PLANNING DIVISION

503-588-6005

FAX:

ATTACHMENT 1

Si necesita ayuda para comprender esta informacion, por favor llame 503-588-6173

DECISION OF THE HEARINGS OFFICER

CONDITIONAL USE / CLASS 3 SITE PLAN REVIEW CASE NO.: CU-SPR19-05

APPLICATION NO.: 19-112884-ZO / 19-112885-RP

NOTICE OF DECISION DATE: NOVEMBER 20, 2019

SUMMARY: A proposed cannabis processing facility within an existing warehouse building.

REQUEST: A Conditional Use Permit and Class 3 Site Plan Review for a change of use within an existing building from a Warehousing and Distribution use to a Heavy Manufacturing use for a proposed cannabis processing facility, for property approximately 1.71 acres in size, zoned IG (General Industrial), and located at 4662 Ridge Drive NE Portland Road NE (Marion County Assessor map and tax lot number: 073W01C / 00300).

APPLICANT: Lee Gwyn, Lenity Architecture, on behalf of Thomas Reti

LOCATION: 4662 Ridge Dr NE / 97301

CRITERIA: Salem Revised Code (SRC) Chapters 240.005(d) and 220.005(f)(3)

FINDINGS: The findings are in the attached Decision dated November 20, 2019.

DECISION: The Hearings Officer APPROVED Conditional Use / Site Plan Review Case No. CU-SPR19-05 subject to the following conditions of approval:

CONDITIONAL USE:

Condition 1: The extraction process shall be performed as described in the applicant's written statement included as Attachment C of the staff report.

Condition 2: The proposed development shall be in substantial conformance with the approved site plan included as Attachment B of the staff report.

SITE PLAN REVIEW:

Condition 3: Prior to beginning business operations at the subject property, obtain necessary change of occupancy permits for the proposed development.

The rights granted by the attached Conditional Use decision must be exercised, or an extension granted, by <u>December 6, 2021</u> or this approval shall be null and void.

The rights granted by the attached Site Plan Review decision must be exercised, or an extension granted, by December 6, 2023 or this approval shall be null and void.



CU-SPR19-05 Decision November 20, 2019 Page 2

Application Deemed Complete: Public Hearing Date: Notice of Decision Mailing Date: Decision Effective Date: State Mandate Date: <u>September 26, 2019</u> <u>October 23, 2019</u> <u>November 20, 2019</u> <u>December 6, 2019</u> January 24, 2020

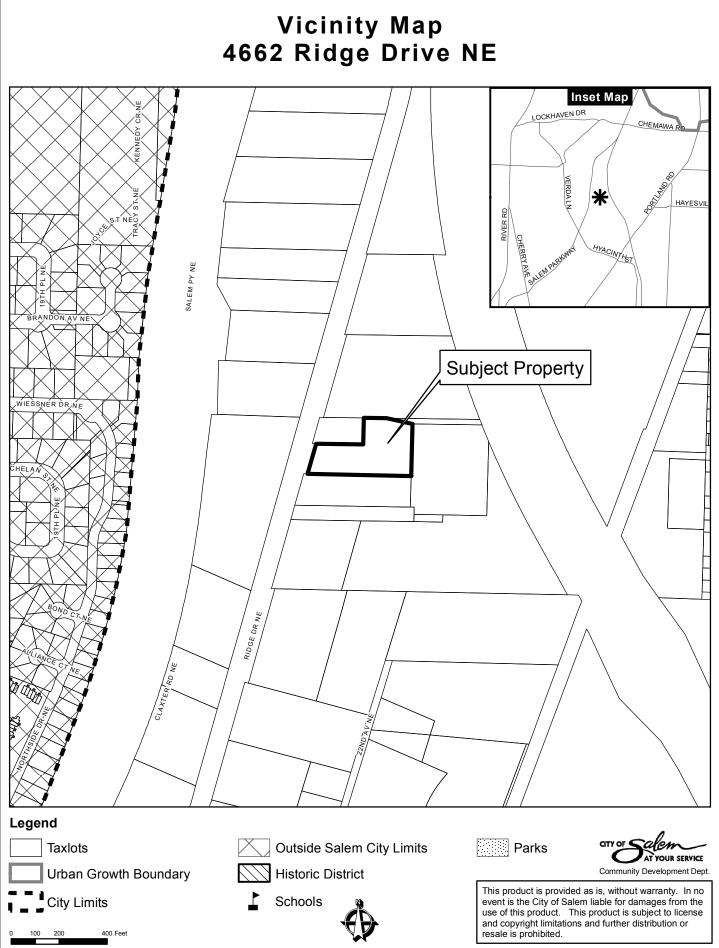
Case Manager: Brandon Pike, bpike@cityofsalem.net, 503-540-2326

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 <u>5:00 p.m., Thursday, December 5, 2019</u>. 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 Chapter(s) 240 and 220. 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 Planning Commission will review the appeal at a public hearing. After the hearing, the Planning Commission 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

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CITY OF SALEM BEFORE THE HEARINGS OFFICER

