policies

Zoning Code

SMC 17.39.020: "Conditional Use Permit Review"

- A. The planning commission shall review all applications for conditional use permits...
- C. The Planning Commission may attach reasonable conditions to a permit, including but not limited to, the term of a permit's duration and the need for periodic review to ensure that the terms of a permit are being met.

CUP2019-01

This conditional use permit was issued to the Stevenson Downtown Association (applicant) and WSW, LLC (owner) in March, 2019. The permit included the following conditions:

1. This Conditional Use Permit shall be valid only for the applicant at the location above **(In Compliance)**.
2. Noncompliance with the conditions of this permit shall render this Conditional Use Permit invalid **(In Compliance)**.
3. The proposal shall submit an Application for Improvement and obtain administrative approval through the City's Building, Planning, and Public Works departments. **(In Compliance)**.
4. The proposal shall be subject to periodic review by the Planning Commission to ensure the terms of this permit are being met, determine whether changes to these terms are warranted, and to verify satisfactory longevity of the proposal. **(In Compliance)**.

Planning Commission Consideration

Earlier this year, the City Council, at the recommendation of the Planning Commission amended the text of the Zoning Code to allow installation of murals of this type without obtaining Conditional Use Permits from the Planning Commission.



The project, located on the Leavens Street Façade of the NAPA building at 180 SW Second Street, Tax Lot # 02-07-01-1-1-1000 has been installed and its longevity appears satisfactory to staff. If the Planning Commission is satisfied with this review, then no specific action is required, and the use may continue with limited City reviews. If the Planning Commission is unsatisfied with this limited review, it should schedule a public hearing at its next meeting to further discuss this conditional use permit. However, as a result of the Zoning Code change, the Planning Commission would have limited authority to enforce changes to the permit or permit conditions.

Prepared by,

Ben Shumaker
Community Development Director

Attachments:

- CUP2019-01



City of Stevenson

Planning Department

(509)427-5970

7121 E Loop Road, PO Box 371
Stevenson, Washington 98648

Conditional Use Permit #2019-01

PROPONENT: Stevenson Downtown Association & WSW, LLC
LOCATION: 180 SW Second Street (Tax Lot #02-07-01-1-1-1000)
DECISION DATE: March 11th, 2018
REVIEW DATE: The first Planning Commission meeting in October, 2020.
PURPOSE: As provided by SMC 17.39 and SMC 17.25, this Conditional Use Permit allows installation of a Mural as that term is defined at SMC 17.10.738(5).

Findings of Fact:

1. The Planning Commission has reviewed this application for a Conditional Use Permit.
2. The Planning Commission advertised and held a public hearing on March 11th, 2019.
3. The applicant has paid the required application fees.
4. The proposal and its effects lie wholly outside of any critical area or buffer.
5. The proposal includes no artificial illumination methods.
6. The proposal is an integral part of a program designed to increase resident and visitor walkability of downtown while providing public educational and cultural amenities.
7. Longevity of the proposed mural's paint, backing medium, and attachment hardware will be an ongoing concern.

Conditions of Approval

1. This Conditional Use Permit shall be valid only for the applicant at the location above.
2. Noncompliance with the conditions of this permit shall render this Conditional Use Permit invalid.
3. The proposal shall submit an Application for Improvement and obtain administrative approval through the City's Building, Planning, and Public Works departments.
4. The proposal shall be subject to periodic review by the Planning Commission to ensure the terms of this permit are being met, determine whether changes to these terms are warranted, and to verify satisfactory longevity of the proposal.

Conclusions of Law

Based on these findings and conditions, the Planning Commission is satisfied that this Conditional Use proposal:

1. Will not endanger the public health or safety;
2. Will not substantially reduce the value of adjoining or abutting property;
3. Will be in harmony with the area in which it is located; and


4. Will be in conformity with the comprehensive plan, transportation plan, or other plan officially adopted by the council.

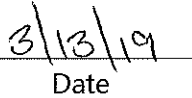
THIS CONDITIONAL USE PERMIT (CUP2019-01) FOR:

**Installation of a Mural in the
C1 Commercial District
at 180 SW Second Street, Tax Lot # 02-07-01-1-1-1000.**

IS HEREBY ISSUED.

For the Planning Commission:


Karen Ashley, Vice Chair


Date



City of Stevenson

Planning Department

(509)427-5970

7121 E Loop Road, PO Box 371
Stevenson, Washington 98648

TO: Planning Commission
FROM: Ben Shumaker, Community Development Director
DATE: October 12th, 2020
SUBJECT: Housing Needs Analysis—Stevenson Specifics

Introduction

This memo introduces the Residential Market Analysis performed in July 2019 by Johnson Economics, LLC (2019 RMA), conducted as part of the Downtown Plan for SUCCESS!. This analysis helped that plan’s understanding of what’s possible in its recommendations for residential development in the downtown core. Because the residential market area established for the analysis involved only the city limits of Stevenson, it serves as a component of the information requested by the Planning Commission in its review of the January, 2020 countywide Housing Needs Analysis (2020 HNA).

Projected Housing Needs

The Planning Commission discussions of the Zoning Text Amendment have relied on the 2020 HNA as a basis for information on the community’s projected housing growth. The table below supplements this information it with the information from the 2019 RMA.

Comparison of Projected Housing Needs*

| | Owner-Occupied Units | Long-Term Rental Units | Total Long Term Units | Short-Term Rental Units |
|--|-----------------------------|-------------------------------|------------------------------|--------------------------------|
| Skamania County-Wide (20-year) | 1,142 | 476 | 1618 | 331 |
| Stevenson-Specific (10-year) | 115 (10%) | 113 (24%) | 228 (14%) | n/a |

*County-wide data from 2020 HNA Exhibit 4.2. Stevenson-specific data taken from 2019 RMA Figure 5.14 and description of pent-up demand on Page 21.

The method for projecting housing needs varies between the two studies in several important ways:

- The horizon for the county-wide projection is twice as long as the 10-year horizon used for the Stevenson-specific projection. The number of units and percent share provided in the table does not reflect the difference in horizons, and readers may consider doubling Stevenson’s numbers in their comparison of the studies.
- The 2020 HNA uses openly available data from the Washington Office of Financial Management and elected to uses the high growth estimates for its demand projection. The low- and mid-level projections are not reported in detail. The 2019 RMA develops projections in part based on proprietary data, Environics (from Nielsen Claritas). Though the text of 2019 RMA relies on a mid-level projection for its findings, the table above uses the reported high projection to provide better comparison to the 2020 HNA.
- The demand for short-term vacation rental housing was evaluated in the county-wide projection and accounts for 17% of the total number of units projected. It was not evaluated in 2019.

Stevenson’s Observed and Projected Growth Rates

The 2019 provides a comparison of the observed Stevenson-specific growth rate and the projected housing growth. The table below summarizes the findings of the analysis.

2019 RMA Growth Rate Comparison

| 2000-2010 | 2010-2019 | 2019-2019* |
|------------------|------------------|-------------------|
| 2.2% per year | 1.5% per year | 2.8% per year |

*This includes the report’s high growth projection and pent-up demand as summarized in the table above. The text of the report on Page 19 uses only the baseline projection and anticipates annual growth rates of 1.6%

Prepared by,

Ben Shumaker

Attachments

1. “Residential, Commercial, and Hospitality Markets, Downtown Stevenson, Washington” (35 pages)



TASK 4.1: EXISTING CONDITIONS

-

RESIDENTIAL, COMMERCIAL, AND HOSPITALITY MARKETS, DOWNTOWN STEVENSON, WASHINGTON

PREPARED FOR
THE CITY OF STEVENSON
JULY 2019

JOHNSON ECONOMICS, LLC

621 SW Alder St, Suite 506
Portland, Oregon 97205



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I. INTRODUCTION

JOHNSON ECONOMICS was retained by CRANDALL ARAMBULA to conduct an analysis of existing conditions in Downtown Stevenson as part of the City of Stevenson’s development of a new Downtown Plan. The main objective of the analysis is to outline current conditions for private real estate development in Downtown, taking into account broader market trends, achievable pricing, and anticipated demand over the coming ten years. The analysis draws on extensive economic, demographic, and market data, including surveys conducted by the consultant. The three major use types evaluated in this analysis are residential (including for-sale and rentals), commercial, and hospitality, with a focus on building formats suitable within a downtown context.

II. EXECUTIVE SUMMARY

STEVENSON PROFILE

Stevenson exhibits characteristics typical of small towns located along tourist routes, with an economy dependent on local residents as well as visitors. The city benefits from its location near Clark County, which has experienced strong economic and residential growth over the past five years, something that is likely to spill over into housing demand and tourist traffic in Stevenson. The city also benefits from the relatively strong growth in the Portland Metro Area and wider Pacific Northwest, which has generated increasing traffic and spending in the Gorge over the recent past.

DEVELOPMENT ACTIVITY

New development in Stevenson has been limited in this business cycle, in line with what is observed in many smaller peripheral communities. Residential construction currently represents around half the pre-recession volume, with only two multifamily units built in this decade. However, five projects are currently proposed in Downtown, including three attached-home developments and two mixed-use projects. There has been no new commercial or hospitality development in this decade, but a 15,000-square-foot retail expansion and a four-room boutique hotel are currently proposed.

RESIDENTIAL MARKET POTENTIAL

Residential demand in Stevenson has increased during this business cycle, as evidenced in escalating prices and declining vacancy rates. In the current market, we estimate that new townhomes can achieve sales prices in the \$240-300 range per square foot (PSF). Rental townhomes are estimated to capture monthly rents around \$1.25-1.30 PSF, while one-bedroom apartments are estimated to achieve \$1.65-1.95 PSF.

The city exhibits signs of pent-up demand currently, especially for rental housing. Though pent-up demand is difficult to quantify, we estimate the current rental shortage to be around 50 units, including 20-30 units priced at or close to current market levels. City-wide, we expect demand growth of around 130 residential units over the coming ten years, including around 10 ownership townhomes and condos, and around 50 rental townhomes and apartments.

FIGURE 2.1: PROJECTED NET NEW HOUSING DEMAND, STEVENSON (2019-29)

| | LOW | | | BASELINE | | | HIGH | | |
|------------------------|-----------|-----------|------------|-----------|-----------|------------|-----------|-----------|------------|
| | Owner | Renter | Total | Owner | Renter | Total | Owner | Renter | Total |
| Single-family detached | 45 | 13 | 58 | 56 | 16 | 72 | 78 | 22 | 100 |
| Single-family attached | 6 | 7 | 13 | 7 | 9 | 16 | 10 | 12 | 22 |
| Multi-family | 1 | 31 | 32 | 2 | 39 | 41 | 2 | 54 | 56 |
| Total | 52 | 51 | 103 | 65 | 64 | 129 | 90 | 88 | 178 |

SOURCE: Environics and JOHNSON ECONOMICS



COMMERCIAL MARKET POTENTIAL

The commercial market has seen declining vacancy rates in recent years, though lease rates have remained fairly low in Stevenson. This can partly be attributed to the type and quality of available space. We estimate that new buildings can achieve annual lease rates in the range of \$12-17 PSF (triple-net) for ground-floor storefront space and \$11-15 for second-floor office space, depending on location.

Stevenson has seen an increase in commercial activity during this business cycle, especially among eating and drinking establishments. Between 2010 and 2016, employment in commercial categories increased by an estimated 54 jobs, which translates into an annual increase in space demand of around 1,800 square feet. Over the coming ten years, we project demand for nearly 20,000 additional square feet in our baseline scenario, including 13,000 square feet of demand for downtown storefront retail space.

FIGURE 2.2: PROJECTED NET NEW COMMERCIAL SPACE DEMAND (SF), STUDY AREA (2019-29)

| | Low | Baseline | High |
|-----------------|--------|----------|--------|
| All Commercial | 14,103 | 19,187 | 25,923 |
| Downtown Retail | 9,449 | 12,855 | 17,368 |

SOURCE: JOHNSON ECONOMICS

Demand for industrial space has not been evaluated in this analysis. However, we regard industrial buildings of smaller scale to be compatible with other uses in certain parts of the Study Area, and expect that there will be demand for new space of this format in Stevenson over the coming ten years.

HOSPITALITY MARKET POTENTIAL

The western portion of the Columbia Gorge saw strong growth in the hospitality market in the first part of this business cycle, but the market has stabilized in recent years after the addition of an 88-room hotel in Hood River. Occupancy and room rates still remain relatively high. We estimate that a new limited-service hotel in Stevenson can achieve daily rates in the \$125-200 range for a standard room in today’s market, averaging roughly \$155 throughout the year. Boutique hotels and full-service hotels can likely achieve higher rates, depending on level of amenities and services.

We project demand for 250-390 additional hotel rooms in the West Columbia Gorge over the next ten years. The ability of Stevenson to capture part of this demand will depend on growth in its amenity base and the development of visitor attractions over the period. Cruise ship traffic and schedules will also impact the demand, possibly creating potential for full-service options as well as limited-service and boutique hotels. Based on the city’s current share of the West Gorge market (25%), we project capacity for around 60-100 additional rooms over the next ten years.

FIGURE 2.3: PROJECTED NET NEW ROOM DEMAND (2019-29)

| | LOW | BASELINE | HIGH |
|---------------------|-----|----------|------|
| West Columbia Gorge | 248 | 317 | 389 |
| Stevenson | 63 | 81 | 99 |

SOURCE: JOHNSON ECONOMICS



III. MARKET AREA DEFINITIONS

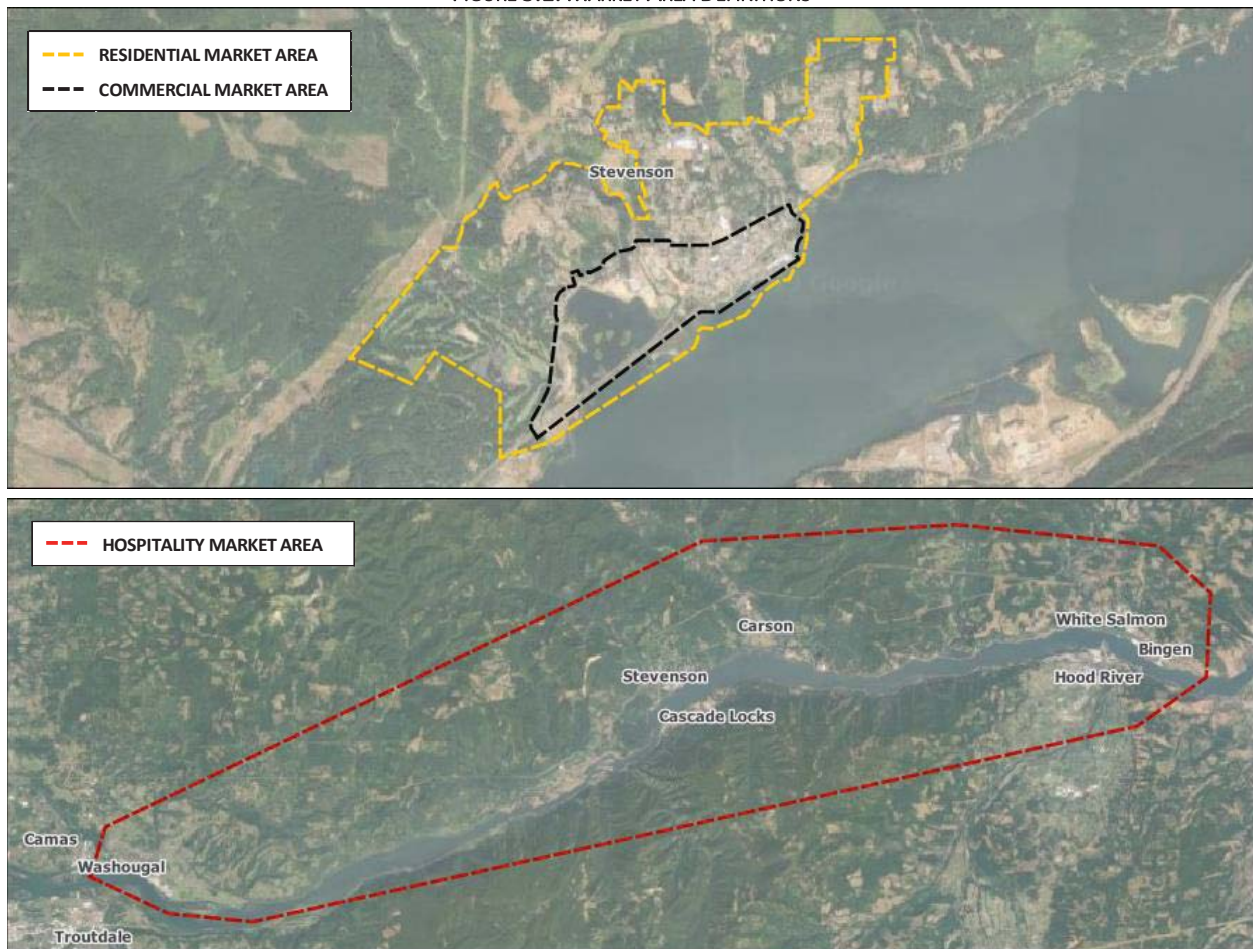
In the context of real estate market analysis, market areas are the geographic regions from which new development draw the majority of its market support, and within which similar projects compete on a comparable basis and tenants evaluate alternative options. Different land use types often have different market areas, reflecting the dynamics of each use type. Market areas are used as parameters for demand projections and also serve to identify comparable properties for pricing purposes, though additional reference points from outside the market are sometimes needed.

The primary area of concern in this analysis is Downtown Stevenson, or more specifically the Study Area delineated for the development of the new Downtown Plan. We use this delineation for our commercial analysis, as this is a discrete commercial market separate from other markets in the region.

For our residential analysis, which is focused on townhomes and rental apartments, we use Stevenson city limits as the market area, as prospective townhome and apartment residents in Stevenson are likely to evaluate options outside as well as inside the Study Area. This delineation also takes into account the availability of historical data on the city level, such as demographic data and building permits.

The hospitality analysis operates with a larger market area, reflecting that travelers in the Gorge are willing to consider a broader area for their lodging needs. We have defined the area as extending from Washougal in the west to Bingen in the east, including Cascade Locks and Hood River on the Oregon side.

FIGURE 3.1: MARKET AREA DEFINITIONS



SOURCE: Crandall Arambula, U.S. Census Bureau, Google Earth, JOHNSON ECONOMICS



IV. EXISTING AND PROPOSED DEVELOPMENT

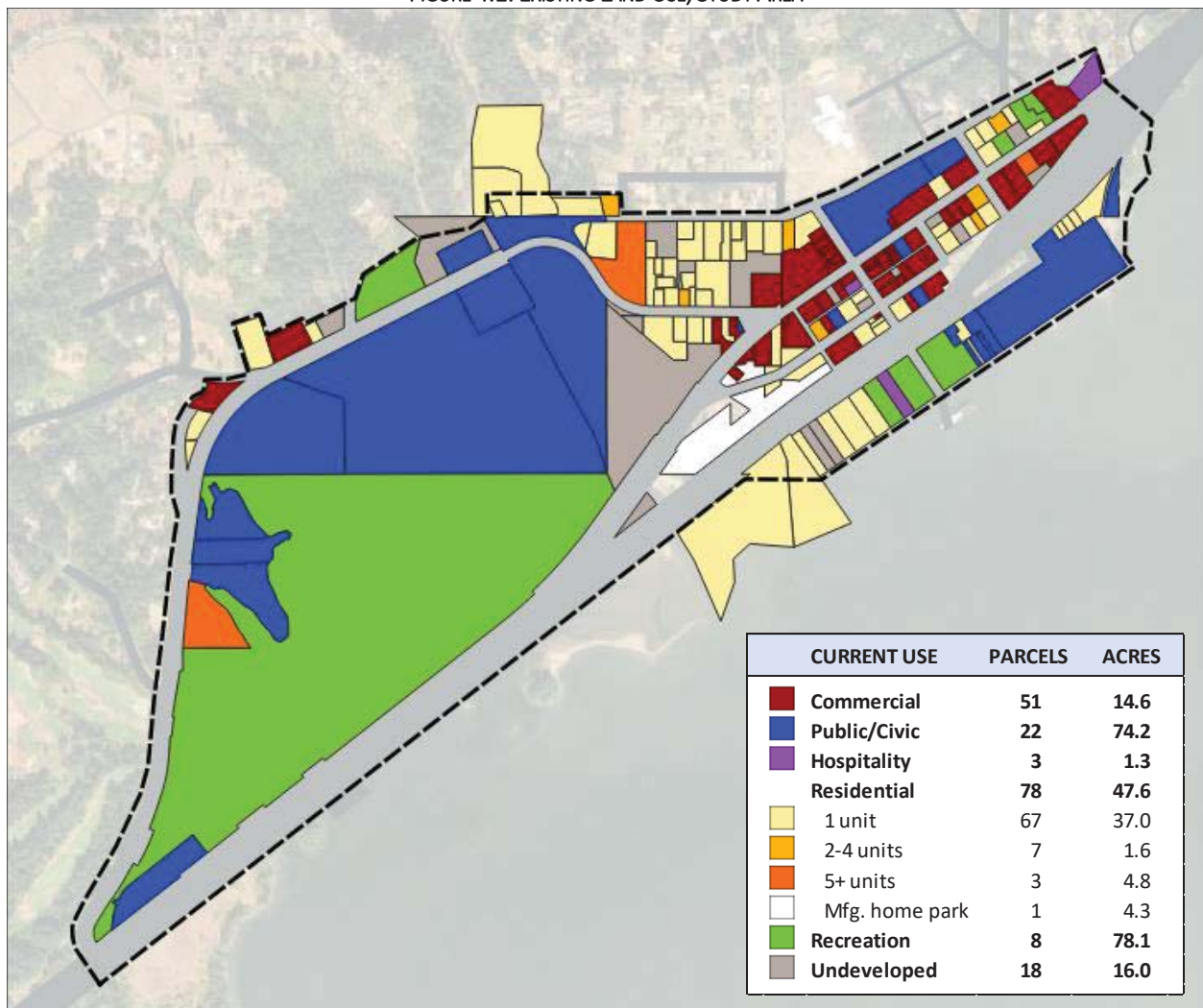
EXISTING LAND USE

The Study Area is dominated by commercial and public/civic properties, which together total 73 parcels and account for nearly two-thirds of the developed land, excluding recreational land and right of ways. Residential properties account for 35% of the land. Of the 78 residential properties in the Study Area, 67 are single-family homes; seven are multifamily properties with two to four units; three are multifamily properties with five or more units; and one is a manufactured home park. There are three hospitality properties in the Study Area, which account for 1% of the developed land.

The Study Area includes 16 acres of land on undeveloped parcels, including a handful in the downtown core. In addition to these, there are many partially developed properties in the Study Area that can accommodate additional development.

A map and table summarizing existing land uses in the Study Area are included below. Port properties are classified as public, though Port properties along the Columbia River may be categorized as industrial or commercial.

FIGURE 4.1: EXISTING LAND USE, STUDY AREA



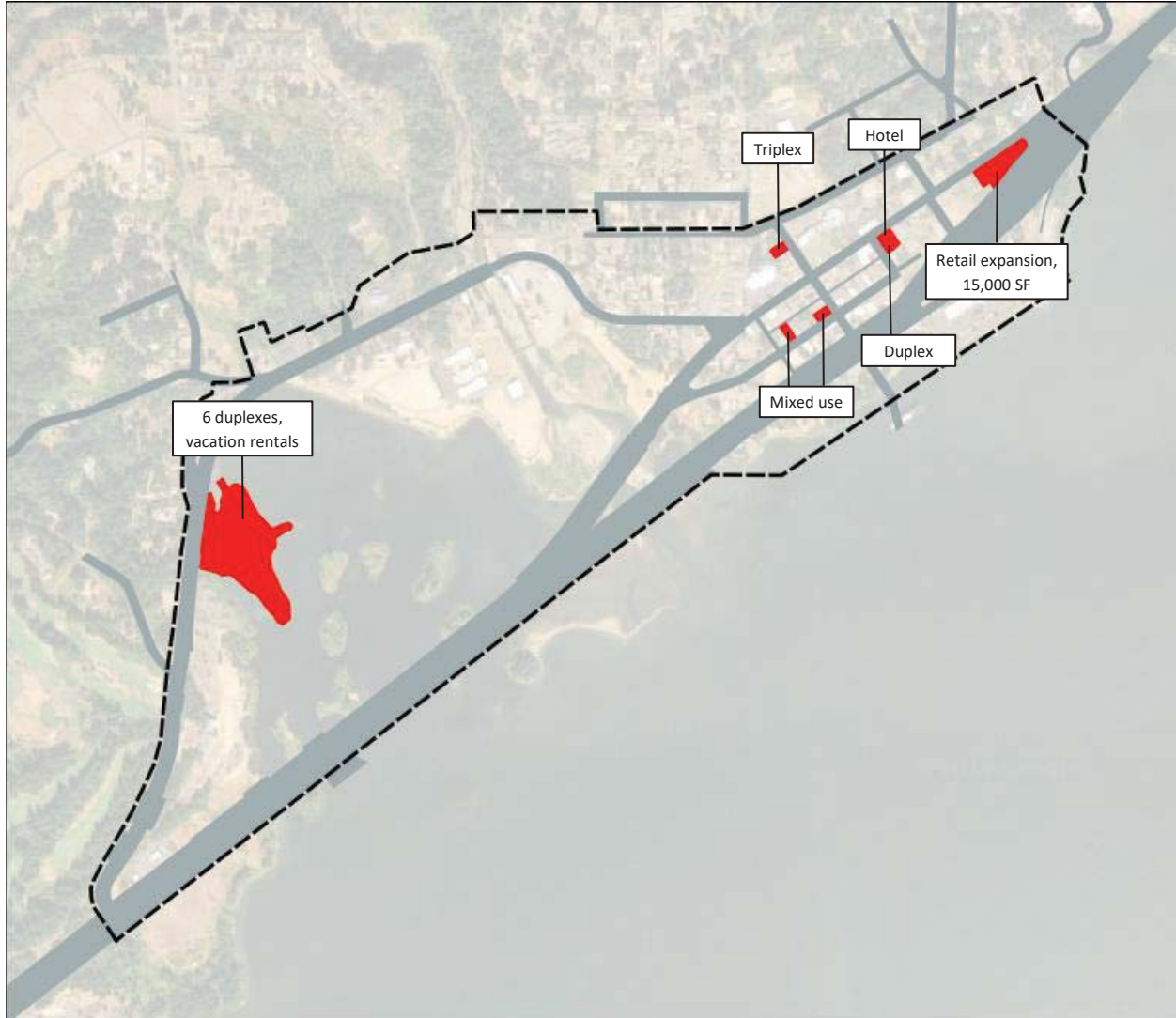
SOURCE: Crandall Arambula, Skamania County, Google Earth, JOHNSON ECONOMICS



PROPOSED PRIVATE DEVELOPMENT

Several private developments have been initiated in the Study Area recently. These include three townhome and duplex projects totaling 11 units, two of which are located in the downtown core and one which is located on the west side of Rock Cove. Two mixed-use projects have been proposed in the Core Area, both located on 1st Street. Additionally, a 15,000-square-foot expansion of Columbia Hardware east in Downtown and a four-room boutique hotel have also been proposed.

