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DECISION OF THE PLANNING COMMISSION

COMPREHENSIVE PLAN MAP AMENDMENT / NEIGHBORHOOD PLAN CHANGE / ZONE CHANGE CASE NO. CPC-NPC-ZC17-05

APPLICATION NO. : 17-110915-ZO & 17-110917-ZO

NOTICE OF DECISION DATE: July 24, 2017

Summary: A consolidated application containing the following requests:

- 1) A Comprehensive Plan Map change from "Industrial" to "Industrial Commercial"; and
- 2) A change to the Morningside Neighborhood Plan designation from "Industrial" to "Industrial Commercial"; and
- 3) A Quasi-Judicial Zone Change from IBC (Industrial Business Center) to IC (Industrial Commercial).

The subject property is approximately 7.97 acres in size, zoned IBC (Industrial Business Campus), and located at 2425 Strong Road SE, 3991 and 3993 Fairview Industrial Drive SE, and 4080 Reed Road SE (Marion County Assessor map and tax lot numbers: 083W12B01490, 1491, 1492, and 1498).

APPLICANT: **Five07 Investors, LLC** (Michael D. Rohwer, MD, Dean G. Andretta, Holly Tindall, Chad Casady & Nathan Perrizo)

Swamp Cat Investments, LLC (Charles F. Columbus & Beverly K. Columbus, Dennis & Mary Jo Gabriel, Mark & Veronica Stapleton & Jeff & Cyndi Raines)

Shangri-La Corporation (Karen Rutledge, Ross Stout & Nicole Titus)

LOCATION: 2425 Strong Road SE, 3991 & 3993 Fairview Industrial Drive SE & 4080 Reed Road SE

CRITERIA: Salem Revised Code Chapter 265.005(e)

FINDINGS: Pursuant to ORS 197.010(1), an amendment to the Comprehensive Plan Map must be approved by the City Council. Accordingly, upon hearing evidence presented at the public hearing, the Planning Commission may forward a recommendation to the City Council on the Comprehensive Plan Map Change and Neighborhood Plan Map Change and approve or deny the associated applications contingent on the City Council's decision.

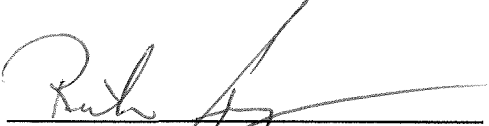
The Zone Change findings are in the attached Exhibit dated July 19, 2017.

DECISION: The Planning Commission **APPROVED** the **Zone Change** Case No. CPC-NPC-ZC17-05 subject to the following conditions of approval:

Condition 1. Cumulative traffic impacts from future development on the subject property shall be limited to a maximum of 3,518 average daily trips generated by the proposed use or uses.


VOTE:

Yes 8 No 0 Absent 1 (Pollock) Abstained 0



Rich Fry, President
Salem Planning Commission

Application Deemed Complete:	<u>June 12, 2017</u>
Public Hearing Date:	<u>July 18, 2017</u>
Notice of Decision Mailing Date:	<u>July 24, 2017</u>
Decision Effective Date:	<u>August 9, 2017</u>

Case Manager: Chris Green, cgreen@cityofsalem.net 

This decision is final unless written appeal from an aggrieved party is filed with the City of Salem Planning Division, Room 305, 555 Liberty Street SE, Salem OR 97301, **no later than 5:00 p.m., August 8, 2017.** Any person who presented evidence or testimony at the hearing may appeal the decision. The notice of appeal must contain the information required by SRC 300.1020 and must state where the decision failed to conform to the provisions of the applicable code section, SRC Chapters 64, 265. The appeal must be filed in duplicate with the City of Salem Planning Division. The appeal fee must be paid at the time of filing. If the appeal is untimely and/or lacks the proper fee, the appeal will be rejected. The City Council will review the appeal at a public hearing. After the hearing, the City Council may amend, rescind, or affirm the action, or refer the matter to staff for additional information.

The complete case file, including findings, conclusions and conditions of approval, if any, is available for review at the Planning Division office, Room 305, City Hall, 555 Liberty Street SE, during regular business hours.

<http://www.cityofsalem.net/planning>

**Criteria and Findings for Proposed Quasi-Judicial Zone Change for an
approximately 7.97-acre site at 2425 Strong Road SE, 3991 and 3993 Fairview
Industrial Drive SE and 4080 Reed Road SE from IBC (Industrial Business
Campus) to IC (Industrial Commercial)**

Procedural Findings

On May 26, 2017, Jeff Tross of Tross Consulting, on behalf of applicants Five07 Investors, LLC, Swamp Cat Investments LLC, and Shangri-La Corporation, filed a consolidated application for a Comprehensive Plan Change, Neighborhood Plan Change, and Zone Change to change the Comprehensive Plan Map and Neighborhood Plan Generalized Land Use Map designation of the subject property from "Industrial" to "Industrial Commercial" and to change the zoning from IBC (Industrial Business Campus) to IC (Industrial Commercial).

The application was deemed complete for processing on June 12, 2017. Notice of the consolidated proposal was distributed to City departments and public and private service providers on June 21, 2017 and was mailed to the owners of all property within 250 feet of the subject property on June 28, 2017. The property was posted in accordance with the posting provision outlined in SRC 300.620.

State law (ORS 197.610) and SRC 300.602(b)(1) require the City to provide the Oregon Department of Land Conservation and Development (DLCD) a minimum 35-day notice when an applicant or the City proposes an amendment to an acknowledged Comprehensive Plan or land use regulation or to adopt a new land use regulation. The City sent notice of this proposed Comprehensive Plan and Zone Change to DLCD on June 12, 2017.

Pursuant to ORS 197.010(1), an amendment to the Comprehensive Plan Map must be approved by the City Council. Therefore, on July 18, 2017, the Planning Commission held a public hearing on the consolidated applications and recommended to the City Council that they approve the proposed Comprehensive Plan Map Change. Additionally, the Planning Commission approved the Zone Change application, contingent on the City Council's approval of the Comprehensive Plan Map Change.

**FINDINGS APPLYING TO THE APPLICABLE SALEM REVISED CODE CRITERIA
FOR THE ZONING MAP AMENDMENT**

The following analysis addresses the proposed zone change for the subject property from IG (General Industrial) to IC (Industrial Commercial).

SRC Chapter 265.005 provides the criteria for approval for Quasi-Judicial Zone Changes. In order to approve a quasi-judicial Zone Map amendment request, the review authority shall make findings based on evidence provided by the applicant demonstrating that all the following criteria and factors are satisfied. The extent of the consideration given to the various factors set forth below will depend on the degree of impact of the proposed change, and the greater the impact of a proposal on the area, the greater is the burden on the applicant to demonstrate that, in weighing all the factors, the zone change is appropriate.

The applicable criteria and factors are stated below in **bold** print. Following each criterion is a response and/or finding relative to the amendment requested.

SRC 265.005(e)(1)(A). The zone change is justified based on one or more of the following:

- (i) **A mistake in the application of a land use designation to the property**
- (ii) **A demonstration that there has been a change in the economic, demographic, or physical character of the vicinity such that the zone would be compatible with the vicinity's development pattern.**
- (iii) **A demonstration that the proposed zone change is equally or better suited for the property than the existing zone. A proposed zone is equally or better suited than an existing zone if the physical characteristics of the property are appropriate for the proposed zone and the uses allowed by the proposed zone are logical with the surrounding land uses.**

Finding: The Planning Commission concurs with the applicant's statement, which states in relevant part:

"The proposed zone change is equally suited for the property because its physical characteristics are appropriate for the proposed zone. The contiguous parcels are generally flat and level. Three of the parcels are developed. The vacant parcel is suitable for development of a commercial parking lot. An embankment along the Strong Road frontage does not interfere with or prevent the proposed use. The proposed parking lot is logical with the surrounding uses in the industrial park because it will serve to support the parking needs of the employees of those uses. The proposed commercial parking lot is a permitted use in the IC zone. In addition, the proposed IC zone is equally suited for the property because it is consistent with the land use pattern that has emerged as a result of similar changes that have been approved for the nearby properties. There are properties zoned IC to the north and across Fairview Industrial Drive to the north and south.

"Because the physical characteristics of the property are appropriate for the proposed zone and the uses allowed by the proposed zone are logical with the surrounding land uses, the proposed designation is equally suited for the property than the existing designation, and this criterion is satisfied."

The physical characteristics of the property are well-suited to both light industrial or commercial development. The subject property is a mostly flat site and is not encumbered by waterways, wetlands, large amounts of vegetation, or mapped landslide hazards. The proposed IC zoning and the uses it allows also fits logically with the established land use pattern in the vicinity. The remaining vacant parcel, just over one acre in size, is not suitable for redevelopment as a campus-style industrial use encouraged in the IBC zone. However, the site is well-suited for the range of light industrial, wholesale, retail, and service uses allowed in the proposed IC (Industrial Commercial) zone. Adjacent to several large employers both on and around the subject

property, the vacant parcel is particularly well-suited to provide conveniently located services in support of nearby industrial uses, including the commercial parking lot described in the applicant's statement.

In each of the six earlier cases in which IBC-zoned land in Fairview was rezoned to IC, conditions of approval limited uses on the rezoned properties to slightly modified lists of uses allowed in the IBC zone, and required development on the properties to meet the same standards as the IBC zone in terms of height, lot standards, setbacks, lot coverage, open storage, landscaping, parking, and lighting. The Planning Commission approved these Plan Map and Zone Changes between the years 2007 and 2013, prior to the adoption of the Unified Development Code (UDC). At that time, standards for setbacks and landscaping in the IBC zone significantly exceeded requirements in the IC zone. With the adoption of the UDC, development standards in similar zones have become more standardized through mechanisms such as zone-to-zone setbacks and minimum landscape coverage requirements. For instance, the longstanding requirement in the IBC zone that 20 percent of the development site be landscaped is now only slightly higher than the 15 percent landscaped area required in the IC zone.