A REQUEST FOR A CONDITIONAL USE	
PERMIT AND CLASS 3 SITE PLAN REVIEW	CU-SPR19-05
FOR A CHANGE OF USE WITHIN AN	
EXISTING BUILDING FROM A	
WAREHOUSING AND DISTRIBUTION USE	FINDINGS OF FACT, CONCLUSIONS, AND
TO A HEAVY MANUFACTURING USE FOR A	DECISION
PROPOSED CANNABIS OIL EXTRACTION	
AND PROCESSING FACILITY, FOR	
PROPERTY APPROXIMATELY 1.71 ACRES	
IN SIZE, ZONED IG (GENERAL	
INDUSTRIAL), AND LOCATED AT 4662	
RIDGE DRIVE NE PORTLAND ROAD NE	
(MARION COUNTY ASSESSOR MAP AND)	
TAX LOT NUMBER: 073W01C / 00300).)	

DATE AND PLACE OF HEARING:

October 23, 2019, Salem City Council Chambers, Room 240, Civic Center, 555 Liberty Street SE, Salem, Oregon.

APPEARANCES:

<u>Staff</u> :	Brandon Pike, Planner I
Neighborhood Association:	None
<u>Proponents</u> :	Jeff Tross, Tross Consulting Inc. and Max Plukchi, Lenity Architecture, on behalf of owner
<u>Opponents</u> :	None

SUMMARY OF THE APPLICATION AND HEARING

BACKGROUND

The City of Salem held a duly authorized and noticed public hearing on October 23, 2019, a request requesting to change the use of an existing building at 4662 Ridge Drive NE from warehousing and distribution, to heavy manufacturing for a proposed cannabis oil extraction and processing facility.

During the hearing, Brandon Pike requested the Staff Report be entered into the Record, and the Hearings Officer granted the request. Prior to the close of the public hearing, the applicant waived the additional 7-day period for additional testimony.

The Staff Report, and Staff presentation stated, observed, noted and alleged the following:

FINDINGS OF FACT AND CONCLUSIONS

1. Salem Area Comprehensive Plan (SACP) designation

The Salem Area Comprehensive Plan (SACP) map designation for the subject property is "Industrial." The subject property is within the Urban Growth Boundary but outside the Urban Service Area. Public Works determined that an Urban Growth Preliminary Declaration is not required to determine public facilities required to fully serve the development in conformance with the City's adopted Master Plans and Area Facility Plans.

2. Zoning and Surrounding Land Uses

The subject property is zoned IG (General Industrial). The proposed extraction use is classified as a Heavy Manufacturing use and requires Conditional Use approval in the IG Zone.

The zoning of surrounding properties is as follows:

North: IG (General Industrial)

South: IG (General Industrial)

East: IG (General Industrial)

West: Across Ridge Drive NE and adjacent railroad, IP (Industrial Park)

3. Site Analysis

The subject property is approximately 1.71 acres in size and is developed with two existing buildings – one building at 4660 Ridge Drive NE of 16,000 square feet and one at 4662 Ridge Drive NE of 6,000 square feet. The 16,000-square foot building contains an existing warehousing and distribution use. The proposed cannabis oil extraction and processing facility, classified as a heavy manufacturing use, would take place in the 6,000-square-foot building at 4662 Ridge Drive NE. The property is bounded by Ridge Drive NE and adjacent Burlington Northern railroad to the west, and IG-zoned properties to the north, south, and east.

4. Neighborhood and Citizen Comments

The subject property is located within the Northgate Neighborhood Association (Northgate). Notice was provided to the neighborhood association and surrounding property owners and tenants within 250 feet of the subject property. As of the date of the staff report, no comments were received from the neighborhood association, or from surrounding property owners or tenants.

The Hearings Officer agrees with City Staff and adopts the findings in paragraphs 1-4, above.

5. City Department and Public Agency Comments

The Salem Building and Safety Division reviewed the proposal and identified no issues.

The Salem Fire Department reviewed the proposal and commented that fire department access shall be provided/maintained to the structures.

The Salem Public Works Department reviewed the proposal and provided a memo which is included as Attachment D of the staff report.

PGE reviewed the proposal and commented, "Development costs per current tariff and service requirements."

6. Analysis of Conditional Use Criteria

SRC Chapter 240.005(a)(1) provides that:

No building, structure, or land shall be used or developed for any use which is designated as a conditional use in the UDC unless a conditional use permit has been granted pursuant to this chapter.

SRC Chapter 240.005(d) establishes the following approval criteria for a conditional use permit:

Criterion 1:

The proposed use is allowed as a conditional use in the zone.

The Hearings Officer finds that the extraction of oil and concentrates from industrial cannabis and raw materials obtained from agricultural or forestry production is classified as a heavy manufacturing use pursuant to SRC Chapter 400. SRC Chapter 554, Table 554-1 provides that Heavy

Manufacturing uses are allowed in the IG (General Industrial) zone with a conditional use permit.

The Hearings Officer finds that the proposal meets this criterion.