FIGURE 4.2: PROPOSED PRIVATE DEVELOPMENT, STUDY AREA



SOURCE: Skamania County, Google Earth, JOHNSON ECONOMICS



V. RESIDENTIAL MARKET ANALYSIS

The focus of this analysis is on urban building formats that can fit within a downtown setting. In the following, we will therefore focus on townhomes and rental apartments. However, because there are few recent examples of these housing formats in Stevenson, we will assess broader trends in the ownership and rental markets, including in neighboring markets, as trends for substitute housing forms and nearby markets tend to follow the same trajectories.

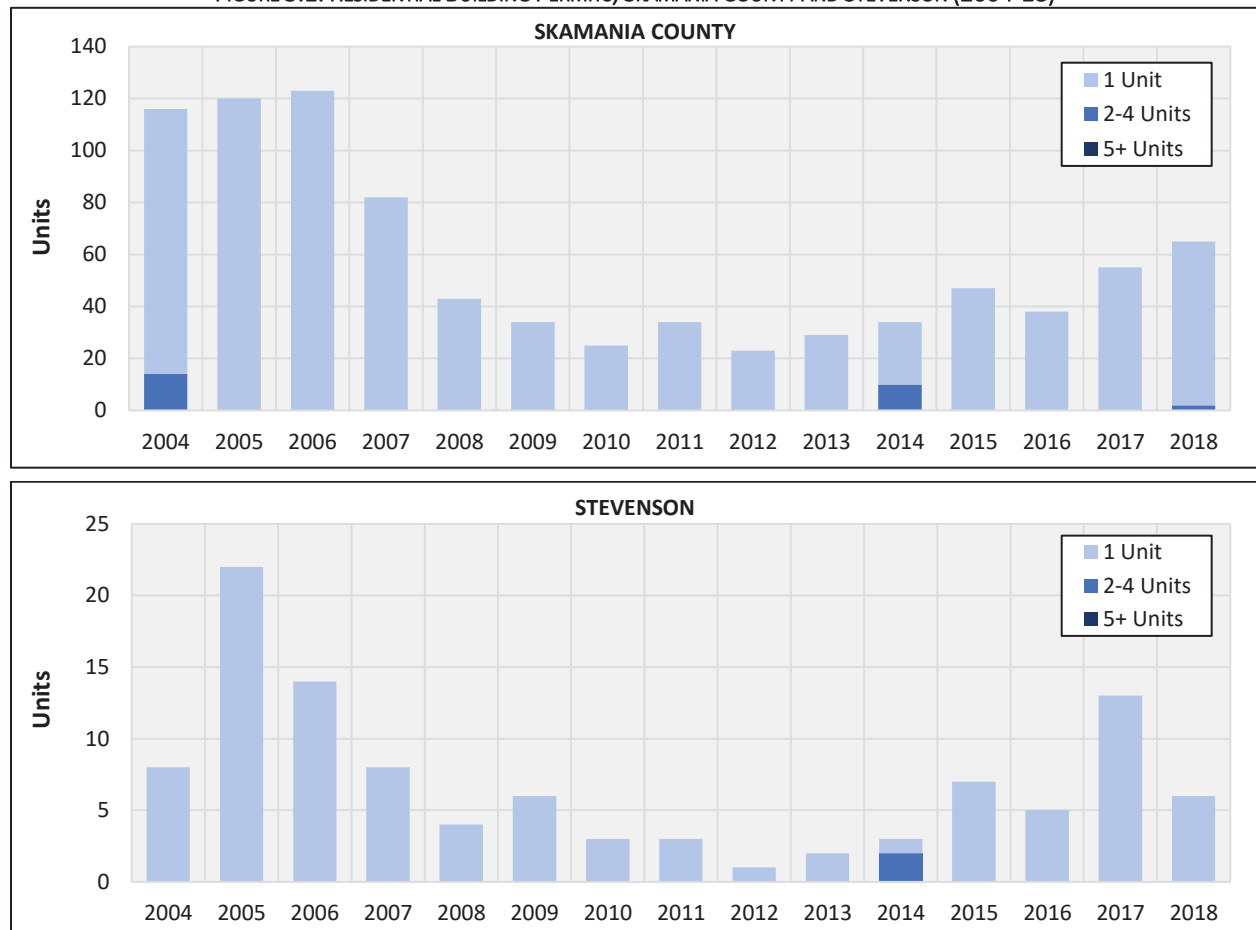
MARKET TRENDS

CONSTRUCTION ACTIVITY

Before the foreclosure crisis took hold in the late 2000s, around 120 housing units were built annually in Skamania County. The construction volume fell to around 25 units per year in the downturn, before gradually increasing to nearly 65 units in 2018. Stevenson peaked at 22 units in 2005, and bottomed at one unit in 2012. Stevenson permitted 13 units in 2017 and 6 in 2018. Stevenson has accounted for 12% of all housing construction in Skamania County since 2004, and 13% since 2013. The latter is in line with the city's share of the countywide population.

Single-family homes dominate residential development in Skamania County and Stevenson. Only 26 multifamily units were built in the county over the 2004-18 period, including two in Stevenson. In the first four months of 2019, five multifamily units were permitted – all in Stevenson. All the multifamily units built since 2004 have been built in structures with fewer than five units. These represent 4% of all homes built in the county over the period.

FIGURE 5.1: RESIDENTIAL BUILDING PERMITS, SKAMANIA COUNTY AND STEVENSON (2004-18)



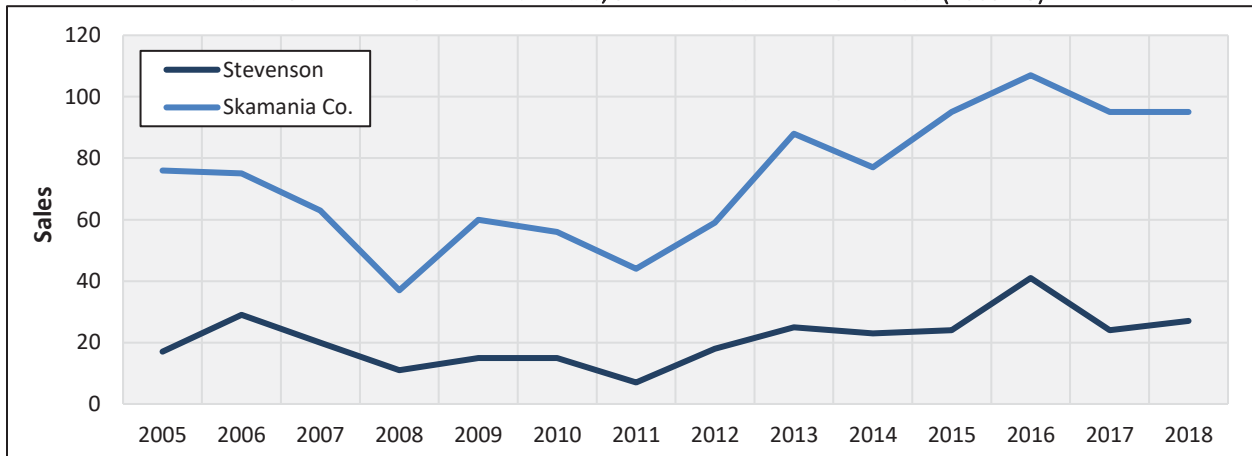
SOURCE: U.S. Census Bureau, JOHNSON ECONOMICS



OWNERSHIP SALES VOLUME

After the foreclosure crisis of the late 2000s greatly reduced the number of sales transactions in the market for ownership homes, Skamania County and Stevenson have seen relatively strong sales volumes over the past five years – at or above the pre-recession peak. In 2018, 95 homes were sold in the county according to RMLS, including 27 in Stevenson. The current sales volume represents 3-4 times the transaction volume at the bottom of the downturn. However, Skamania and Stevenson do not exhibit the same signs of undersupply as areas to the west. For instance, in 2018 the average market time for listed homes was 4.7 months in Skamania and 5.0 months in Stevenson, compared to 1.6 months in Clark County.

FIGURE 5.2: ANNUAL SALES TRANSACTIONS, SKAMANIA COUNTY AND STEVENSON (2005-18)

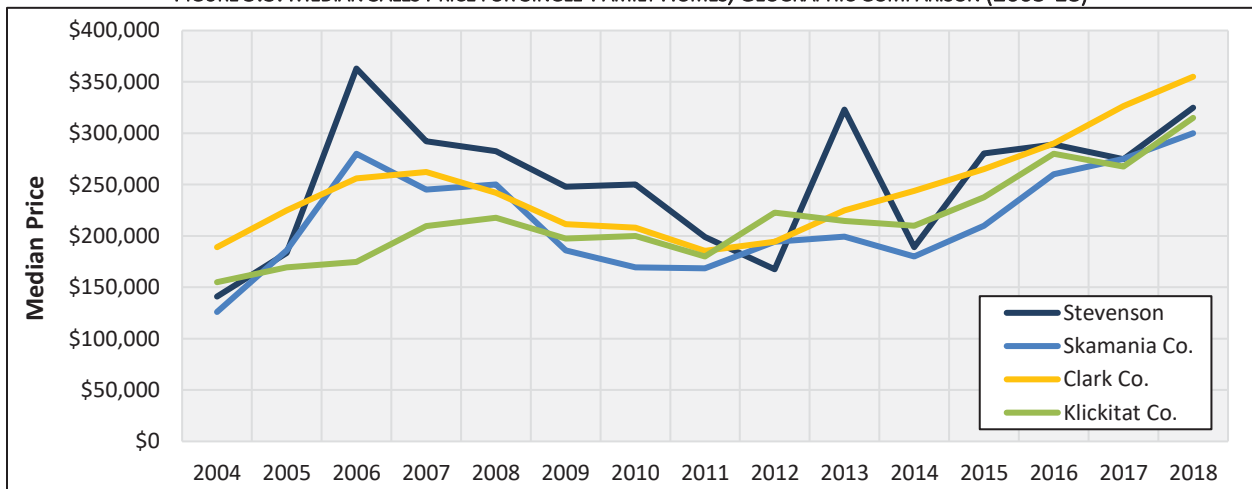


SOURCE: RMLS, JOHNSON ECONOMICS

OWNERSHIP PRICING

Home prices were relatively high in Stevenson in the previous decade, higher than in the remainder of Skamania County and the neighboring counties. Stevenson’s median price level reached a bottom of \$167,500 in 2012. Since then it has nearly doubled, to \$325,000 in 2018. This represents an average annual price increase of 11.7%. This trend is in line with surrounding areas. In 2018 the median price was up 18% from 2017. Annual price gains of this magnitude indicate an undersupplied market. However, the limited size of the Stevenson market can cause wide fluctuations in the median price level from year to year, something that might have impacted the price increase in 2018.

FIGURE 5.3: MEDIAN SALES PRICE FOR SINGLE-FAMILY HOMES, GEOGRAPHIC COMPARISON (2005-18)



SOURCE: RMLS, JOHNSON ECONOMICS



RENTAL MARKET CONDITIONS

Demand for rental housing has been strong in this decade nationwide. The late-2000s foreclosure crisis and ensuing recession led to more restrictive lending, which shifted housing demand from the ownership market to the rental market. Demand in this decade has also been boosted by the large millennial cohort reaching adulthood and forming their first households. High thresholds to creditworthiness and down payment, coupled with high levels of student debt, have largely relegated the millennials to the rental market. The demand has reduced vacancy and increased rents all over the nation, though increased construction has alleviated market pressures in recent years.

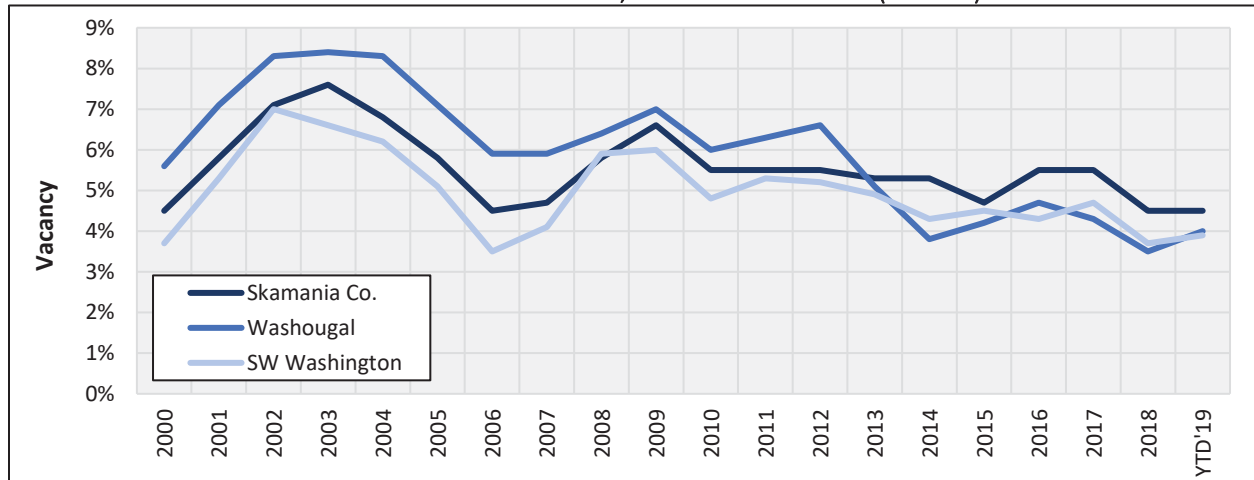
Stevenson has a very limited number of professionally managed rental properties, and some of these are income-restricted properties with regulated rent levels. In order to evaluate historical trends for market-rate properties, we therefore rely on data for Skamania County, as reported by CoStar. We compare this to trends in the wider Southwest Washington region and in Washougal, which is the closest rental market with recently completed apartment projects. We also note our own observations from surveys of properties in Stevenson.

RENTAL VACANCY

A vacancy rate around 5.0% typically represents a healthy supply-demand balance where rent increases keep in line with wage and income growth. In Skamania County, the vacancy rate has hovered around 5.5% throughout most of this decade, according to CoStar. However, over the past two years it has fallen to 4.5%, which indicates a slight undersupply. The current rate is roughly half a percentage point higher than in Southwest Washington and Washougal, which have seen somewhat steeper declines in vacancy in this business cycle. The latter likely reflects the strong job growth in Clark County, which has been dominated by young millennial workers.

We expect the vacancy rate in Stevenson to be lower than reflected in the CoStar data for Skamania. In our survey of rental properties within the city, we did not identify a single vacant unit. Property owners and managers that we spoke to all reported that available units are leased quickly, and that there is unmet demand for additional units. Several properties maintain long waitlists.

FIGURE 5.4: RENTAL VACANCY TREND, GEOGRAPHIC COMPARISON (2000-19)



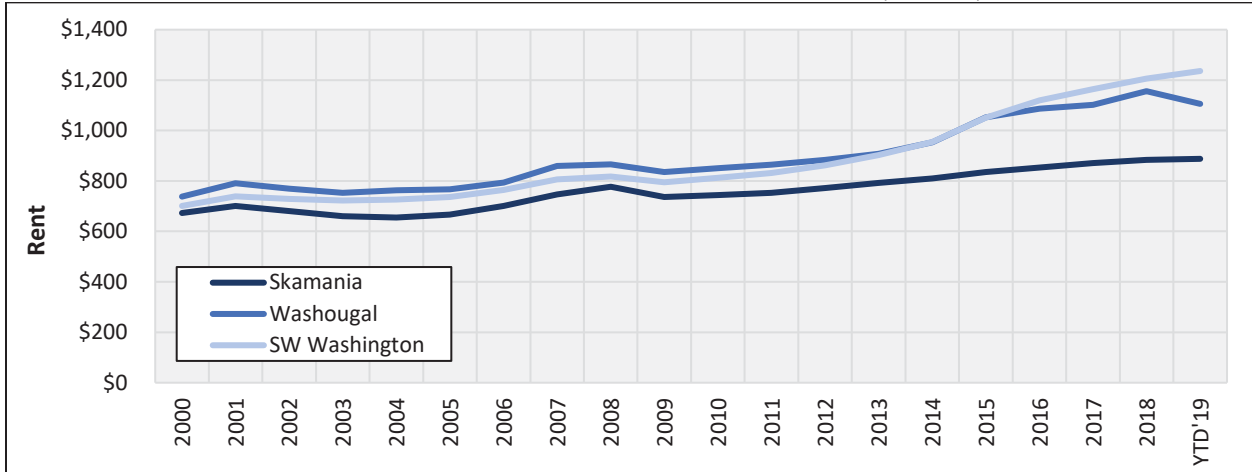
SOURCE: CoStar

RENT LEVELS

The average market-rate rental unit in Skamania County currently rents for \$890 per month. This represents a 20% discount to the average rent level in Washougal and 28% to the regional average. Skamania’s rent level has largely tracked the remainder of the region over the past two decades, though the discount has deepened over the past five years – a period with very strong economic growth in Clark County (4-5% job growth per year). The delivery of new apartment projects with extensive, modern amenities in Clark County and Washougal has also likely contributed to stronger rent growth in these markets than in Skamania, where no new supply has been built in this decade.



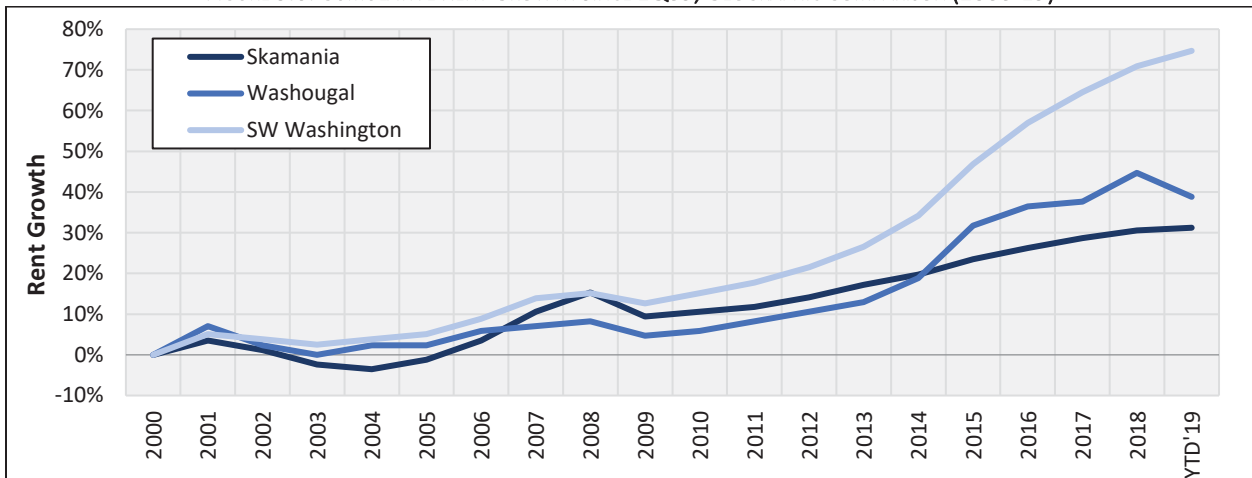
FIGURE 5.5: AVERAGE MONTHLY RENT, GEOGRAPHIC COMPARISON (2008-19)



SOURCE: CoStar

Over the past ten years, the average rent level in Skamania has increased 17% according to CoStar (1.6% annual average). This compares to 30% in Washougal and 53% in Southwest Washington. On a year-over-year basis, the rent growth in Skamania peaked at 3.1% per year in 2015. In comparison, Washougal saw an increase of 10.9% in 2015, while the increase in Southwest Washington was 9.4%. The delivery of new apartment supply since 2015 has cooled these markets and reduced the rent growth in recent years. Current year-over-year growth is 2.2% in the region and 1.4% in Skamania. The following chart shows cumulative rent growth since 2000.

FIGURE 5.6: CUMULATIVE RENT GROWTH SINCE 1Q09, GEOGRAPHIC COMPARISON (2000-19)



SOURCE: CoStar

ACHIEVABLE PRICING

FOR-SALE TOWNHOMES

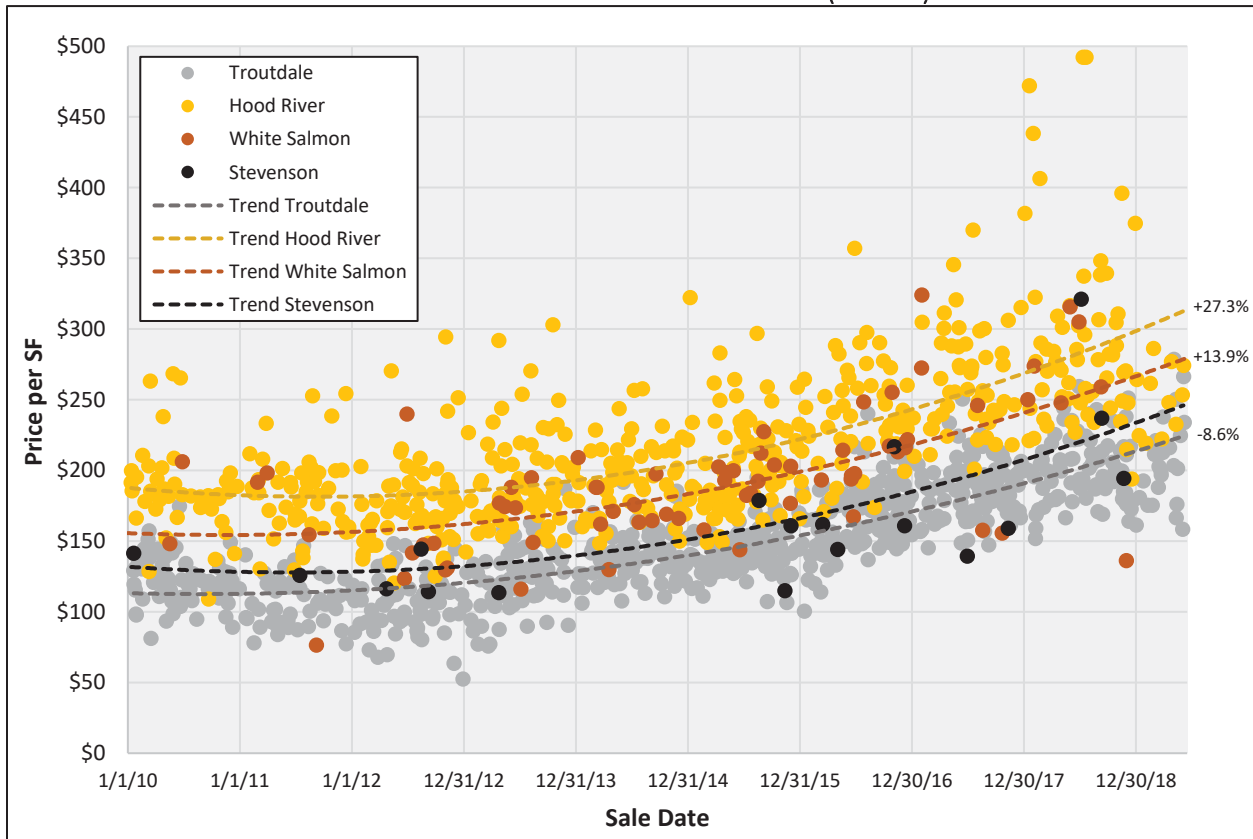
Stevenson has not seen construction of any townhomes of an urban format over the past ten years. In order to estimate achievable pricing for new townhomes in Downtown Stevenson, we have therefore surveyed townhome transactions from other downtown areas in the Columbia Gorge. The sales prices recorded for these properties are adjusted to account for the pricing differentials between Stevenson and these other markets, as well as for the price



change since the transactions took place. For this analysis, we have included two townhome projects in White Salmon, one in Troutdale, and three in Hood River.

The following chart shows per-square-foot home prices in these markets since 2010, as recorded in the regional RMLS system. We have limited the analysis to homes built after 1990, with floor plans between 1,000 and 2,500 square feet, and with lots smaller than 20,000 square feet. The chart also includes trendlines for each market. These are used to adjust historical prices to current levels. The current differential between the trend lines are used to adjust the prices to market levels appropriate for Stevenson. This methodology needs to be used with some caution, as larger markets with more extensive downtown areas (e.g., Hood River) have the potential to capture higher premiums for very upscale homes due to their appeal to less price sensitive luxury buyers.

FIGURE 5.7: SALES PRICES BY SALES DATE AND MARKET (2010-19)







SOURCE: RMLS, JOHNSON ECONOMICS

The surveyed townhome projects are profiled over the next pages, followed by an analysis of achievable pricing in Downtown Stevenson. Note that some of the properties are located just outside the downtown areas. We have also included one project located in the Heights area in Hood River (#5, Hull Street Lofts). The Heights is a historic pedestrian-urban area separate from the central business district in Hood River, representing a scale similar to Downtown Stevenson.







