

**BEFORE THE CITY OF HOOD RIVER PLANNING COMMISSION
HOOD RIVER, OREGON**

In the matter of Amendments)
To the Hood River Municipal)
Code: To add Chapter)
17.03.130 Waterfront Overlay)
Zone and rezone of certain)
Waterfront area lands)

FINDINGS AND CONCLUSIONS

I. GENERAL INFORMATION:

A. REQUEST: A hearing to consider amendments to the Hood River Municipal Code, Comprehensive Plan and Zoning Map (File No. 2014-22) through Ordinance No. 2015, including:

1. Amendments to the Hood River Municipal Code (HRMC) to add a new chapter to the Zoning Ordinance, Chapter 17.03.130 Waterfront Overlay Zone:
2. Chapter 17.03.130 Waterfront Overlay Zone:
 - a. Allows a very limited amount of commercial use on certain industrial sites.
 - b. Establishes design standards for new commercial and industrial uses.
 - c. Establishes design standards and public access requirements for the Waterfront Trail.
3. Amend the Comprehensive Plan and Zoning Map to add an overlay zone called Waterfront Overlay Zone affecting the following properties (*see "B" on attached map*):
 - Land north of Portway Ave. including The Hook and 3N10E25 Tax Lots 112, 113, 114, 122 and a portion of 100;
 - Portway Ave. and all lots/parcels adjacent to the southern boundary of the Portway Ave. right-of-way that are located east of N. 8th St. including 3N10E25 Tax Lots 124, 125, 126 and 127;
 - All lots/parcels adjacent to the western boundary of the N. 2nd St. right-of-way that are located south of Portway Ave. and north of Riverside Dr. including 3N10E25 Tax Lot 127 (Parcel 2 of CS No. 2012-031), the eastern 363.98 feet of Tax Lot 128 (Lot 5 of the Waterfront Business Park Subdivision, CS No. 2009-055), the eastern 165 feet of Tax Lot 108 (CS No. 2009-012), and Tax Lot 132;
 - 3N10E25 Tax Lot 120 (CS No. 2009-012) located north of Riverside Dr. and west of N. 2nd St.;
 - 3N10E25DB Tax Lots 500, 600, 700, 800 and 900 located south of Riverside Dr. and east of N. 2nd St. (CS Nos. 97068 and 2014-007);
 - All lots/parcels between N. 2nd St. and the Nichols Boat Basin including 3N10E25 Tax Lots 102, 109, 115 and 133.

This area includes lands owned by the Port of Hood River, Ryan Holdings, Inc., Parkside Lands LLC, and Fluvian, Inc.
4. Amend the Comprehensive Plan and Zoning Map to rezone property designated as Parcel #1 (19,145 square feet) and Parcel #2 (23,445 square feet) of City Partition File No. 2014-13 which is located at the southwest corner of N. 2nd St. and Portway Ave. from General Commercial (C-2) to Light Industrial (LI). This property is owned by the Port of Hood River and is vacant. (*see "C" on attached map*)

5. Rezone Lot 5 of the Waterfront Business Park Subdivision (3N10E25 Tax Lot 128), from General Commercial (C-2) to Light Industrial (LI). This lot is located at the southwest corner of N. 2nd Street and Anchor Way, owned by the Port of Hood River and is vacant with the exception of a storm water facility. Approximately 0.17 acre of the 0.96-acre lot was rezoned from General Commercial (C-2) to Light Industrial (LI) through Ordinance No. 2012. The current proposal rezones the remainder of the lot so that it is zoned Light Industrial (LI) in its entirety. (see “**D**” on attached map)

6. Confirm application of General Commercial (C-2) Zoning to a portion of Parcel 3 of County Survey No. 2012-031 (3N10E25 Tax Lot 126). The property is located on the south side of Portway Ave. between N. 2nd St. and N. 8th St. and the building on the site includes tenant Solstice Wood Fire Cafe.

Approximately 28,502-square feet of the 35,015-square-foot parcel is zoned General Commercial (C-2) *subject to conditions*. The remaining 6,513-square feet of the parcel is zoned Light Industrial (LI).

In 1998, following approval of Zone Change File No. 98- 24, Ordinance No. 1762 was adopted including the following condition: “The use of the subject property will be limited to the specific use as identified in the need – Expo Center, parking lot, Conference Center, Visitor’s Center and Chamber of Commerce. This condition can be removed upon approval of the proposed commercial designation of the subject properties through the legislative rezones for the Waterfront Plan.” This condition limiting uses affects the subject parcel.

The condition of Ordinance No. 1762 limiting uses on the former Expo Center site is being removed in association with adoption of the current Waterfront Refinement Plan (Ordinance No. 2015). As such, 28,502-square feet of the parcel will be zoned General Commercial (C-2) with no limiting conditions, and 6,513-square feet will remain zoned Light Industrial (LI). (see “**E**” on attached map)

B. APPLICANT: City of Hood River

C. APPLICABLE HOOD RIVER MUNICIPAL CODE (HRMC) CRITERIA:

1. 17.08.020 – Legislative Zone Changes and Plan Amendment Criteria
2. 17.09.050 – Legislative Actions
3. Oregon Statewide Planning Goals

D. COMMENTS: Property owners entitled to notice pursuant to ORS 227.186 were notified of this request. Notice also was published in the Legal Notices section of the Hood River News.

A Project Advisory Committee was formed of interested citizens, (2) City Councilors, (1) Planning Commissioner; and (1) Port Commissioner to work with the Port and City Staff and a consultant to prepare a plan for review by the Planning Commission. The correspondence they received and body of their work will be forwarded to the PC.

E. AGENCY COMMENTS: The Oregon Department of Land Conservation and Development (DLCD) and the Oregon Department of Transportation (ODOT) were notified of this request. No comments were submitted prior preparation of the findings and conclusions.

F. HISTORY:

1. City Council authorized the staff to hire a consultant to assist in the preparation of a Waterfront Refinement Plan on May 12, 2014.
2. Joint City/Port open house to discuss upcoming Waterfront Refinement Plan project on September 30, 2014.