Criterion 2:

<u>The reasonably likely adverse impacts of the use on the immediate</u> neighborhood can be minimized through the imposition of conditions.

The Hearings Officer notes that the applicant is proposing a cannabis oil extraction and processing facility within an existing building with a gross floor area of approximately 6,000 square feet. The previous use at the address was approved for a food packaging business, classified as a Warehousing and Distribution use.

The Hearings Officer finds that heavy manufacturing uses require a conditional use permit in order to evaluate the impact of a use on surrounding uses in the immediate area. Potential impacts from heavy manufacturing uses include noise, vibration, dust, smoke, fumes or noxious odors.

The Hearings Officer notes that the applicant's statement describes the characteristics of the proposed use. The process would involve milling the raw material, extracting plant oil using solvents, and packaging and shipping the product. All the processing and packaging would take place within the enclosed building at 4662 Ridge Drive NE. Neither the raw materials nor the finished products would be stored outside. The applicant states that there would be little to no impacts on the surrounding properties, with no noise, odors, or emissions produced at a detectable level from outside the building.

The Hearings Officer finds that the development, as proposed and with the imposed condition of approval below, minimizes reasonable likely adverse impacts of the use on the adjacent tenants and neighboring uses.

Condition 1: The extraction process shall be performed as described in the applicant's written statement included as Attachment C of the staff report.

Criterion 3:

<u>The proposed use will be reasonably compatible with and have minimal</u> <u>impact on the livability or appropriate development of surrounding property.</u>

The Hearings Officer notes that the proposed extraction and processing facilities would be confined to an existing building within an industrial zone, and the surrounding businesses are similar in impacts. The

property will have adequate loading space for delivery of raw materials and adequate storage space within the building. The use of the outdoor area is limited to periodic loading and unloading with minimal vehicular traffic. Other than the addition of 4 bicycle parking spaces, no alterations to the exterior of the building are proposed.

The Hearings Officer finds that as proposed, and with the proposed condition of approval below, the use will be reasonably compatible with the surrounding uses and will have minimal impact on the livability or development of surrounding property. To ensure the proposal is in substantial conformance with the use and development presented in the application materials, the Hearings Officer imposes the following condition of approval:

Condition 2: The proposed development shall be in substantial conformance with the approved site plan included as Attachment B of the staff report.

7. Analysis of Class 3 Site Plan Review Approval Criteria

SRC 220.005(f)(3) establishes the following approval criteria for a Class 3 Site Plan Review:

Criterion 1:

The application meets all applicable standards of the UDC.

The Hearings Officer notes that the project includes a proposed change of use of an existing building for a cannabis oil extraction and processing facility.

The Hearings Officer finds that the development, as proposed and conditioned, meets all standards of the UDC.

Development Standards - IG (General Industrial) Zone:

SRC 554.005(a) - Uses:

Except as otherwise provided in Chapter 554, the permitted, special, conditional and prohibited uses in the IG zone are set forth in Table 554-1.

The Hearings Officer notes that the proposed use involves the extraction of products from cannabis plants. The extraction process is classified as a heavy manufacturing use in SRC Chapter 400.

Within the IG zone, heavy manufacturing is listed as a Conditional Use. Findings addressing the Conditional Use permit criteria are included in

Section 6 of this final decision. The proposal involves a change of use for a 6,000-square-foot building, a building which was approved under site plan review case no. 17-124528-RP. The building permits associated with this site plan review case have not yet received certificate of final occupancy. To ensure the proposed development is in compliance with the requirements of the SRC, the Hearings Officer imposes the following condition:

Condition 3: Prior to beginning business operations at the subject property, obtain necessary change of occupancy permits for the proposed development.

SRC 554.010(a) – IG Zone Lot Standards:

There are no minimum lot area or dimension requirements in the IG zone. All uses are required to have a minimum of 16 feet of street frontage.

The Hearings Officer finds that the subject property has greater than 130 feet of frontage on Ridge Drive NE, and therefore satisfies the criterion.

SRC 554.010(b) – IG Zone Setbacks:

North: Adjacent to the north is an IG (General Industrial) zone. There is no building setback required adjacent to an IG zone; vehicle use areas require a minimum 5-foot setback.

South: Adjacent to the south is an IG (General Industrial) zone. There is no building setback required adjacent to an IG zone; vehicle use areas require a minimum 5-foot setback.

East: Adjacent to the east is an IG (General Industrial) zone. There is no building setback required adjacent to an IG zone; vehicle use areas require a minimum 5-foot setback.

West: Adjacent to the west is the right-of-way of Ridge Drive NE and the Burlington Northern railroad. There is a minimum 5-foot building setback and a 6- to 10-foot vehicle use area setback.

The Hearings Officer notes that the proposed development includes a change of use and occupancy within an existing building. There is no change to the building footprint or pavement area in the existing parking lot. Consequently, the Hearings Officer finds that the proposal complies with this criterion.

SRC 554.010(c) - Lot Coverage, Height:

There is no maximum lot coverage standard. The maximum height in the IG zone is 70 feet.