FIGURE 5.8: SURVEYED FOR-SALE TOWNHOME PROJECTS



5) Hull Street Lofts, 1121 Hull Street, Hood River, OR

| | | | | | |
|--------------|---------------|-------------|-----------------------|----------------------------|--------------|
| Year built: | 2014 | Sale date: | 11/26/14-12/30/14 | Estimated current value: | \$334 |
| Bed/bath: | 2B/2b | Sale price: | \$229,000 - \$239,000 | Market differential: | 27.3% |
| Square feet: | 1,031 - 1,128 | Price/SF: | \$213 - \$224 | Indicated Stevenson price: | \$262 |

6) Discovery Block, 205-293 SE 2nd Ave, Troutdale, OR

| | | | | | |
|--------------|---------------|-------------|-----------------------|----------------------------|--------------|
| Year built: | 2016-17 | Sale date: | 10/11/16 - 9/22/17 | Estimated current value: | \$270 |
| Bed/bath: | 2B/2.5b | Sale price: | \$349,000 - \$380,000 | Market differential: | -8.6% |
| Square feet: | 1,640 - 1,660 | Price/SF: | \$210 - \$232 | Indicated Stevenson price: | \$296 |

SOURCE: RMLS, S Baird Design, JOHNSON ECONOMICS

The six projects indicate pricing in the range of \$241-391 per square foot in Stevenson. Two of the projects (#3 and #4) have a luxury profile that may exaggerate what is achievable in Stevenson. If we exclude these, the projects indicate achievable pricing in the \$241-296 range. The low end of this range is indicated by a project (#1) that is somewhat detached from downtown and that has a relatively basic profile (e.g., carpet in living room, small windows). The high end (#6) is represented by a project with a moderately upscale profile (e.g., large windows) and a situation within the downtown core. We regard this as an appropriate range for projects with analogous locations and similar profiles in the Study Area.

FIGURE 5.8: ACHIEVABLE PRICING, URBAN TOWNHOMES

| COMPARABLE | INDICATED PRICE/SF |
|---|--------------------|
| 1) 505-523 Upper Wyers Street, White Salmon, WA | \$241 |
| 2) 608 NW Michigan Avenue, White Salmon, WA | \$253 |
| 3) Union Lofts, 304-314 Columbia Street, Hood River, OR | \$391 |
| 4) Cascadia Townhomes, 701-711 Oak Street, Hood River, OR | \$314 |
| 5) Hull Street Lofts, 1121 Hull Street, Hood River, OR | \$296 |
| 6) Discovery Block, 205-293 SE 2nd Ave, Troutdale, OR | \$262 |
| Achievable townhome pricing, Study Area | \$241-296 |

SOURCE: JOHNSON ECONOMICS



RENTAL APARTMENTS AND TOWNHOMES

Stevenson does not have any rental housing of recent vintage. Examples of newer projects in other cities in the Gorge are also very limited. In order to assess achievable pricing for new units in the Study Area, we therefore draw on information from older properties in Stevenson – including recently renovated properties – as well as new projects in Washougal. For this analysis, we surveyed three historic mixed-use buildings with second-floor rental apartments in Downtown Stevenson, plus another three single-family rentals just outside Downtown, including one attached duplex-property. We also surveyed three properties in Washougal, including one new and one recently renovated mixed-use building in Downtown, plus one larger apartment project of a suburban walk-up format just outside Downtown. The surveyed properties are profiled on the next pages, followed by an analysis of achievable pricing in the Study Area.

FIGURE 5.9: SURVEYED RENTAL PROPERTIES

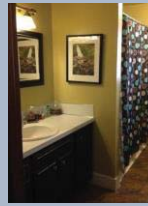




4) 80 NW Roosevelt St, Stevenson, WA

Type: Duplex (side-by-side)
 Year built: 1934
 Total units: 2

| Type | SF | Units | Vacant | Rent | Avg. Rent/SF |
|-------|-----|-------|--------|---------|--------------|
| 2B/1b | 700 | 2 | 0 | \$1,150 | \$1.64 |



5) 290 NW Chesser, Stevenson, WA

Type: Single-Family Home
 Year built: 1964
 Total units: 1

| Type | SF | Units | Vacant | Rent | Avg. Rent/SF |
|-------|-------|-------|--------|------|--------------|
| 3B/2b | 1,200 | 1 | 0 | 1700 | \$1.42 |



6) 363 NW Vancouver Ave, Stevenson, WA

Type: Single-Family Home
 Year built: 1950
 Total units: 1

| Type | SF | Units | Vacant | Rent | Avg. Rent/SF |
|-------|-------|-------|--------|---------|--------------|
| 4B/2b | 1,412 | 1 | 0 | \$1,800 | \$1.27 |



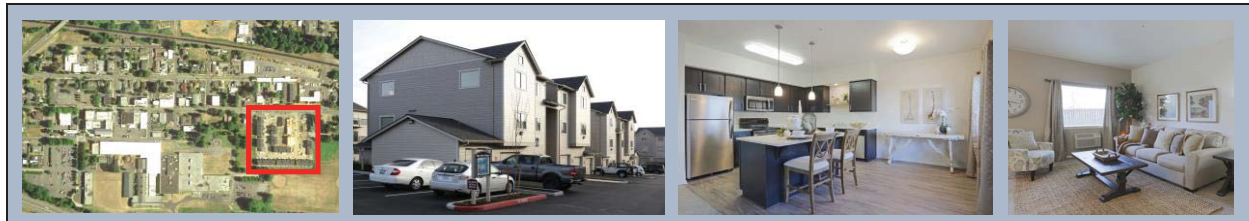
7) Rig-a-Hut, 1911 Main St, Washougal, WA

Type: New Mixed-Use
 Year built: 2018
 Total units: 9

| Type | SF | Units | Vacant | Rent | Avg. Rent/SF |
|----------|---------|-------|--------|---------------|--------------|
| 1B/1b Sm | 591-694 | 6 | 0 | \$1,250-1,300 | \$1.98 |
| 1B/1b Lg | 753-906 | 2 | 0 | \$1,350-1,400 | \$1.65 |
| 1B/1b LW | 701 | 1 | 0 | \$1,300 | \$1.85 |



| 8) Blair Lofts, 1801 Main St, Washougal, WA | | <u>Type</u> | <u>SF</u> | <u>Units</u> | <u>Vacant</u> | <u>Rent</u> | <u>Avg. Rent/SF</u> |
|--|--------------------|-------------|-----------|--------------|---------------|-------------|---------------------|
| Type: | Historic Mixed-Use | 0B/1b | 450-850 | 4 | 3 | \$1,380 | \$1.76 |
| Year built: | 1925 | | | | | | |
| Total units: | 4 | | | | | | |



| 9) Main Street Village, 2300 Main St, Washougal, WA | | <u>Type</u> | <u>SF</u> | <u>Units</u> | <u>Vacant</u> | <u>Rent</u> | <u>Avg. Rent/SF</u> |
|--|---------------------|-------------|-----------|--------------|---------------|---------------|---------------------|
| Type: | Suburban Apartments | 2B/2b | 1,065 | 66 | 7 | \$1,295-1,495 | \$1.31 |
| Year built: | 2018 | 2B/2b | 1,075 | 33 | 4 | \$1,495 | \$1.39 |
| Total units: | 99 | | | | | | |

SOURCE: CoStar, Craigslist, property owners, Skamania County, Google Maps

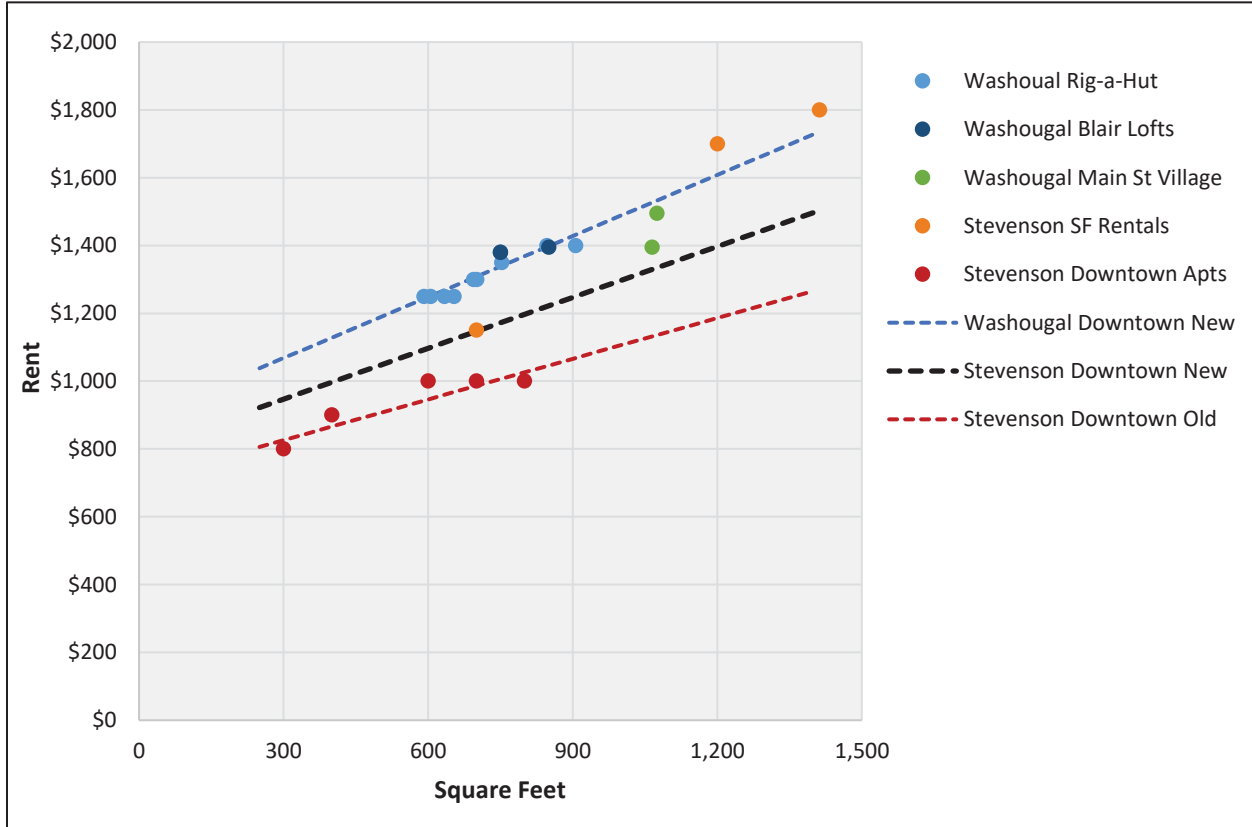
The scatter plot on the next page displays the observed rent levels as a function of square footage. The two mixed-use properties in Downtown Washougal have the highest rents among the apartment properties. Adjusted for unit size, these are priced higher than the suburban walk-up project located just outside Downtown (Main Street Village). The trendline for the two properties indicate a premium of 6% to the suburban project. This is in line with the premiums we typically see for apartments in small downtown areas (5-10%).

Among the Stevenson properties, the highest observed rents are for the two detached single-family homes. This is in line with typical pricing patterns, reflecting premiums for greater privacy, outdoor space, garages, etc. Also in line with typical patterns, the duplex property is priced between these and the downtown apartments. The latter reflect rents in the \$800-1,000 range, or \$1.25-2.67 per square foot (PSF).

Achievable pricing for new rental units in the Study Area can be assumed to lie between rent levels for older properties in Downtown Stevenson and new properties in Downtown Washougal. The black dashed line in the following chart indicates the mid-point between these two rent levels. We will use this as our assumption for achievable pricing for new apartments in the Study Area. For a typical apartment unit, this represents a monthly rent premium of around \$150 per month (16%) to the existing apartments in Downtown Stevenson.



FIGURE 5.10: RENTS BY UNIT SIZE, SURVEYED RENTAL PROPERTIES



SOURCE: CoStar, Craigslist, property owners

The following table provides examples of estimated achievable rent levels for various unit types and sizes in the Study Area. For regular apartment units, the estimates range from around \$1,000 (\$2.49 PSF) to around \$1,300 (\$1.30 PSF) per month. We have also included an estimate for townhome units with private ground-floor entrances and reserved parking, which in Southwest Washington typically capture premiums of around \$100 per month to similarly sized apartment units. With the following hypothetical unit mix, the rents translate into a project average of \$1.55 per square foot. The rent levels assume 12-month contracts with utilities billed separately.

FIGURE 5.11: ACHIEVABLE APARTMENT AND TOWNHOME RENTS, STUDY AREA (2Q19)

| Unit Type | Units | Unit Mix | Size (SF) | Rent | Rent/SF |
|-------------------|-----------|-------------|------------|----------------|---------------|
| 0B/1b | 4 | 17% | 400 | \$997 | \$2.49 |
| 1B/1b | 4 | 17% | 550 | \$1,072 | \$1.95 |
| 1B/1b | 4 | 17% | 700 | \$1,147 | \$1.64 |
| 2B/1b | 4 | 17% | 800 | \$1,197 | \$1.50 |
| 2B/2b | 4 | 17% | 1,000 | \$1,297 | \$1.30 |
| 3B/2b TH | 4 | 17% | 1,200 | \$1,497 | \$1.25 |
| Total/Avg. | 24 | 100% | 775 | \$1,201 | \$1.55 |

SOURCE: JOHNSON ECONOMICS



DEMAND

In this section we estimate housing demand in Stevenson (city limits) over the next ten years. We evaluate demand for both rental and ownership housing, categorized by multifamily, single-family attached, and single-family detached formats. We assume that the Study Area has the potential to capture all the new demand for multifamily and attached single-family units.

JOHNSON ECONOMICS projects future housing demand by segmenting the existing household base by age and income – the two most important determinants of housing preferences – and modeling growth in each segment (70 segments) based on economic and demographic trends. As a starting point, we draw on household growth projections by Environics (form. Nielsen Claritas), which take into account aging of the existing population as well as birth, death, and migration trends. We adjust these estimates based on our survey of economic conditions and housing trends, including county-level population projections by age group developed by the Washington Office of Financial Management. The goal is for the estimates to reflect underlying demand rather than realized household growth, which can be constrained by supply.

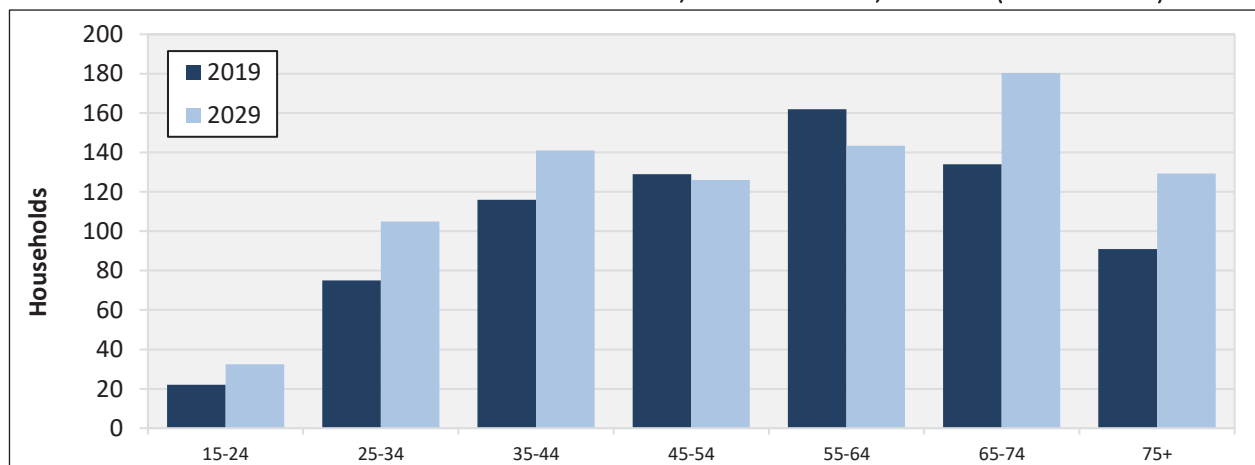
After developing a segmented projection of overall housing demand by age and income, we use data from the Census Bureau (including ACS Microdata samples) in order to establish local, segment-specific rates of housing tenure (owners/renters) and housing type (detached/attached/multifamily). The assumed future propensity rates take into account ongoing shifts related to credit requirements and affordability – factors that in recent years have increased the share of renters, especially in multifamily structures.

TOTAL HOUSING DEMAND

Our baseline demand projection indicates net growth of roughly 130 housing units in Stevenson over the next 10 years. This represents average annual household growth of 1.6%. In comparison, household growth between 2000 and 2010 was 2.2% per year, and 1.5% per year between 2010 and 2019 (using Claritas 2019 estimate). In other words, we expect underlying housing demand over the next 10 years to be slightly stronger than realized growth during the current decade, which has been a period marked by a mismatch between housing supply and demand, something that has likely reduced realized growth. The strong momentum in the Southwest Washington economy also indicates somewhat higher growth in coming years. Our low- and high-growth estimates assume growth rates of 1.3% and 2.2%.

The following chart displays the anticipated distribution of housing demand by age in 2029 (baseline estimates). The projections indicate growth concentrations among households in the pre-family and early-family state (age 25-44) as well as among seniors. This is in line with wider demographic shifts related to the millennial and baby boomer cohorts.

FIGURE 5.12: PROJECTED DISTRIBUTION OF HOUSEHOLDS BY AGE, BASELINE ESTIMATES, STEVENSON (2019 AND 2029)

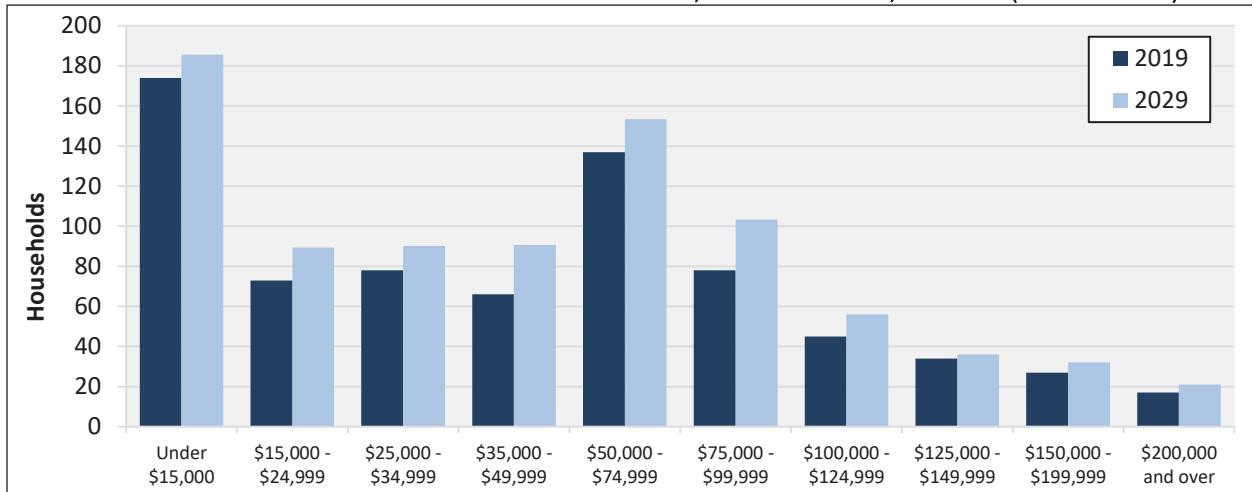


SOURCE: Environics, JOHNSON ECONOMICS



With respect to income, the demand growth is anticipated to be concentrated among middle-income segments. However, demand growth is also anticipated among low-income households, driven by the youngest and oldest segments. This demand is not likely to be realized into actual household growth without adequate supply of affordable housing.

FIGURE 5.13: PROJECTED DISTRIBUTION OF HOUSEHOLDS BY INCOME, BASELINE ESTIMATES, STEVENSON (2019 AND 2029)



SOURCE: *Environics, JOHNSON ECONOMICS*

DEMAND BY HOUSING TYPE

The following table summarizes our demand projections by housing type and ownership form over the next ten years, under a low-, baseline-, and high-growth scenario. We regard the baseline estimates to be the most likely. Projected demand is roughly evenly split between ownership and rental housing. In comparison, the most recent data from the Census Bureau indicates that 52% of the existing households are homeowners.

FIGURE 5.14: SUMMARY OF HOUSING DEMAND PROJECTIONS, STEVENSON (2019-29)

| | LOW | | | BASELINE | | | HIGH | | |
|------------------------|-----------|-----------|------------|-----------|-----------|------------|-----------|-----------|------------|
| | Owner | Renter | Total | Owner | Renter | Total | Owner | Renter | Total |
| Single-family detached | 45 | 13 | 58 | 56 | 16 | 72 | 78 | 22 | 100 |
| Single-family attached | 6 | 7 | 13 | 7 | 9 | 16 | 10 | 12 | 22 |
| Multi-family | 1 | 31 | 32 | 2 | 39 | 41 | 2 | 54 | 56 |
| Total | 52 | 51 | 103 | 65 | 64 | 129 | 90 | 88 | 178 |

SOURCE: *Environics and JOHNSON ECONOMICS*

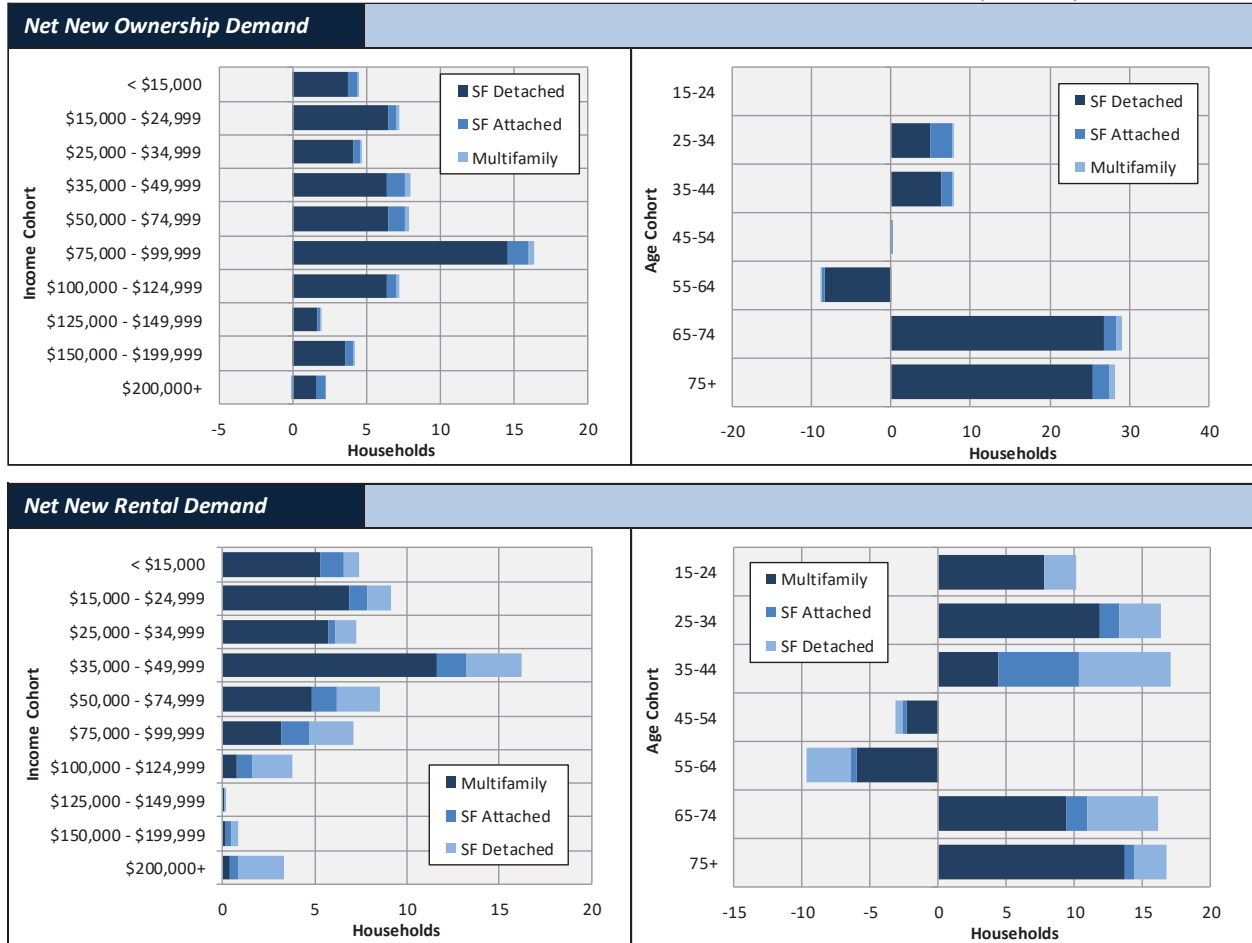
In the baseline scenario, we project net growth in demand for ownership homes of 65 units over the next ten years. The majority of this demand will be for detached single-family homes. Attached homes (townhomes, duplexes) are projected to see demand growth of seven units in the baseline scenario while the projected demand growth for condominium units (stacked flats) is negligible.

Growth in rental demand is expected to be dominated by apartment demand, representing roughly 40 units over the ten-year period in the baseline scenario. Rental townhomes are projected to see demand growth of around 10 units, while demand for detached rental units is projected to increase by 16. There is more flexibility between structure types in the rental market than the ownership market, and there is thus likely to be some flow between detached, attached, and multifamily segments depending on where there is available supply.



The following charts show how the demand growth is projected to be distributed across age and income categories. Demand for ownership homes is expected to be dominated by seniors, including seniors with low incomes that rely on equity and savings to purchase homes. Rental demand is expected to have a younger profile, dominated by low- and middle-income households.

FIGURE 5.15: PROJECTED HOUSING DEMAND GROWTH BY TENURE AND STRUCTURE TYPE (2019-29)



SOURCE: EnviroNics and JOHNSON ECONOMICS

EXISTING PENT-UP DEMAND

In addition to the growth in demand projected over the coming ten years, Steven also exhibits signs of existing pent-up demand. This is unrealized demand from individuals and families who are not able to find suitable housing within the city at appropriate price or rent levels, and thus live outside the city or with family or friends. This demand is usually concentrated among low-income households, typically among the youngest and oldest segments. Our surveys of owners and managers of rental properties in Stevenson indicated considerable unmet demand currently.

Pent-up demand is very difficult to estimate quantitatively. However, based on our interviews and available data, we would expect the current shortage in Stevenson to be on the order of 50 units (mainly rental apartments), including demand for subsidized housing. We would expect pent-up demand for small single-occupant apartments at or slightly below current market rent levels to be in the range of 20-30 units, dominated by retired seniors and young workers in the service and retail sectors.