3. Waterfront Advisory Committee met on October 22, 2014, October 28, 2014, November 5, 2014, November 11, 2014 and November 21, 2014.
4. Notice of Proposed Amendment mailed to DLCD on October 28, 2014.
5. ORS 227.186 (BM56) notices mailed to property owners on November 21, 2014.
6. Notice of proposed municipal code amendments published in the Legal Notices section of Hood River News on November 26, 2014.
7. Planning Commission work session held November 24, 2014
8. Planning Commission hearing held on December 1, 2014
9. City Council hearing scheduled for December 15, 2014.
10. Notice of decision mailed

G. ATTACHMENTS:

1. Attachment "A" – HRMC 17.03.130
2. Attachment "B" – Comprehensive Plan and Zoning Map amendment
3. Attachment "C" – Amended condition of approval of zone change File No. 1998-24, Ordinance No. 1762 approved for the Expo Center property (3N10E25 Tax Lots 116, 117, 118) from Light Industrial to General Commercial. Planning Commission adopted conditions of approval limiting use of the property to the Expo Center, Visitor's Center, Parking (west side) and Conference Center with an expectation that these conditions would be re-evaluated if/when the Waterfront Master Plan was adopted.
4. Attachment "D"- Notes and correspondence from the project advisory committee (PAC).

II. BACKGROUND

The Waterfront district has changed significantly over the last 75 years. The Port of Hood River provides a comprehensive history of development of the Waterfront district at www.portofhoodriver.com/info/history.php, summarized in part and augmented with zone-change information as follows:

- 1933: Port of Hood River established as a part of the Bonneville Dam Project.
- 1960s: Fill completed at the second waterfront site located west of the Hood River.
- 1970: Fill completed at third site in the Marina Park area and general improvements began. Waterfront Industrial Park businesses included Luhr Jensen, Western Power Products, Hood River Distillers and Jantzen.
- 1975: First Port of Hood River Waterfront Plan produced.
- 1980: With the adoption of the City's Comprehensive Plan, property north of Interstate 84 and west of the "Boat Basin" was zoned Light Industrial, property surrounding the Boat Basin was zoned Industrial, and property surrounding the Hood River (SR-35) Bridge was zoned General Commercial.
- 1983: Hood River Waterfront Plan, Phase I, set waterfront development in process.
- 1989: Cruise ships began stopping at the commercial dock. Hood River Waterfront Plan updated.
- 1993: Clark Door building began its transformation into Expo Center exhibition hall and Visitors Center. Commercial use of the property was permitted in the Light Industrial zone at that time.
- 1997: City changed Light Industrial zone to prohibit commercial uses.
- 1998: Zone change approved on the Expo Center property (3N10E25 Tax Lots 116, 117, 118) from Light Industrial to General Commercial (File No. 1998-24, Ordinance No. 1762). Planning Commission adopted conditions of approval limiting use of the property to the Expo Center, Visitor's Center, Parking (west side) and Conference Center with an expectation that these conditions would become null if/when the Waterfront Master Plan was adopted.
- 1999: Zone change approved on the Hattenhauer property near the southwestern corner of Boat Basin (3N10E25DC#200) from Light Industrial to General Commercial (File No. 1999-10, Ordinance No. 1772). Approval was based on historic use as vehicle service station.

- 2006: Zone change approved for the Nichols Boat Works property (3N10E25DB Tax Lots 100 and 200) from Industrial to General Commercial. The Planning Commission found that the rezone would allow uses associated with recreation such as restaurants, recreational rental, hotels and similar amenities for tourists and recreational users, and that it was consistent with the City's 1999 Goal 9 inventory which identified a need for 8 acres of lodging development including approximately 275 lodging rooms.
- 2007: Port developed Waterfront Development Strategy.
- 2010: Zone change approved for the western edge of the Boat Basin (3N10E25 Tax Lots 100, 102, 109, 115 and 500) from Industrial to Light Industrial (File No. 2010-17, Ordinance No. 1989).
- 2011: City conducted an Economic Opportunities Analysis (EOA) under State-wide Planning Goal 9 (Economic Development), was adopted by the City Council (Ordinance 1994).
- 2012: Port initiated planning process for "Lot 1" on Waterfront resulting in three development concepts and a market research paper considering potential development scenarios.
- 2014: Port receives grant for trail improvements and initiates Nichols Basin West Edge Trail Planning
- 2014: City Council initiates Waterfront Refinement Plan project

Waterfront Refinement Planning

Since the land was created from dredge spoils and rock in the 1960s it has been zoned, described in the city's Comprehensive Plan, rezoned, subject of attempts at a waterfront "master plan," subject of several comprehensive planning processes by the Port District, subject of lawsuits and initiative petitions.

These processes have considered fundamental issues:

- the balance between employment lands, recreation spaces, and habitat
- viewsheds
- vehicular and non-vehicular transportation
- building height, setbacks, design standards
- acceptable uses in each zone
- parks and trails

Recently, the Port has expressed an interest in rezoning the Expo Center parcel, and their ongoing planning process for "Lot 1" (East of N. Second Street) presumes additional zone changes. The Port has expended considerable resources and effort planning their remaining waterfront assets, and they have engaged the public in discussion of Lot 1 as a whole and the design of Nichols Basin waterfront in particular.

As some of the last pieces of the land use puzzle are being placed, it has become apparent that a series of individual lot specific quasi-judicial decisions would not result in a desired comprehensive planned approach to this area. Given this, the City initiated a legislative process so that the interaction and relationship of the parcels could be considered. Rather than start from scratch, this planning process is intended to build upon or "refine" all the previous work to resolve the outstanding issues for this area.

Project Advisory Committee

The project advisory committee (PAC) participants included: Jaime Athos, Gary Bushman, Stephen Ford, Kate McBride, Victor Pavlenko, Heather Staten, Mark Zanmiller, Rich McBride and Steve Gates. The PAC met five times (10/22, 10/28, 11/5, 11/11, and 11/21) to review a preliminary draft of a Waterfront Overlay Zone prepared by the project consultant, Angelo Planning Group, and identify needed code amendments. All of the meetings were public and well attended by other community members.

Summary of PAC Recommendations

The PAC worked through a wide range of issues and was able to reach full consensus or close to it on most of them. The recommendations to the Planning Commission include:

- Adopt a Waterfront Overlay Zone. Exhibit “A” (HRMC 17.03.130) reflects the PAC’s recommendations related to the Waterfront Overlay Zone. Those items where the PAC was split in its recommendation are noted in the Summary of 17.03.130 Waterfront Overlay Zone below as “unresolved issues”.
- Rezone from General Commercial (C-2) to Light Industrial (LI) Parcel #1 (19,145 square feet) and Parcel #2 (23,445 square feet) of City Partition File No. 2014-13 and Lot 5 of the Waterfront Business Park Subdivision (3N10E25 Tax Lot 128).
- Retain the C2 zoning and remove the 1998 condition limiting uses on the 3N10E25 Tax Lot 126 (“Solstice Building”) to Expo Center, Visitor Center, and similar uses.