The Hearings Officer notes that the proposed development does not modify the lot coverage or height of the existing building. The Hearings Officer finds that the proposed development complies with the lot coverage and maximum height standards of the IG zone.

SRC 554.010(d) - Landscaping:

(1) Setbacks. Required setbacks shall be landscaped. Landscaping shall conform to the standards set forth in SRC Chapter 807.

(2) Vehicle Use Areas. Vehicle use areas shall be landscaped as provided under SRC Chapter 806 and SRC Chapter 807.

The Hearings Officer notes that the proposed development includes a change of use within an existing building. The Hearings Officer finds that additional landscaping is not required for the proposed development.

SRC 806.005 - Off-Street Parking; When Required.

Off-street parking shall be provided and maintained for any change of use or activity, when such change of use or activity results in a parking ratio requiring a greater number of spaces than the previous use or activity.

SRC 806.010 - Proximity of Off-Street Parking to Use or Activity Served. Required off-street parking shall be located on the same development site as the use or activity it serves.

SRC 806.015 - Amount of Off-Street Parking.

a) Minimum Required Off-Street Parking. The minimum number of offstreet parking spaces required for both heavy manufacturing and warehousing and distribution uses is the greater of 0.75 spaces per employee or 1 space per 5,000 square feet of floor area.

b) Compact Parking. Up to 75 percent of the minimum off-street parking spaces required under this Chapter may be compact parking spaces.

c) Carpool and Vanpool Parking. New developments with 60 or more required off-street parking spaces shall designate a minimum of 5 percent of their total off-street parking spaces for carpool or vanpool parking.

d) Maximum Off-Street Parking. Unless otherwise provided in the SRC, off-street parking shall not exceed the amounts set forth in Table 806-2.

The Hearings Officer notes according to the site plan, the proposed heavy manufacturing use at 4662 Ridge Drive NE will have 13 employees, requiring a minimum of 10 off-street parking spaces ($13 \times 0.75 = 9.75$). The existing warehousing and distribution use to remain at 4660 Ridge Drive NE has 11 employees, requiring a minimum of 8 off-street parking spaces ($8 \times$

0.75 = 8.25). In total, 18 off-street parking spaces are required for the existing and proposed uses.

As shown on the site plan, the existing off-street parking area has 18 spaces. A site plan review decision issued in April of 2018 for the subject property (case no. 17-124528-RP) approved 25 off-street parking spaces, included as Attachment E of the staff report. Not all the striping for these parking spaces have been installed at the time of the writing of the staff report.

The Hearings Officer notes that none of the parking spaces are depicted on the site plan as compact spaces. Carpool/vanpool spaces are not required for the proposed uses.

SRC 806.035 - Off-Street Parking and Vehicle Use Area Development Standards. Unless otherwise provided under the UDC, off-street parking and vehicle use areas, other than driveways and loading areas, for uses or activities other than Single Family and Two Family shall be developed and maintained as provided in this section.

- a) *General Applicability.* The off-street parking and vehicle use area development standards set forth in this section apply to:
 - 1. The development of new off-street parking and vehicle use areas.
 - 2. The expansion of existing off-street parking and vehicle use areas, where additional paved surface is added.
 - 3. The alteration of existing off-street parking and vehicle use areas, where the existing paved surface is replaced with a new paved surface; and
 - 4. The paving of an un-paved area.

The Hearings Officer notes that the proposed development includes no changes to the previously approved parking and vehicle use areas.

Bicycle Parking

SRC 806.045 - General Applicability.

Bicycle parking shall be provided and maintained for any change of use or activity, when such change of use or activity results in a bicycle parking ratio requiring a greater number of spaces than the previous use or activity.

SRC 806.050 – Proximity of Bicycle Parking to use or Activity Served. Bicycle parking shall be located on the same development site as the use or activity it serves.

SRC 806.055 - Amount of Bicycle Parking.

Heavy manufacturing and warehousing and distribution uses both require the greater of 4 bicycle parking spaces or one space per 10,000 square feet of floor area.

The Hearings Officer notes that the proposed heavy manufacturing use would occupy approximately 6,000 square feet within the existing building at 4662 Ridge Drive NE, and 4 bicycle parking spaces are required for the proposed use. The existing warehousing and distribution use occupies approximately 16,000 square feet within the existing building at 4660 Ridge Drive NE, and 4 bicycle parking spaces are required for the existing use. In total, 8 bicycle parking spaces are required for the proposed and existing uses. The site plan identifies 5 existing bicycle parking stalls and proposes 4 new bicycle parking spaces, for a total of 9 spaces.

The Hearings Officer finds that as shown on the site plan, the proposed development meets the standard.

SRC 806.060 - Bicycle Parking Development Standards

Unless otherwise provided under the UDC, bicycle parking areas shall be developed and maintained as set forth in this section.

a) Location. Bicycle parking areas shall be located within a convenient distance of, and shall be clearly visible from, the primary building entrance. In no event shall bicycle parking areas be located more than 50 feet from the primary building entrance.

b) Access. Bicycle parking areas shall have direct and accessible access to the public right-of-way and the primary building entrance.

c) Dimensions. Bicycle parking spaces shall be a minimum of 6 feet by 2 feet, and shall be served by a minimum 4-foot-wide access aisle.

d) Bicycle Racks. Where bicycle parking is provided in racks, the racks may be floor, wall, or ceiling racks. Bicycle racks shall accommodate the bicyclist's own locking device.