In these earlier cases, conditions limiting the allowed uses on rezoned property were typically justified by concerns of higher traffic impacts from heavy commercial uses allowed in the IC zone and to ensure compatibility with remaining IBC-zoned properties in the vicinity. As noted in the Planning Commission decision approving CPC-ZC13-02, "updated IBC zone provisions ... were developed with the input of community stakeholders during the UDC outreach process in an effort to make the IBC zone more relevant in light of recent economic trends toward greater need for flex-space industrial-commercial." The updates to the IBC zone, which have since been adopted, allow for a wider range of commercial office and service uses, thereby diminishing the vast differences in allowed uses between the IBC and IC zone that would have necessitated conditions specifically limiting allowed uses in cases prior to the adoption of the UDC in 2014.

The trip cap proposed by the applicant would limit growth in average daily trips to the amount of traffic that could potentially be generated under the current plan map designation. Adopting the trip cap as a condition of approval directly addresses potential traffic generation from heavy commercial uses allowed in the IC zone.

The proposal meets this criterion.

(B) If the zone change is City-initiated, and the change is for other than City-owned property, the zone change is in the public interest and would be of general benefit.

Finding: The proposal is not a City-initiated zone change. Therefore, this criterion does not apply.

(C) The zone change conforms with the applicable provisions of the Salem Area Comprehensive Plan.

Finding: The applicable Goals and Policies of the Comprehensive Plan are addressed as follows:

Salem Urban Area Goals and Policies, Industrial Development Goal (Page 37, Salem Comprehensive Policies Plan):

Policy I.1. Maintain a long-term (20 year) industrial land inventory which provides a full range of small, medium, and large parcel sizes and locations to sustain a competitive market for industrial sites. Maintaining a long-term supply of industrial land will require identifying and preserving key high value industrial land, especially where the City has made substantial investments in infrastructure. High value industrial land has the following characteristics: it is designated for industrial uses, in flat parcels, most frequently in large parcels at least 10 acres in size, located within an industrial district, has direct access to a state highway or I-5, and is serviced or planned to be serviced with water and wastewater infrastructure.

Finding: The Planning Commission concurs with the applicant's statement, which states in relevant part:

"The City has a large surplus of land designated for industrial use that exceeds the projected 20-year demand. The I-C designation was included as an industrial category by the EOA, and the inventory of industrial land will not be affected by the proposed change. The four parcels that make up the subject property range in size from 1.02 acres to 3.37 acres, and total 7.97 acres. Three of the parcels are fully developed and no changes to the parcels sizes are proposed, likely or expected. The proposed change will not affect the City's investment in the infrastructure that supports industrial use at this location because three of the parcels are already developed. The proposed I-C designation will enable the vacant land to be used in support of other industrial uses in the vicinity. Except for the parcel sizes, the property conforms to the characteristics of key high value industrial land as described in this policy. Because there is a large surplus of industrial land, the proposal maintains an industrial designation, and its characteristics will not change, the proposal maintains the long term industrial land inventory."

Amending the Plan Map to designate the subject property Industrial Commercial would maintain the overall acreage available within the UGB for industrial uses, while allowing a relatively small parcel to be developed with a wider range of uses complimentary to the established light industrial development pattern in the vicinity.

Policy I.2. Identify areas that may be appropriate for converting from industrial to commercial or other non-industrial uses over the long-term. The characteristics of industrial land that may be appropriate for commercial or other non-industrial uses include some or all of the following: (1) located outside of industrial areas or isolated from other industrial uses, (2) surrounded by incompatible uses (such as housing), (3) located adjacent to properties that have converted to commercial uses, (4) have limited or no access to major

roads (such as arterial streets, collector streets, or highways), or (5) lacks rail access.

Finding: In 2015, the City completed an Economic Opportunities Analysis (EOA) for areas within the Salem Urban Growth Boundary for the years 2015 to 2035. The study found a surplus of 907 acres of industrial land within the Salem UGB and a shortage of 271 acres for commercial uses. In response to these findings, the EOA included a recommendation to identify industrial land most suitable for conversion to commercial designations. This recommendation was implemented through Industrial Policy I.2.

Although the IC (Industrial Commercial) zoning proposed by the applicant allows many of the same wholesaling and manufacturing activities as the existing IBC (Industrial Business Campus) zoning, the proposal would replace the exclusively "Industrial" designation of the property on the current Plan Map with the more flexible "Industrial Commercial" designation. Accordingly, the proposal could be interpreted as converting industrial land to partially commercial or other non-industrial land. Under this interpretation, the subject property is still an appropriate area for conversion to limited commercial uses because of the future land needs projected in the EOA and the low suitability of the vacant portion of the site, Tax Lot 1491, for the larger-scale manufacturing activities allowed under the existing IBC zone and other industrial zones.

The proposal is consistent with the applicable Goals and Policies of the Comprehensive Plan.

(D) The zone change complies with applicable Statewide Planning Goals and applicable administrative rules adopted by the Department of Land Conservation and Development.

Finding: The applicable Statewide Planning Goals are addressed as follows:

Statewide Planning Goal 1 – Citizen Involvement: *To develop a citizen involvement program that insures the opportunity for citizens to be involved in all phases of the planning process.*

Finding: Notice of the proposal was provided to the Morningside Neighborhood Association, to surrounding property owners within the notice area, and posted on the property prior to the hearing. The Planning Commission will hold a public hearing to consider the request. Through the notice and public hearing process all interested parties are afforded the opportunity to review the application, comment on the proposal, and participate in the decision. These procedures meet the requirements of this Goal for citizen involvement in the land use planning process.

Statewide Planning Goal 2 – Land Use Planning: *To establish a land use planning process and policy framework as a basis for all decision and actions related to use of land and to assure an adequate factual base for such decisions and actions.*

Finding: The City has complied with the Goal requirements for establishing and maintaining a land use planning process. The Oregon Land Conservation and Development Commission have acknowledged the Salem Area Comprehensive Plan (SACP) to be in compliance with the Statewide Planning Goals. The SACP provides

goals, policies, and procedures for reviewing and evaluating land use requests. The proposal will be reviewed in relation to the methodology and intent of the SACP, its applicable goals and policies, and applicable approval criteria adopted in the Unified Development Code. The proposal will be evaluated on the basis of facts and evidence that are provided to support and justify the proposed change. The City's adopted land use planning process provides a framework for evaluating the proposal, consistent with the requirements of this Goal.

Statewide Planning Goal 5 – Open Spaces, Scenic and Historic Areas, and Natural Resources: *To protect natural resources and conserve scenic and historic areas and open spaces.*

Finding: The Planning Commission concurs with the applicant's statement, which states in relevant part:

"The subject property is developed industrial land and is not identified in the Comp Plan as a resource included in this Goal."

The proposal is consistent with Goal 5.

Statewide Planning Goal 7 – Areas Subject to Natural Hazards: *To protect people and property from natural hazards.*

Finding: There are no known natural hazards existing on the subject property. The City's tree protection, landslide, and floodplain development standards will be applied at the time of future development. The proposal is consistent with Goal 7.

Statewide Planning Goal 9 – Economic Development: *To provide adequate opportunities throughout the state for a variety of economic activities vital to the health, welfare, and prosperity of Oregon's citizens.*

Finding: The Planning Commission concurs with the applicant's statement, which states in relevant part:

"The subject property is currently designated Industrial on the Plan Map. The proposal is to change the Plan Map designation to Industrial-Commercial. The I-C designation provides for a wide range of industrial activities, and also for office-based and business service activities. These types of uses are consistent with the findings and projections of the 2015 EOA for employment in the 2015-2035 period. The I-C designation was recognized as an industrial category by the EOA, which also determined that the City has a large surplus of industrial land but a deficit of commercial land. The proposed Plan Map change is consistent with the findings of the EOA. It will not reduce the inventory of land that is available for projected industrial and employment activities, but will expand the variety of these activities that are available to the property. By increasing the opportunities for future industrial and employment activities, the proposed Plan Map change is consistent with this Goal."

Because Tax Lot 1491 the only vacant property within the immediate vicinity and is significantly less than ten acres in size, its economic development potential is greater

under the proposed "Industrial Commercial" designation than under its current "Industrial" designation. The proposed change to Industrial Commercial will increase the number of permitted uses on all four parcels making up the subject property and better takes into account the size, location, and access of vacant land on Tax Lot 1491, thereby open up additional opportunities for economic development, consistent with the intent of Goal 9.

Statewide Planning Goal 12 – Transportation: *To provide and encourage a safe, convenient and economic transportation system.*

Finding: Goal 12 is implemented by the Transportation Planning Rule (TPR). In summary, the TPR requires local governments to adopt Transportation System Plans (TSPs) and requires local governments to consider transportation impacts resulting from land use decisions and development. The key provision of the TPR related to local land use decisions is Oregon Administrative Rule (OAR) 660-012-0060. This provision is triggered by amendments to comprehensive plans and land use regulations that "significantly affect" a surrounding transportation facility (road, intersection, etc.). Where there is a "significant effect" on a facility, the local government must ensure that any new allowed land uses are consistent with the capacity of the facility. In the context of a site-specific comprehensive plan change request, such as this proposal, a "significant effect" is defined under Oregon Administrative Rule (OAR) 660-012-0060(1) as either an amendment that "allows types or levels of land uses which would result in levels of travel or access which are inconsistent with the functional classification of a transportation facility," or an amendment that would "reduce the performance standards of an existing or planned facility below the minimum acceptable level identified in the TSP."