Summary by Subsection Exhibit “A” 17.03.130 Waterfront Overlay Zone

The purpose of the Waterfront Overlay zone is threefold: to implement a design concept for the west side of the Nichols Basin in order to create an active recreational area with recreational facilities and some limited commercial development within the Light Industrial (LI) zone; establish urban design standards for new industrial and commercial development within the Overlay Zone consistent with the character of the Port and the City of Hood River to ensure an attractive and pedestrian friendly street character; and improve local access and visibility to and along the waterfront by protecting public access to the Waterfront Trail.

- A. **Boundary.** The study area for the project was initially the area north of Portway, and east of N. Second Street (Lot 1, the Event Site, the Luhr Jensen Building, the Waterfront Park, the Western Power Building, and the Hook). However, the PAC recommends that the boundary be expanded. The PAC’s recommended boundary for the Waterfront Overlay Zone and a corresponding text description prepared by City staff are reflected in Exhibit “A”.
- B. **Subareas.** This subsection is new to the revised draft. It includes new maps and names for the four subareas within the overlay zone that have unique standards: Subarea 1 (formerly described as Lot 1a), Subarea 2 (formerly described as Expo II), Subarea 3 (Industrial land north of Portway Avenue), and Subarea 4 (formerly described as Lot 1).
- C. **Applicability.** This subsection establishes when the Waterfront Overlay Zone applies. An overlay zone sits over top of base zones (e.g. LI, C2, etc) and establishes special or modified standards that are unique to that geographic area. The overlay zone is applied in conjunction with the base zones, so this section clarifies that the overlay zone takes precedence over the base zones in the case of a conflict.
- D. **Permitted Land Uses.** The PAC was concerned about the potential for fast-food restaurants and other highway-oriented commercial being sited within the overlay zone and recommends prohibiting drive-through uses and facilities as a means of discouraging such businesses. In addition, there are two locations (subareas) within the overlay zone where the PAC has recommended that additional uses be allowed and one location (Subarea 4) where the PAC was split in its recommendation:
 - A. **Subarea 1 Uses.** Subarea 1 is zoned LI. This section would allow some non-accessory commercial uses if they meet the size limits in Section F. In addition, storage of non-motorized watercraft/recreational equipment has been added to allow for the community boathouse.

- B. Subarea 2 Uses. Subarea 2 is recommended to be rezoned to LI. This section would allow up to 10% or 1500 sf of non-accessory commercial on Subarea 2 provided that the total commercial (accessory and non-accessory) does not exceed 2500 sf or 25% of the building; and allow up to 25% professional office uses.

Unresolved Issue: As noted above, the PAC was split in its recommendation for Subarea 4. Subarea 4 is zoned LI. The PAC considered, but was not in agreement, as to whether or not to allow additional uses similar to those allowed in Subarea 2 on all or a portion of Subarea 4.

- E. Development and Design Standards for Commercial and Industrial Development. These standards would apply to all new commercial and industrial development in the Overlay. The PAC provided direction regarding the standards, including establishing requirements for building facades, windows, building orientation and materials. To allow for further design flexibility and creativity, there is a new adjustment process included in Subsection M.

Unresolved Issue: The PAC was in support of the regulating exterior building materials as proposed in 17.03.130.E.5; however, but did not reach agreement over whether stucco (17.03.130.E.5.e) should be listed as an accent material or just allowed with approval of the review authority (e.g., planning director or planning commission) pursuant to 17.03.130.E.5.f.

- F. Development and Design Standards for Subarea 1. These standards would work in conjunction with subsection E, to implement the preferred design concept for the west side of the Nichols Basin. This subsection establishes size limits for buildings on Subarea 1 and other special design standards. Changes to these standards recommended by the PAC are reflected in Exhibit "A". The PAC had a lengthy discussion over the amount of commercial and industrial square footage that should be allowed (7,000 sf vs 10,000). The majority of the PAC supported the 10,000 sf included in the draft overlay zone document.
- G. Development Standards for Subarea 3 and Subarea 4. This is a subsection that includes the height limit of 28' for the industrial land north of Portway Avenue (Subarea 3) as well as the maximum building footprint of 50,000 square feet for both Subarea 3 and Subarea 4.
- H. Street Trees and Landscaping. This subsection establishes enhanced parking lot and street tree standards for the entire Overlay area.
- I. Lighting. This subsection establishes enhanced lighting standards for the entire Overlay area including a requirement that "classic" light fixtures be used for street lighting.
- J. Screening and Storage. This subsection establishes enhanced screening standards for the entire overlay zone. The PAC recommendation includes new screening requirements for rooftop mechanical equipment to help preserve views from downtown.
- K. Design Standards for Waterfront Trail Improvements. This subsection establishes development and design standards for the Waterfront Trail. It includes requirements for a public access easement. The revised draft reflects the varying conditions along trail (e.g., unique constraints at the "hook"). The PAC recommends a minimum required width of 10 feet for consistency with the recently awarded trail grant.
- L. Signs. This section includes a reference to the City's sign standards.

M. Adjustments to the Standards. In the City's current zoning code, the approval criteria for a variance would be difficult to meet if an applicant simply wanted to vary from a design requirement (e.g., use different materials). In order to address this problem, this subsection establishes approval criteria that are aligned with the purpose of the Waterfront Overlay Zone.

City of Hood River Comprehensive Plan

Goal 9: To diversify and improve the economy to the Hood River planning area while preserving and promoting the City's quality of life and small-town atmosphere.