The Hearings Officer finds that the proposed bicycle parking spaces for the building meet the requirements of SRC 806.060.

Off-Street Loading Area

SRC 806.065 - General Applicability.

Off-street loading areas shall be provided and maintained for any change of use or activity, when such change of use or activity results in a greater number of required off-street loading spaces than the previous use or activity.

SRC 806.075 - Amount of Off-Street Loading.

For uses falling under both the wholesale sales, storage, and distribution use category and the manufacturing use category, one loading space is required for uses of 5,000 to 100,000 square feet.

The Hearings Officer notes that the proposed heavy manufacturing use would occupy approximately 6,000 square feet within the existing building at 4662 Ridge Drive NE, requiring 1 off-street loading space. The existing warehousing and distribution use, occupies approximately 16,000 square feet within the existing building at 4660 Ridge Drive NE, requiring 1 off-street loading space. In total, 2 off-street loading spaces are required for the proposed and existing uses. The site plan shows adequate area to fulfill the minimum off-street loading requirement meeting the requirements of SRC Chapter 806. The Hearings Officer finds that the proposal satisfies this criterion.

Landscaping

All required setbacks shall be landscaped with a minimum of 1 plant unit per 20 square feet of landscaped area. A minimum of 40 percent of the required number of plant units shall be a combination of mature trees, shade trees, evergreen/conifer trees, or ornamental trees. Plant materials and minimum plant unit values are defined in SRC Chapter 807, Table 807-2.

All building permit applications for development subject to landscaping requirements shall include landscape and irrigation plans meeting the requirements of SRC Chapter 807.

The Hearings Officer finds that a landscape plan was approved for the subject property in conjunction with a previous site plan review (application no. 17-124528-RP). Pursuant to SRC 807.045, it is the responsibility of the owner and tenant to maintain all landscaping material in good condition so as to present a healthy, neat, and orderly appearance.

Natural Resources

SRC 808 - Preservation of Trees and Vegetation: The City's tree preservation ordinance, under SRC Chapter 808, provides that no person shall remove a significant tree (Oregon White Oak greater than 24 inches in diameter at breast height) (SRC 808.015) or a tree or native vegetation in a riparian corridor (SRC 808.020), unless the removal is excepted under SRC 808.030(a)(2), undertaken pursuant to a permit issued under SRC 808.030(d), undertaken pursuant to a tree conservation plan approved under SRC 808.035, or permitted by a variance granted under SRC 808.045.

No protected riparian trees or significant trees have been identified on the site plan for removal.

SRC 809 - Wetlands: The Salem-Keizer Local Wetland Inventory (LWI) does not show any wetland or hydric soil areas mapped on the property.

SRC 810 - Landslide Hazards: A geological assessment or report is required when regulated activity is proposed in a mapped landslide hazard area. According to the City's adopted landslide hazard susceptibility maps and SRC Chapter 810 (Landslide Hazards), there are no mapped landslide hazard areas on the subject property.

Criterion 2:

The transportation system provides for the safe, orderly, and efficient circulation of traffic into and out of the proposed development, and negative impacts to the transportation system are mitigated adequately.

The Hearings Officer finds that the existing street system is adequate to serve the proposed development and the development is not proposing a building addition subject to 803.040(a); therefore, no right-of-way dedication or street improvements are required. No special setback is required along Ridge Drive NE. The Hearings Officer finds that the existing right-of-way measured from centerline on the development side of the right-of-way meets the standard pursuant to the Salem TSP.

Criterion 3:

Parking areas and driveways are designed to facilitate safe and efficient movement of vehicles, bicycles, and pedestrians.

The Hearings Officer finds that the driveway access onto Ridge Drive NE provides for safe turning movements into and out of the property.

Criterion 4:

The proposed development will be adequately served with City water, sewer, stormwater facilities, and other utilities appropriate to the nature of the development.

The Hearings Officer finds that the Public Works Department has reviewed the applicant's preliminary plan for this site. The sewer and storm infrastructure are available within surrounding streets/areas and is adequate to serve the proposed development. The applicant does not show any new connections to public infrastructure.

No participant objected to or challenged the testimony or evidence. Based on the Record and testimony, the Hearings Officer finds that the application, with the three conditions of approval satisfies the review criteria.

DECISION

The Hearings Officer **APPROVES** the request for a conditional use and site plan review application to change the use of a building to a hemp and essential oil extraction facility for property located at 4662 Ridge Drive NE subject to the following conditions of approval:

CONDITIONAL USE:

- **Condition 1:** The extraction process shall be performed as described in the applicant's written statement included as Attachment C of the staff report.
- **Condition 2:** The proposed development shall be in substantial conformance with the approved site plan included as Attachment B of the staff report.