The applicant for a comprehensive plan change is required to submit a Transportation Planning Rule (TPR) analysis to demonstrate that their request will not have a "significant effect" on the surrounding transportation system, as defined above. The TPR analysis submitted by the applicant demonstrated that, with a "trip cap" of 3,518 average daily trips, the proposed Comprehensive Plan map and zone change will not have a significant effect on the transportation system as defined by OAR 660-012-0060. The Assistant City Traffic Engineer has reviewed the TPR analysis and recommends a condition of approval on the proposed zone change to limit development on the 7.97 acre site to a maximum trip generation of 3,518 average daily trips per day.

Statewide Planning Goal 14 – Urbanization: *To provide for an orderly and efficient transition from rural to urban land use, to accommodate urban population and urban employment inside urban growth boundaries, to ensure efficient use of land, and to provide for livable communities.*

Finding: The subject property was annexed into the City of Salem in 1960, and is located within the Urban Growth Boundary (UGB). Comments from the Public Works Department indicate that transportation and utility infrastructure is available in the vicinity. The proposal does not include extension of services to properties outside of the UGB. The proposed Comprehensive Plan and Zone Change allows for efficient and complimentary use of a vacant, relatively small parcel within a developed industrial area. The proposal complies with Goal 14.

(E) If the zone change requires a comprehensive plan change from an industrial use designation to a non-industrial use designation, or from a commercial or employment designation to any other use designation, a demonstration that the proposed rezone is consistent with its most recent economic opportunities analysis and the parts of the Comprehensive Plan which address the provision of land for economic development and employment growth; or be accompanied by an amendment to the Comprehensive Plan to address the proposed rezone; or include both the demonstration and an amendment to the Comprehensive Plan.

Finding: The proposed zone change requires a Comprehensive Plan change from the "Industrial" to "Industrial Commercial" designation. As described above in findings on Comprehensive Plan Industrial Development Policies I.1 and I.2, none of the parcels making up the subject property meet the ten acre ideal for "high priority" industrial land, particularly Tax Lot 1941, the one remaining vacant parcel within the subject property. Therefore, to the extent that this change in designation could be interpreted as a change to a non-industrial, or less industrial designation, the proposal is consistent with the needed land identified for economic development and employment growth in the most recent EOA.

However, the IC zone implements both industrial and commercial development policies in the SACP. The IC zone allows a similar range of industrial uses as is allowed in zones which correspond directly to the industrial development goals. Therefore, the IC zone is an industrial zone, and the Industrial Commercial designation is an industrial designation. The proposal does not remove any industrial, commercial, or employment designation on the subject property. Additionally, the Planning Commission concurs with the applicant's statement, which notes that the "Industrial Commercial" designation is considered a type of industrial designation for the purposes of industrial lands inventories adopted in the 2015 HOA. Therefore, the Planning Commission finds that this criterion does not apply to the proposal.

(F) The zone change does not significantly affect a transportation facility, or, if the zone change would significantly affect a transportation facility, the significant effects can be adequately addressed through the measures associated with, or conditions imposed on, the zone change.

Finding: The applicant submitted a Transportation Planning Rule (TPR) analysis, which addressed the question of whether traffic generated by development of the site under the proposed IC zone would significantly affect the surrounding transportation infrastructure, when compared to the amount of traffic that could be generated under the existing IBC zone.

The applicant's TPR analysis concludes that the site could generate up to 3,518 average daily trips (ADT) if developed under a worst case scenario in terms of traffic generation under the existing IBC zoning. The analysis proposes a limit of 3,518 ADT to be included as a condition upon this re-zone request. The Assistant City Traffic Engineer has reviewed the TPR analysis and recommends a condition of approval on the proposed zone change to limit development on the 7.97 acre site to a maximum trip generation of 3,518 average daily trips per day. In order to ensure that future uses on the re-zoned site will not generate more average daily trips than the site could

potentially generate under the current plan map designation, the following condition of approval shall apply:

Condition 1: Cumulative traffic impacts from future development on the subject property shall be limited to a maximum of 3,518 average daily trips generated by the proposed use or uses.

As conditioned, the proposal meets this criterion.

(G) The property is currently served, or is capable of being served, with public facilities and services necessary to support the uses allowed in the proposed zone.

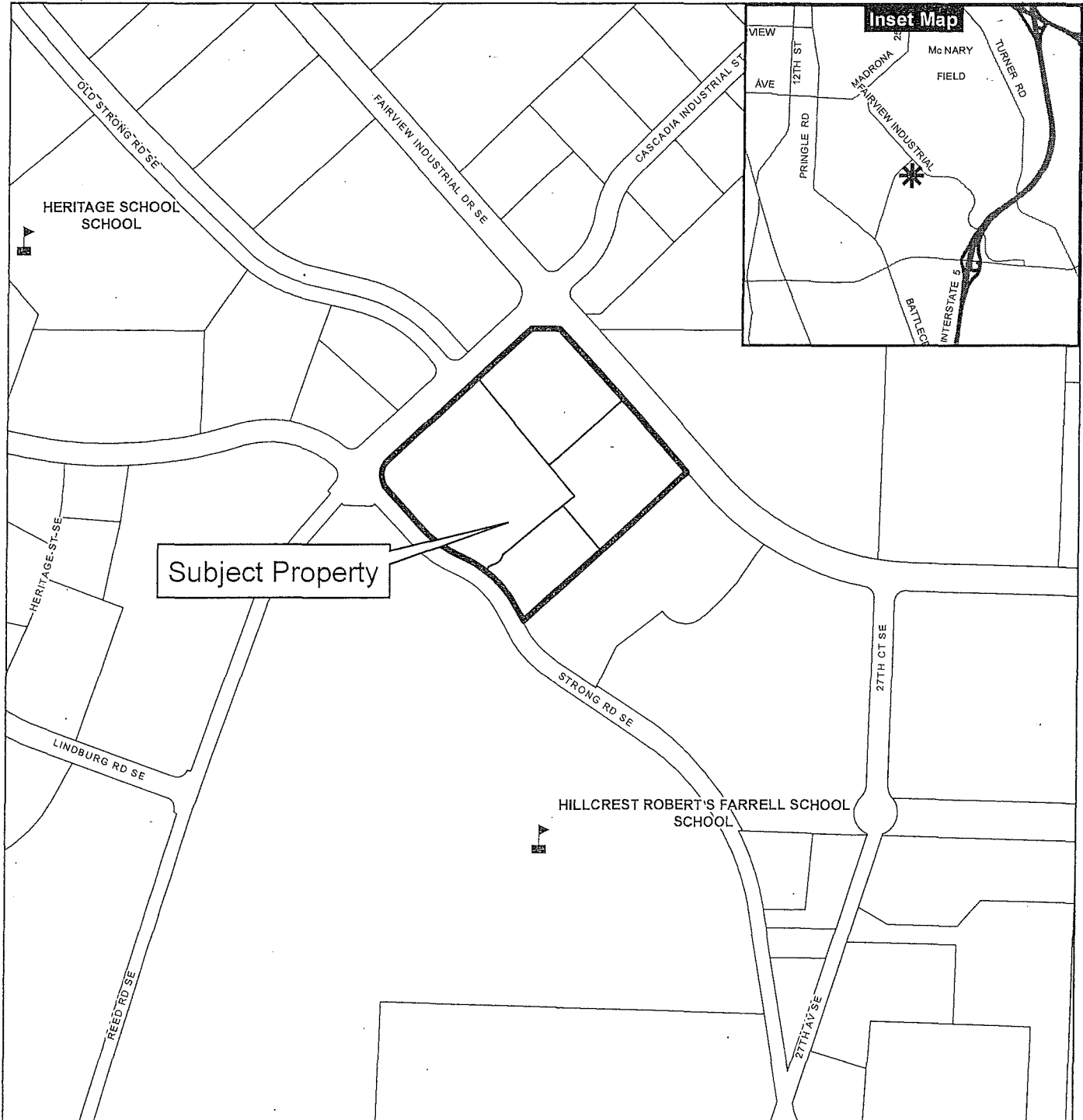
Finding: The Planning Commission concurs with the applicant's statement, which states in relevant part:

"The developed properties are serviced with all necessary public facilities and services. The proposed use, a commercial parking lot, only requires storm drainage. A storm drainage system designed for the proposed use can be provided to City standards at the time of development. The Fairview Industrial project is a highly developed area and all public facilities and services are available to support continued development in the industrial park. Considering the availability of public facilities and services, and the location in an area that is expected to be developed with high-intensity industrial and service activities, the subject property is currently served or capable of being served with public facilities and services necessary to support the use allowed by the proposed Plan map designation, which satisfies this criterion."

While the applicant has indicated plans to develop a commercial parking lot on Tax Lot 1491, no site plan review or other development application has been submitted for the parking lot at this time. Therefore, the parking lot is not a "proposed use" for the purposes of reviewing the subject Comprehensive Plan Map change application. Consistent with the applicable criterion, the wider range of uses allowed in the Industrial Commercial designation and implementing zones must be considered in evaluating the adequacy of public facilities and services.

The Public Works Department has reviewed the proposal and finds that public facilities serve existing development on Tax Lots 1490, 1492, and 1498 and are available to serve Tax Lot 1491. Conditions of approval establish required mitigation for anticipated impacts to the traffic system from an "Industrial Commercial" designation on the site. Since the Fairview Urban Renewal Area was established in 1984, the Salem Urban Renewal Agency has invested funds from tax increment financing, State loans, a grant, and proceeds from land sales to upgrade infrastructure in and around the subject property. The proposal meets this criterion.