POLICIES:

- 1. Preserve and promote the city's "quality of life" including small town atmosphere, family-oriented community, good schools, open space and recreational opportunities, urban bike and walking system, beautiful natural setting and space for existing business to expand as an incentive for economic development.*
- 2. Support a mix of light and heavy industrial, light industrial office and support services development on the Waterfront that is compatible with recreational uses actives and that supports recreational commercial development.*
- 3. Allow for new and existing business expansion needs that support retention and growth of strategic employment clusters in the community which include: health care; advanced manufacturing (e.g., avionics, composite materials, electronics, etc.); athletic/outdoor gear (e.g., wind sports gear, apparel, etc.ct.); clean-tech (e.g. utilities, wind energy research and development, etc.ct.); food and beverage processing (e.g., fruit juice, wine, beer, organic supplements, etc.); creative services (e.g., computer software development, electronic publishing, etcct.); and advanced education and create a desired balance between the quality of life of this community and economic health of the city.*
- 4. The majority of the targeted businesses that consider expanding/relocating to Hood River will consist of small and medium size businesses (less than 10-50 employees) that can locate within existing industrial office or industrial buildings or new within new office or flex/industrial buildings that are developed on vacant sites under 5 acres of size.*
- 5. Ensure provisions of adequate public facilities in association with development to support economic development and maintain consistency between the public facilities plans and the Goal 9 goals, policies and implementation strategies.*
- 6. The City has several commercial areas that can be set apart in the City and each have their own unique characteristics: Central Business District, The Heights Business District, the Waterfront, and West Cascade. The City will seek to distinguish these differences and propose ways to maintain these district employment districts.*
- 7. Limit commercial use on lands reserved for light industrial and industrial use.*
- 8. Minimize conflicts between uses that generate pollution, noise and similar adverse conditions (e.g. industrial) with other uses.*
- 9. Engender economic sustainability by supporting small businesses.*
- 10. Cot continue to recognize the City's role in the Hood River planning area, county 9 beyond.*

11. Maximize the potential use of the Waterfront and Exit #62. Policy actions should reflect the possibility of large-scale, denser development at the Waterfront and where there are areas for higher density, industrial uses including a campus setting.

12. Transportation impacts may be the defining issue for the projects within the I-84 corridor. The EOA should emphasize the need to work proactively with ODOT to solve access/egress issues and the need to emphasize transportation demand management measures (TDM).

IMPLEMENTATION STRATEGIES:

1a. Require uses that generate pollution, excessive noise, and similar adverse conditions to obtain a conditional use permit.

1b. Adopt building and site design standards in the commercial and industrial zones consistent with quality of life characteristics.

2a. Amend the land use code to allow for light industrial uses that have emerged into the Hood River market not already defined in the code.

3a. Amend the land use code to allow for light industrial uses that have emerged into the Hood River market not already defined in the code.

3b. Write standards for development review that improve clarity and reduce uncertainty. Consider adopting a two-track review process: the first relying on detailed standards for administrative review, the second relying on more discretionary standards for quasi-judicial review.

3d. Adopt building and site design standards in the commercial and industrial zones consistent with quality of life characteristics.

4a. Maintain an inventory of appropriately zoned land consistent with the needs, to include maintenance of short-term and long-term land supplies.

6a. Define boundaries of existing commercial districts and develop building and site design standards for each district.

7a. Maintain an inventory of appropriately zoned land consistent with the needs, including maintenance of short-term and long-term land supplies.

8a. Adopt building and site design standards in the commercial and industrial zones consistent with quality of life characteristics.

9a. Amend the land use code to allow for light industrial uses that have emerged into the Hood River.

10a. Cooperate with the Port of Hood River, regional, state and federal agencies and private businesses to develop and implement plans to improve the diversity the economic bases of the planning area.

11a. EOA implementation strategies should also emphasize the need to maximize the use of the Waterfront are and Exit #62.

City of Hood River Economic Opportunities Analysis (EOA):

The adopted EOA includes revised goals, policies and implementation strategies under Goal 9 of the Comprehensive Plan associated with improving employment opportunities.

Goal 9 policies affecting the Waterfront include:

2. *Support a mix of light and heavy industrial development on the Waterfront that is compatible with recreational activities and that supports recreational commercial development.*
6. *The City has several commercial areas that can be set apart in the City and each have their own unique characteristics: Central Business District, The Heights Business District, the Waterfront, and West Cascade. The City will seek to distinguish these differences and propose ways to maintain these distinct employment districts.*
8. *Minimize conflicts between uses that generate pollution, noise and similar adverse conditions (e.g. industrial) with other uses.*
11. *Maximize the potential use of the Waterfront and Exit #62. Policy actions should reflect the possibility of large-scale, denser development at the Waterfront and where there are areas for higher density, industrial uses including a campus setting.*

III. ZONING ORDINANCE APPROVAL CRITERIA:

A. CHAPTER 17.08 – ZONE CHANGES AND PLAN AMENDMENTS:

17.08.010 Legislative Zone Changes and Plan Amendments. Legislative zone changes or plan amendments ("zone or plan changes") may be proposed by the Planning Commission or City Council. Such proposed changes shall be broad in scope and considered legislative actions. The City Council shall obtain a recommendation on the proposed changes from the Planning Commission. The recommendation of the Planning Commission shall be forwarded to the City Council within sixty (60) days after it is requested from the Planning Commission. The Planning Commission shall conduct at least one (1) public hearing to assist in formulating its recommendation. The City Council shall conduct its own public hearing. Public notice of the legislative zone or plan change hearing before the City Council shall be published in a newspaper of general circulation within the city at least twenty (20) days prior to the date of the hearing.

FINDINGS: The City Council initiated the legislative Waterfront Refinement Plan process order to consider issues related to implementation of the design concept for the west side of the Nichols Basin, urban design standards for new industrial and commercial development, and improvements to Waterfront Trail in a comprehensive fashion. This process has resulted in the Waterfront Advisory Committee recommendations summarized above.

The Planning Commission will hold a hearing to consider legislative amendments to the Hood River Municipal Code and made recommendations to the City Council. Notice of the proposed legislative amendments was published in the Hood River News greater than 20 days prior to the date of the City Council hearing. As such the proposal is consistent with these requirements.

17.08.020 Legislative Zone Changes and Plan Amendments Criteria

- A. Legislative zone or plan changes may be approved if
 1. The effects of the change will not be unreasonably harmful or incompatible with existing uses on the surrounding area; and
 2. Public facilities will be used efficiently; and
 3. No unnecessary tax burden on the general public or adjacent land owners will result.

FINDINGS: The effects of the change will not be unreasonably harmful or incompatible with existing uses in the surrounding area because the Waterfront district is zoned primarily for purposes of employment generation and for recreation. The vision for the Waterfront as stated in the Comprehensive Plan policies is to:

Support a mix of light and heavy industrial development on the Waterfront that is compatible with recreational activities and that supports recreational commercial development.