VI. COMMERCIAL MARKET ANALYSIS

MARKET TRENDS

Though the commercial real estate market has recovered from the last downturn, it has not experienced the same growth as the residential market in this decade. One of the main headwinds facing this market is the shift in retail from brick-and-mortar stores to online shopping. The latter currently accounts for nearly 10% of all retail spending, and is increasing its market share by roughly one percentage point per year. Another trend, which has a longer history, is the shift from spending on goods to spending on services. The confluence of the two trends has led to weak real estate demand from physical goods retailers in recent years. This has hurt the larger retail centers in particular.

Downtown areas have fared relatively well in this decade, as these are dominated by service providers and eating/drinking places. On a net basis, eating and drinking places have accounted for nearly all the absorption of commercial space in smaller downtown areas in this decade. The best performing service providers have been personal care salons (hair, nails, spa, etc.), followed by health/leisure studios (fitness, dance, martial arts, etc.) and professional service offices (financial, legal, insurance, real estate). The best performing goods retailers have belonged to the everyday goods category (grocery, convenience, specialty food/drink, health/supplement), though wireless stores, certain hobby/pet stores, and antique shops are also increasing. The weakest categories have been banks, electronics stores, and print shops.

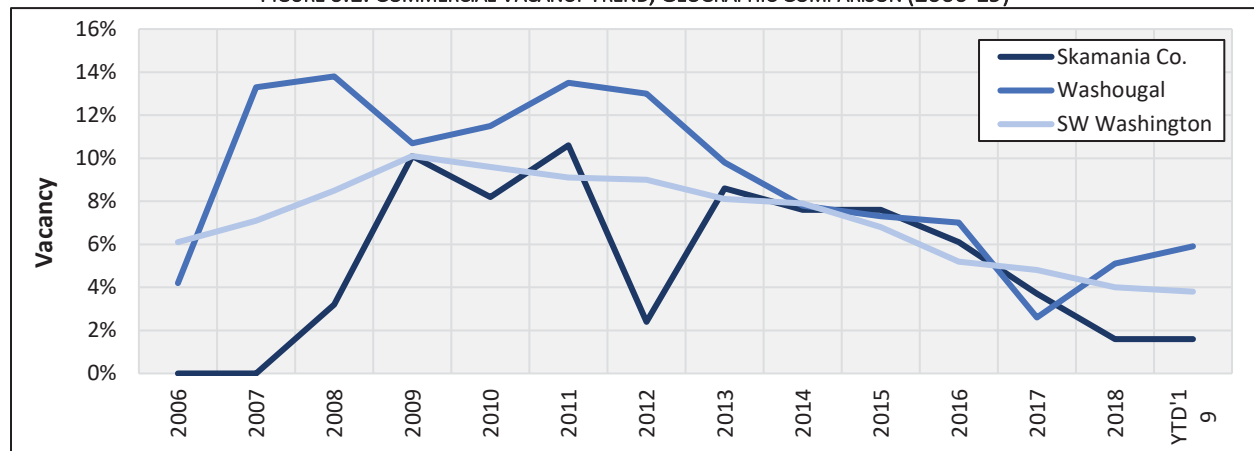
Available data on business entities and employment in Stevenson indicate that breweries, restaurants, and chiropractors/physical therapists have been the strongest commercial tenant categories in the Study Area in this decade. The steepest declines are seen among physicians and to a lesser extent professional service providers. Based on typical per-employee floor area factors, we estimate that job growth between 2010 and 2016 in Stevenson's commercial sector (+54 jobs) represented absorption of 11,000 square feet of space (see demand section).

VACANCY

Because of limited availability of commercial real estate market data in Stevenson, we rely on market data for Skamania County in this section, comparing the county to Washougal and Southwest Washington.

Vacancy rates for commercial space in Southwest Washington peaked at 10.0% in 2009, well above the 7.5% typically regarded to represent a healthy market. The rates have declined gradually since then, to a current level of 4.0%. Washougal was harder hit by the downturn, peaking at 13.5% vacancy in 2011, and currently sitting at 5.9%. Skamania County tracked the regional trend between 2013 and 2016, but have since seen steeper declines and currently sit at 1.6%. Stevenson likely has a higher vacancy rate currently, as there are several vacant spaces in Downtown.

FIGURE 6.1: COMMERCIAL VACANCY TREND, GEOGRAPHIC COMPARISON (2006-19)



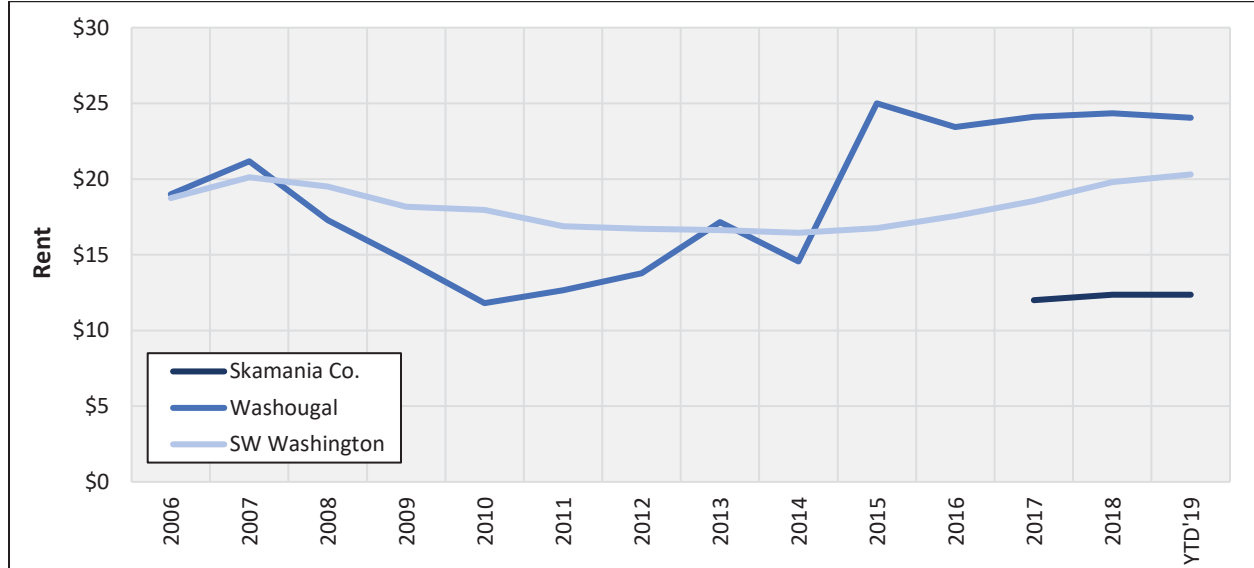
SOURCE: CoStar



RENTS

Asking rates have increased moderately on the regional level in this recovery, from an average of \$16.45 (annual, PSF) in 2014 to \$20.31 currently. Washougal has seen a stronger increase, though the limited amount of space available in this market makes the average asking rate sensitive to changes in the quality of available spaces. The same can be said about Skamania County, which has only been tracked by CoStar since 2017. The current average, \$12.36 is well below the average in Washougal and Southwest Washington, and has only changed marginally since 2017.

FIGURE 6.2: AVERAGE ANNUAL ASKING RATES PER SQUARE FOOT, COMMERCIAL SPACE, GEOGRAPHIC COMPARISON (2006-19)



SOURCE: CoStar

ACHIEVABLE PRICING

The average lease rates presented on the previous page do not necessarily reflect achievable pricing for new structures. Existing commercial buildings in Skamania County (primarily in Downtown Stevenson) are of older vintage and do not offer the ceiling height or large storefront windows that modern downtown commercial buildings typically offer. Some of the spaces are also very deep relative to their frontage. These factors likely put downward pressure on lease rates in this market. In order to estimate achievable pricing for modern space, JOHNSON ECONOMICS surveyed new buildings in Washougal and Troutdale in addition to existing buildings in Downtown Stevenson. Washougal and Troutdale represent access to larger populations than Stevenson, and thus have potential for higher sales volumes. This should translate into higher lease rates in these markets. However, the downtown areas in these two cities are limited in size, as most of the residential demand is captured by nearby retail centers with stronger exposure to residential traffic. We therefore regard these downtowns to be appropriate reference points for Stevenson.

FIGURE 6.3: SURVEYED COMMERCIAL PROPERTIES

| | | |
|--|--|--|
| <p>1) ASH BUILDING 74 SW Russel Ave, Stevenson, WA</p> | | |
| <p>Type: Historic mixed-use Year built: 1907 Commercial SF: 5,000 Available SF: - Lease type: NNN Annual rate: \$10.00</p> | | |



2) 66 RUSSELL
66 SW Russel Ave, Stevenson, WA

| | |
|----------------|--------------------|
| Type: | Historic mixed-use |
| Year built: | 1910 |
| Commercial SF: | 1,325 |
| Available SF: | - |
| Lease type: | NNN |
| Annual rate: | \$8.40 |



3) AVERY BUILDING #1
198 SW 2nd St, Stevenson, WA

| | |
|----------------|--------------------|
| Type: | Historic mixed-use |
| Year built: | 1912 |
| Commercial SF: | 1,800 |
| Available SF: | - |
| Lease type: | NNN |
| Annual rate: | \$11.00 |



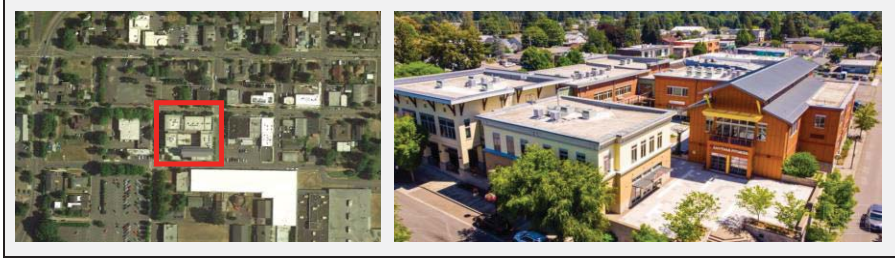
4) AVERY BUILDING #2
198 SW 2nd St, Stevenson, WA

| | |
|----------------|--------------------|
| Type: | Historic mixed-use |
| Year built: | 1912 |
| Commercial SF: | 800 |
| Available SF: | - |
| Lease type: | NNN |
| Annual rate: | \$15.00 |



5) TOWN SQUARE
1700 Main St, Washougal, WA

| | |
|----------------|------------------|
| Type: | Commercial plaza |
| Year built: | 2008 |
| Commercial SF: | 50,000 |
| Available SF: | 18,460 |
| Lease type: | NNN |
| Annual rate: | \$20.00 |



6) 1887 MAIN
1887 Main St, Washougal, WA

| | |
|----------------|---------------------|
| Type: | Urban office/retail |
| Year built: | 2012 |
| Commercial SF: | 7,900 |
| Available SF: | 2,000 |
| Lease type: | NNN |
| Annual rate: | \$15-20 (est) |



7) RIG-A-HUT
1911 Main St, Washougal, WA

| | |
|----------------|-----------------|
| Type: | Urban mixed-use |
| Year built: | 2018 |
| Commercial SF: | 2,060 |
| Available SF: | 1,422 |
| Lease type: | NNN |
| Annual rate: | \$18-19 |





| 8) DISCOVERY BLOCK | |
|-----------------------------------|---------------|
| 200 E Columbia Hwy, Troutdale, OR | |
| Type: | Office/retail |
| Year built: | 2019 |
| Commercial SF: | 13,000 |
| Available SF: | 9,500 |
| Lease type: | NNN |
| Annual rate: | \$17-20 |



SOURCE: CoStar, brokers, property owners, Skamania County, Google Maps

The surveyed properties in Stevenson reflect commercial lease rates in the range of \$8.40-15.00 per square foot (annual, NNN), with the highest rates observed in the Avery Building on 2nd Street. Newer spaces in Washougal are offered at rates in the \$15-20 range on a triple-net (NNN) basis, depending on size and floor level. The lower end of the range is in line with rates at older commercial properties with inferior configuration and frontage. The Discovery Block in Troutdale has been advertised at \$17-20, with the highest rates for ground-floor retail and the lowest for second-floor office space. In comparison, smaller ground-floor spaces in Downtown Troutdale in buildings built around 2000 are generally offered in the \$18-20 range, while older buildings are typically priced a bit lower (\$16-18).

Based on this survey and other surveys conducted by JOHNSON ECONOMICS in recent years, we would expect new buildings with modern commercial space in Stevenson to capture annual premiums of \$3-5 per square foot to existing buildings. We would expect ground-floor retail space to achieve pricing in the \$12-17 range, depending on size and location. 2nd Street is likely to capture the highest rates (\$15-17), while rates will likely be somewhat lower on 1st Street and Russell Avenue (\$13-15) and other streets in the Study Area (\$12-14). Second-floor office rates are likely to represent discounts to these rates, though they will likely exhibit less variation.

FIGURE 6.4: ACHIEVABLE COMMERCIAL LEASE RATES (ANNUAL, PSF, NNN), STUDY AREA (2Q19)

| Location | GROUND-FLOOR STOREFRONT | | 2ND-FLOOR OFFICE | |
|------------------------|-------------------------|---------|------------------|---------|
| | Low | High | Low | High |
| 2nd Street | \$15.00 | \$17.00 | \$12.00 | \$15.00 |
| 1st Street/Russell Ave | \$13.00 | \$15.00 | \$11.50 | \$13.50 |
| Other streets | \$12.00 | \$14.00 | \$11.00 | \$13.00 |

SOURCE: JOHNSON ECONOMICS

BUSINESS PROFILE AND NEEDS

EXISTING BUSINESS PROFILE

Downtown Stevenson has a profile typical of smaller business centers located along seasonal tourist routes. The majority of its businesses are oriented toward local, year-around residents, but it includes a relatively large number of eating and drinking places that rely at least in part on tourist support. Businesses focused exclusively on tourism (e.g., galleries, gift/souvenir shops, recreation equipment rentals, tour operators) are few, likely reflecting the difficulty of sustaining such businesses in the off-season.

The following table provides an overview of commercial tenant categories present in Stevenson as of 2016, which is the most recent year for which this data is available. The data is derived from a Census Bureau dataset that tallies establishments by industry and size (number of employees) on the zip code level. We regard the data to be representative for the Study Area as nearly all commercial activity in zip code 98648 is located within the Study Area. As can be seen from the table, roughly 40% the businesses in this area have fewer than five employees, and nearly 70% have fewer than 10 employees.



FIGURE 6.5: COMMERCIAL BUSINESSES BY TENANT CATEGORIES, ZIP CODE 98648 (2016)

| BUSINESS | | ESTABLISHMENTS BY SIZE (EMPLOYEE COUNT) | | | | | Total |
|-------------------------------|-----------------------|---|-----------|----------|----------|----------|-----------|
| Tenant Category | Business Type | 1-4 | 5-9 | 10-19 | 20-49 | 50-99 | |
| Auto parts | Goods retailer | | 1 | | | | 1 |
| Clothing | Goods retailer | 1 | | | | | 1 |
| Convenience | Goods retailer | 1 | | | | | 1 |
| Gas station | Goods retailer | 1 | 1 | | 1 | | 3 |
| Grocery | Goods retailer | | | | | 1 | 1 |
| Hardware/materials/garden | Goods retailer | | 1 | | | | 1 |
| Pharmacy | Goods retailer | | 1 | | | | 1 |
| Used goods | Goods retailer | 1 | | | | | 1 |
| Bank | Service provider | 1 | 2 | | | | 3 |
| Attorney | Service provider | 1 | | | | | 1 |
| Chiropractor/physical therapy | Service provider | 1 | 2 | | | | 3 |
| Dentist | Service provider | | 1 | | | | 1 |
| Insurance | Service provider | 1 | | | | | 1 |
| Optic/vision | Service provider | 1 | | | | | 1 |
| Physician/clinic | Service provider | | | 1 | | | 1 |
| Real estate agent | Service provider | 1 | | | | | 1 |
| Vet/animal clinic | Service provider | 1 | | | | | 1 |
| Phone/internet | Service provider | 1 | | | | | 1 |
| Bar/pub | Eating/drinking place | 1 | | | | | 1 |
| Brewery/winery/distillery | Eating/drinking place | | | | 1 | | 1 |
| Coffee/juice/ice cream | Eating/drinking place | 1 | 1 | | | | 2 |
| Full-service restaurant | Eating/drinking place | | | 3 | 1 | | 4 |
| Limited-service restaurant | Eating/drinking place | 1 | 1 | 1 | | | 3 |
| Total | | 15 | 11 | 5 | 3 | 1 | 38 |

SOURCE: U.S. Census Bureau JOHNSON ECONOMICS

Certain resident-oriented business that are often found in small downtown areas are missing in this list. These include personal care salons (hair/nail/spa), fitness/leisure options (e.g., spinning, dance/yoga, and martial arts studios), certain professional services (CPAs, financial advisors), wireless stores, and health/supplement stores. Some of these categories are currently represented in Stevenson.

BUSINESS NEEDS: RESIDENT-ORIENTED

Businesses oriented toward residents generally benefit from being located near employment centers or along commute paths. Downtown Stevenson is well positioned in this respect, as it is itself an employment center, and it is located on Highway 14, easily accessible to most commuters. It does not have to compete against nearby retail centers that provide stronger access to commuters.

Resident-oriented businesses also benefit from convenient and ample parking. Businesses that rely on frequent, routine visits (e.g., grocery stores) have the strongest needs in this respect. Like most other downtown areas, Stevenson has limited parking, something that becomes a particular challenge during the tourist season. In downtown areas where heavy seasonal tourist traffic is an issue, resident-oriented businesses generally benefit from locations that are off the main tourist routes and that are close to other resident-oriented businesses, allowing for available parking as well as synergies in customer traffic. This can detract from growth and densification of the downtown core. However, the lack of nearby suburban retail centers prevents this dynamic in Downtown Stevenson. The existing location of key public services in Downtown adds to the gravitational force on resident-oriented businesses.



In terms of floor area needs, resident-oriented businesses vary considerably. Service providers generally occupy the smallest spaces, down to around 500 square feet. However, certain service categories – like medical clinics – can occupy large spaces, though usually less than 5,000 square feet in smaller towns like Stevenson. Eating and drinking places typically occupy 1,000-4,000 square feet in smaller towns, though coffee shops, sandwich bars, and ice cream parlors can occupy smaller spaces. Goods retailers can range from 1,000 square feet for certain boutique stores to around 20,000 square feet for grocery and hardware stores, though these larger building formats are usually located outside the downtown core.

BUSINESS NEEDS: TOURIST-ORIENTED

Tourist-oriented businesses benefit from attractive, cohesive, and walkable environments that in themselves provide an experience for visitors. Streets that are dense with active, varied uses and engaging storefronts are particularly appealing to visitors. Buildings with large storefront windows enhance the visitor experience by facilitating two-way engagement between indoor and outdoor activity. Vacant lots, parking lots, blighted structures, and structures with limited window area detract from the visitor experience.

In Stevenson, 2nd Street provides the most vital setting in this regard, though it does not yet have the scale, cohesion, or vitality necessary to make it a primary destination or a must stop for tourists. This makes it more dependent on capturing pass-through traffic, something that requires exposure (location on 2nd or 1st Street is an advantage) and convenient parking. As it grows into more of a destination, convenient parking will become less of an issue, as destination visitors typically plan to walk around and are willing to park further away.

Tourist-oriented businesses generally have more limited floor area needs than resident-oriented businesses. Galleries and boutique shops are often found in spaces with less than 1,000 square feet. The largest downtown spaces in tourist towns are often occupied by restaurants, up to around 5,000 square feet.

DEMAND

JOHNSON ECONOMICS projects future demand for commercial space by modeling changes in the underlying drivers of demand. The two main drivers in Stevenson are population growth and growth in visitor spending. We therefore focus on these two metrics when we project commercial space demand in the Study Area over the coming ten years. Our analysis begins with estimates of demand growth over the recent past, as indicated by local business and employment growth in industries that typically occupy commercial space. For this, we rely on the same dataset as used when profiling downtown businesses.

Demand for industrial space is not evaluated in this analysis. However, we regard industrial buildings of smaller scale to be compatible with other uses in certain parts of the Study Area, especially flex buildings with storefront windows and relatively large office/showroom components. We expect there will be demand for new industrial space in Stevenson over the coming ten years.

In the following, we convert counts of establishments by number of employees to employment estimates, and thereafter to space demand. For these conversions we rely on average employment and square-footage figures observed in analyses of employment and commercial space in smaller downtown areas in the Portland Metro Area. The estimates of historical space demand are used to calibrate estimates of future demand resulting from population growth and visitor spending.

The following table displays estimates of growth in commercial space demand within the Study Area over the 2010-16 period. Over this period, commercial employment increased by an estimated 54 jobs. Based on typical space utilization, this corresponds to an increase in space demand of 10,600 square feet over this period, or roughly 1,800 square feet (1.9%) per year.



The table identifies and totals tenant categories often found in downtown storefront retail space (identified by *). These categories have seen stronger growth than categories usually located in office buildings or suburban retail buildings, together representing estimated demand growth of 11,700 square feet over the period.

FIGURE 6.6: ESTIMATED CHANGE IN COMMERCIAL SPACE DEMAND, STUDY AREA (2010-16)

| | ESTABLISHMENTS | | | EMPLOYMENT | | | SF/emp | SQUARE FEET | | |
|----------------------------------|----------------|-----------|-----------|------------|------------|-----------|--------|---------------|----------------|---------------|
| | 2010 | 2016 | Change | 2010 | 2016 | Change | | 2010 | 2016 | Change |
| Attorney | 2 | 1 | -1 | 4 | 2 | -2 | 298 | 1,191 | 595 | -595 |
| Auto parts | 1 | 1 | | 7 | 7 | | 576 | 4,031 | 4,031 | 0 |
| Bank | 2 | 3 | 1 | 14 | 15 | 1 | 277 | 3,876 | 4,153 | 277 |
| Bar/pub * | | 1 | 1 | | 3 | 3 | 328 | 0 | 984 | 984 |
| Brewery/winery/distillery * | 1 | 1 | | 7 | 21 | 14 | 356 | 2,492 | 7,476 | 4,984 |
| Chiropractor/physical therapy | 1 | 3 | 2 | 7 | 16 | 9 | 352 | 2,466 | 5,636 | 3,170 |
| Clothing * | 1 | 1 | | 2 | 2 | | 355 | 710 | 710 | 0 |
| Coffee/juice/ice cream * | 2 | 2 | | 4 | 9 | 5 | 114 | 458 | 1,030 | 572 |
| Convenience * | 1 | 1 | | 2 | 2 | | 399 | 798 | 798 | 0 |
| CPA | 2 | | -2 | 4 | | -4 | 175 | 698 | 0 | -698 |
| Dentist | 1 | 1 | | 7 | 7 | | 267 | 1,870 | 1,870 | 0 |
| Flowers * | 1 | | -1 | 2 | | -2 | 624 | 1,248 | 0 | -1,248 |
| Full-service restaurant * | 6 | 4 | -2 | 58 | 73 | 15 | 235 | 13,607 | 17,126 | 3,519 |
| Gas station | 5 | 3 | -2 | 28 | 35 | 7 | 210 | 5,880 | 7,350 | 1,470 |
| Grocery | 1 | 1 | | 56 | 56 | | 347 | 19,432 | 19,432 | 0 |
| Hardware/materials/garden | 1 | 1 | | 7 | 7 | | 989 | 6,923 | 6,923 | 0 |
| Insurance | 2 | 1 | -1 | 4 | 2 | -2 | 372 | 1,489 | 745 | -745 |
| Limited-service restaurant * | 3 | 3 | | 11 | 24 | 13 | 147 | 1,617 | 3,527 | 1,910 |
| Motor vehicles | 1 | | -1 | 2 | | -2 | 253 | 506 | 0 | -506 |
| Optic/vision | 1 | 1 | | 2 | 2 | | 515 | 1,030 | 1,030 | 0 |
| Pharmacy | 1 | 1 | | 7 | 7 | | 945 | 6,618 | 6,618 | 0 |
| Physician/clinic | 4 | 1 | -3 | 19 | 13 | -6 | 672 | 12,765 | 8,734 | -4,031 |
| Real estate agent | | 1 | 1 | | 2 | 2 | 287 | 0 | 574 | 574 |
| Used goods * | | 1 | 1 | | 3 | 3 | 334 | 0 | 1,003 | 1,003 |
| Vet/animal clinic | 1 | 1 | | 2 | 2 | | 156 | 312 | 312 | 0 |
| Phone/internet * | 1 | 1 | | 2 | 2 | | 310 | 620 | 620 | 0 |
| Total | 42 | 35 | -7 | 258 | 312 | 54 | | 90,635 | 101,276 | 10,641 |
| <i>* Typical downtown retail</i> | <i>16</i> | <i>15</i> | <i>-1</i> | <i>88</i> | <i>139</i> | <i>51</i> | | <i>21,549</i> | <i>33,274</i> | <i>11,725</i> |

SOURCE: U.S. Census Bureau, JOHNSON ECONOMICS

The first metric used to project demand over the 2019-2029 period is population growth. We use the county population, as Stevenson attracts resident demand for goods and services from the entire county. The county-wide population grew at an average annual rate of 0.6% over the 2010-16 period. Over the 2019-29 period, the population is projected by the State (OFM) to grow at an 0.8% annual rate, adding 1,040 residents. For low- and high-growth assumptions, we use 0.5% and 1.1%.

Visitor spending is also modeled on the county level. We exclude lodging spending in order to focus on goods and services. Over the 2010-16 period, the average annual increase in non-accommodation visitor spending was 3.1% (inflation-adjusted). Based on the longer-term trend, we expect more moderate growth over the coming ten years, at an average rate of 2.5% per year, with 2.0% and 3.3% assumed in our low and high estimates.

Averaging the annual growth rates for the two metrics over the 2010-16 period indicates a blended 1.9% growth rate. This is identical to our estimate of growth in commercial space demand over this period, which was derived from establishment and employment counts. We therefore average projected population growth and visitor spending growth over the 2019-29 period in order to project space demand over this period. This indicates a 1.7% annual



growth rate in the baseline scenario, which translates into 19,200 square feet of space, or nearly 2,000 square feet per year on average. The low- and high-growth estimates indicate demand between 14,700 and 25,900 square feet.