Vicinity Map 2425 Strong Road SE et al



Legend

- | | | |
|-----------------------|---------------------------|-------|
| Taxlots | Outside Salem City Limits | Parks |
| Urban Growth Boundary | Historic District | |
| City Limits | Schools | |

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**APPLICANT'S STATEMENT
FOR
FOUR CONTIGUOUS PARCELS
IN THE FAIRVIEW INDUSTRIAL PARK -
COMPREHENSIVE PLAN MAP AMENDMENT
AND ZONE CHANGE**

BACKGROUND

I. Project Identification

The owners of four contiguous parcels in the Fairview Industrial Park ("the Owners") request that their properties be redesignated from IBC to IC, to allow for a wider range of uses than are allowed in the current zone. These parcels are shown on Marion County Assessors Map T8S R3W Section 12B, and are identified by Tax Lot (TL) number and address as TL1490, 3993 Fairview Industrial Dr. SE; TL1491, 2425 Strong Road SE; TL1492, 3991 Fairview Industrial Drive SE; and TL1498, 4080 Reed Road SE. The four parcels range from 1.02 to 3.37 acres, and form a contiguous area of 7.97 acres.

All of the properties are locally owned. Tax Lots 1491 and 1492 are owned by Swamp Cat Investments LLC, Tax Lot 1490 is owned by Five07 Investors LLC, and Tax Lot 1498 is the owned by Shangri-La Corporation.

Tax Lots 1490, 1492, and 1498 are developed, and TL 1491 is undeveloped. TL1490 is an office building occupied by phTech (Performance Health Technologies), which provides services, technology and consulting for Coordinated Care Organizations. TL1492 is an office building that was originally built for Oregon Telcom, a telecommunications services provider. That business was sold in 2005 and vacated the property, and it is currently leased to the State of Oregon Dept. of Human Services (DHS). TL1498 is the location of Shangri-La Corp., a social services organization whose Fairview Industrial location provides facilities for its workforce skills training and employment programs for individuals with disabilities, and which also includes manufacturing, packaging and warehousing activities.

The ownership, size, and current use and development of each of the parcels is as follows:

TL 1490	3993 Fairview Indus.	Five07 Investors.	1.79 ac	office	21,740 sf bldg.
TL 1491	4080 Strong Rd.	Swamp Cat Invests.	1.02 ac.	vacant	
TL 1492	3991 Fairview Indus.	Swamp Cat Invests.	1.79 ac.	office	28,279 sf bldg.
TL 1498	4080 Reed Road	Shangri-la Corp.	3.37 ac.	office/mfg/ warehouse	53,890 sf bldg.

II. The Proposal

TL 1491 is proposed to be developed for a commercial parking facility that will be available to serve any of the uses in the surrounding industrial area. Commercial parking is described in Chapter 400, Use Classifications, 400.055(c)(1) as follows:

(1) Characteristics. Commercial Parking is characterized by parking facilities contained within structures or on surface lots, where such parking is not exclusively accessory to a specific use, or uses, on the same lot. A fee may or may not be charged.

In keeping with this description, the purpose of the proposed parking lot is to provide a commercial parking facility. It is not intended to fulfill a parking requirement of a specific use, or to be exclusively accessory to a specific use.

Commercial parking as a stand-alone use is not included in the IBC zone. It is a permitted use in the IC zone, SRC Chapter 551.005(a)/Table 551-1 Uses. Also, social services are included as a permitted use in the IC zone, Table 551-1, as described in Chapter 400.075(b).

All four properties are currently designated *Industrial* on the Salem Area Comprehensive Plan (SACP) map. This designation does not include the IC zone. In order to allow the proposed commercial parking lot, and provide continuing and expanded opportunities for the use of all of the properties, the Owners propose to amend their Comprehensive Plan designation from *Industrial* to *Industrial Commercial (I-C)*, with a concurrent Zone Change from IBC to IC.

A Pre-Application conference for this proposal was held on Nov. 28, 2016; Pre-App 16-103.

III. Relationship to Industrial Development and Employment Opportunities

In 2015 the City adopted the "Salem Economic Opportunities Analysis 2015-2035", prepared by ECONorthwest (the EOA). The EOA examined economic development and employment trends and opportunities affecting the city, and analyzed the demand for

industrial and commercial land to fulfill these projected requirements during the 20-year study period. The EOA was prepared to be consistent with Statewide Planning Goal 9 - Economic Development.

The EOA determined that there will be demand for 486 gross acres of industrial land, of which 56 acres will be for office employment. The EOA found there is currently a total of 1393 acres of designated industrial land, resulting in a surplus of 907 acres beyond the projected demand. Conversely, the EOA projects a demand for 569 gross acres of commercial land, of which 72 acres are projected for industrial use. There are only 298 acres currently designated, resulting in a shortage of 271 acres (EOA p. 27.).

The EOA considered land designated IC to be an industrial designation (p. 7, p. 28). It found that 50% of employment land is in industrial designations ("IND and IC") and 31% is in commercial designations (CB and COM) (p. 7). Based on this analysis, redesignating these properties to IC does not remove them from inclusion as industrial land, and the combination of industrial and commercial use included in the IC zone provides for 81% of the expected employment opportunities. The inclusion of office-based activities in the IC zone is also consistent with the types of employment opportunities that are expected, and helps to offset the deficit of commercial land for that purpose (ref Table 6, p. 21).

Based on the EOA, lands designated *Industrial-Commercial* are part of the City's industrial land inventory, and the proposal does not alter the City's ability to fulfill its projected industrial development and employment opportunities during the 20-year planning period.

IV. Existing Conditions and Site Plan for Commercial Parking

A site plan is included as a part of the application to show the four subject parcels, their existing use, and the proposed commercial parking facility.

The four parcels are contained within the three bordering streets, which are Fairview Industrial Dr. on the east, Reed Road on the north, and Strong Road on the west. Three of

the parcels are fully developed with buildings, parking, driveways and landscaping, which met applicable standards at the time of development.

Parcels 1490 and 1492 have frontage and access on Fairview Industrial Dr., the major roadway serving this business center. Parcel 1492 also has frontage on Reed Road but does not have direct driveway access to that street. Parcel 1498, the Shangri-La property, has frontage on Reed Road and Strong Road. Its primary driveway access is on Reed Road, with an accessory driveway to Strong Road. Parcel 1491, the vacant parcel, fronts on Strong Road. Access to that parcel is provided by the accessory driveway on the adjacent parcel 1498, due to the physical separation of the parcel from Strong Road by a steep embankment along the property's frontage.

Each of the subject parcels is operated, maintained, and functions independently of the others. Each of the developed parcels includes on-site parking that meets the Code requirement for the size and use of the building. The existing parking vs. the requirement for each of the developed parcels is as follows:

<u>Tax Lot</u>	<u>Use/Building Squ. Ft.*</u>	<u>Parking Spaces**</u>	<u>Required Parking Spaces</u>
1490	office / 21,740 sf	99	62
1492	office / 28,279 sf	93	81
1498	office/mfg/warehouse- 53,890 sf	102	64***

*As shown on Marion County Assessor's Property Records

** As counted on Marion County Assessor's site Property Record aerial photo

*** 19,306 sf office space ÷ 1 sp/350sf = 55; + 46,192 sf warehouse ÷ 1 sp/5,000 sf = 9 total 64

The commercial parking facility is the only new development that is currently proposed. It is intended to provide approximately 112 parking spaces that will be available for daily rental or long-term lease to support the activities in the surrounding Fairview Industrial area. Vehicular access to the parking lot will be provided by the existing driveway to Strong Road at the southwest corner of the Shangri-La property. This is an appropriate

location along the Strong Road frontage, as well as a practical necessity due to the embankment along Strong Road that separates the useable area of the parcel from the street frontage. (The physical separation of the property from direct access to the street affects any future use of the parcel, and does not make this parcel and the Shangri-la property co-dependent or a "development site".) A demarked pedestrian access through the parking lot is shown on the site plan as extending through the property, along the north ends of the parking aisles with connection to Strong Road and to the southeastern corner of adjoining parcel 1498. According to a preliminary estimate by the project Architect approximately 10,460 s.f., or $\pm 23\%$ of the parcel, could be landscaped area, consisting of $\pm 7,530$ S.f. of perimeter landscaping and $\pm 2,930$ s.f. of interior landscaping.

Since it does not adjoin Fairview Industrial Dr. the parking lot will not have a visual impact along the arterial frontage, which is the major street through the industrial area.

The existing uses in this area, such as phTech, DHS, and the office complex across Fairview Industrial Drive, are employee-intensive activities and there is a known demand for additional parking. The proposed parking lot will help to sustain these existing activities as well as accommodate future activities in the Fairview Industrial area.

V. Relationship to the Fairview Industrial Park and Land Use Pattern

The Fairview Industrial Park was the result of the Fairview Urban Renewal Plan, adopted by the City in June, 1984. As described in its Statement of Purpose, the Urban Renewal Plan was the outgrowth of an "... initial study of the prospects for creating a new major *industrial-commercial* business and employment center..." (p. 1.) (italic added). The primary goal of the renewal program was to "...retain existing jobs and create new job opportunities by eliminating conditions which inhibit private development."

It has been thirty-three years since the adoption of the Fairview Urban Renewal Plan. During this time changes in the local, regional and global economy have affected local industrial development and have required flexibility in the use of local land use

designations in order to maintain a productive and competitive industrial base. The proposed Comprehensive Plan Amendment and Zone Change is consistent with the original intent of the Urban Renewal Plan to create an “industrial-commercial” business and employment center.

The Fairview Industrial Park currently includes properties designated and zoned IBC and IC. IBC was the original zoning applied to the project. In recent years multiple properties have been redesignated to IC in response to changing economic conditions that have altered the character of industrial activity in the city and in this industrial area. Despite the many properties that are now zoned IC the Fairview Industrial Park has retained its industrial character and there has been little intrusion of commercial retail or service uses.