As noted below, the proposal represents a balance between these two functions:

- The proposed Waterfront Overlay Zone includes a very limited amount of non-accessory commercial uses within Subareas 1 and 2, which will allow for some additional recreation supportive commercial uses in areas that are close to existing recreation facilities (i.e., event site and Waterfront Trail).
- The design standards will help ensure that industrial and commercial uses are designed to be compatible with existing development and recreational uses.
- The Waterfront Trail standards will help enhance a valuable recreation resource.
- The recommendation includes rezoning approximately 1.9 acres of land from General Commercial (C2) to Light Industrial (LI), which will increase the opportunities for employment.
- The Waterfront Overlay Zone will prohibit drive-through and drive-up facilities and uses, which could reduce the potential for conflicts with industrial traffic.

All of the land within the overlay zone is currently zoned for urban levels of development and served with public facilities. With the exception of the proposed height limit of 28 feet on Subarea 3, the overall intensity and density of urban development is not expected to be significantly changed by the proposal. Therefore, public facilities are not expected to be impacted by the proposal.

No unnecessary tax burden on the general public or adjacent land owners will result. The proposal is intended to facilitate high quality improvements and development at Waterfront which would be expected to have a positive impact on property taxes. In addition, the existing restriction on the former Expo site renders the existing C-2 zoning useless for new development on that site. There is no longer any need for an Expo Center, Visitor Center, and similar uses. The proposal would rezone most of the former Expo site back to its original zoning Light Industrial, which will remove the condition. Doing so will allow for the potential redevelopment of this portion of the Expo site; thus increasing the potential for additional property tax revenue. The remainder of the site is already developed with a new high value building 3N10E25 Tax Lot 126 (“Solstice Building”). The condition also makes this existing development potentially non-conforming, which could impact the long term value of the improvements and potentially result in a costly lawsuit for the City.

- B. Legislative zone or plan changes may be approved if subsection (A) above is met and one or more of the following, as applicable, are met:
1. A mistake or omission was made in the original zone or plan designation.
 2. There is not an adequate amount of land designated as suitable for specific uses.

FINDINGS: According to the Economic Opportunities Analysis (EOA), there is not an adequate amount of land designated as suitable for office uses. The Light Industrial (LI) Zone allows industrial office uses. In addition, the overlay zone would allow up to 25% of the floor area within Subarea 2 to be used for offices which are not accessory to industrial uses. The proposal would also rezone approximately 1.9 acres from C-2 to LI. The EOA identifies a need for additional industrial land in the “high growth” scenario, and there is no corresponding shortage of commercial land. There is no longer any need for an Expo Center, Visitor Center, and similar uses. The overlay zone allows a limited amount of non-accessory commercial on Subareas 1 and 2 as well as a community boat house in Subarea 1. Allowing

these specific uses in these limited locations will improve the interface between recreation and employment along Portway Avenue and the Waterfront trail.

- C. The hearing body shall consider factors pertinent to the preservation and promotion of the public health, safety, and welfare, including, but not limited to
1. The character of the area involved;
 2. It's peculiar suitability for particular uses;
 3. Conservation of property values; and
 4. The direction of building development.

FINDINGS: Factors pertinent to the preservation and promotion of the public health, safety and welfare were considered including:

- The vision or character of the area as stated in the Comprehensive Plan policies is to:
Support a mix of light and heavy industrial development on the Waterfront that is compatible with recreational actives and that supports recreational commercial development.
As described above, the proposal addresses the needs of both these functions.
- Because of its location, the Waterfront is uniquely suited to provide for both employment uses and recreation activities and recreational commercial uses. The mix of uses and proposed standards included in the proposal are intended to balance these needs and resolve potential conflicts.
- Property values should be expected to benefit. The proposal is intended to facilitate high quality improvements and development at Waterfront which would be expected to have a positive impact. In addition, the existing restriction on the former Expo site renders the existing C-2 zoning useless for new development on a portion of that site since there is no longer any need for an Expo Center, Visitor Center, and similar uses. The condition also makes existing development on 3N10E25 Tax Lot 126 ("Solstice Building") potentially non-conforming, which could impact the long term value of the improvements.
- The direction of building development features several new commercial and industrial employers who have located in the Waterfront district recently. The proposed design standards will ensure that future development is compatible with this new high quality development
- Other factors considered include traffic impacts.

17.08.050 Transportation Planning Rule (Legislative and Quasi-Judicial)

- A. Zone changes and amendments to the comprehensive plan and land use regulations which significantly affect a transportation facility shall assure that allowed land uses are consistent with the function, capacity, and level of service of the facility identified in the Transportation System Plan. This shall be accomplished by one of the following:
1. Limiting allowed land uses to be consistent with the planned function of the transportation facility;
 2. Amending the Transportation System Plan to ensure that existing, improved, or new transportation facilities are adequate to support the proposed land uses consistent with the requirement of the Transportation Planning Rule;
 3. Altering land use designations, densities, or design requirements to reduce demand for automobile travel and meet travel needs through other modes;
 4. Amending the Transportation System Plan to modify the planned function, capacity or performance standards of the transportation facility.
- B. A plan or land use regulation amendment significantly affects a transportation facility if it

1. Changes the functional classification of an existing or planned transportation facility;
 2. Changes standards implementing a functional classification system;
 3. As measured at the end of the planning period identified in the adopted transportation system plan or, when evaluating highway mobility on state facilities, as measured at the end of the 20 year planning horizon or a planning horizon of 15 years from the proposed date of the amendment adoption, whichever is greater:
 - a. Allows types or levels of land use that would result in levels of travel or access that are inconsistent with the functional classification of a transportation facility;
 - b. Would reduce the level of service of the facility below the minimum acceptable level identified in the Transportation System Plan; or
 - c. Worsen the performance of an existing or planned transportation facility that is otherwise projected to perform below the minimum acceptable performance standard identified in the TSP or comprehensive plan.
- C. Traffic Impact Analysis. A Traffic Impact Analysis or Traffic Assessment Letter shall be submitted with a plan or land use regulation amendment or a zone change application. (See Section 17.20.060 Transportation Impact Analysis).