SITE PLAN REVIEW:

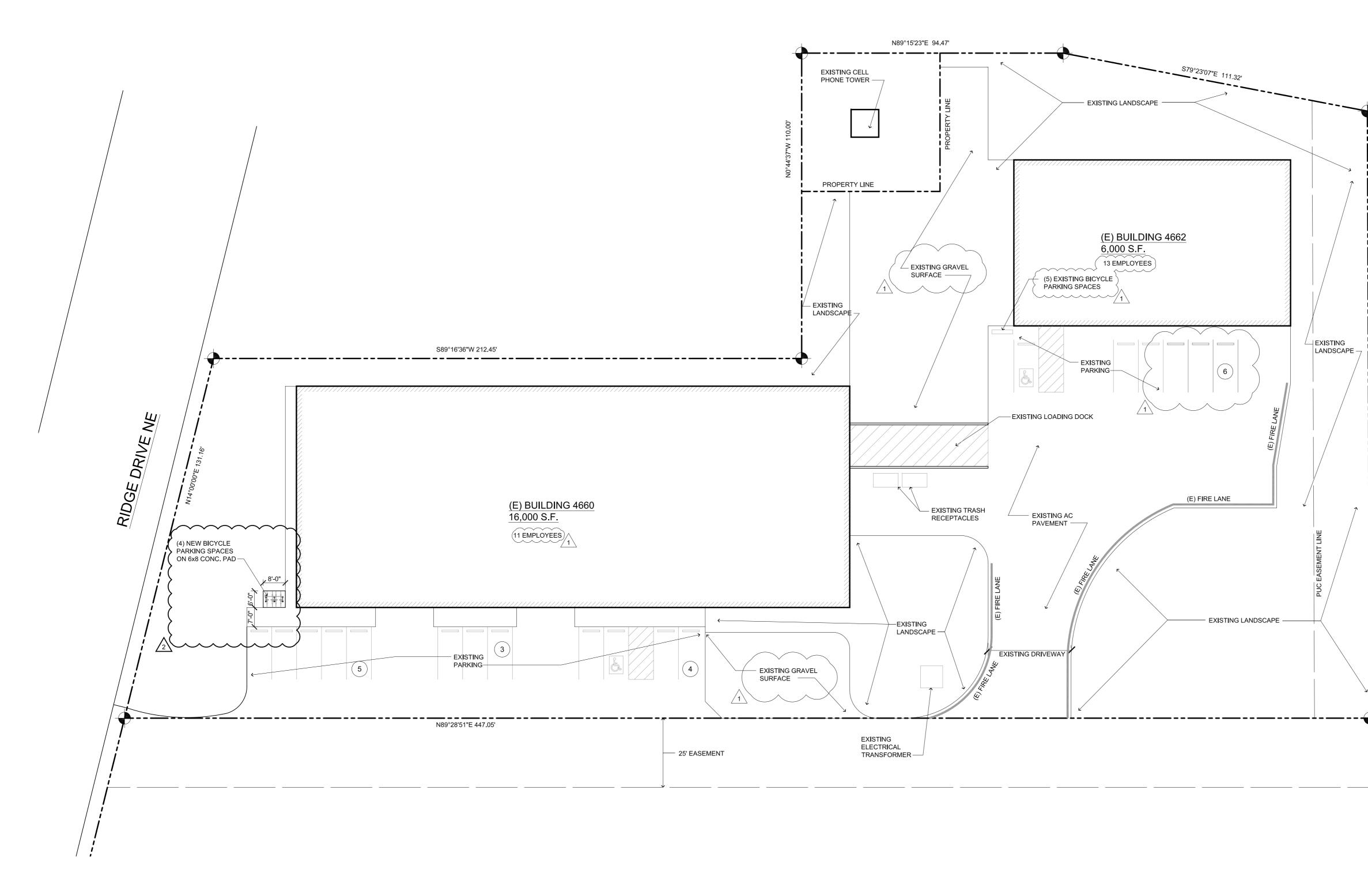
Condition 3: Prior to beginning business operations at the subject property, obtain necessary change of occupancy permits for the proposed development.