FIGURE 6.7: PROJECTED CHANGE IN COMMERCIAL SPACE DEMAND, STUDY AREA (2019-29)

| BASELINE | Skamania Population | Skamania Visitor Spending (2010 \$M) | Average Growth Rate (AAGR) | Commercial Space Demand (SF) |
|---------------------|----------------------------|---|-----------------------------------|-------------------------------------|
| 2010 | 11,066 | \$42.10 | | 90,635 |
| 2016 | 11,500 | \$50.52 | | 101,276 |
| 2010-16 AAGR | 434 | \$8.42 | 1.9% | 10,641 |
| 2019 | 12,017 | \$57.29 | | 106,439 |
| 2029 | 13,057 | \$73.36 | | 125,625 |
| 2019-29 AAGR | 1,040 | \$16.07 | 1.7% | 19,187 |
| LOW | Skamania Population | Skamania Visitor Spending (2010 \$M) | Average Growth Rate (AAGR) | Commercial Space Demand (SF) |
| 2019-29 AAGR | 615 | \$12.55 | 1.3% | 14,103 |
| HIGH | Skamania Population | Skamania Visitor Spending (2010 \$M) | Average Growth Rate (AAGR) | Commercial Space Demand (SF) |
| 2019-29 AAGR | 1,389 | \$21.98 | 2.2% | 25,923 |

SOURCE: WA OFM, Dean Runyan Associates, WSDOT, JOHNSON ECONOMICS

Based on the historical growth over the 2010-16 period, we would expect a large share of the new demand to be driven by categories that often lease storefront space in downtown retail buildings. However, in light of regional trends in smaller downtown areas, we regard it unlikely that the downtown retail demand will be greater than the total commercial demand, as was the case between 2010 and 2016. For the sake of projections, we would assume that roughly two-thirds of the demand, or around 13,000 square feet in the baseline scenario will be for downtown retail space.

Note that the baseline estimates are largely based on historical trends, and thus do not take into account the potential catalytic impact of improvement projects that enhance the appeal of Stevenson as a tourist destination. We regard the proximity between Downtown and the Columbia River to represent strong potential for increased tourist-oriented commercial activity, and thus for space demand in the high end of the indicated range (25,900 SF).

Note also that whereas demand growth during this decade has largely been accommodated by space that was left vacant in the wake of the last downturn, growth over the coming decade will likely require construction of additional commercial space.

FIGURE 6.8: SUMMARY OF COMMERCIAL SPACE DEMAND (SF), STUDY AREA (2019-29)

| | Low | Baseline | High |
|-----------------|------------|-----------------|-------------|
| All Commercial | 14,103 | 19,187 | 25,923 |
| Downtown Retail | 9,449 | 12,855 | 17,368 |

SOURCE: JOHNSON ECONOMICS



VII. HOSPITALITY MARKET ANALYSIS

MARKET TRENDS

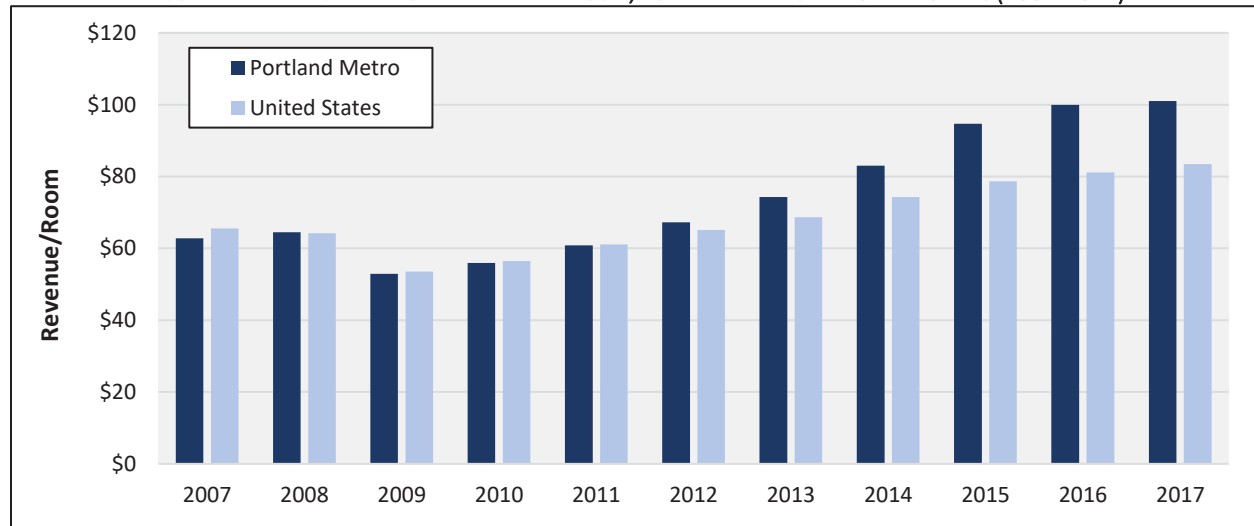
BROAD TRENDS

The hospitality sector has seen strong growth in the current decade, reflecting that the economic expansion has increased business activity as well as leisure travel. Corporate travel, conventions, relocations, and tourism are all contributing to the growth, leading to rising occupancy and room rates, as well as increased development activity.

The segment with the strongest momentum currently is select-service hotels, especially in larger urban centers. These hotels typically offer amenities like pool, spa, gym, business center, and a breakfast buffet, but not a full restaurant. This segment has taken market share from full-service hotels, particularly among business travelers, and to some extent also from limited-service hotels. However, limited-service hotels also exhibit strong growth, accounting for most of the new development outside large urban centers. Limited-service hotels continue to benefit from a shift in preferences among budget travelers, for whom motels used to be the standard option before falling out of favor over the past two decades.

On the national level, the occupancy rate in the hotel industry currently exceeds 66%, after climbing every year since 2009. The current rate is 11 percentage points higher than the 2009 bottom. 65% is generally considered a healthy level, and is often the assumption used for underwriting of new properties. The average room rate has increased 33% in this decade, from \$98 to \$130. Combining the two measures, the average revenue per available room has increased 53% since 2010, or 5.4% per year on average. The Portland Metro Area has seen stronger gains, with revenues increasing 8.8% per year on average in this decade.

FIGURE 7.1: AVERAGE REVENUE PER AVAILABLE ROOM, PORTLAND METRO AND UNITED STATES (2007-2017)



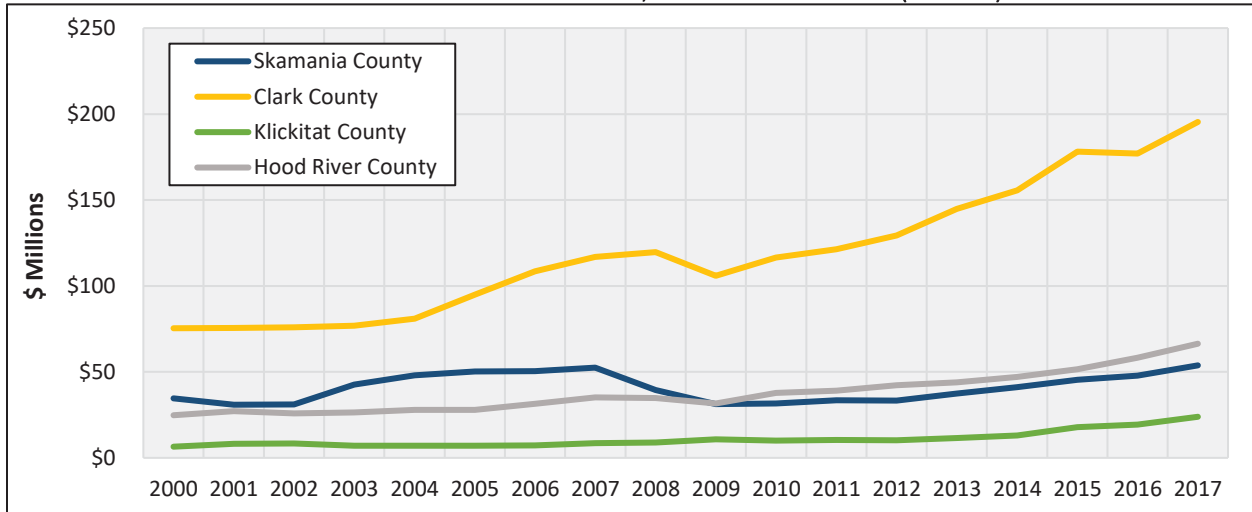
SOURCE: Smith Travel Research, JOHNSON ECONOMICS

SKAMANIA COUNTY HOTEL REVENUE

Total lodging revenue in Skamania County was \$54 million as of 2017. This is only slightly higher than prior to the last recession. However, taking into account inflation over the period, the 2017 level represents a decline of 13% from the 2007 level. Though other markets in the Portland area and the Gorge also suffered declines during the downturn, most markets recovered within a few years. Reduced demand in the resort segment, which is a significant portion of Skamania County's hotel sector due to Skamania Lodge, might be a contributing factor to the relatively weak growth in the county. As of 2017, lodging spending in Skamania County is nearly on par with spending in Hood River County, and represents roughly twice the spending in Klickitat County.



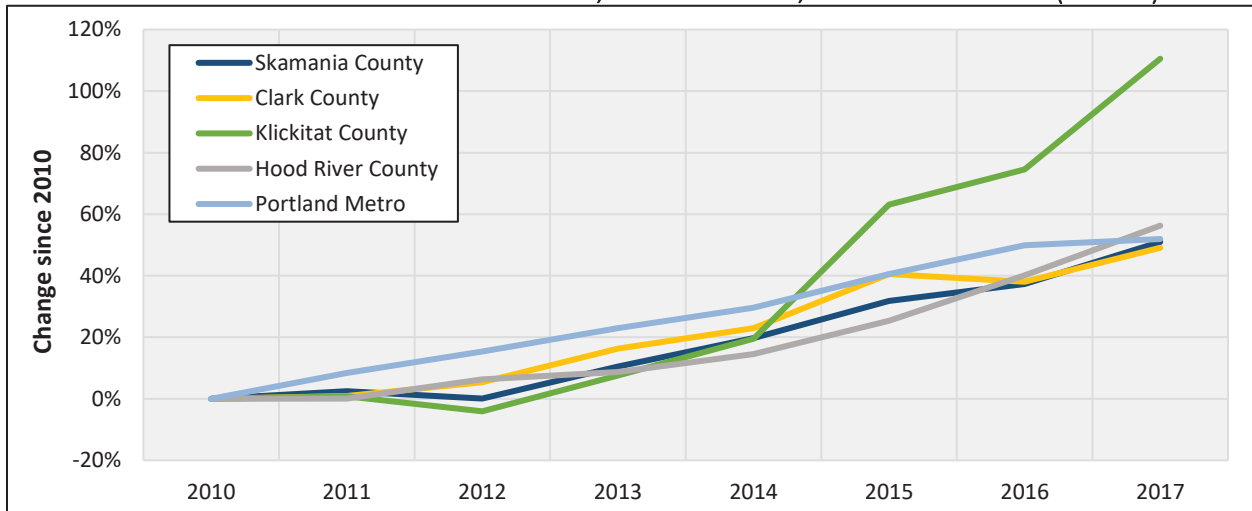
FIGURE 7.2: HOTEL AND MOTEL REVENUES, GEOGRAPHIC COMPARISON (2000-17)



SOURCE: Dean Runyan Associates

In this decade Skamania County has seen growth in lodging revenue on par with the other markets. Adjusted for inflation, Skamania’s revenue was up 51% over the 2010-17 period, compared to 49% in Clark County, 56% in Hood River County, and 52% in the Portland Metro Area. Only Klickitat County stands out with growth of 111% over the period.

FIGURE 7.3: GROWTH IN HOTEL AND MOTEL REVENUES, INFLATION-ADJUSTED, GEOGRAPHIC COMPARISON (2010-17)



SOURCE: Dean Runyan Associates

HOTEL OCCUPANCY

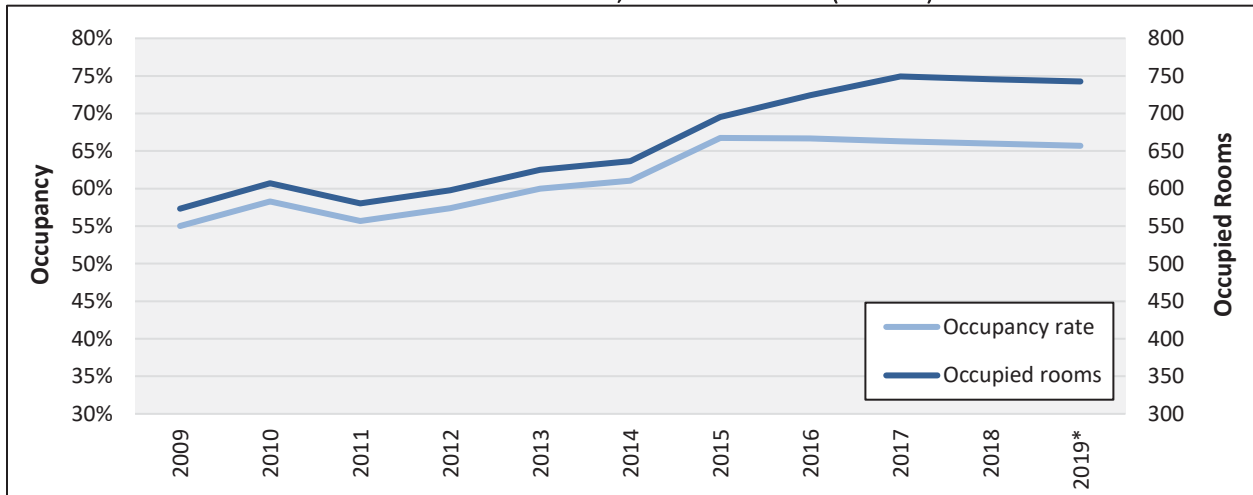
For trends in occupancy and room rates, we rely on data reported to Smith Travel Research from a sample of hotel properties in the western portion of the Columbia Gorge. These include two properties in Stevenson, one in Cascade Locks, one in Washougal, and two in Hood River. Most of these properties are profiled later in this section.

The sample currently has a collective occupancy rate of 66%, which is in line with the national average and slightly higher than the target level of most hotel managers. Below this level, room rates are often reduced, and above this level room rates are often increased. The occupancy level peaked in 2015 at 67% and has declined very gradually to the current level since then. At the 2009 bottom, the occupancy rate was 55%.



The following chart includes the occupancy trend as well as the estimated average number of rooms occupied in this market over the past ten years. The latter is estimated by applying the sample occupancy rate to the total number of rooms in this market, which extends from Washougal to Bingen on the Washington side and Cascade Locks to Hood River on the Oregon side. One hotel property has been built in this market over this period (Hampton Inn Hood River, 88 units, 2016). Total occupancy has been near 750 rooms in this market after this property opened.

FIGURE 7.4: OCCUPANCY TREND, WEST GORGE SAMPLE (2009-19)



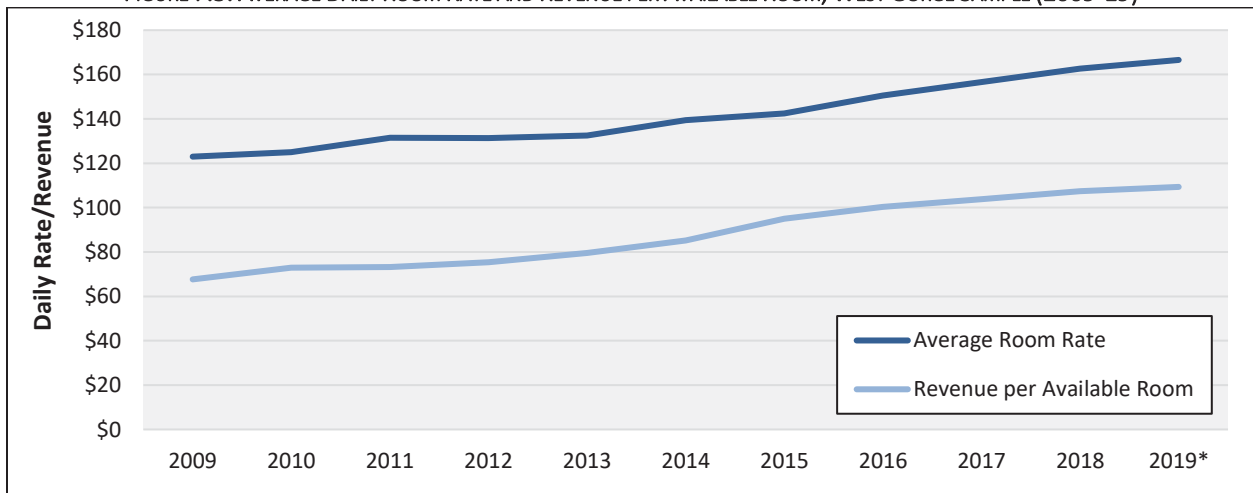
* 2019 level represents a full-year estimate based on the year-over-year change as of May 2019.

SOURCE: Smith Travel Research, JOHNSON ECONOMICS

ROOM RATES

Room rates in the Gorge have climbed every year over the past ten years. Across the sample, our full-year estimate for the average rate in 2019 is \$167 per night, 2.4% above the 2018 average. The rate has increased 19.4% over the past five years, or 3.6% per year on average. The highest single-year increase was in 2016, at 5.7%, responding to the strong occupancy gain in the previous year. Revenue per available room, which takes into account occupancy, currently averages \$109 per night, 1.9% above the 2018 level. The gain, which is in line with current inflation, indicates a well-balanced market.

FIGURE 7.5: AVERAGE DAILY ROOM RATE AND REVENUE PER AVAILABLE ROOM, WEST GORGE SAMPLE (2009-19)



* 2019 level represents a full-year estimate based on the year-over-year change as of May 2019.

SOURCE: Smith Travel Research




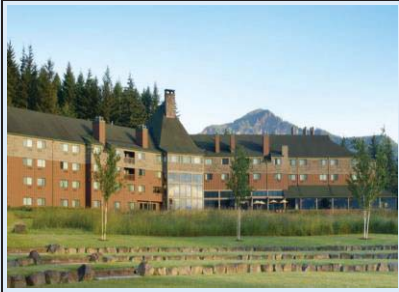

ACHIEVABLE PRICING

In this analysis, we will focus on achievable pricing for limited-service hotels. This is the hospitality format that has exhibited the strongest demand growth outside large urban centers during this business cycle, and that has dominated new development in the region. Achievable pricing for boutique, select-service, and full-service hotels will represent premiums to limited-service pricing, depending on amenity and service level.

Limited-service hotels benefit from highway visibility and access, and are less dependent on the character of the immediate surroundings than resort hotels (which benefit from attractive natural settings) and boutique hotels (which benefit from vital downtown settings). They have extensive parking needs and thus tend to locate outside the most active urban areas where land costs are highest.

Stevenson does not currently have any limited-service hotels. The closest example is Best Western Plus in Cascade Locks, which offers views of the Columbia River. However, this property is in the I-84 corridor, and thus benefits from exposure to higher traffic volumes. The closest example along Highway 14 is Best Western Parkersville in Washougal, though this property captures demand from visitors to Camas and Washougal as well as pass-through travelers on Highway 14. Both properties are included in our survey. In order to provide reference points for pricing differentials between Stevenson and Cascade Locks, we have included one motel property from each of these cities. We have also included Skamania Lodge (resort hotel) and the Camas Hotel (boutique hotel) for additional reference points.

FIGURE 7.6: SURVEYED HOSPITALITY PROPERTIES

| | | |
|--|--|---|
|  |  |  |
| #1 Rodeway Inn <i>40 NE Second Street, Stevenson, WA</i> | #2 Skamania Lodge <i>1131 SW Skamania Lodge Way Stevenson, WA</i> | #3 Columbia Gorge Inn <i>404 Wa Na Pa Street Cascade Locks, OR</i> |
| Year Open 1993 Type Motel Market Scale Economy Customer Base Tourist Rooms 30 | Year Open 1993 Type Resort Hotel Market Scale Upscale Customer Base Destination visitor Rooms 258 | Year Open 1970 Type Motel Market Scale Economy Customer Base Tourist Rooms 30 |
| Standard Rates Low: \$60 High: \$80 | Standard Rates Low: \$240 High: \$265 | Standard Rates Low: \$70 High: \$90 |
| On-site Amenities | On-site Amenities | On-site Amenities |
| <input checked="" type="checkbox"/> Wifi <input type="checkbox"/> Business Center <input type="checkbox"/> Fitness Center <input type="checkbox"/> Indoor Pool <input checked="" type="checkbox"/> Free Breakfast <input type="checkbox"/> Restaurant <input type="checkbox"/> Sundry/Convenience Shop <input checked="" type="checkbox"/> Laundry/Dry Cleaning | <input checked="" type="checkbox"/> Wifi <input checked="" type="checkbox"/> Business Center <input checked="" type="checkbox"/> Fitness Center <input checked="" type="checkbox"/> Swimming Pool <input type="checkbox"/> Free Breakfast <input checked="" type="checkbox"/> Restaurant <input checked="" type="checkbox"/> Sundry/Convenience Shop <input checked="" type="checkbox"/> Laundry/Dry Cleaning | <input checked="" type="checkbox"/> Wifi <input type="checkbox"/> Business Center <input type="checkbox"/> Fitness Center <input type="checkbox"/> Indoor Pool <input type="checkbox"/> Free Breakfast <input checked="" type="checkbox"/> Restaurant <input type="checkbox"/> Sundry/Convenience Shop <input type="checkbox"/> Laundry/Dry Cleaning |



| | |
|--|-----------------------|
| #4 Best Western Plus Columbia River | |
| <i>735 Wa Na Pa Street, Cascade Locks, OR</i> | |
| Year Open | 1995 |
| Type | Limited Service Hotel |
| Market Scale | Midscale |
| Customer Base | Business/Tourist |
| Rooms | 63 |
| Standard Rates | |
| Low: \$130 | High: \$220 |
| On-site Amenities | |
| <input checked="" type="checkbox"/> Wifi | |
| <input checked="" type="checkbox"/> Business Center | |
| <input checked="" type="checkbox"/> Fitness Center | |
| <input checked="" type="checkbox"/> Indoor Pool | |
| <input checked="" type="checkbox"/> Free Breakfast | |
| <input type="checkbox"/> Restaurant | |
| <input type="checkbox"/> Sundry/Convenience Shop | |
| <input checked="" type="checkbox"/> Laundry/Dry Cleaning | |



| | |
|---|-----------------------|
| #5 Best Western Plus Parkersville | |
| <i>121 S 2nd Street Washougal, WA</i> | |
| Year Open | 2009 |
| Type | Limited Service Hotel |
| Market Scale | Midscale |
| Customer Base | Business/Tourist |
| Rooms | 79 |
| Standard Rates | |
| Low: \$125 | High: \$162 |
| On-site Amenities | |
| <input checked="" type="checkbox"/> Wifi | |
| <input checked="" type="checkbox"/> Business Center | |
| <input checked="" type="checkbox"/> Fitness Center | |
| <input checked="" type="checkbox"/> Indoor Pool | |
| <input checked="" type="checkbox"/> Free Breakfast | |
| <input type="checkbox"/> Restaurant | |
| <input checked="" type="checkbox"/> Sundry/Convenience Shop | |
| <input checked="" type="checkbox"/> Laundry/Dry Cleaning | |



| | |
|--|----------------|
| #6 Camas Hotel | |
| <i>405 NE 4th Ave, Camas, WA</i> | |
| Year Open | 1911 |
| Type | Boutique Hotel |
| Market Scale | Midscale |
| Customer Base | Tourist |
| Rooms | 24 |
| Standard Rates | |
| Low: \$100 | High: \$130 |
| On-site Amenities | |
| <input checked="" type="checkbox"/> Wifi | |
| <input type="checkbox"/> Business Center | |
| <input type="checkbox"/> Fitness Center | |
| <input type="checkbox"/> Indoor Pool | |
| <input checked="" type="checkbox"/> Free Breakfast | |
| <input checked="" type="checkbox"/> Restaurant | |
| <input type="checkbox"/> Sundry/Convenience Shop | |
| <input type="checkbox"/> Laundry/Dry Cleaning | |

SOURCE: Smith Travel Research, property staff, property websites

The best indication of achievable pricing for a new limited-service hotel in Stevenson is comparable the Best Western Plus in Cascade Locks. A standard room at this property sells for \$130 to \$220 per night in the low and high season respectively. (The range is considerably wider than for the Best Western Plus in Washougal, which is less dependent on tourist demand and thus sees more stable occupancy throughout the year.) We would expect a discount in Stevenson relative to Cascade Locks, due to lower traffic volumes. Using the two motel properties as proxies, Stevenson appears to incur a discount in the 10-15% range. Applying this discount to the Best Western Plus in Cascade Locks indicates standard room rates in the \$115-190 range. Adjusting for the age of the property, we would expect a new limited-service hotel with river views in Stevenson to achieve standard room rates in the \$125-200 range in today's market, averaging roughly \$155 throughout the year.



DEMAND

We model hospitality demand for the larger West Gorge market (Washougal to Bingen and Cascade Locks to Hood River). The estimates include all hotel types. Inflation-adjusted hotel/motel spending in this market has grown at an annual average rate of 1.9% since 1993, when the first data is available. Over the 2007-2017 period, which included a severe downturn, the spending level increased at a 2.4% average annual rate. Hotel occupancy (measured in rooms) has increased at a 2.6% average annual rate over the past ten years. Based on these figures, we will assume 2.4% average annual growth in this market over the coming ten years in our baseline projections. This is close to the assumption used for non-accommodation visitor spending in the projections for commercial space demand (2.5%). We assume 1.9% and 2.9% annual growth in the low- and high-growth scenarios.

With the assumed 2.4% baseline growth rate, hotel occupancy is expected to increase from the current level of around 740 rooms to around 940 rooms by 2029. In order to accommodate the 65% occupancy rate that represents a healthy market with available rooms during peak season, this requires an inventory of around 1,450 rooms in 2029. This represents an increase of around 320 rooms from the current level (155 over the first five years). In a low- and high-growth scenario, we estimate a need for an additional 250 to 390 rooms in this market (125-190 the first five years).