FINDINGS: Transportation impacts must be evaluated when zoning is amended in a manner that increases the potential for vehicular trip generation. While the proposed Waterfront Overlay Zone will allow a very limited amount of non-accessory commercial uses within Subareas 1 and 2, the recommendation also includes rezoning approximately 1.9 acres of land from General Commercial (C2) to Light Industrial (LI). In addition, the Waterfront Overlay Zone will prohibit drive-through and drive-up facilities and uses. Thus, the net effect of implementing the recommendations will likely be a reduction in the potential numbers of vehicle trips generated. The limitation on building height on the properties north of Portway from 45'

No changes are proposed to the functional classification of an existing or planned transportation facility. No changes are proposed to standard implementing the functional classification system identified in the City's Transportation System Plan (TSP). The proposed changes will not allow types or levels of land use that will result in levels of travel or access that are inconsistent with the functional classification of a transportation facility. The proposed changes are not expected to reduce the level of service of a transportation facility below the minimum acceptable level identified in the TSP. The proposed changes are also not expected worsen the performance of an existing or planned transportation facility that is otherwise projected to perform below the minimum acceptable performance standard identified in the TSP.

IV. STATEWIDE PLANNING GOALS AND OREGON ADMINISTRATIVE RULES

The following Statewide Planning Goals are applicable to the subject request:

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.

FINDINGS: The City, through the HRMC has created proper procedures to ensure citizens the opportunity to have input in any proposed text and map amendments. In addition, there was a joint City/Port open house to discuss upcoming Waterfront Refinement Plan project on September 30, 2014. The Project Advisory Committee met on October 22, 2014, October 28, 2014, November 5, 2014, November 11, 2014 and November 21, 2014. A Planning Commission work session was held November 24, 2014

The City has therefore met its obligation of providing for Citizen Involvement under Statewide Planning Goal 1, as defined through the City's adopted procedures.

GOAL 2: LAND USE PLANNING

To establish a land use planning process and policy framework as a basis for all decisions and actions related to use of land and to assure an adequate factual base for such decisions and actions.

FINDINGS: The City has established a land use planning process and policy framework as a basis for all decisions and actions related to use of land and to assure an adequate factual base for such decisions and actions. The City of Hood River Comprehensive Plan was adopted by the City and acknowledged by the Land Conservation and Development Commission (LCDC) as being in compliance with the statewide goals, state statutes and state administrative rules, in 1981.

The proposed amendments are consistent with existing City plan policies and are consistent with Statewide Planning Goal 2.

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

To conserve open space and protect natural and scenic resources.

FINDINGS: Applicability of Goal 5 to post-acknowledgment plan amendments is governed by OAR 660-023-0250. The proposed amendments do not modify the acknowledged Goal 5 resource list, or that portion of HRMC adopted to protect a significant Goal 5 resource, or a policy that addresses specific requirements of Goal 5. The proposed amendments do not allow uses that would conflict with a particular Goal 5 resource site on an acknowledged resource list. The proposed text amendments do not alter existing protections for natural resources codified in Chapter 16.34 (Natural Resources Overlay Zone) or Chapter 16.35 (Flood Management Overlay Zone).

The proposed map and text amendments are therefore consistent with Statewide Planning Goal 5.

GOAL 6 - AIR, WATER AND LAND RESOURCES QUALITY:

To maintain and improve the air, water and land resources of the state.

FINDINGS: The proposed amendments do not affect policies associated with Goal 6 established by the Hood River Comprehensive Plan. Approval of the proposed text and map amendments will not eliminate the requirement for future development to meet the requirements of the HRMC. Oregon Department of Environmental Quality (DEQ) regulates air, water and land with CWA Section 401 Water Quality, Water Quality Certificate, State 303(d) listed waters, Hazardous Wastes, Clean Air Act (CAA), and Section 402 NPDES Construction and Stormwater Permits. DSL and ACE regulate jurisdictional wetlands and CWA Section 404 water of the state and the country respectively. Future development will still need to comply with these state, national and regional regulations and protections for air, water and land resources quality.

The proposed map and text amendments are therefore consistent with Statewide Planning Goal 6.

GOAL 7: AREAS SUBJECT TO NATURAL DISASTERS AND HAZARDS

To protect life and property from natural disasters and hazards.

FINDINGS: The proposed map and text amendments do not affect policies associated with Goal 7 established by the City of Hood River Comprehensive Plan. Approval of the proposed amendments will not eliminate the requirement for future development to meet the requirements of the HRMC.

The proposed map amendments are therefore consistent with Statewide Planning Goal 7.

GOAL 8: RECREATIONAL NEEDS

To satisfy the recreational needs of the citizens of the state and visitors and, where appropriate, to provide for the siting of necessary recreational facilities including destination resorts.

FINDINGS: The proposed standards for the Waterfront Trail outlined in Exhibit “A” help ensure that the trail will meet the recreational needs of the citizens of Hood River. The uses proposed to be allowed in Subarea 1 include a community boat house.

The proposed map and text amendments are therefore consistent with Statewide Planning Goal 8.

GOAL 9: ECONOMIC DEVELOPMENT

To provide adequate opportunities through the state for a variety of economic activities vital to the health, welfare, and prosperity of Oregon’s citizens.

FINDINGS: Goal 9 requires local comprehensive plans for urban areas to:

1. Include an analysis of the community’s economic patterns, potentialities, strengths, and deficiencies as they relate to state and national trends;
2. Contain policies concerning the economic development opportunities in the community;
3. Provide for at least an adequate supply of sites of suitable sizes, types, locations, and policies;
4. Limit uses on or near sites zoned for specific industrial and commercial uses to those which are compatible with proposed uses.

Hood River completed its latest Goal 9 Economic Opportunity Analysis (EOA) in 2011 to address the above statewide requirements. Regarding items 1-4, the EOA sets forth the economic opportunities, policies and land need versus supply analysis for employment lands. The EOA included the following policies related to the Waterfront:

2. Support a mix of light and heavy industrial development on the Waterfront that is compatible with recreational activities and that supports recreational commercial development.
6. The City has several commercial areas that can be set apart in the City and each have their own unique characteristics: Central Business District, The Heights Business District, the Waterfront, and West Cascade. The City will seek to distinguish these differences and propose ways to maintain these distinct employment districts.
8. Minimize conflicts between uses that generate pollution, noise and similar adverse conditions (e.g. industrial) with other uses.
11. Maximize the potential use of the Waterfront and Exit #62. Policy actions should reflect the possibility of large-scale, denser development at the Waterfront and where there are areas for higher density, industrial uses including a campus setting.