The changes in the land use designations within the Fairview Industrial development have been gradual, and reflect changing economic conditions as well as the need to make use of vacated and underutilized properties. The IBC zone was devised in the early 1980’s to facilitate an expected demand for “campus-based” industrial development, and in particular the high-technology electronics industry. It was also intended to restrict activities that were perceived to be unrelated or incompatible with that purpose. A silicon wafer manufacturing facility was an early, major occupant in the industrial park, but when that operation closed and vacated its facility, the property was redesignated to *I-C/IC* to facilitate its conversion for use by other types of industrial and business service uses that were not included in the IBC zone (CPC/ZC 07-1). Other locations that have benefited from a change to IC include the former Sunwest Retirement Corp. office building at 3723 Fairview Industrial Drive, which was redesignated to IC and successfully re-occupied after an extended vacancy (CPC/ZC 11-10); and another office building at 3841 Fairview Industrial Drive which was changed to IC in CPC-ZC 11-05. More recently, the Fairview Business Park complex at the north end of the industrial park was redesignated to IC (CPC/ZC 13-02), to address concerns stemming from substantial and persistent vacancies. The beneficial results of these prior changes are evidence of the positive effects brought about by applying Plan and zone designations that are more flexible and able to adapt to

changing requirements. There are no indications of negative effects on the character or function of the industrial area as a result of these prior changes. The proposal is consistent with the intended and evolving land use pattern in this area.

VI. Transportation Planning Rule Analysis

A TPR (traffic impact) Analysis has been prepared and submitted with the application. The purpose of the TPR analysis is to determine the impact of the traffic that could result from changing the land use designations as proposed. The analysis compares traffic volumes that could result from uses allowed under the proposed land use designation, to those allowed by the existing designation, in order to determine if changing the designation could create a "significant" impact on the transportation system. In this case, the TPR analysis has determined that if future traffic volumes from the four properties that are proposed to be zoned IC are limited to the same volumes that could result from the current IBC zone, there will not be a significant impact on the transportation system.

VII. CRITERIA

Salem Area Comprehensive Plan Map Amendment

The proposal is classified as a Minor Plan Map Amendment. A Minor Plan Map Amendment must address the criteria in SRC 64.025(c)(2). The criteria are addressed as follows:

- (A)** The Minor Plan Map Amendment is justified based on the existence of one of the following:
 - (i)** Alteration in Circumstances. Social, economic, or demographic patterns of the nearby vicinity have so altered that the current designations are no longer appropriate.
 - (ii)** Equally or Better Suited Designation. A demonstration that the proposed designation is equally or better suited for the property than the existing designation.
 - (iii)** Conflict between Comprehensive Map Designation and Zone Designation...

This proposal is justified based on **(ii)**. The proposed *Industrial-Commercial* designation is equally suited for the property than the existing *Industrial* designation because it accommodates the existing uses, provides for a proposed use that will serve industrial

employment, and addresses the economic conditions projected by the EOA. The EOA included the *I-C* designation as an industrial category. It is consistent with the land use pattern that has resulted from multiple similar changes approved for in this industrial park, including the large complex to the north-east across Fairview Industrial Drive, two properties to the south-east across Fairview Industrial, and another a short distance to the north, among others. Those properties were redesignated from *Industrial* to *I-C* after having experienced vacancy due to changes in economic conditions. The redesignation to *I-C* has resulted in their successful renewal and occupancy, created employment opportunities, and enabled the productive use of those properties in a manner that was not forthcoming under the former *Industrial* designation. In this case, the proposed *I-C* designation will allow the use of the vacant parcel in a way that supports the industrial activities in the surrounding area. Due to the access limitations of that parcel, and the requirement for the location of its access to also allow the proposed use, by necessity the commercial parking lot cannot occur unless both parcels are redesignated. Redesignating the four subject properties will result in a cohesive cluster of small parcels with uniform Plan and zone capabilities. Because the proposed designation will allow the vacant parcel to be put into a use that supports industrial activity in the surrounding area, and also benefits the adjacent parcels with expanded opportunities, the proposed designation is equally suited for the properties than the existing designation, which satisfies this criterion.

(B) The property is currently served, or is capable of being served, with public facilities and services necessary to support the uses allowed by the proposed plan map designation.

The developed properties are serviced with all necessary public facilities and services. The proposed use, a commercial parking lot, only requires storm drainage. A storm drainage system designed for the proposed use can be provided to City standards at the time of development. The Fairview Industrial project is a highly developed area and all public facilities and services are available to support continued development in the industrial park. Considering the availability of public facilities and services, and the location in an area that is expected to be developed with high-intensity industrial and service activities, the subject property is currently served or capable

of being served with public facilities and services necessary to support the use allowed by the proposed Plan map designation, which satisfies this criterion.

(C) The proposed plan map designation provides for the logical urbanization of land;

The subject property is within the Fairview Industrial Park, which currently consists of a mix of *Industrial* and *Industrial-Commercial* designations. The *Industrial-Commercial* designation provides for a wide range of industrial and commercial uses and contributes to maintaining employment in the industrial sector. The *I-C* designation was recognized as a component of the industrial economy in the EOA. The subject property is already urbanized and most of it is fully developed. All necessary public facilities and services are available to support the planned use and development of the vacant parcel, and the continued future use of all of the parcels. The bordering streets are improved. Primary access to the subject property is provided by Fairview Industrial Dr., a Minor Arterial, and Reed Road. The vacant parcel is physically suitable for its planned use, which will support activities in the surrounding industrial area. Because *I-C* is already a major component of the Fairview Industrial Park and will provide for uses that support the industrial economy and employment in that sector, and urban services are available to support new industrial uses, the proposed plan map designation provides for the logical urbanization of the land, consistent with this criterion.

(D) The proposed land use designation is consistent with the Salem Area Comprehensive Plan and applicable Statewide planning goals and administrative rules adopted by the Department of Land Conservation and Development;

The following elements of the SACP are applicable to this request:

Part II. Definitions and Intent Statements

A. Comprehensive Land Use Plan Map

1. Intent: The stated intent of the Comp Plan is to project a goal of the desirable pattern of land use in the Salem area. The Plan recognizes that the factors that determine the appropriate use of property change over time. The Plan's methodology is to rezone land

over time in response to changing needs and conditions. This methodology was chosen in order to provide maximum flexibility within the guidelines provided by Plan policies. The Plan map designations indicate the predominant type of land use in the general area rather than a predetermined projection of future use. The Plan recognizes that land use and zoning are expected to change as conditions change.

The factors and conditions that affect the use of the subject property have changed since its current designation was applied in the 1980's, and since it was developed. These include changes to local and regional economic conditions, and projected future economic conditions and opportunities, as set out in the 2015 EOA. Changes to the surrounding land use pattern have occurred in response to and in anticipation of these changes and opportunities. The variety of industrial and employment activities that have located in the Fairview Industrial Park, and that are anticipated during the planning period, is provided for by the *I-C* designation and IC zone. The proposed designation will provide the flexibility to allow the vacant part of the subject property to be put to a productive use that supports the industrial activities in the surrounding area. The proposal is consistent with multiple previous land use actions of this type in the area, and with the type of economic development and employment projected by the EOA. The request to redesignate the property is consistent with the stated Plan methodology to provide maximum flexibility within the guidelines provided by Plan policies, in response to changing needs and conditions. The proposed change maintains the industrial land use capability of the Fairview Industrial area, while including an expanded degree of flexibility that is consistent with the projections of the EOA. For these reasons the proposal is consistent with the intent and methodology of the Plan.

Part IV. Salem Urban Area Goals and Policies

The intent of this proposal is expand and diversify the variety of industrial, business and service activities available to these properties, in keeping with the projections of the 2015 EOA. The proposal is not intended to create opportunities for intensive commercial retail activities such as home improvement stores, building supply and garden centers, auto

service and repair, "big-box" merchandising, etc. Those types of uses have typically been restricted from Plan and Zone Changes to IC for properties in the Fairview Industrial Park through a condition of approval. Since commercial retail uses are not contemplated or intended, the Plan policies for economic development and industrial development are the most applicable, and the commercial development policies are less pertinent.

H. Economic Development

GOAL: Strengthen the economic base of the Salem area to sustain the economic growth necessary to provide adequate employment opportunities and maintain community livability.

GOAL: Grow and attract traded-sector businesses, especially businesses with above average wages.

The IC category provides for the range of industrial and service uses and activities that reflect the local economy, consistent with the projections of the EOA and employment opportunities that serve to maintain community livability. The IC zone includes a range of industrial, business and service activities that have the potential to create employment that provides above-average wages. These characteristics help to strengthen the economic base of the area and grow and attract traded-sector businesses, in keeping with these Goals.

Policies

1. *Diversify the basic economic sector of the Salem urban area through:*
 - a. *Expansion of existing industrial enterprises and location of new, clean industries.*
 - b. *Expansion of the light manufacturing.*
 - c. *Expansion of businesses with an existing presence in Salem or businesses that provide goods and services to existing businesses in Salem.*
 - d. *Expansion of businesses who want to locate in Salem because of Salem's competitive advantages and characteristics.*

The IC classification provides for a wide range of manufacturing, processing, fabrication, distribution, and warehousing and transportation activities, as well as professional and business services that support those industrial activities. The wide range of uses provided in the IC zone create the opportunity to diversity the economic sector of the urban area through the expansion or relocation of existing industries and by attracting new businesses and industries. The range of uses included in the IC zone is consistent with the elements of this policy.

2. The Community Development and Urban Development Departments should work together to develop an economic development strategic plan...

This policy is a directive for City agencies.

3. Develop a comprehensive analysis of the Salem urban area economy on a periodic basis, including an economic data base and forecasts. This analysis should include a system for annual review and updating.

The 2015 EOA fulfills this policy directive.

4. The contributions to the economic base by the significant sources of traded-sector employment and their importance to the future growth of employment in Salem should be recognized and maintained.

The IC designation helps to achieve the contributions to the economic base provided by traded-sector employment by allowing for an expanded range of employment opportunities.