Stevenson’s potential for capturing hotel room demand in the West Gorge market will depend on growth in its amenity base and the development of visitor attractions over the period. The demand will also depend on cruise ship traffic and schedules. Additional analysis might be needed to further assess the capacity for additional hotel rooms in Stevenson. However, assuming a capture rate in line with its current market share (25%) suggests a need for around 80 additional rooms over the next ten years in the baseline scenario, and 100 rooms in the high-growth scenario.

In light of these estimates, we would expect several hotel formats to be feasible in Stevenson over the next ten years. A typical limited-service roadside hotel includes around 75 rooms, though some have as few as 50. Boutique hotels typically have fewer than 50 rooms in smaller towns, while full-service restaurants usually have more than 50. A recent example of a smaller full-service hotel in a small town is McMenamins in Kalama, Washington (opened 2018), which has only 40 rooms in addition to a restaurant, bar, and lounge.

FIGURE 7.7: ESTIMATED CHANGE IN HOTEL ROOM DEMAND, STEVENSON (2019-29)

| | LOW | BASELINE | HIGH |
|---|------------|------------|------------|
| WEST COLUMBIA GORGE | | | |
| Room Supply, 2019 | 1,130 | 1,130 | 1,130 |
| Average Occupied Rooms, 2019 | 742 | 742 | 742 |
| Occupancy Rate, 2019 | 66% | 66% | 66% |
| Assumed Annual Demand Growth, 2019-29 | 1.9% | 2.4% | 2.9% |
| Average Occupied Rooms, 2029 | 896 | 941 | 988 |
| Market-Balanced Occupancy | 65% | 65% | 65% |
| Market-Balanced Room Supply 2029 | 1,378 | 1,447 | 1,519 |
| Supported New Supply, 2019-29 | 248 | 317 | 389 |
| STEVENSON | | | |
| Stevenson Market Share (2019) | 25% | 25% | 25% |
| Stevenson Supported New Supply 2019-29 | 63 | 81 | 99 |

SOURCE: Smith Travel Research, Dean Runyan Associates, JOHNSON ECONOMICS



City of Stevenson

Planning Department

(509)427-5970

7121 E Loop Road, PO Box 371
Stevenson, Washington 98648

TO: R3 District Property Owners
FROM: Ben Shumaker
DATE: October 12th, 2020
SUBJECT: R3 District Text Amendment—Public Participation Summary

This memo provides an update for the Planning Commission on the 11 public involvement strategies described in the September staff report. The strategies relate to 4 policy questions under consideration as a Zoning Text amendment for the R3 Multi-Family Residential District and 3 questions related to Zoning Map changes.

A-Project Website- The project website is active and continues to be updated as new information is generated. Staff has not and does not intent to track the website's analytics.

B-Online Questionnaire

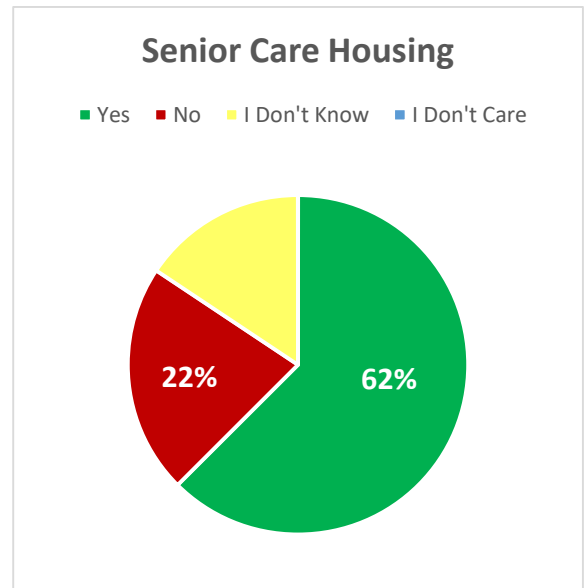
Protocols – The community questionnaire was created using www.surveymonkey.com. No paper-based questionnaire was available. A link to the questionnaire was mailed to each property owner in the R3 District. Electronic copies of the mailing were emailed to 30+ community members known by staff to own or have interest in the R3 District. The link was posted to the project-specific website created for these policy discussions. Finally, the City Facebook page publicized the questionnaire on 2 occasions. The questionnaire was available between 9/9/200 and 10/9/2020.

Questions – Five (5) multiple choice questions comprised the bulk of the questionnaire. The questions were preceded by a short explanation of the issue. Each question then offered "Yes", "No", "I don't know", and "I don't care" options as well as an open-ended option for respondents to more fully explain their answer. Two (2) open-ended questions were also available and respondents were asked for their email addresses if they desired to receive updates on the discussion. See Attachment 1.

Response Rate – The questionnaire generated 33 responses overall, however, individual questions generated between 26 and 32 answers.

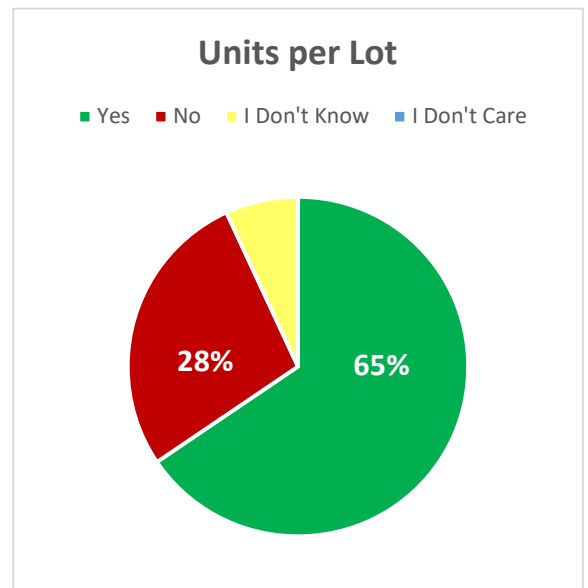
Question 1 (Senior Care Housing): This question asked "Should it be easier to build senior care housing in the R3 Multi-Family Residential District?". This question was answered by 32 respondents and enjoyed the least support (62%) of the 5 policies under consideration. Those opposed to the policy made up 22% of respondents, including the most vocal opposition of the questionnaire with respondents stating:

- 'While I understand the need for more senior care housing, I do not see the need to change from case by case approval "C" to automatic approval "P" on any lot in R3 areas. I would argue that it would be better to designate R1 and R2 as "C" and leave R3 as "C"'
- 'These are critical decisions that should continue to be reviewed by the Planning Commission on a case by case basis. The current review and approval process allows for public participation. It is satisfactory and appropriate.'



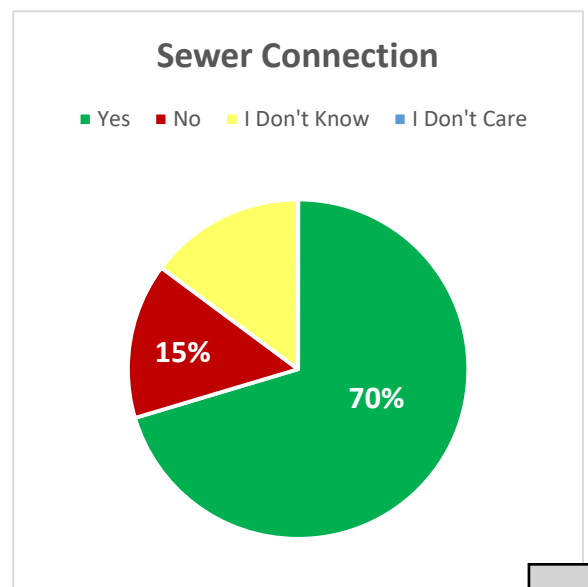
Question 2 (Units per Lot): This question asked "Should more housing units be allowed on properties in the R3 District?". Among the 29 respondents, this question generated the most out-right opposition (28%), while still generating 65% support. Two respondents qualified their support by stating:

- 'Yes, but the city should move to expand the R3 areas (and the associate sewer system) into R1 and R2 areas. Existing R3 area should not be the only ones that take the brunt of inevitable growth. More affordable housing is super important, and even more important now that it appears mobile home parks are not permitted anywhere in Stevenson.'
- 'If they are town homes and not tiny homes.'



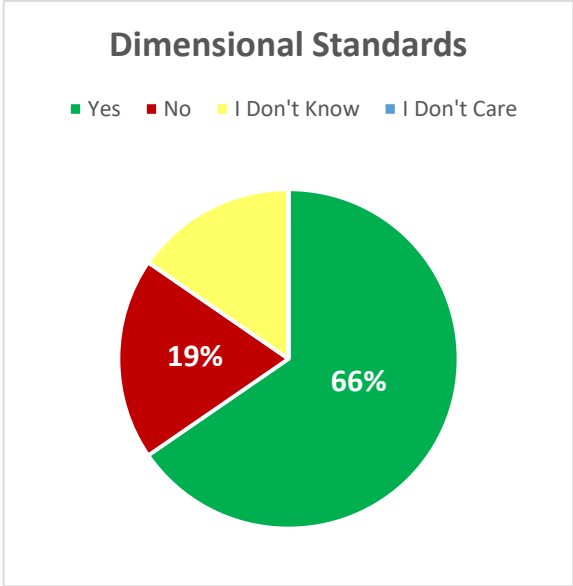
Question 3 (Sewer Connection): This question asked "Should connection to the public sewer system be required for development in the R3 District?". Twenty-seven respondents answered this question, and it was both the most supported (70%) and least opposed (15%) stand-alone policy. One open-ended response was provided:

- 'Definitely yes. The City should make long term efforts to move those who are not connected onto the sewage system.'



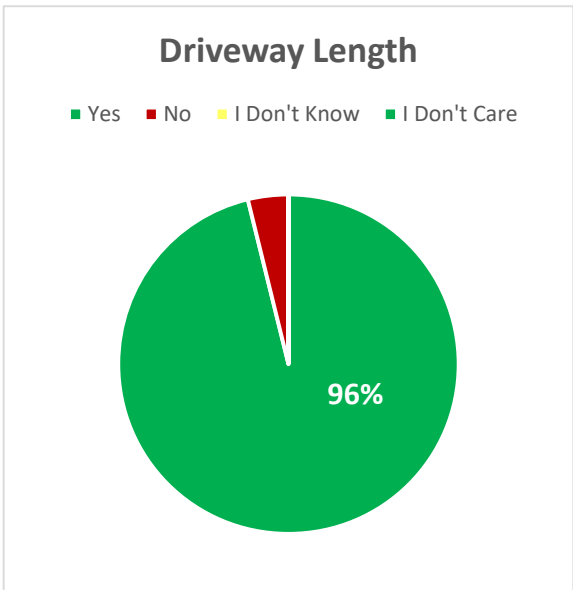
Question 4 (Dimensional Flexibility): This question asked “Should development be allowed on more portions of lots in the R3 District?”. Two-thirds (66%) of the 26 respondents supported this policy stance. Opposition to the policy stance was 19%. One open-ended response was provided:

- ‘Yes, but ... R3 should not take the brunt of all the changes in the town to accommodate growth, especially among lower income citizens.’



Question 5 (Driveway Length): This question asked “If development should be allowed on more portions of lots, should the City try to avoid situations where vehicles in driveways block travel on sidewalks and streets?”. This question was overwhelmingly supported (96%), with only one of the 26 respondents opposing. Staff treats this question as a dependent on Question 4, however based on the support, the City could consider this policy even if the dimensional flexibility of Question 4 is not adopted. One open-ended response took the question beyond the physical layout of housing and asked for was provided:

- ‘Yes. The City should not just try, but should actually avoid those situations. One example of this is on Lasher St. which has no sidewalks and the ends of large vehicles sometimes parked out into the street. Sidewalks and room for people to walk are more important in R3 areas as lower income people may be more likely to walk to stores or schools than higher income people.’



Question 6 (Contact Information): Nine (9) respondents asked to be added to the City’s email list for this policy discussion. Three (3) of these respondents were already on the email distribution list. The 6 new emails have been added.

Questions 7 & 8 (Open-Ended Experience Questions): No questionnaire respondents chose to answer these questions.

C-Facebook Post- The initial post to the City’s Facebook page generated 111 views, 16 post clicks, and 39 reactions, comments or shares. The follow-up, survey reminder post generated 112 views, 33 post clicks, and 9 reactions, comments or shares, including the following comment:

- ‘The questions seem pretty technical for the average citizen. I’m not a builder so don’t really care about how many inches of set back is best etc. how about allowing single person homes - off grid - in town.’

D&E-R3-Owners Mailing- Six (6) of the 102 mailings have been returned to the City by the Post Office. The hard copy generated 1 request for an electronic copy of the letter and 1 email comment (Attachment 2). This comment

generated a proposed update to the discussion draft of SMC 17.15.050 (Attachment 3). These engagement strategies also led to 3 interviews with community members about development in the R3 District, its barriers and impacts. The interviews involved 2 builders with experience developing property in the district and the property manager for 2 subsidized apartment complexes in the district. Key components of the discussions involved the following topics.

Demand – Waiting lists for apartments range from 2 years (2 to 3 bedroom units to 5 years (1 bedroom units). -

- This demand is partially driven by seniors. This demand spreads beyond the apartment complexes. An estimated 60% of housing vouchers go unused in the community because of a lack of available housing.
- Rentals are getting top dollar and there are not enough of them.

Market Response – Not seeking to maximize allowable density (existing).

- Catering to retirees, who still want space even if the home is small.
- Managers are left saying “Look in Washougal, look in Washougal” when discussing housing with prospective tenants.
- Not catering to high-end housing (e.g., Hood River townhome/condo development)

Barriers – Expense of sprinkler systems is added for construction of tri-plexes and up.

- Bank lending differs for construction of tri-plexes and up.
- Age of developers makes them risk adverse; shorter returns on investment (i.e., 1 year) are a greater priority than overall percent.
- Potential for market downturns limits risk-taking.
- Street requirements (both the expense and the territory required) limit development. Private streets more viable than public streets.
- Construction material costs typically increase between 10-12% per year.
- Lumber costs have jumped 64% this summer (COVID).
- Lack of up-front capital limits development possibilities.
- Up-front costs (permits, connection fees) lengthen the time period for returns on investment.
- Consumer condo financing is more available than it had been previously, but buyers still prefer to “own the dirt” (townhome, detached dwellings)

Solutions – Any construction of 1 bedroom or studio units would benefit the local housing situation, where professional staff have trouble finding housing when taking jobs in the community.

- Consider reducing water/sewer connection fees to incentivize multi-family construction.
- Keep making similar efforts as these policies.
- Better utilize the available land base of the county, where sewer systems should be extended/created.

F-J - C1/R3 Zoning Map Changes- One (1) of the 8 hard copies has been returned to the City by the Post Office. That owner was also contacted via email. These engagements led to the conversation in Attachment 4 related to taxation impacts of Zoning Map amendments. They also generated staff discussion with another owner in this district.

K - R3/SR Split Zoning- As discussed in September, this owner seeks to have the entire property designated as SR.

Attachments:

- 1- Questionnaire Instrument
- 2- Heinze Email
- 3- Recommended Update to Discussion Draft SMC 17.15.050
- 4- Ashley/Spencer Emails

Increasing R3 Building Capacity

The gist of it

The City of Stevenson is considering potential changes to the zoning regulations of the R3 Multi-Family Residential District. The potential changes are proposed in response to a recent study by the Skamania County Economic Development Council (EDC). In their Skamania County Housing Needs Analysis the EDC is anticipating the need for ~2,000 new housing units over the next 20-year period. The study also found that City and County development regulations (such as the Zoning Code) combined with a lack of appropriate infrastructure limit the possibilities for the development of these homes. As a result, housing costs, utility pricing, and community frustration are all expected to increase. To address these deficiencies, the EDC’s consultants have recommended several changes to the Zoning Code. The City is hoping to get your feedback on some basic policy questions prior to making a change.

The proposed changes revolve around the policy questions on the following pages.

Additional information is online at <http://ci.stevenson.wa.us/letsbuild/>

[Page Break]

Senior Care Housing

The state considers senior care housing based on the number of people living in a home and the type of care given, with 3 basic types:

- 1- Adult Family Home - The state requires the city to allow homes with 6 or fewer seniors in the same way it would allow any other home and anyone may build or convert a home in the R3 District to this use.
- 2- Assisted Living Facility - A home with 7 or more seniors is considered an “Assisted Living Facility”, and cities have more leeway with where/how these buildings are allowed. People wanting to build or convert a home as an Assisted Living Facility would first need to prove to the Planning Commission’s satisfaction that their specific proposal will not negatively impact the neighborhood.
- 3- Nursing Home - Residents of this type of senior care housing require greater medical or convalescent care or attention than the types above. The City currently treats these in the same way it treats Assisted Living Facilities, with case-by-case approval required.

The need for senior care housing is expected to increase in the near future and it has been recommended that the City be more permissive to accommodate this need. In this case, being more permissive would remove the case-by-case Planning Commission approval and allow Assisted Living Facilities and Nursing Homes on any lot within the R3 Zone.

1. Should it be easier to build senior care housing in the R3 Multi-Family Residential District?

- Yes
- No
- I don’t know
- I don’t care
- If you’d like to explain your answer, please do so here. _____

[Page Break]

Total Number of Homes per Lot

Multi-family housing can be built in the R3 District. The total number of units built depends on the size of the lot. Currently the City limits development to 1 unit if the lot is 4,000-5,999 square feet, then allows an additional unit for

every 2,000 square feet of property. An exception to the 4,000 square foot threshold is available for shared-wall townhomes, which can be placed on lots as small as 2,000 square feet.

The proposal would simplify the calculation by reducing the initial 4,000 threshold to the same 2,000 square feet used in other instances. In doing so it would permit an additional unit on most lots. This change is recommended to help address the community's need for smaller, more affordable housing units by providing owners more options to respond to the needs of the housing market need.

2. Should more housing units be allowed on properties in the R3 District?

- Yes
- No
- I don't know
- I don't care
- If you'd like to explain your answer, please do so here. _____

[Page Break]

Utility Connections

At the state-level, multi-family development requires approximately 1/4 to 1/2 acre of property per unit in the development. The state is considering raising this amount. Locally, there are no requirements to pump or otherwise maintain multi-family septic systems. Documented public or environmental health issues would need to arise before such requirements could be made.

In Stevenson, all new development must connect to the City water system. New development is allowed on septic systems when the public sewer system is not available to a lot. As a result, multi-family development could occur in the R3 District, provided the development is not within 300' of a public sewer line. However, all properties currently designated as R3 are within 300' of a public sewer line.

The proposal would formalize the requirement for new development to connect, ensuring more units could be built per acre and protecting the public/environmental health of the community. Existing development on septic would not have to connect until the existing system fails.

3. Should connection to the public sewer system be required for development in the R3 District?

- Yes
- No
- I don't know
- I don't care
- If you'd like to explain your answer, please do so here. _____

[Page Break]

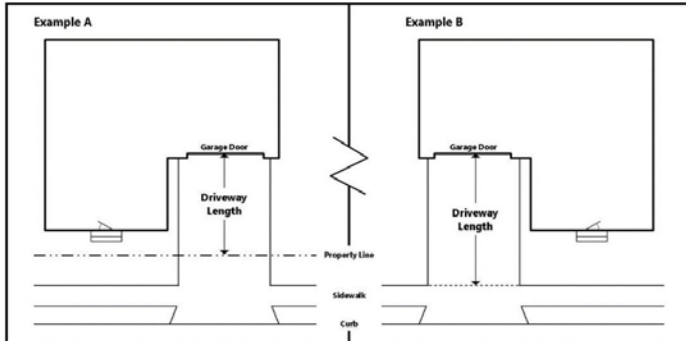
Location of Buildings

The City restricts development in the R3 District by a) requiring construction to be located specific distances from property lines (setbacks) and b) limiting the overall amount of rooftops and decks to a certain percentage of the lot (lot coverage).

These restrictions 1) are not aligned with each other, 2) lead to confusion from property owners, and 3) in the case of lot coverage, require an inordinate amount of staff time to verify.

To reduce the barriers these limitations present, the City could reduce the front setback requirement and eliminate the lot coverage limitation entirely.

In some instances development in the City involves a specific driveway length requirement to prevent parked vehicles from inhibiting pedestrian and automotive use of sidewalks and streets.



This does not currently apply to development in the R3 District, but could be considered if the front yard setback is reduced.

4. Should development be allowed on more portions of lots in the R3 District?

- Yes
- No
- I don't know
- I don't care
- If you'd like to explain your answer, please do so here. _____

5. If development should be allowed on more portions of lots, should the City try to avoid situations where vehicles in driveways block travel on sidewalks and streets?

- Yes
- No
- I don't know
- I don't care
- If you'd like to explain your answer, please do so here. _____

[Page Break]

6. To receive ongoing updates on this topic, please enter your email here. _____

7. If you'd like to share a specific case study of how the existing regulations of the R3 District have caused you to redesign or abandon a development proposal, please do so here. _____

8. If you'd like to share a specific case study of how the existing regulations of the R3 District have protected your neighborhood from a development or change you didn't want, please do so here. _____



R3 zoning Lana Heinze

Ben Shumaker <ben@ci.stevenson.wa.us>
To: Svetlana Lebedeva <shokoladus@yahoo.com>
Cc: Nikki Hollatz <nikkih@klickitatcounty.org>

Mon, Oct 12, 2020 at 9:46 AM

Received. Thank you, Svetlana.

I will:

- A-Add your email address to the project specific distribution list,
- B-Provide your email (together with this response) to the Planning Commission for consideration at tonight's meeting,

To answer your specific questions:

1-I am copying this response to the Skamania County Environmental Health Department to discuss how these changes might interact with existing septic systems. My understanding is the proposal would not add any additional regulatory requirement. The current regulation allows existing systems are allowed to continue, however, if they fail then connection to the public sewer system is required so long as there is a public line within 300' of the building (which appears to be the case for your property on Lutheran Church Road). Connection is the responsibility of the homeowner.

2-No maximum lot size is currently proposed. The proposed minimum lot size is 2,000, which would facilitate division/development of your property.

3-The increased maximum lot coverage would apply to all lots in the R3 District, yours included.

4-Coverage of lots would necessarily exclude all areas within setbacks (including driveways) and 100% coverage would not be possible (i.e., no development could violate the maximum standard). Your question does show an unnecessary confusion in the regulations, and I will be recommending a change to the discussion draft to use "n/a" instead of "100%" in the table.

The Zoom meeting can be accessed as follows:

Join from a PC, Mac, iPad, iPhone or Android device:

Please click this URL to join. <https://us02web.zoom.us/j/83482269900>

Or join by phone:

Dial(for higher quality, dial a number based on your current location):

US: +1 253 215 8782 or +1 346 248 7799 or +1 669 900 6833 or +1 301 715 8592 or +1 312 626 6799 or +1 929 205 6099

Webinar ID: 834 8226 9900

International numbers available: <https://us02web.zoom.us/j/83482269900>

Looking forward to discussing this more tonight,

BEN SHUMAKER

-----Original Message-----

From: 'Svetlana Lebedeva' via planning [mailto:planning@ci.stevenson.wa.us]

Sent: Sunday, October 11, 2020 9:54 PM

To: planning@ci.stevenson.wa.us

Subject: R3 zoning Lana Heinze

To whom it may concern:

ATTN: Ben Shumaker Planning Director City of Stevenson, Washington

Dear Ben,

This is Lana Heinze (293 NE Lutheran Church Rd.) reaching out to you with regard to a letter I received about R3 zoning changes. I have some specific questions I need clarified:

- 1) My home was built in the 60's and runs perfectly well on a regularly-maintained septic system. I understand my existing setup will remain grandfathered in while new units will receive city sewer. If the new developments are unable to respect my current setup, I am requesting a timeline for when and how you plan to install the appropriate changes to my property.
- 2) What are the maximum and minimum lot sizes for the planned community? Will I have the option of dividing & developing my 1 acre lot?
- 3) I received a letter on September 10, 2020 suggesting that in the newly planned community, a lot may be 100% covered by a building. Does this apply

to my R3 lot as well if/when you migrate my lot to public sewer as well?

4) Just a logistics question: how do you measure 100% building coverage on a lot that requires a 20-foot driveway?

My understanding is that there is a planning meeting on Monday, October 12, 2020 on Zoom. I have not yet received the details for joining my community's meeting. I am requesting you forward the details to me at shokoladus@yahoo.com or text me instructions at 858-699-9502 so that I'm given a fair opportunity to learn about impending changes to my neighborhood.

Thank you for your time and consideration, Lana Heinze

17.15.050 - Residential density standards.

A. Density and Lot Size. The maximum density and minimum lot dimensions for Residential Districts are contained in Table 17.15.050-1: Residential Density Standards.

| District | Utility Availability | Minimum Lot Area | Minimum Lot Width | Minimum Lot Depth | Maximum Number Dwelling Units | Maximum Lot Coverage |
|----------|------------------------------|---|----------------------------------|-------------------|-------------------------------|-------------------------------|
| R1 | Water, Sewer | 6,000 sf | 40 ft | 90 ft | 1 Unit ² | 35% |
| | Water, Septic | 15,000 sf ¹ | 90 ft | 120 ft | 1 Unit ² | 25% |
| | Well, Septic | 1 acre ¹ | 200 ft | 200 ft | 1 Unit ² | 10% |
| R2 | Water, Sewer | 5,000 sf + 2,000 sf per unit over 1 | 50 ft ³ | 90 ft | 2 Units | 50% |
| | Water, Septic | 15,000 sf ¹ | 90 ft | 120 ft | 2 Units | 30% |
| | Well, Septic ⁶ | — | — | — | — | — |
| R3 | Water, Sewer | 4,000 sf + 2,000 sf per unit over 1 ⁴ | 75-20 ft ⁵ | 90 ft | — | 65% ^{n/a} |
| | Water, Septic ^{6,7} | 15,000 sf¹ + 5,000 sf per unit over 2 | 90 ft | 120 ft | — | 40% |
| | Well, Septic ^{6,7} | — | — | — | — | — |
| MHR | Water, Sewer | 5 ac + 5,000 sf per unit over 40 | 200 ft | 200 ft | — | 40% |
| | Water, Septic | 5 ac + 2 acres per unit over 2 | 200 ft | 200 ft | — | 40% |
| | Well, Sewer | 5 ac + 2 acres per unit over 2 | 200 ft | 200 ft | — | 40% |
| | Well, Septic | 5 ac + 2 acres per unit over 2 | 200 ft | 200 ft | — | 40% |
| SR | Water, Sewer | 15,000 sf | 100 ft | 100 ft | 1 Unit ² | 25% |
| | Water, Septic | 20,000 sf ¹ | 100 ft | 100 ft | 1 Unit ² | 20% |
| | Well, Septic | 1 acre ¹ | 200 ft | 200 ft | 1 Unit ² | 10% |

1-When sewer is unavailable, minimum lot area may be increased based on current health district regulations.