DATED: November 20, 2019

Jan KA

James K. Brewer, Hearings Officer

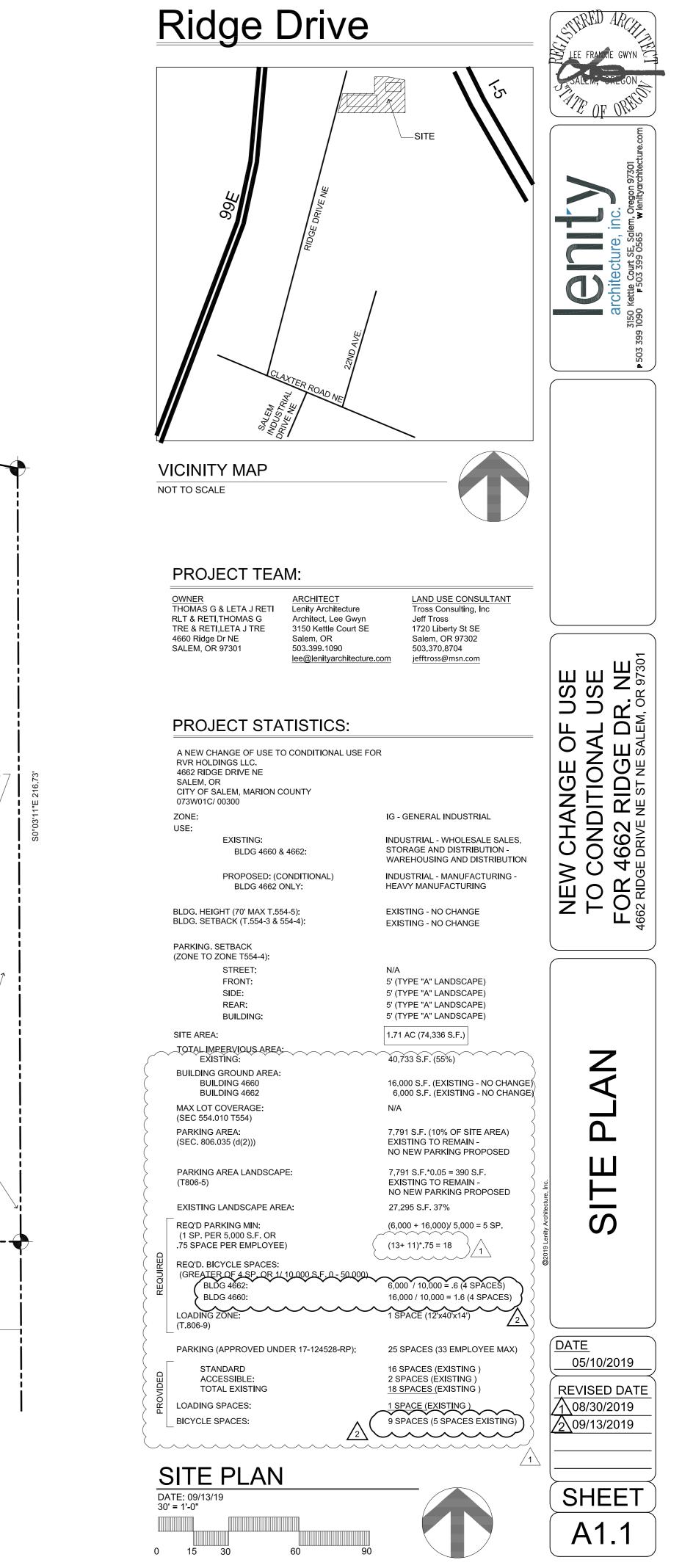
CLASS III SITE PLAN REVIEW/ CONDITIONAL USE PERMIT FOR:



4662 RIDGE DRIVE NE

SALEM, OR 97301

ATTACHMENT B from Staff Report for Hearings Officer Meeting of October 23, 2019



1720 Liberty St. SE, Salem, Oregon 97302

APPLICANT'S STATEMENT for THOMAS AND LETA RETI CONDITIONAL USE PERMIT for CANNABIS PROCESSING IN THE IG ZONE

THE PROPOSAL

Thomas and Leta Reti propose to lease an existing 6,000 square foot (s.f.) industrial building on their property at 4662 Ridge Drive NE, to RVR Holdings LLC of Eugene, for a cannabis processing operation. The property is also identified as Tax Lot 300 on map T7S R3W Section 01C. The property totals 1.71 acres, and it is zoned IG.

Due to its operating characteristics the proposed processing operation is classified as "heavy manufacturing", as described in SRC 400.100(b). A use classified as heavy manufacturing is included as a Conditional Use in the IG zone, SRC 554 Table 554-1. Therefore, this request is for a Conditional Use Permit to allow the proposed cannabis processing operation

This request for a Conditional Use Permit is provided in conjunction with an application for Site Plan Review (SPR) provided by Lenity Architects, which is also the applicant's Agent and the project manager.

A Pre-Application conference to discuss the proposal and its requirements was held on April 22, 2019, Pre-App 19-43.

Characteristics of the Proposed Use

The proposed use involves processing the raw material, extraction of oil, packaging the final product in consumer packages, and shipping of the finished product. The process involves milling the raw material to an appropriate parcel size, extraction of plant oil using solvents, packaging and shipping. All of the processing and packaging operations will take place within the enclosed building, and there will be no outside storage of raw material or finished products. No noise, odors or emissions detectable from outside the building will be produced. Deliveries and shipping will require an average of four vehicle trips per day. The operation will involve approximately thirteen employees.

Site Plan

A site plan of the property and its existing development is provided as part of this combined Conditional Use and SPR application. The SPR is addressed in a separate submittal from Lenity Architects.

As shown on the site plan, the Reti property includes two existing buildings, one of 16,000 s.f. and the subject building of 6,000 s.f. The larger building, located in the west part of the property near the street frontage, is used for wholesale sales, warehousing, storage and distribution by Mountain Man Fruits and Nuts. The subject building, in the north-east part of the property, is currently vacant. This building was approved through a Class 2 Site Plan Review in April, 2018; SPR 17-124528-RP. The public and private utilities and services available to the property were described in an attached Memo from the Public Works Department.