I. Industrial Development

GOAL: To encourage and promote industrial development which strengthens the economic base of the community by increasing traded-sector employment, especially in sectors that pay higher than-average wages, and minimizes air and water pollution.

The proposed I-C designation and implementing IC zone provide for a wide range of industrial uses, including manufacturing, fabrication, processing, and transportation, among others, as well as professional and business services. Those uses reflect the economic base of the community, and the future uses projected by the EOA. The proposed change will improve the ability of the property to develop, attract and retain the types of employment activities that are suggested by this goal. By providing for industrial activities that strengthen the economic base of the community and employment as anticipated during the 20-year planning period, the proposal is in keeping with the intent of this goal.

Policies

1. Maintain a long-term (20 year) industrial land inventory which provides a full range of small, medium, and large parcel sizes and locations to sustain a competitive market for industrial sites. Maintaining a long-term supply of industrial land will require identifying and preserving key high value industrial land, especially areas where the City has made substantial investments in infrastructure. High value industrial land has the following characteristics: it is designated for industrial uses, in flat parcels, most frequently in large parcels at least 10 acres in size, located within an industrial district, has direct access to a

state highway or I-5, and is serviced or planned to be serviced with water and wastewater infrastructure.

The City has a large surplus of land designated for industrial use that exceeds the projected 20-year demand. The *I-C* designation was included as an industrial category by the EOA, and the inventory of industrial land will not be affected by the proposed change. The four parcels that make up the subject property range in size from 1.02 acres to 3.37 acres, and total 7.97 acres. Three of the parcels are fully developed and no changes to the parcels sizes are proposed, likely or expected. The proposed change will not affect the City's investment in the infrastructure that supports industrial use at this location because three of the parcels are already developed. The proposed *I-C* designation will enable the vacant land to be used in support of other industrial uses in the vicinity. Except for the parcel sizes, the property conforms to the characteristics of key high value industrial land as described in this policy. Because there is a large surplus of industrial land, the proposal maintains an industrial designation, and its characteristics will not change, the proposal maintains the long term industrial land inventory.

2. Identify areas that may be appropriate for converting from industrial to commercial or other non-industrial uses over the long-term. The characteristics of industrial land that may be appropriate for conversion to commercial or other non-industrial uses include some or all of the following: (1) located outside of industrial areas or isolated from other industrial uses, (2) surrounded by incompatible uses (such as housing), (3) located adjacent to properties that have converted to commercial uses, (4) have limited or no access to major roads (such as arterial streets, collector streets, or highways), or (5) lacks rail access.

The subject property is not proposed to be converted to commercial or non-industrial uses over the long term. It is located within an industrial area, the surrounding uses are industrial or compatible with industrial use, there are no adjacent commercial properties, and it has access to major roads. The *I-C* designation maintains the property for industrial use.

3. Ensure a sufficient short-term supply of serviced industrial land that is suitable for construction within one year of application for a building permit or request for service extension.

Services are available for development of the vacant parcel and it is suitable for construction with one year of application for a building permit.

4. *Monitor and report on the supply of industrial land and conversions to commercial uses on an annual basis, to ensure a long-term and short-term supply of industrial land*
This is a requirement for the City, and does not apply to this proposal.

5. *Appropriate public facilities, services, and utilities are essential for industrial development. The industrial areas currently serviced by public facilities, services, and utilities provide the best opportunity to maximize past and future public investments in infrastructure. Systems expansion to promote infill development and redevelopment of the currently serviced areas shall be given priority for public funding of facilities, services, and utilities.*

Expansion of public facilities, services, and utilities beyond the existing, developed, industrial areas shall be coordinated to maximize public investment based on (factors a.-d.)...

The property is fully serviced by public facilities, services and utilities and no service expansions are proposed.

6. *Coordination of the industrial land inventories, industrial and growth policies, and economic development activities of the cities within Marion and Polk Counties are necessary to maintain a viable regional economy.*

Coordination among the cities is a function of the City and the Counties.

7. *Industrial land shall be subject to industrial development standards which ensure that development and operation is compatible with surrounding land uses.*

Development standards for the property are provided by the Zone Code.

8. *New industrial development shall not be located in the Willamette River Greenway setback unless it is water related or dependent upon a waterway location.*

The property is not within or adjacent to the Greenway.

9. *The zone districts shall allow appropriate on-site employee services and facilities, such as restaurants and personal service businesses, in industrial areas.*

The proposed IC zone provides for these types of industrial service businesses.

10. *Traffic generated by industrial uses should be diverted away from residential areas when feasible and should have convenient access to arterial or collector streets.*

The subject property has access to Fairview Industrial Drive, Reed Road, and Strong Road.

Fairview Industrial Drive and Reed Road are classified as Minor Arterials, and Strong

Road is a Collector, as shown by the Salem Transportation System Plan (STSP), Map 3-1

Street Plan. There is no direct access from the property to any local residential street or

neighborhood. Fairview Industrial Drive is the major route through the industrial park, and connects to Madrona on the north and Kuebler Blvd. on the south. The industrial area was established with regards to its access to the arterial street system that serves the surrounding urban area. Because the property has access to Arterials and a Collector, and these streets divert traffic away from residential areas, this policy is satisfied.

11. Efficient use of resources and energy, and the utilization of renewable energy sources serve the interests of the community and shall be encouraged during the development and operation of all industrial activities.

This policy is for consideration at the time of development.

12. Supporting non-industrial uses are allowed in limited amounts in industrial areas. These non-industrial uses should primarily support industrial businesses or employees at industrial businesses.

The proposed IC zone can permit activities such as restaurants, fitness centers, employment agencies, etc., that support industrial businesses or their employees.

13. New industries that utilize energy most efficiently or that manufacture products that contribute to efficient use of energy, including renewable energy sources should be encouraged.

Industries that operate in the manner suggested, or that manufacture the types of products mentioned in this policy, are permitted in the IC zone.

14. Industries shall be responsible for the adequate and proper transportation, storage, use, and disposal of all hazardous materials and wastes (as defined by ORS 459.410) utilized or generated by that industry.

This proposal is only to redesignate the property. This policy applies to industrial operations in general, and is not directly related to this proposal.

15. Division of large parcels (40 acres and larger in size) of industrial land shall be subject to a special review and approval process...

The subject property is less than 40 acres, and is not proposed for division.

16. Development of a distinct industrial district that provides for a continuity of design and uses on preferably medium sized parcels (10 to 40 acres in size) is necessary to provide a variety of parcel sizes within the industrial inventory and to assist in attracting industrial development.

The Fairview Industrial Park is a developed industrial district. It provides a variety of parcel sizes, and it exhibits a variety of development design. The subject property consists of four contiguous parcels ranging in size from 1.02 to 3.27 acres, and which totals 7.97 acres. Three of the parcels are developed. Development of the remaining vacant parcel will have little effect on the design characteristics of the overall industrial park.

17. Land development regulations should provide for a variety of industrial development opportunities.

The proposed IC zone provides for a variety of industrial development opportunities that expand upon those of the existing IBC zone, and which are consistent with the projections of the EOA.

G. Commercial Development

With regard to the Commercial Development Goal and Policies, the intent of applying the I-C designation in this case is not to provide for a center of commercial retail activity. This has been recognized in prior decisions approving the IC designation in the Fairview Industrial Park. The proposed change to IC is to support the growth of traded-sector employment in this area. The proposal is not for a shopping and service facility, a community or neighborhood shopping and service facility, or a convenience facility for neighborhood residents, which are the types of commercial development addressed by this Plan category.

With regards to the commercial policies, the proposed IC zone is combines a mix of industrial and commercial uses. The inclusion of office-based activities will help to expand the industrial-service uses available to these parcels. The site is served by the arterial and collector transportation system that serves this area. The property is accessible from all parts of the Salem urban area, as well as the Marion-Polk County metropolitan area, without traversing local residential streets. The site is not adjacent to residential uses, and buffers from residential areas are not at issue.

Within the context of commercial uses in conjunction with industrial uses, the proposal will serve to maintain and promote the Salem urban area as a business center for the

Marion-Polk County metropolitan area, which is consistent with the intent of these Policies.

Statewide Planning Goals

The applicable Statewide planning goals are addressed as follows:

GOAL 1 - CITIZEN INVOLVEMENT

The City's review and decision procedures meet the requirements of this Goal for citizen involvement in the land use process. Notice of the proposal will be provided to the Neighborhood Association, to property owners within the notice area, published in the newspaper and posted on the property. A public hearing will be held by the Planning Commission. Through these procedures all interested parties are afforded the opportunity to review and comment on the application, and participate in the decision. These procedures meet the requirements of this Goal for citizen involvement.

GOAL 2 - LAND USE PLANNING

The City has complied with the Goal requirements for establishing and maintaining a land use planning process. The SACP is acknowledged to be in compliance with the Statewide Planning Goals. The SACP provides goals, policies and procedures for reviewing and evaluating land use requests. The proposal will be reviewed in relation to the methodology and intent of the Plan, its applicable goals and policies, the criteria for a Comp Plan Amendment and a Zone Change. The City's adopted land use planning process provides a framework for evaluating the proposal, in keeping with the requirements of this Goal.

GOAL 5 - OPEN SPACES, SCENIC AND HISTORIC AREAS, AND NATURAL RESOURCES

The subject property is developed industrial land and is not identified in the Comp Plan as a resource included in this Goal.

GOAL 6 - AIR, WATER and LAND RESOURCES QUALITY

The purpose of the proposed Plan change is to allow for a wider mix of industrial and business-service uses, on land that is currently designated for industrial use. The basic purpose of the property will not change. It is within an intensely developed area that is characterized by a mix of industrial, service, and commercial activities. The property is served by existing streets and by public utilities and services, and future uses will also make use of these existing facilities, which serves to maintain the quality of the land and water.