2-Unless an accessory dwelling unit (SMC 17.13.010) is allowed under SMC 17.40.040.

3-Except 40 ft for single-family detached dwellings.

4-Except 2,500 sf for townhomes.

5-Except 25 ft for townhomes, 40 ft for single-family detached dwellings, and 50 ft for two-family dwellings.

6-Service by the public water system is required.

7-Service by the public sewer system is required.

B. Exceptions. The following exceptions are permitted to the standards of Table 17.15.050-1:

1. Properties receiving approval to deviate from standards according to SMC 17.38 - Supplementary Provisions.
2. Properties obtaining variance approval in accordance with SMC 17.46 - Adjustments, Variances, and Appeals.
3. Properties receiving modification approval in accordance with SMC 17.17 - Residential Planned Unit Developments.

(Ord. No. 1103, § 5, 2-16-2017; Ord. No. 1104, § 3.B.C, 6-15-2017)



Potential Zone Change

Karen Ashley <karen@stevensonvetclinic.com>
To: Ben Shumaker <ben@ci.stevenson.wa.us>

Fri, Sep 11, 2020 at 9:17 AM

Thank you!

On Thu, Sep 10, 2020 at 2:01 PM Ben Shumaker <ben@ci.stevenson.wa.us> wrote:

See below.

BEN SHUMAKER

From: Gabe Spencer [mailto:spencer@co.skamania.wa.us]
Sent: Thursday, September 10, 2020 1:44 PM
To: Ben Shumaker <ben@ci.stevenson.wa.us>
Subject: RE: Potential Zone Change

Not necessarily in direction, that has to do with sales which fluctuate but it has some effect on how we determine a value for tax purposes. By going to C1 we will be using sales from other C1 zoned properties an analysis may or may not conclude a differing value. My thoughts are that over time a higher potential for increased taxable value would occur with a more development friendly zoning.

Gabe

From: Ben Shumaker <ben@ci.stevenson.wa.us>
Sent: Thursday, September 10, 2020 1:46 PM
To: Gabe Spencer <spencer@co.skamania.wa.us>
Cc: Karen Ashley <karen@stevensonvetclinic.com>
Subject: FW: Potential Zone Change

**** WARNING:** This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe. **

Hi Gabe-

The City is considering redrawing some of our zoning boundaries. Most of this will involve changes from R2 (or some R1) to R3. As part of this, we are also considering changing the zoning of the Vet Clinic, City Hall, and the Living Faith Church from R3 to C1.

If these changes take effect, the zoning would be more development friendly for each lot. Would this impact the way the properties are taxed?

Thanks,

BEN SHUMAKER

From: Karen Ashley [mailto:karen@stevensonvetclinic.com]
Sent: Thursday, September 10, 2020 1:27 PM
To: Ben Shumaker <ben@ci.stevenson.wa.us>
Subject: Re: Potential Zone Change

Do you know what it does to property tax rate?

On Thu, Sep 10, 2020 at 12:39 PM Ben Shumaker <ben@ci.stevenson.wa.us> wrote:

Hi Karen-

As discussed, please see attached and let me know if you have any questions.

Shortly, you'll also receive an email about a potential change to the text of the R3 Zone. If you want to make the change to C1 Commercial, then you can disregard that email.

This same letter is being sent to the City and the Living Faith Church.

A will deliver a hard copy too.

Thank you,

BEN SHUMAKER

PLANNING DIRECTOR

CITY OF STEVENSON, WASHINGTON

(509) 427-5970



City of Stevenson

Planning Department

(509)427-5970

7121 E Loop Road, PO Box 371
Stevenson, Washington 98648

TO: Planning Commission
FROM: Ben Shumaker, Community Development Director
DATE: October 12th, 2020
SUBJECT: Decreasing Parking Burdens to Increase Residential Building Capacity

Introduction

This updates the Planning Commission on the public involvement activities associated with the potential Zoning Code text amendment recommended in the draft Plan for SUCCESS! (Attachment 1). This update includes no specific decision points on the topics.

Guidance Sought

Attachment 2 provides a draft set of changes to the existing parking requirements, particularly those of the C1 District. Staff has been unable to successfully distill the vagaries of the parking requirements into high-level policy questions. As a result the questionnaire drafted for distribution turned out overly technical and has not yet been distributed. Public feedback is still important and staff seeks better guidance on the Planning Commission's expectations.

- What is necessary for the Planning Commission to appropriately gauge the public opinion on this issue? Is a community questionnaire?

Public Involvement Actions

The following public involvement actions have been taken related to these policy questions. Additional actions will be taken after guidance is given to the questions above.

- A) The project website <http://ci.stevenson.wa.us/letsbuild/> collects all information on this effort and the others undertaken to increase residential building capacity.
- B) The Stewards of SUCCESS! committee formed for the review of the draft Downtown Plan has been provided with Attachment 2. This 8-member committee will use a round-robin editing approach to reviewing the draft changes. When it has completed a circulation, the committee will convene to 1) discuss its members' impressions, and preferences and 2) recommend action to the Planning Commission. This recommendation should be anticipated at the November meeting.

Next Steps & Future Discussions

These Policies

The Planning Commission is not expected to discuss the contents of the parking amendments until the November regular meeting. This will provide time for the public involvement efforts discussed tonight to be implemented, for the community to review the proposal, and for the Stewards of SUCCESS! committee to submit its recommendation. All responses will be summarized for Commission discussion at the November meeting.

Attachments

1. Pages from Draft Plan for SUCCESS! (5 pages)
2. Draft Code Changes (SMC 17.25.130 & SMC 17.42 (6 pages)

Framework Goal

The parking supply facilitates efficient short-term needs and minimizes on-site parking requirements.

Framework Objectives

- » Provide adequate off-street private parking to serve existing and future development sites.
- » Provide adequate public parking to serve existing and future public uses and special events.
- » Provide adequate short-term visitor and commercial curbside parking to serve existing and future adjacent uses.
- » Ensure that parking impacts on the public realm are minimized.

PARKING FRAMEWORK

PARKING FRAMEWORK

The intent of the parking framework is to ensure that adequate parking is provided for both commercial and residential uses while not burdening the potential redevelopment with unnecessary parking infrastructure costs that may limit or discourage redevelopment.

The parking framework includes concepts that result in a higher turnover of on-street parking, the discouragement of employee parking on prime on-street locations in front of commercial businesses and provides a strategy for the development of potential shared public parking lots to meet future increased commercial and residential parking demand.

Key Elements

Key elements of the parking framework include:

- » Identification of potential locations of shared commercial use parking lots. To ensure that these lots are well used, sites that are in close walking proximity current businesses and future redevelopment sites have been identified.
- » Proposal for a 'fee-in-lieu' of parking on-site, especially for small parcels where redevelopment may be less viable due parking requirements.
- » Recommendations for regulatory changes that reduce the required amount of both commercial and residential on-site parking which will in turn result in more economically viable redevelopment by reducing construction costs. While adequate parking must be provided, improvements to walking and biking routes along with mixed uses that are within each other are anticipated to reduce parking demand.

POTENTIAL JOINT-USE SHARED COMMERCIAL PARKING LOT STUDY AREAS



Potential Joint-Use Shared Commercial Parking Lots

Commercial parking is very site sensitive—when located in the right area, it can spur additional business. With this objective, three conceptual locations for potential parking lots have been selected, based upon the following criteria:

- » **Convenience.** People are generally more willing to shop downtown if parking is available close-in, rather than in outlying areas, separated from shopping destinations by distance and other physical barriers such as railroad tracks. Due to the sloping nature of downtown Stevenson, only sites that are easily accessible on foot by customers of varying physical condition have been identified.
- » **Easy Access from State Route 14.** Commercial businesses benefit when they attract discretionary shopping trips. Visitors and tourists traveling through Stevenson can provide a significant market if they are informed of and directed to convenient parking. Because these potential customers are not familiar with Downtown, sites need to be in close proximity to the 2nd and 1st street routes.
- » **Integration into Walking Routes.** Once out of the car, commercial customers must be able to easily understand how to get to shops. Selected sites can be integrated into the proposed 2nd Street walking and window shopping loop from Columbia Street to a future Rock Creek extension.
- » **Fill Parking Gap.** Current businesses should first benefit from any additional parking. Sites have been identified to serve these businesses.
- » **Meet Future Demand.** Sites with capacity adequate to serve both demand from existing uses and new commercial development within the core that cannot be met on individual redevelopment parcels.

Preliminary shared parking lot locations have been identified. Additional study and outreach is necessary to advance any of these concepts. Potential sites include:

- » **P1 Commercial Lot.** This site is located along the current Seymour Street segment that would be vacated when a new Rock Drive extension is constructed. Auto access at the existing intersection of 2nd and Seymour streets would be maintained as a parking lot driveway rather than a through street. Considerable site capacity exists if additional adjacent parcels can be assembled. Approximately 125 parking stalls could potentially be built with limited impacts on existing uses.
- » **P2 Commercial Lot.** The best candidate for parking may be an underutilized site east of Columbia and north of 1st Street, identified as part of the Columbia Street Catalyst concept. A parking lot at this site could accommodate approximately 40 stalls without impacting existing uses.
- » **P3 Commercial Lot.** Located at the confluence of Rock Creek Drive and 2nd Street on vacant land adjacent the Main Street Gas Station/Convenience Mart, this site benefits from direct access and visibility from the adjacent roadways. In close proximity to the both the Stevenson Central WET bus and seasonal Dog Mountain shuttle stops, it could serve both destinations. Located along the proposed Rock Creek walking and biking path extension, it would be a prime location for a bikeshare station. A lot at this site could also serve as an overflow lot for events held at the County Fairgrounds or the Hegewald Center. Approximately 60 parking stalls could be accommodated without significant grading of the steep slope toward the north side of the site.

Adjustments to Joint-Use of Parking

For these lots, recommended changes include permitting up to:

- » Fifty percent of the parking facilities required to apply to all commercial retail and service uses supplied by the joint use lot.
- » Fifty percent of the parking facilities required to apply to uses regardless of daytime or nighttime types of use.
- » One hundred percent of required parking facilities for hotels.

Financing

Over time, all funding options to construct and maintain shared parking lots should be considered, including on-street and off-street parking fees, revenue bonds, in-lieu fees, parking assessment districts, parking/business improvement districts, and public-private partnerships. A blend of several sources to fund future facilities may be most feasible.

Employee Parking Management Strategies

Employees of commercial business compete for Downtown parking, especially curbside spaces. To minimize the demand for parking and ensure that patrons have the best parking spaces in Downtown Stevenson, strategies that reduce employee demand in should be explored, including the following.

Satellite Parking Lots

Employees of downtown businesses should be encouraged to park in designated areas outside the core. A unified Downtown Employee Parking Program will likely be necessary to ensure compliance by all businesses and employees. For these lots, Downtown employee parking should be free or available at a reduced cost. Shuttle or night escort services may help induce higher use, especially during the dark, rainy winter season. Multiple locations may be needed. Existing underutilized lots may include acquiring and designating spaces within the County Fairgrounds, along Cascade Avenue, within proposed joint use shared lots, or other areas.

Cash-out programs

This would include an employee financial incentive (such as \$50/ per month) to not utilize an on-site parking space that could in turn be utilized by other users—residents or customers.

Bikeshare System

Many key destinations within the Downtown core, the Downtown planning area, and adjacent neighborhoods are outside easy walking distance but are accessible by bicycle. A bikeshare system is recommended as a potential strategy to reduce auto parking demand. Additional analysis and outreach would be required. A bicycle-sharing system:

- » **Is a membership service in which bicycles are made available for shared use to individuals on a short term basis for a price or free.** The bike share system allows people to borrow a bike from a “dock” and return it at another dock belonging to the same system.
- » **Could include a dockless bikes or scooters.** The dockless bike hire systems consist of a bicycle with a lock that is usually integrated onto the frame and does not require a docking station. Smartphone mapping apps show nearby available bikes and open docks.
- » **Could include bicycle rentals.** In this system a bicycle can be rented or borrowed from a location and returned to that location. These bicycle renting systems often cater to Stevenson day-trippers or tourists. The locations or stations are not automated but are run by employees or volunteers. This system could be incorporated as part of the cruise line services at Stevenson Landing or available for guests at Skamania Lodge.

Adjustments To Required Off-Street Parking Standards

While some off-street parking is desirable for most uses, the physical and economic constraints of providing off-street parking on each development site have likely stifled commercial and residential development throughout the Downtown core. Downtown Stevenson land is relatively more expensive, its parcels are often small and irregular, and mixed use development buildings frequently cover their entire lots. In these situations, any on-site parking must be tucked under, subterranean or structured, which is always expensive and sometimes physically impossible.

When Stevenson's code requires off-street parking especially for new residential construction, the City shifts what should be a cost of driving—the cost of parking a car—into the cost of housing. Faced with these minimum parking requirements, developers may have as result build less housing in Stevenson than the market demands.

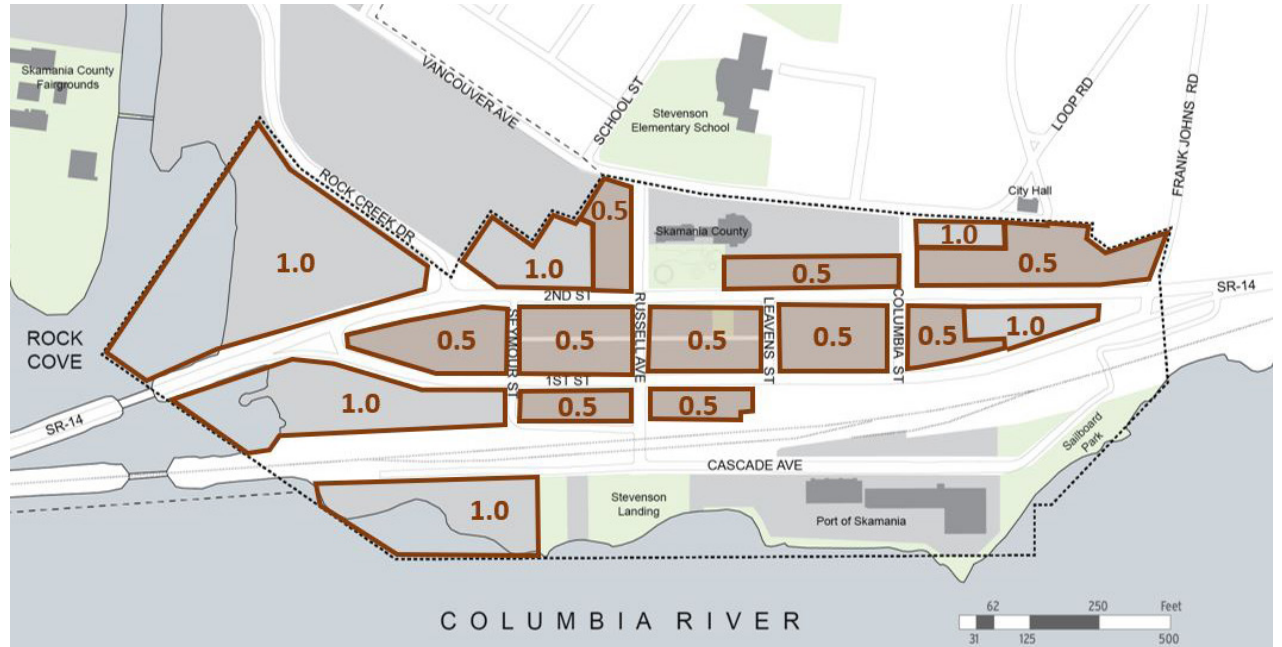
Coupled with a strategy for shared parking lots along with planned improvements to walking and biking routes that are anticipated to reduce parking demand, recommended regulatory changes that reduce the required minimum amount of both commercial and residential on-site parking are identified to the Chapter 17.42 Parking and Loading Standards. Potential changes would include the following.

Compliance with Minimum Standards

Changes should apply to permitted uses or conditional uses for the Downtown planning core area only, including:

- » **Residential Structures.** Currently 2 spaces per dwelling unit plus 1 space for each room rented, except that one-bedroom dwelling units only require one space are required. This requirement exceeds anticipated parking demand and may impact the financial viability of residential development by increasing pricing above affordable rental rate levels. Recommended reasonable reductions could be 1.5 spaces per all two or more bedroom units, 1 space per unit for one bedroom units, and 0.5 spaces for apartments less than 500 square feet. Additionally, conditional approval for additional parking reductions should be available on a case by case basis for affordable senior or workforce housing where developers can demonstrate that other on-site parking replacement strategies can be enacted. These may include secure in-building bicycle parking rooms, contributions to shared parking lots via a fee-in-lieu of fee, contributions to a potential bikeshare program, providing WET transit passes for residents and employees in Downtown, or other means that effectively reduce parking demand.
- » **Mixed-use residential structures.** A new standard is recommended for parcels less than 10,000 square feet that are within areas indicated on the Residential parking diagram. Where commercial is the primary use and residential development is a secondary use, a minimum of 0.5 parking spaces per rental unit (excluding short term rental units) residential parking requirement is recommended. Should the units be owner occupied, units would have a recommended 1.0 parking space per unit requirement. Additionally, conditional approval for additional parking reductions should be available on a case by case basis for affordable senior or workforce housing where developers can demonstrate that other on-site parking replacement strategies can be enacted. These may include secure in-building bicycle parking rooms, contributions to shared parking lots via a fee-in-lieu of fee, contributions to a potential bikeshare program, providing WET transit passes for building residents and employees, or other means that effectively reduce parking demand.

MIXED USE PARKING STANDARDS



- » **Food and Beverage Places.** Currently one space per 100 square feet gross floor area is required. Recommended changes would include changing the gross square floor area to net eating and dining area. Additionally, conditional approval for additional parking reductions should be available on a case by case basis where developers can demonstrate that other on-site parking replacement strategies can be enacted. These may include additional bicycle parking racks or curbside bike parking corrals, contributions to shared parking lots via a fee-in-lieu of fee, contributions to a potential bikeshare program, providing WET transit passes for employees, or other means that effectively reduce parking demand.
- » **Retail stores.** Clothing and shoe stores should be regulated as a retail use and meet current standard of 1 space for 100 square feet gross floor area. Recommended changes would include changing the gross square floor area to net retail sales area. Additionally, conditional approval for additional parking reductions should be available on a case by case basis where developers can

demonstrate that other on-site parking replacement strategies can be enacted. These may include additional bicycle parking racks or curbside bike parking corrals, contributions to shared parking lots via a fee-in-lieu of fee, contributions to a potential bikeshare program, providing WET transit passes for employees, or other means that effectively reduce parking demand.

- » **Hotel.** Currently one space per sleeping unit plus one room plus one space or each room rented, except that one-bedroom dwelling units only require one space. Recommended change would be no required parking, conditionally approved on a case by case basis where developers can demonstrate that other on-site parking replacement strategies can be enacted. These may include an off-site valet parking program, contributions to shared parking lots via a fee-in-lieu of

17.25.130 - Trade districts parking and loading.

A. CR Parking and Loading.

1. Off-street parking shall be provided in accordance with the requirements of SMC 17.42 Parking and Loading Standards.
2. Parking areas, aisles, loading aprons and access ways shall be paved with an all-weather surface of a strength adequate for the traffic expected and shall be well drained.

B. C1 Parking and Loading.

1. Except for the circumstances set forth in SMC 17.25.130(B)(2), below, off-street parking **and loading** shall be provided in accordance with the requirements of SMC 17.42 Parking and Loading Standards.
2. Off-street parking is not required ~~in the following circumstances: a. —~~ when the use of an existing building is changed, ~~provided:~~
 - ~~1. The floor area of the building is not increased by more than 10%, and~~
 - ~~2. Existing off-street parking is maintained.~~
3. Parking areas shall be adequately fenced and/or screened from the street and nearby residential uses.

C. M1 Parking and Loading.

1. Off-street parking shall be provided in accordance with the requirements of SMC 17.42 Parking and Loading Standards.
2. Parking areas shall be fenced and/or screened from the street and nearby residential uses.
3. All loading must be accomplished on the site; no on-street loading is permitted.

(Ord. No. 1103, § 7, 2-16-2017)

Chapter 17.42 - PARKING AND LOADING STANDARDS**17.42.010 - Purpose.**

It is the intent of this chapter to allow for parking and loading standards.

(Ord. 894 (part), 1994).

17.42.020 - Policy.

The provisions of off-street parking and loading space in accordance with needs and requirements of particular property uses is a necessary public policy in the interest of traffic safety, minimizing congestion, and to provide harmonious development.

(Ord. 894 (part), 1994).

17.42.030 - Compliance with minimum standards.

A. New uses in all districts shall meet the minimum standards of this title.

B. Whenever any building is enlarged in height or in ground coverage, off-street parking shall be provided for such expansion or enlargement in accordance with the requirements of ~~Section SMC 17.42.090~~ ~~provided,~~ ~~h~~ However, ~~that~~ no parking space need be provided in the case of enlargement ~~or expansion~~ or expansion where:

1. ~~The cumulative~~ number of parking spaces required for ~~all such~~ expansion or enlargement since ~~the effective date of the ordinance codified in this title~~ September 15th, 1994 is less than ~~ten percent~~ 10% of the parking spaces specified in ~~Section SMC~~ 17.42.090 for the building, ~~and~~.
 2. The number of off-street parking spaces installed as specified in SMC 17.42.090 is maintained.
- C. ~~Nothing in this provision shall be construed to require off-street parking spaces for the portion of such building existing at the time of passage of the ordinance codified in this title~~ September 15th, 1994.
- D. For the purposes of this section, any installation of outdoor seating which increases the net eating/dining area of a food service use shall be considered as expansion of a building.

(Ord. 894 (part), 1994).

17.42.040 - Size and access requirements.

- A. Each off-street parking space shall have a minimum width of ~~nine-9~~ feet and a minimum length of ~~eighteen~~ 18 feet, except that each off-street parking space for compact vehicles shall have a minimum width of ~~eight~~ 8 feet and a minimum length of ~~sixteen-16~~ feet. ~~Aisles shall have a minimum width of twenty feet.~~
- B. Aisles shall have a minimum width of twenty feet.
- ~~BC.~~ Up to one-third of the required off-street parking spaces on a site may be sized and designated for compact vehicles.
- ~~CD.~~ Each parking space shall be of usable shape and condition.

(Ord. 894 (part), 1994).

~~17.42.050 - Expansion and enlargement of building-Off-street parking requirements.~~

~~Whenever any building is enlarged in height or in ground coverage, off-street parking shall be provided for such expansion or enlargement in accordance with the requirements of Section 17.42.090; provided, however, that no parking space need be provided in the case of enlargement or expansion or expansion where the number of parking spaces required for such expansion or enlargement since the effective date of the ordinance codified in this title is less than ten percent of the parking space specified in Section 17.42.090 for the building. Nothing in this provision shall be construed to require off-street parking spaces for the portion of such building existing at the time of passage of the ordinance codified in this title.~~

~~(Ord. 894 (part), 1994).~~

17.42.060 - Joint use of parking-Percentage of area permitted.

The planning commission may authorize the joint use of parking facilities for the following uses or activities under conditions specified:

- A. Up to ~~fifty percent~~ 50% of the parking facilities required by this chapter for a theater, bowling alley, dance-hall, restaurant, retail, service or other similar uses, may be supplied by the off-street parking provided by other daytime types of uses or by a community parking lot.
- B. ~~Up to fifty percent of the off-street parking facilities required by this chapter for any daytime buildings or uses may be supplied by the parking facilities provided by uses referred to in this section as nighttime uses.~~ [Reserved]
- C. Up to ~~one hundred percent~~ 100% of the parking facilities required by this chapter for a church, ~~or for an~~ auditorium, stadium, or sport arena incidental to a public, private or parochial school may be

supplied by the off-street parking facilities serving primarily daytime uses or by a community parking lot.

D. Up to 100% of the parking facilities required by this chapter for a hotel may be supplied by the off-street parking provided by other types of uses or by a community parking lot.

(Ord. 919 §12, 1996; Ord. 894 (part), 1994).

17.42.070 - Joint use of parking—Location and hours—Conditions.

A. The building or use for which application is being made to utilize the off-street parking facilities provided by another building or use, shall be located within ~~three 300 hundred~~ feet of such parking facilities, unless the planning commission agrees to a greater distance. In the case of retail, food service, and hotel uses, the use shall be located within 1,000 feet of the jointly used parking facility, unless the planning commission agrees to a greater distance.

B. The applicant shall show that there is no substantial conflict in the principal operating hours of the two buildings or uses for which joint use of off-street parking facilities is proposed.

C. No single parking space shall be the subject of more than one joint parking agreement.

CD. The applicant shall provide a legal document, acceptable to the city attorney, that binds all parties to the joint parking agreement and any city imposed conditions of approval.

(Ord. 894 (part), 1994).

17.42.080 - Off-street facilities—Location requirements.

Off-street facilities shall be located as specified in this section. Where a distance is specified, such distance shall be the maximum walking distance measured from the nearest point of the parking facility to the nearest point of the building that such facility is required to serve:

A. For ~~single-family one and two-family~~ dwellings: on the home lot with the building they are required to serve;

B. For multiple dwellings: ~~one hundred fifty~~ 150 feet;

C. For retail, food services, and hotels: 1,000 feet;

C. For ~~hospitals, sanitariums, homes for the aged, asylums, orphanages, club rooms, fraternity and sorority houses, and all~~ other uses: ~~three hundred~~ 300 feet.

(Ord. 894 (part), 1994).

17.42.090 - Table of minimum standards—Off-street parking.