The site plan details the vehicle parking spaces and loading areas provided to both buildings, bicycle parking, the driveway pavement area, setbacks, and landscaped area. The property is served by a single driveway to Ridge Dr. The driveway also provides access to the property to the south, which is the location of Rockwest Training Co., which trains and employs individuals with disabilities in a variety of assembly and manufacturing activities such as first aid kits and supplies, screen printing, industrial sewing, embroidery, and packaging.

Property Characteristics and Surrounding Land Use Pattern

The property is located within the industrial area in far north Salem that extends along Ridge Drive, north of Claxter Road. This industrial area is the location for a variety of manufacturing, service and distribution activities, and is zoned IG. The industrial uses around the Reti property include Taylor Metals to the east, Brim Tractor to the north, Rockwest Training as mentioned to the south, and ReSys Inc., a manufacture of water filtration and purification systems, to the south of Rockwest. Other nearby uses include Stettler Supply, a provider of water pumps and irrigation systems south of ReSys, and a vehicle wrecking yard at the northeast corner of Ridge and Claxter.

Ridge Drive is bordered on the west by the Burlington Northern railroad, and there is no public access from Ridge Dr. across the railroad. Directly across the railroad, west of the Reti property, is the Mark Nelson Oil Company, a bulk fuel distributor and supplier.

The proposed use of the building is consistent with the nature and variety of the industrial uses in the surrounding area. The facility is small-scale compared to the other industrial uses in the area. The use will not change the character of the area or create impacts that affect surrounding properties. The traffic impact will be low. There are no nearby residential neighborhoods or parks, schools, or other public facilities. The location within an industrial concentration, and in a relatively isolated part of the urban area, is appropriate for a use classified as heavy manufacturing

CRITERIA

The criteria for a Conditional Use Permit are provided in UDC Chapter 240.005, part (d), and are addressed as follows:

(d) Criteria. An application for conditional use permit *(sic)* shall be granted if all of the following criteria are met:

(1) The proposed use is allowed as a conditional use in the zone. The proposed cannabis processing operation is classified as a "heavy manufacturing" use in SRC 400.100(b). A use classified as a heavy manufacturing is included as a Conditional Use in the IG zone, SRC 554 Table 554-1. Because the use is allowed as a conditional use in the zone this criterion is satisfied. (2) The reasonably likely adverse impacts of the of the use on the immediate neighborhood can be minimized through the impositions of conditions. The proposed use is a cannabis processing operation. The immediate neighborhood consists of the concentration of industrial activity located along Ridge Drive, the railroad to the west of ridge Drive, and industrial uses west of the railroad. The property and surrounding area along Ridge Drive is zoned IG, with IP zoning west of the railroad.

The processing operation will involve milling of raw material, extraction of the plant oil, packaging for end consumer use, and shipping. All aspects of the processing and packaging operation will occur within the building, and there will be no outside storage of raw materials or finished products.

No reasonably likely adverse impacts to the immediate neighborhood are expected as a result of the proposed use. The immediate neighborhood is composed of industrial uses, and the railroad. There are no residential neighborhoods, or parks, schools, or other public uses, in the immediate neighborhood. The raw material will be milled into an appropriate particle size and oil will be extracted using a solvent process. No noise, odor or emissions to the air outside of the building are produced by the operation. Due to the small number of employees, and the low daily volume of deliveries and shipments, traffic will not create an adverse impact on the local street.

Because no adverse impacts on the immediate neighborhood are reasonably likely or expected, no conditions appear to be necessary to mitigate impacts. To ensure that impacts are minimized a condition of approval requiring the operation to occur within the enclosed building could be applied.

(3) The proposed use will be reasonably compatible with and have minimal impact on the livability or appropriate development of surrounding property. The surrounding properties are developed with industrial uses. These are similar or more intensive uses than the proposed use. The adjacent properties are zoned IG, with IP west of the railroad. The proposed use will be enclosed within the building and will not create external impacts that would affect the appropriate development of the surrounding properties for uses allowed in either zone. These operational characteristics cause the proposed use to be reasonably compatible with surrounding property. The proposed use of the property will not affect the continued use of the existing industrial activities. Because the proposed use will be reasonably compatible with the livability and appropriate development of the surrounding property, and have minimal impact, the proposal satisfies this criterion.

Summary

The subject property is within a developed industrial corridor. Surrounding properties are in general industrial uses that include manufacturing, warehousing, equipment sales and servicing, and distribution. The proposed facility is a fully enclosed, 6,000 s.f. industrial building. All necessary services and facilities are available and can be provided to the property for the proposed use. There are no identified reasonably likely adverse impacts that require the imposition of conditions, but a condition requiring the processing operation to take place within the building can be applied as a mitigating measure. For these reasons, the proposal satisfies the criteria for a Conditional Use Permit.