The potential impacts to the air in this area are from the existing industrial activities, or those that could be allowed under the existing industrial land use category; and from motor vehicle traffic. The proposed Plan change will not result in significant changes to the types of industrial uses that could create an adverse impact on air quality. Significant air quality impacts from motor vehicles will not occur because traffic volumes generated by uses under the proposed Plan category will be limited to those allowed under the existing designation.

Public sewer, water, and storm drainage utilities serve the existing buildings. The proposed new use is a parking lot, which will not require water or sewage disposal services. A storm water drainage system will be provided to City standards.

The industrial use of the property is anticipated and expected by the current Plan designation. The proposed change does not increase the intensity of industrial activity that could occur. The proposal will not create adverse impacts to the quality of the air, water or land, and the proposal will maintain the quality of these resources.

GOAL 7 - AREAS SUBJECT TO NATURAL DISASTERS AND HAZARDS

No natural hazards specific or unique to this site have been identified.

GOAL 8 - RECREATIONAL NEEDS

The site is not designated for recreational use and this Goal does not apply.

GOAL 9 - ECONOMIC DEVELOPMENT

The subject property is currently designated *Industrial* on the Plan Map. The proposal is to change the Plan Map designation to *Industrial-Commercial*. The *I-C* designation provides for a wide range of industrial activities, and also for office-based and business service activities. These types of uses are consistent with the findings and projections of the 2015 EOA for employment in the 2015-2035 period. The I-C designation was recognized as an industrial category by the EOA, which also determined that the City has a large surplus of industrial land but a deficit of commercial land. The proposed Plan Map change is consistent with the findings of the EOA. It will not reduce the inventory of land that is available for projected industrial and employment activities, but will expand the variety of these activities that are available to the property. By increasing the opportunities for future industrial and employment activities, the proposed Plan Map change is consistent with this Goal.

GOAL 10 - HOUSING

The site is currently designated for industrial use and not for housing, and this goal does not apply.

GOAL 11 - PUBLIC FACILITIES AND SERVICES

Public facilities and services were planned at levels adequate to serve the Fairview Industrial Park, were provided to the developed parcels, and are available to support additional uses. The public facility and service requirements of the uses in the proposed I-C designation are similar to those in the existing designation. The public facilities available to serve the subject property are described in the Public Works Dept. comments included with the Pre-Application Report. That report shows that all necessary public services and utilities including water, sewer, storm drainage, and streets are currently provided or available in a timely, orderly and efficient arrangement, in keeping with this Goal.

GOAL 12 - TRANSPORTATION

The potential traffic impact of the proposed change in the land use designation has been examined by Karl Birky, P.E., Traffic Engineer. Mr. Birky's report is a part of this application. The report examines the potential traffic impact with regards to the requirements of the TPR and how the proposal will affect the existing transportation system. The analysis compares traffic volumes that could result from uses allowed under the proposed land use designation, to those allowed by the existing designation, in order to determine if changing the designation could create a "significant" impact on the transportation system. In this case, the TPR analysis has determined that if future traffic volumes from the four parcels that are proposed to be zoned IC are limited to the same volumes as those that could result from the current IBC zone, there will not be a significant or adverse impact on the transportation system.

The four contiguous parcels are located along three streets that provide access within the Fairview Industrial Park. Fairview Industrial Drive, the main access through the industrial park, is classified as a Minor Arterial in the Salem Transportation System Plan (STSP). It is a direct link to Madrona Avenue to the north, which is a Major Arterial; and to Kuebler Blvd. to the south, which is a Major Arterial-Parkway. Those arterials serve as major links to other parts of the urban area, and to I-5. The intersections of Fairview Industrial Drive at Madrona, and at Kuebler, are controlled by traffic signals. Reed Road is also a Minor Arterial, and Strong Road is classified as a Collector. The classifications of the streets serving the subject property are appropriate for the proposed land use designation. The subject property is adequately served by the existing street system, and no new streets are needed or proposed.

Public transit service is available along Fairview Industrial Drive on the No. 7 route. Fairview Industrial Drive is also developed with sidewalks and bike lanes. The presence of transit, pedestrian, and bicycle facilities provide alternatives to motor vehicles as a means to access the subject property. The access provided by major streets, and the availability of

transportation alternatives, can serve to reduce vehicle miles traveled within the urban area. These factors are in keeping with the requirements of the TPR.

Because with the recommended limitation the proposed use will not have a significant impact on the existing transportation system, and it is consistent with the TPR, the requirements of this Goal are met.

GOAL 13 - ENERGY CONSERVATION

Three of the subject parcels are already developed, and the vacant parcel is proposed for use as a commercial parking lot to serve activities in the surrounding area. The parking lot itself will require little energy for its operation, other than lighting and possibly an entry gate. The proximity of the parking lot to the other uses it will serve will be consistent with energy efficiency. Depending on demand, it may be possible to include electric vehicle charging stations in the future, which will also promote efficient use of energy. Alternate modes of transportation, including public transit and bicycle lanes also serve the property, which helps to conserve energy. These factors result in the site being consistent with the energy conservation guidelines of this Goal.

GOAL 14 - URBANIZATION

The property is within the city and is largely developed. All necessary public services are available for current and future development. The proposal is consistent with the purpose of this Goal to maintain a compact and efficient urban area. The proposal does not affect the Urban Growth Boundary.

Considering the facts, evidence and reasons presented, the proposed Comprehensive Plan Change conforms to the applicable Statewide Planning Goals.

Based on the reasons, factors, and circumstances presented, the proposed land use designation is consistent with the Salem Area Comprehensive Plan and applicable

Statewide planning goals and administrative rules adopted by the Department of Land Conservation and Development, and criterion (D) is satisfied.

(E) The amendment is in the public interest and would be of general benefit.

The amendment is in the public interest and would be of general benefit because it will expand the uses available to the property consistent with the EOA, and also allow a use that can benefit the surrounding industrial area. The proposed commercial parking lot will promote and support the industrial area as a source of employment and business activity. It will make use of vacant land. The existing industrial designation does not allow for that use. The parking lot will be compatible with the existing uses on the adjacent properties, and will not conflict or interfere with any existing use. The proposed Plan Map amendment is consistent with the Intent of the Plan Map, as describe above; and applying the Plan map designations in a manner that is consistent with the stated Intent is in the public interest for land use planning in the community. Providing for the property to be maintained and used in a productive manner is of general benefit to the community.

Because the proposed Plan map designation is equally suited to the property than the existing designation, because the property is and can be served with public facilities and services that are adequate to support the existing and proposed future use, because the proposed designation provides for the logical urbanization of the land, because the proposed designation is consistent with the applicable goals and policies of the Comp Plan and the Statewide Planning Goals, and because the amendment is in the public interest and would be of general benefit, the criteria for a Minor Plan Map Amendment are satisfied.

Morningside Neighborhood Plan

The subject property and the entire Fairview Industrial Park is within the Morningside Neighborhood area. The original Morningside Neighborhood Plan was adopted by the City Council in June, 1984. An updated Neighborhood Plan was adopted in May, 2014. The Plan recognizes the role of the Neighborhood as a "vital regional employment center" and as a "critical employment center" (p. 17), among other attributes.

Chapter 3 Land Use and Urban Design provides Goals and Policies for various categories of land use. Land Use Goal 1 is:

Provide for the future development of the Morningside Neighborhood through a compatible balance and appropriate mix of residential, commercial, industrial, public, mixed-use and open space uses facilitated through the implementation of effective and innovative development codes.

The proposal will maintain the potential for future development of the Neighborhood and will not alter the mix or balance of land uses in the neighborhood.

The Industrial Development section (p. 27) describes the industrial areas within the Neighborhood, including the Fairview Industrial Park. With regards to a Salem-Keizer EOA prepared in 2011 it references "target industries" as including warehousing and distribution, information technology, and medical, professional and technical services. These industries are included in the IC zone and are suitable for the subject property.

Goal 8 is:

Maintain and enhance the viability of industrial lands to provide a strong economic foundation for the community.

The proposal will maintain and enhance the viability of the subject property for industrial use by applying an industrial zoning classification that provides for several of the identified target industries.

Policies:

8.1 Encourage industrial development in designated locations that provide family-wage jobs while preserving the residential character of the Morningside Neighborhood.

The location of the subject property is a designated industrial area. The property is capable of supporting industries that provide family wage jobs, such as medical support services and professional and technical services. The location in the industrial park does not affect the residential character of the Neighborhood.

8.2 New industrial development adjacent to commercial or residential lands should incorporate adequate setbacks, landscaping and screening to minimize negative visual impacts.

The property does not adjoin residential land, and is separated from surrounding lands outside of the industrial park by arterial and collector streets.

8.3 Industrial site development should feature green stormwater infrastructure and environmentally sensitive site design to promote restoration and conservation of existing riparian and wetland features.

There are no identified riparian or wetland features on the property. New development will conform to Public Works standards, which include green stormwater facilities.

8.4 Entry and exit routes for industrial sites should provide direct access to designated arterial and collector streets and should avoid directing traffic into residential areas.

The property is accessed from arterial and collector streets and there is no direct access to residential areas.

8.5 Encourage industrial businesses to draw from the local skilled labor force.

This policy is not related to land use issues of this application.

Chapter 9 - Opportunity Areas, identifies the industrial park as "Opportunity Area 1 - Fairview Commerce Center". The Overview section describes the original intent for the urban renewal area, and the development and changes that have occurred over time. The changes and recent development trends are described as follows:

In response to both market trends and the economic realities of the "Great Recession," the area has retained some industrial uses while broadening to include a mix of light manufacturing uses, professional office uses and a wide variety of accessory and supporting non-manufacturing uses. With this trend has come recognition by the development community and local government agencies that the IBC-zone may no longer provide adequate flexibility in its use allowances to accommodate this transition. In response, approximately 112 acres of former IBC-zoned land has been converted to the more flexible IC (Commercial Industrial) zoning designation since 2006. The zone changes sought to accommodate the above-described market shift to a "Fairview Commerce Center" have produced a hybrid district allowing only a selection of IC-zone uses while maintaining the development standards of the IBC-zone in order to maintain the large building setbacks from the streetscape, abundant landscaping, improved roadways and pedestrian and bicycle amenities, and open spaces that characterize the industrial park.