A. Off-street parking shall be provided in accordance with Table 17.42.090-1: Off-Street Vehicle Parking Requirements.

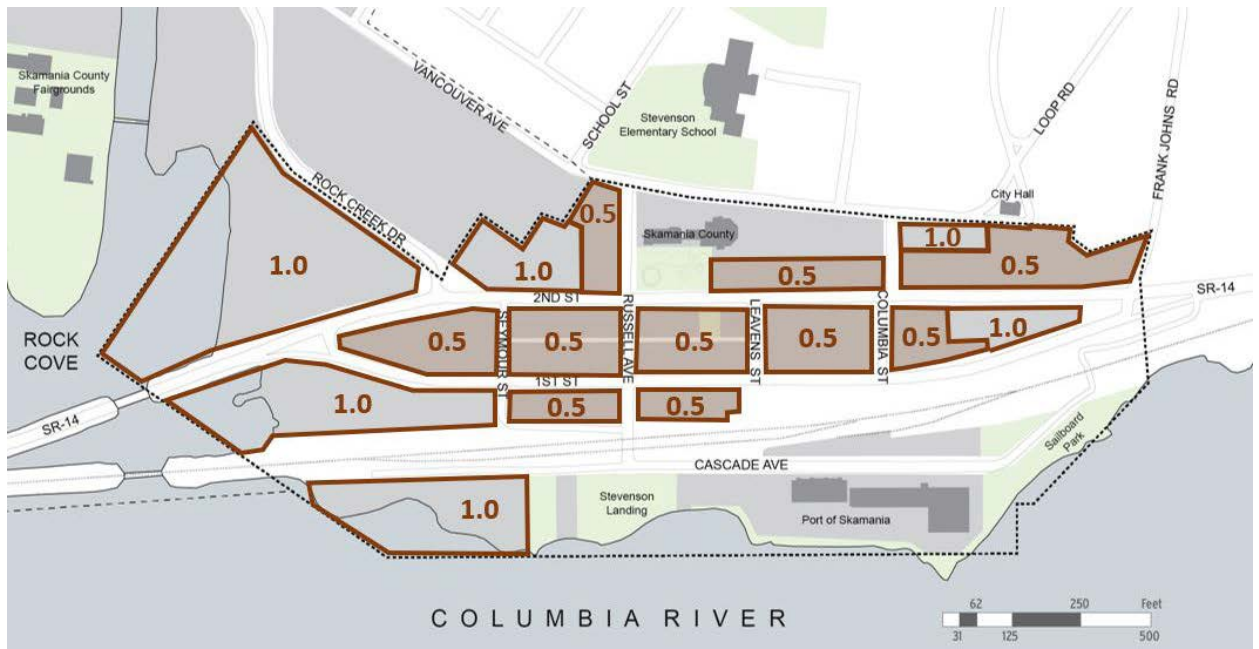
| Table 17.42.090-1: Off-Street Vehicle Parking Requirements | | | |
|--|-----------------------------------|---|--|
| | Use | Spaces Required | |
| | | <u>C1 District</u> | <u>Unspecified or All Other Districts</u> |
| A. | Residential structures | <u>1.5 spaces for each two or more bedroom dwelling, 1 space for each one bedroom dwelling.</u> | 2 spaces per for each dwelling unit <u>plus 1 space for each room rented,</u> except that one-bedroom dwelling units only require 1 space |

| | | | |
|---------------|--|--|--|
| | | <u>0.5 spaces for each dwelling less than 500 square feet</u> | |
| B. | Hotel, motel | 1 for each sleeping unit plus 1 space for each 2 employees on the evening shift | |
| C. | Hospitals and institutions | 1 for each 4 beds | |
| D. | Theaters | 1 for each 4 seats, except 1 for each 8 seats in excess of 800 seats | |
| E. | Churches, auditoriums and similar open assembly | 1 for each 4 seats and/or 1 for each 50 square feet of floor area for assembly not containing fixed seats | |
| F. | Stadiums, sport arenas and similar open assemblies | 1 for each 4 seats and/or 1 for each 100 square feet of floor area for assembly not containing fixed seats | |
| G. | Dancehalls | 1 for each 50 square feet of gross floor area | |
| H. | Bowling Alleys | 6 for each alley | |
| I. | Medical and dental clinics | 1 for each 150 square feet of gross floor area | |
| J. | Banks, <u>laundrettes</u> , business and professional offices with on-site customer service | 1 for each 200 square feet of gross floor area | |
| K. | Offices not providing customer services on premises | 1 for each 400 square feet of gross floor area | |
| L. | Warehouse, storage and wholesale business | 1 for each 2 employees | |
| M. | Food and beverage places <u>services</u> with sale and consumption on premises | <u>1 for each 100 square feet of net eating/dining area</u> | 1 for each 100 square feet of gross floor area |
| N. | Furniture, appliance, hardware, clothing, shoe, personal services store | <u>1 for each 400 square feet of net retail sales area</u> | 1 for each 400 square feet of gross floor area |
| O. | Other retail stores | <u>1 for each 200 square feet of net retail sales area</u> | 1 for each 200 square feet of floor area |
| P. | Manufacturing uses, research, testing and processing, assembly, all industries | 1 for each 2 employees on the maximum working shift and not less than 1 for each 800 square feet of gross floor area | |
| | <u>Charter Tour Service</u> | | <u>3 for each 1 to 6 passenger vehicle, 4 for each 7 to 12 passenger vehicle, 7 for each 13 to 25 passenger vehicle, 9 for each 26 to 40 passenger vehicle, 15 for each vehicle with 41 or more passengers</u> |
| Q. | Uses not specified | determined by planning commission | |

B. Exceptions. The following exceptions are permitted to the standards of Table 17.42.090-1:

1. Mixed-Use Residential Structures. On lots less than 10,000 square feet lot area, the spaces required for residential units shall be reduced according to the ratios in SMC Figure 17.42.090-1: Mixed Use Parking Standards, provided General Sales or Services Uses [SMC 17.13.020] comprise the primary use of the mixed use development.

Figure 17.42.090-1: Mixed Use Parking Standards



2. Affordable Housing. Residential units providing Affordable [SMC 17.10.385] or Workforce Housing [SMC 17.10.387] are eligible for case-by-case reductions of off-street parking requirements. The planning commission may authorize reductions, provided the applicant provide a legal document, acceptable to the city attorney, containing adequate provisions to ensure the units will be developed and will remain as workforce and/or affordable housing and binding all parties to the agreement and any city imposed conditions of approval.

.(Ord. 894 (part), 1994).

17.42.100 - Loading and unloading areas.

- A. Subject to subsection E of this section, whenever the normal operation of any development requires that goods, merchandise or equipment be routinely delivered to or shipped from that development, a sufficient off-street loading and unloading area must be provided in accordance with this section to accommodate the delivery or shipment operations in a safe and convenient manner.
- B. The loading and unloading area must be of sufficient size to accommodate the numbers and types of vehicles that are likely to use this area, given the nature of the development in question. The following table indicates the number and size of spaces that, presumptively, satisfy the standard set forth in this subsection. However, the permit-issuing authority may require more or less loading and unloading area if reasonably necessary to satisfy the foregoing standard.

| <u>Gross Leasable Area of Building</u> | <u>Number of spaces*</u> |
|--|--------------------------|
| 1,000—19,999 | 1 |
| 20,000—79,999 | 2 |
| 80,000—127,999 | 3 |

128,000—200,000 4

Plus one space for each additional seventy-two thousand square feet or fraction thereof.

* Minimum dimensions of twelve feet by fifty-five feet and overhead clearance of fourteen feet from street grade required.

- C. Loading and unloading areas shall be so located and designed that the vehicles intended to use them can:
(i) maneuver safely and conveniently to and from a public right-of-way, and (ii) complete the loading and unloading operations without obstructing or interfering with any public right-of-way or any parking space or parking lot aisle.
- D. No area allocated to loading and unloading facilities may be used to satisfy the area requirements for off-street parking, nor shall any portion of any off-street parking area be used to satisfy the area requirements for loading and unloading facilities.
- E. Whenever; (i) there exists a lot with one or more structures on it constructed before the effective date of this chapter, and (ii) a change in use that does not involve any enlargement of a structure is proposed for such lot, and (iii) the loading area requirements of this section cannot be satisfied because there is not sufficient area available on the lot that can practicably be used for loading and unloading, then the developer need only comply with this section to the extent reasonably possible.

(Ord. 894 (part), 1994).



What
Happened to
our Air on
Labor Day?



September 6th, 2020 |

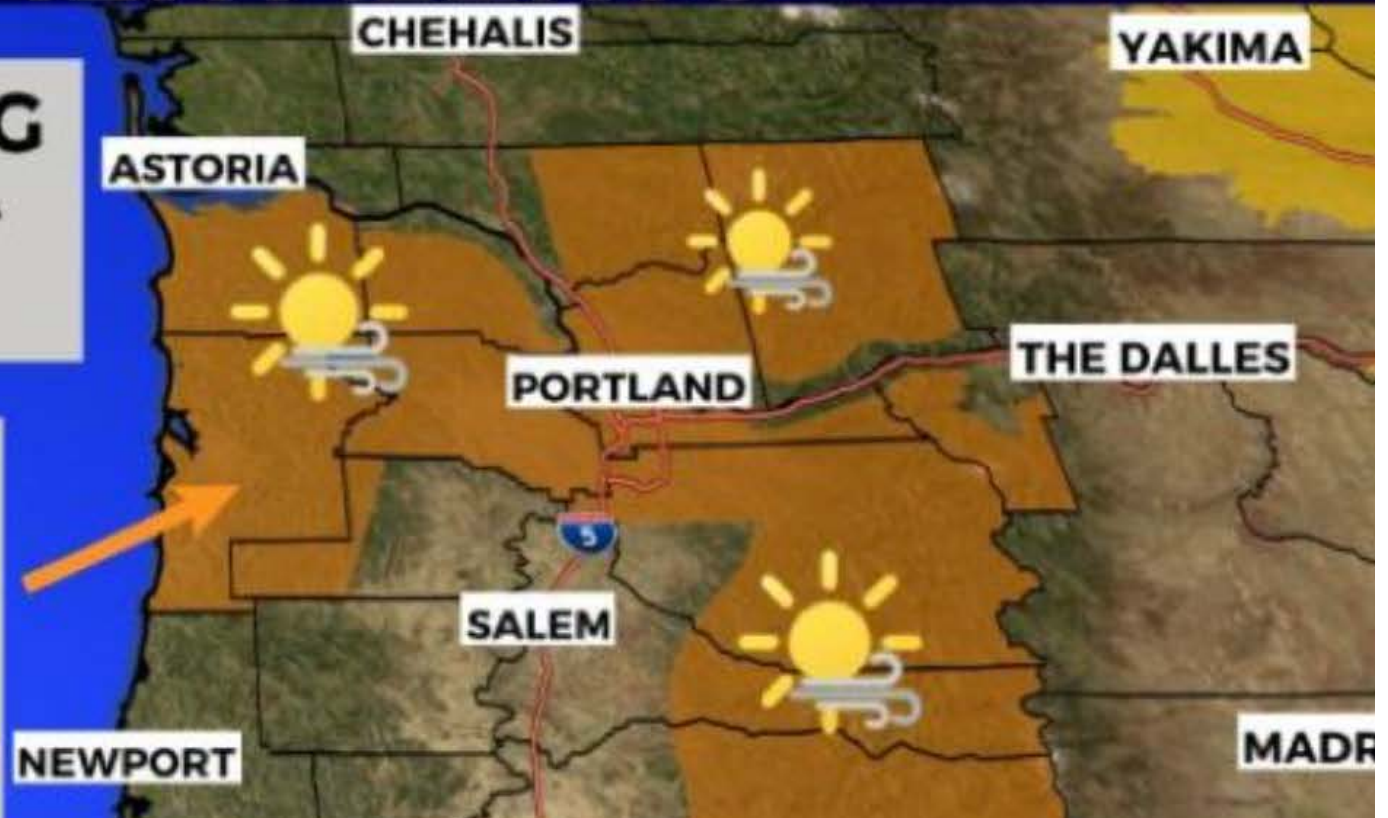
WEATHER ALERTS

HIGH WIND WARNING

GREATER PORTLAND METRO AREA
MONDAY 5 PM - TUESDAY 1 PM
E 15-30 MPH G 40+ MPH

HIGH WIND WARNING

DARK BROWN LOCATIONS
(HIGHER TERRAIN)
MONDAY 5 PM - TUESDAY 1 PM
VERY STRONG WIND 60 MPH
GUSTS



September 6th, 2020

WEATHER ALERTS

RED FLAG WARNING



MONDAY AM - WEDNESDAY PM
VERY DRY
RAPID FIRE SPREAD

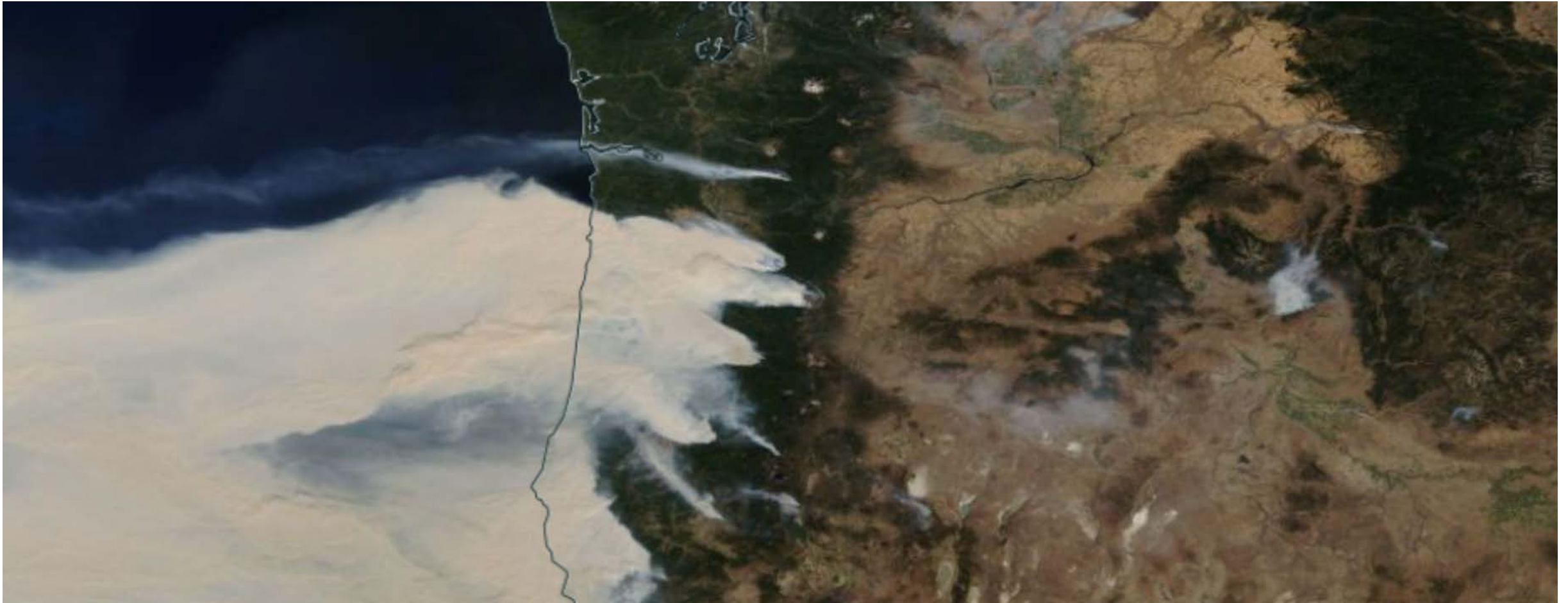


September 6th, 2020



80+ New Fires
Started in WA
and OR
September 7-8

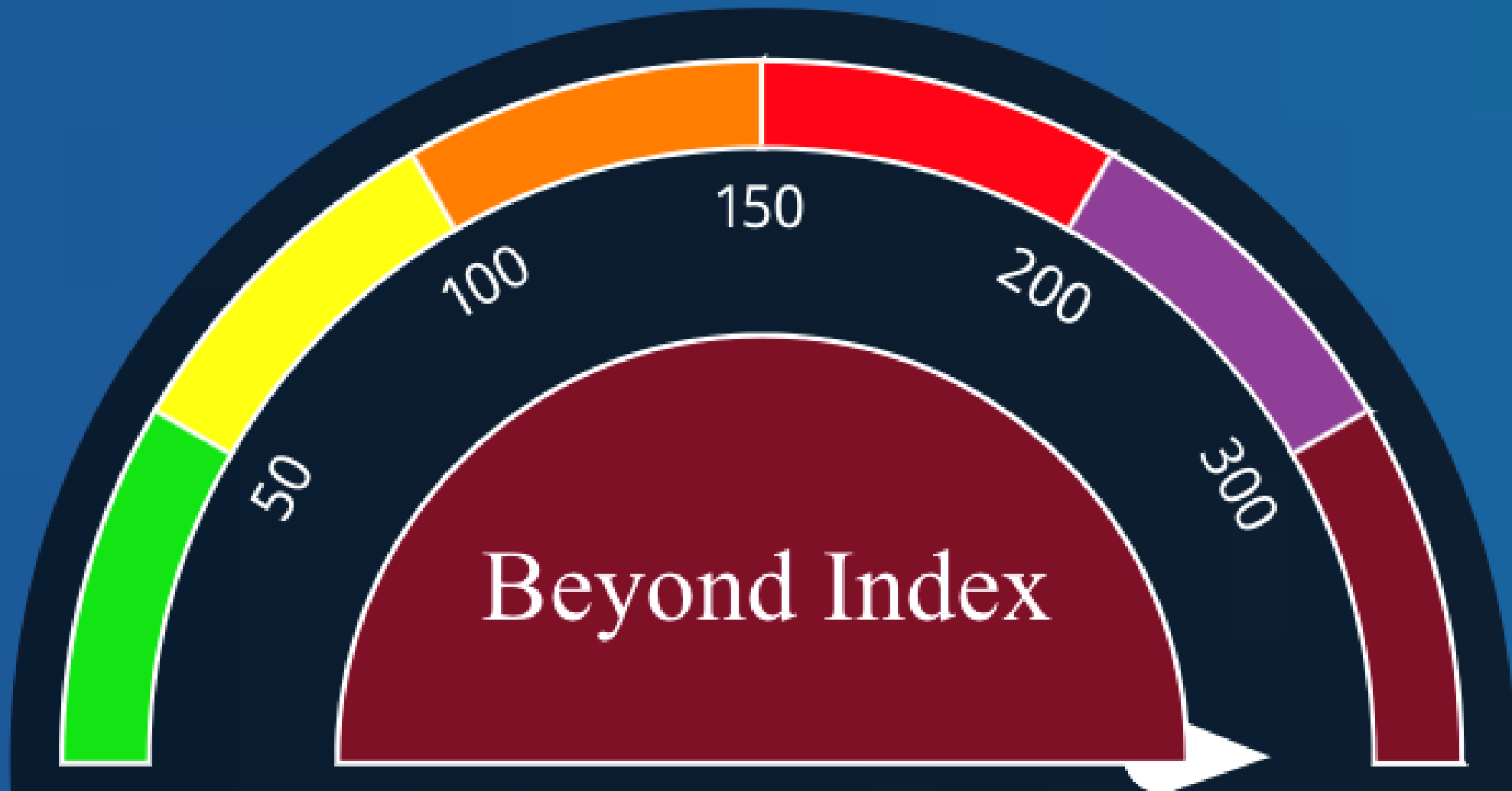
Image of Smoke from Fires (Sept 8, 2020 @ 1 pm)



September 9th, 2020 |



September 11th, 2020 |

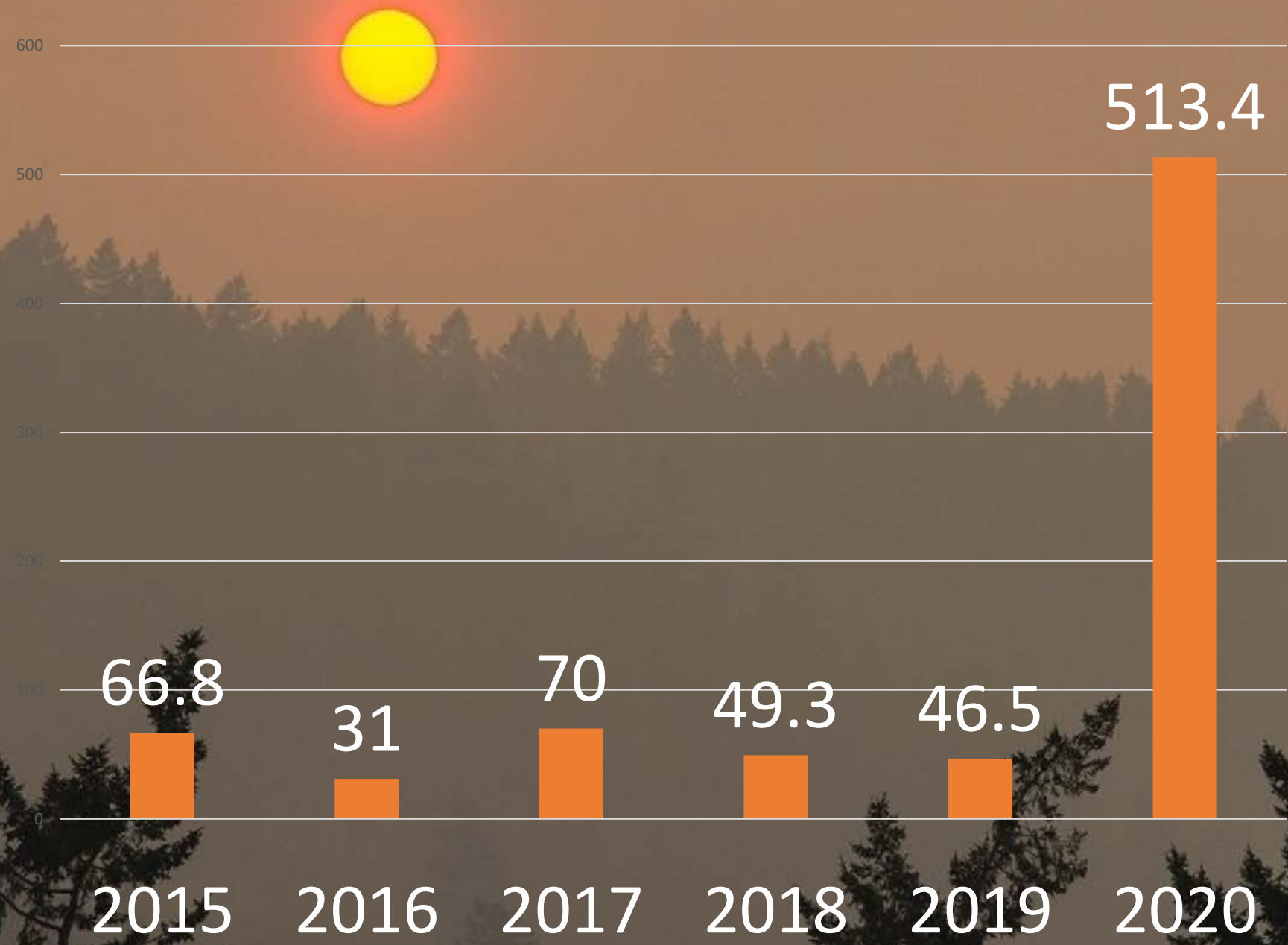


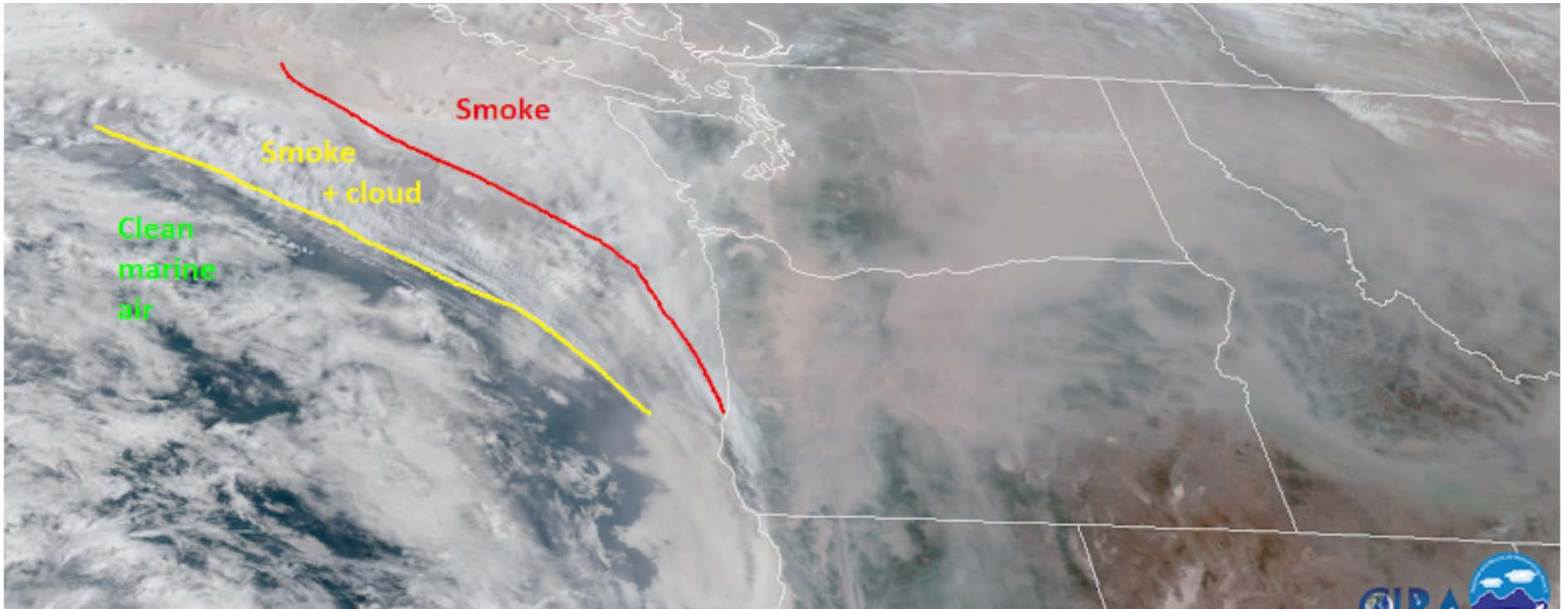
Current Air Quality 5 PM PDT Sep 14

517 NowCast AQI

PM2.5

Worst PM 2.5 Levels (ug/m3 -24hr)





September 13th, 2020 |



Finally Clean Air

Smoke

September 18th, 2020