The proposed text and map amendments recognize the needs for industrial development as well as recreational activities and recreational commercial development. The proposed design standards will help distinguish the Waterfront as a unique employment district and help maximize the potential use of the Waterfront.

The proposed map and text amendments are therefore consistent with the adopted EOA and Statewide Planning Goal 9.

GOAL 10: HOUSING

To provide for the housing needs of citizens of the state.

FINDINGS: The proposed amendments do not impact any land designated for housing in the Comprehensive Plan.

The proposed map and text amendments are therefore consistent with Statewide Planning Goal 10.

GOAL 11: PUBLIC FACILITIES AND SERVICES

To plan and develop a timely, orderly and efficient arrangement of public facilities and services to serve as a framework for urban and rural development.

FINDINGS: The proposed amendments are not expected to increase the demand for utility infrastructure and services beyond what was anticipated in the Comprehensive Plan. No amendments to the public facilities plans are necessary in order to accommodate the proposed map and text amendments.

The proposed map and text amendments are therefore consistent with Statewide Planning Goal 11.

GOAL 12: TRANSPORTATION

To provide and encourage a safe, convenient and economic transportation system.

FINDINGS: See the finding under OAR 660-012-0060, below. As described below, the proposed amendments are consistent with Statewide Planning Goal 12.

GOAL 13: ENERGY CONSERVATION

To conserve energy.

FINDINGS: The proposed application text and map amendments do not affect policies associated with Goal 13 established by the Hood River Comprehensive Plan. However, the proposed amendments do support Goal 13 policies by allowing for a more efficient use of land within the current Urban Growth Boundary

The proposed map and text amendments are therefore consistent with Statewide Planning Goal 13.

The following Oregon Administrative Rules (OAR) are applicable to the subject request:

OAR Chapter 660, Division 12 (Transportation Planning)

660-012-0060

Plan and Land Use Regulation Amendments

(1) If an amendment to a functional plan, an acknowledged comprehensive plan, or a land use regulation (including a zoning map) would significantly affect an existing or planned transportation facility, then the local government must put in place measures as provided in section (2) of this rule, unless the amendment is allowed under section (3), (9) or (10) of this rule. A plan or land use regulation amendment significantly affects a transportation facility if it would:

(a) Change the functional classification of an existing or planned transportation facility [...];

(b) Change standards implementing a functional classification system;

(c) Result in any of the effects listed in paragraphs (A) through (C) of this subsection based on projected conditions measured at the end of the planning period identified in the adopted TSP. As part of evaluating projected conditions, the amount of traffic projected to be generated within the area of the amendment may be reduced if the amendment includes an enforceable, ongoing requirement that would demonstrably limit traffic generation, including, but not limited to, transportation demand management. This reduction may diminish or completely eliminate the significant effect of the amendment.

(A) Types or levels of travel or access that are inconsistent with the functional classification of an existing or planned transportation facility;

(B) Degrade the performance of an existing or planned transportation facility such that it would not meet the performance standards identified in the TSP or comprehensive plan; or

(C) Degrade the performance of an existing or planned transportation facility that is otherwise projected to not meet the performance standards identified in the TSP or comprehensive plan.

Findings:

While the proposed Waterfront Overlay Zone will allow a very limited amount of non-accessory commercial uses within Subareas 1 and 2, the recommendation also includes rezoning approximately 1.9 acres of land from General Commercial (C2) to Light Industrial (LI). In addition, the Waterfront Overlay Zone will prohibit drive-through and drive-up facilities and uses. Thus, the net effect of implementing the recommendations will likely be a reduction in the potential numbers of vehicle trips generated.

The proposed land use amendments are therefore consistent with Statewide Planning Goal 12 and the Transportation Planning Rule.

V. CONCLUSIONS: The approval criteria for the proposed amendments are met.

The proposed amendments are consistent with the City's approval criteria for legislative amendments, the statewide planning goals and the City's Economic Opportunity Analysis and Comprehensive Plan. The proposal balances the unique functions of the Waterfront by supporting a mix of light and heavy industrial development on the Waterfront that is compatible with recreational activities and that supports recreational commercial development.

VI. RECOMMENDATION: Based on the above findings of fact and conclusions of law, staff recommends that the Planning Commission forwards a recommendation of approval of the proposed Legislative Code Amendments:

1. Amendments to the Hood River Municipal Code (HRMC) to add a new chapter to the Zoning Ordinance, Chapter 17.03.130 Waterfront Overlay Zone:
2. Chapter 17.03.130 Waterfront Overlay Zone:
 - a. Allows a very limited amount of commercial use on certain industrial sites.
 - b. Establishes design standards for new commercial and industrial uses.
 - c. Establishes design standards and public access requirements for the Waterfront Trail.
3. Amend the Comprehensive Plan and Zoning Map to add an overlay zone called Waterfront Overlay Zone affecting the following properties (*see attached map*):
 - Land north of Portway Ave. including The Hook and 3N10E25 Tax Lots 112, 113, 114, 122 and a portion of 100;
 - Portway Ave. and all lots/parcels adjacent to the southern boundary of the Portway Ave. right-of-way that are located east of N. 8th St. including 3N10E25 Tax Lots 124, 125, 126 and 127;
 - All lots/parcels adjacent to the western boundary of the N. 2nd St. right-of-way that are located south of Portway Ave. and north of Riverside Dr. including 3N10E25 Tax Lot 127 (Parcel 2 of CS No. 2012-031), the eastern 363.98 feet of Tax Lot 128 (Lot 5 of the Waterfront Business Park Subdivision, CS No. 2009-055), the eastern 165 feet of Tax Lot 108 (CS No. 2009-012), and Tax Lot 132;
 - 3N10E25 Tax Lot 120 (CS No. 2009-012) located north of Riverside Dr. and west of N. 2nd St.;
 - 3N10E25DB Tax Lots 500, 600, 700, 800 and 900 located south of Riverside Dr. and east of N. 2nd St. (CS Nos. 97068 and 2014-007);
 - All lots/parcels between N. 2nd St. and the Nichols Boat Basin including 3N10E25 Tax Lots 102, 109, 115 and 133.

This area includes lands owned by the Port of Hood River, Ryan Holdings, Inc., Parkside Lands LLC, and Fluvian, Inc.