Goal 21 is:

Maintain and enhance the Fairview Commerce Center as an innovative and market-responsive, economic development asset (Figure 9.1).

The proposed IC zone is consistent with the acknowledged benefits of providing enhanced flexibility and broadening the mix of uses that choose to locate in a development that is now appropriately described as a "commerce center", and not strictly an industrial park

Policies:

21.1 The Fairview Commerce Center should be promoted and managed as a significant regional employment center, providing diverse private investment opportunities and a preponderance of family-wage jobs, and contributing to the economic and social livelihood of the City of Salem.

Through its flexibility and broad appeal IC zoning will enhance the property as a location for private investment, which contributes to promoting Fairview as a regional employment center and improving the economic and social livelihood of the city.

21.2 Limited retail and service uses are encouraged with new and retrofitted development to provide Fairview Commerce Center employees opportunities within walking distance to fulfill functions such as eating and commerce on breaks and before/after work.

The vacant parcel is intended for use as a commercial parking lot, which is a service use that will provide for employees of the industrial area and promote businesses that have a high level of employment. This is consistent with the intent to promote and manage the area as a significant regional employment center.

21.3 Whenever possible, future development should take advantage of potential synergistic opportunities afforded by the adjacency of the Commerce Center to the Union Pacific Railroad tracks and the Salem Municipal Airport. This is a policy of general applicability, rather than specific to this proposal.

21.4 Employ green stormwater infrastructure to avoid the flow of untreated stormwater runoff from impervious surfaces into Pringle Creek and its tributaries.

Future development will conform to Public Works Dept. standards, which include green stormwater infrastructure requirements.

21.5 New uses and development within the Fairview Commerce Center should contribute toward the property tax base of the City of Salem.

All of the subject property (four contiguous parcels) is privately owned and contributes to the property tax base of the city.

21.6 Within the Fairview Commerce Center, the design standards and landscaping requirements of the IBC (Industrial Business Campus) zone and Fairview Urban Renewal Area (City of Salem, 1984) shall be maintained in any update or replacement of the IBC zoning district.

The development standards of the IBC zone have typically been maintained as part of a replacement of that zone with the IC zone. While generally appropriate, that practice should be evaluated on a case-by-case basis.

The proposal conforms to the Morningside Neighborhood Plan goals and policies.

Zone Change Criteria, SRC Chapter 265

As stated in SRC 265.001, “Because of normal and anticipated growth of the city, changing development patterns, governmental policy decisions affecting land use, community needs, and other factors whose specific future application cannot be anticipated, the zoning pattern established by the Uniform Development Code cannot remain fixed in perpetuity, and the purpose of this chapter is to establish procedures and criteria to, when appropriate, change zoning designations.”

The development pattern in the Fairview Industrial Park has changed from predominantly industrial to a mix of industrial, service, and administrative activities as a result of changes in the economic make-up of the city. These changes include governmental policy decisions, such as those resulting in the creation of additional lands for industrial development and employment centers (e.g. the Mill Creek Corporate Center), which have required reconsideration for the use of other industrial lands in the city. These factors, among others including regional, national and global economic conditions that could not be anticipated, affect the zoning pattern in the city. This Chapter of the Zone Code recognizes that the zoning pattern cannot remain fixed in perpetuity, but must be responsive to the effect of those changes and factors.

Proposals for a Quasi-Judicial Zone Change must address the criteria of SRC 265.005(e), as follows:

(1) A quasi judicial zone change shall be granted if the following criteria are met:

(A) The zone change is justified based on the existence of one or more of the following (i-iii):

(iii) A demonstration that the proposed zone change is equally or better suited for the property than the existing one. A proposed zone is equally or better suited than an existing zone if the physical characteristics of the property are appropriate for the proposed zone and the uses allowed by the proposed zone are logical with the surrounding land uses.

The proposed zone change is equally suited for the property because its physical characteristics are appropriate for the proposed zone. The contiguous parcels are generally flat and level. Three of the parcels are developed. The vacant parcel is suitable for development of a commercial parking lot. An embankment along the Strong Road frontage does not interfere with or prevent the proposed use. The proposed parking lot is logical with the surrounding uses in the industrial park because it will serve to support the parking needs of the employees of those uses. The proposed commercial parking lot is a permitted use in the IC zone. In addition, the proposed IC zone is equally suited for the property because it is consistent with the land use pattern that has emerged as a result of similar changes that have been approved for the nearby properties. There are properties zoned IC to the north and across Fairview Industrial Drive to the north and south.

Because the physical characteristics of the property are appropriate for the proposed zone and the uses allowed by the proposed zone are logical with the surrounding land uses, the proposed designation is equally suited for the property than the existing designation, and this criterion is satisfied.

(B) If the zone change is City-initiated, and the change is for other than City-owned property, the zone change is in the public interest and would be of general benefit. This criterion applies to City-initiated zone changes, and does not apply to this property-owner initiated change.

(C) The zone change conforms to the applicable provisions of the Salem Area Comprehensive Plan.

The applicable provisions of the SACP, including the Goals and Policies for Economic Development, Industrial Development, and Commercial Development, and the Morningside Neighborhood Plan, have been addressed in this report.

(D) The zone change complies with applicable Statewide Planning Goals and applicable administrative rules adopted by the Department of Land Conservation and Development.

The applicable Statewide Planning Goals, and administrative rules such as the Transportation Planning Rule, have been examined in this report, and the proposed zone change to IC is shown to comply with those Goals and rules.

(E) If the zone change requires a comprehensive plan change from an industrial use designation to a non-industrial use designation...a demonstration that the proposed rezone is consistent with its most recent economic opportunities analysis and the parts of the Comprehensive Plan that which address the provision of land for economic development and employment growth, or be accompanied by an amendment to the Comprehensive Plan to address the proposed rezone, or include both the demonstration and an amendment to the Comprehensive Plan.

The zone change is from IBC to IC. A comprehensive plan change is required because the IC zone requires the distinct Plan Map designation of *Industrial-Commercial*. However, the *I-C* designation is included as an industrial designation in the adopted 2015 EOA. The City's industrial land inventory and employment projections are based on that determination. As a result, although the zone change requires a comprehensive plan change, it is not to a non-industrial designation. Considering this circumstance this criterion does not apply.

As an alternative response, the Comprehensive Plan provides a set of policies that apply to the *Industrial* designation. It does not provide a separate set of policies that apply specifically to the *Industrial-Commercial* designation. In this application the policies for both the *Industrial* designation and the *Commercial* designation have been addressed. The proposal satisfies the Goals and Policies of both designations. In addition, the *I-C* designation is included as an industrial designation in the adopted 2015 EOA and is consistent with the projections for the types of economic activity and employment presented in the EOA. Because the zone change retains an industrial use zone, and because

the zone change is accompanied by an amendment to the Comprehensive Plan Map that addresses the zone change, the requirements of this criterion are satisfied.

(F) The zone change does not significantly affect a transportation facility, or, if the zone change would significantly affect a transportation facility, the significant effects can be adequately addressed through the measures associated with or conditions imposed upon, the zone change.

The potential effect of the zone change on the transportation system has been reviewed in the TPR report that accompanies this application. The TPR report recommends that the maximum traffic volumes under the new zone be limited to the same volumes that could occur under the existing zone, to avoid significant impact on the transportation system. With this condition the zone change will not have a significant effect on a transportation facility, which satisfies this criterion.

(G) The property is currently served, or is capable of being served, with public facilities and services necessary to support the uses allowed in the proposed zone.

The Fairview Industrial Park is provided with adequate services that are or can be made available to support the uses allowed in the proposed IC zone. The property is inside the Urban Services Area and adequate facilities are available. Three of the contiguous parcels are fully developed and served with all necessary public facilities and services. The proposed use for the vacant parcel is a commercial parking lot, which only requires storm drainage service. An 18" storm drain line is located in Strong Road and is available to serve the proposed use. The applicant will be required to design the on-site storm drainage system to City standards, which include provision for Green Stormwater Infrastructure. The availability of the public facilities and services needed to serve the proposed use satisfies this criterion.

Summary

This proposal is to redesignate the subject property, consisting of four contiguous parcels, to *Industrial-Commercial* and IC. This designation was included as an industrial designation in the 2015 EOA. The proposed redesignation of the property will assist its continued viability into the future consistent with the projected changes in the economy. This serves the community's interests for industrial development and employment. Because *I-C* is included as an industrial category the proposal does not impact the long-term continuity of the industrial inventory. The IC zone maintains the capability for a wide range of industrial uses. The EOA determined that there is a 907 acre surplus of industrial land in the city above that which is needed to fulfill the projected need to 2035, and a deficit of 271 acres of commercial land. Certain types of employment activities locate in commercial zones. The IC zone provides for various types of office-based employment activities, and the proposed change to IC can help to fulfill the need for these locations that will contribute to the projected employment base of the city.

The proposal is consistent with the existing mix of uses and the land use pattern of the industrial area. All necessary public services are already provided, or are available. The existing transportation system is adequate for the proposal, and includes multiple modes of transportation and access. No factors have been identified that would make the proposal detrimental to the public health, safety or welfare. In general, the public interest will be improved by the potential to create and maintain employment opportunities at this location.

For these reasons, the proposal satisfies the applicable SACP Goals and Policies, the Statewide Planning Goals, and the criteria for a Comprehensive Plan Amendment and a Zone Change.