4. Amend the Comprehensive Plan and Zoning Map to rezone property designated as Parcel #1 (19,145 square feet) and Parcel #2 (23,445 square feet) of City Partition File No. 2014-13 which is located at the southwest corner of N. 2nd St. and Portway Ave. from General Commercial (C-2) to Light Industrial (LI). This property is owned by the Port of Hood River and is vacant.

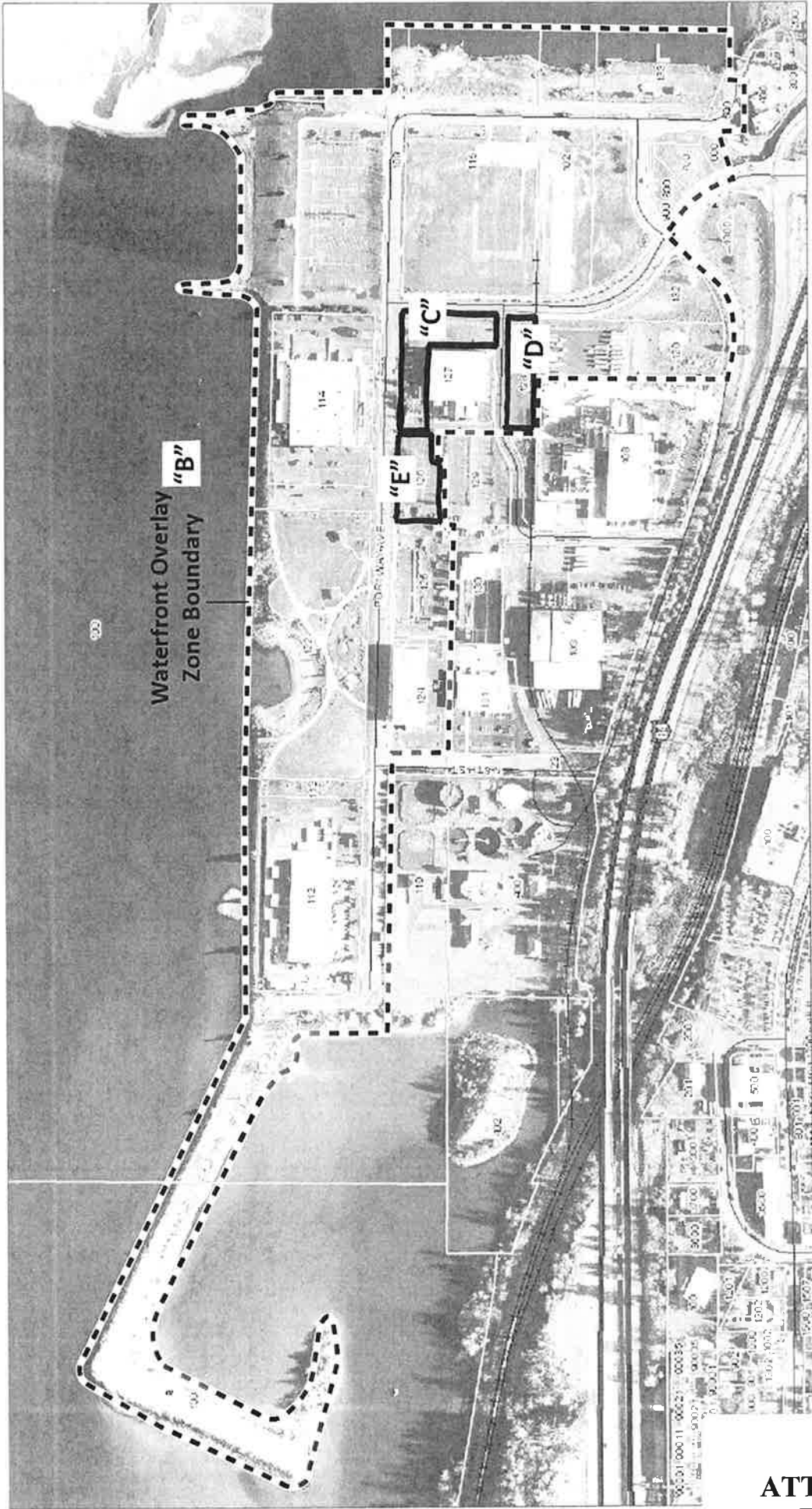
5. Rezone Lot 5 of the Waterfront Business Park Subdivision (3N10E25 Tax Lot 128), from General Commercial (C-2) to Light Industrial (LI). This lot is located at the southwest corner of N. 2nd Street and Anchor Way, owned by the Port of Hood River and is vacant with the exception of a storm water facility. Approximately 0.17 acre of the 0.96-acre lot was rezoned from General Commercial (C-2) to Light Industrial (LI) through Ordinance No. 2012. The current proposal rezones the remainder of the lot so that it is zoned Light Industrial (LI) in its entirety.

6. Confirm application of General Commercial (C-2) Zoning to a portion of Parcel 3 of County Survey No. 2012-031 (3N10E25 Tax Lot 126). The property is located on the south side of Portway Ave. between N. 2nd St. and N. 8th St. and the building on the site includes tenant Solstice Wood Fire Cafe.

Approximately 28,502-square feet of the 35,015-square-foot parcel is zoned General Commercial (C-2) *subject to conditions*. The remaining 6,513-square feet of the parcel is zoned Light Industrial (LI).

In 1998, following approval of Zone Change File No. 98- 24, Ordinance No. 1762 was adopted including the following condition: “The use of the subject property will be limited to the specific use as identified in the need – Expo Center, parking lot, Conference Center, Visitor’s Center and Chamber of Commerce. This condition can be removed upon approval of the proposed commercial designation of the subject properties through the legislative rezones for the Waterfront Plan.” This condition limiting uses affects the subject parcel.

The condition of Ordinance No. 1762 limiting uses on the former Expo Center site is being removed in association with adoption of the current Waterfront Refinement Plan (Ordinance No. 2015). As such, 28,502-square feet of the parcel will be zoned General Commercial (C-2) with no limiting conditions, and 6,513-square feet will remain zoned Light Industrial (LI).



Waterfront Overlay
"B"
Zone Boundary

"C"

"D"

"E"

AMENDMENT MAP
PLANNING COMMISSION
DECEMBER 1, 2014

ATTACHMENT "A"
FILE NO. 2014-22