



**City of Prineville**  
**DEPARTMENT OF PLANNING & COMMUNITY DEVELOPMENT**  
**PLANNING COMMISSION STAFF REPORT**

---

<b>File No.:</b>	AM-2022-100
<b>Applicant:</b>	Empire Construction & Development (Sally DeMoss) 63026 Lower Meadow Drive #200 Bend, OR 97701
<b>Owner:</b>	Gary Bell 24185 Skywagon Drive Bend, OR 97701
<b>Location/Zoning:</b>	The subject property is located in the southwest corner of the intersection of Empire Drive and Tom McCall Road in Prineville. Also identified as lot 8 of the Tom McCall Industrial Park Subdivision, map/tax lot number 151522DD00500. The property is currently zoned Light Industrial (M1).
<b>Proposal/Purpose:</b>	The Applicant is requesting approval of a comprehensive plan map amendment from Light Industrial to Outlying Commercial, a zone change from M1 to C4, and a text amendment to Sections 153.030, 153.037 and 153.053 of the City of Prineville Zoning Ordinance. The purpose of these amendments is to address the need for commercial services to serve the industrial area.
<b>Criteria:</b>	ORS – 227 & 197, OARs – 660-009, 660-012, 660-015, City Comprehensive Plan, Development Code; Title XV: Land Usage Chapter 153 sections 153.037, 153.053, 153.230 – 153.236
<b>Notice to DLCD:</b>	8/05/2022
<b>Notice to Neighbors:</b>	8/15/2022
<b>Newspaper Notice:</b>	Planning Commission Notice – 9/6/2022
<b>Public Hearing:</b>	Planning Commission – 9/20/2022
<b>Staff Reviewer:</b>	Joshua Smith, Planning Director

**Background:** Since the creation of the airport industrial area in 1995 and the subsequent UGB expansion of that area in 2004, the industrial area above the grade has been preserved for industrial purposes. In the past the City has resisted commercial re-zones in this area to prevent conflicting uses and diverting customers away from existing commercial zones on the valley floor. Some commercial services such as truck stops with cafes and gas stations with convenience stores are already allowed within the industrial zones, but stand-alone eateries and retail uses are not. With the buildout of large data center facilities and other significant development within our industrial parks, the area has reached a critical mass that likely warrants some commercial services. A few potential commercial sites have been discussed amongst staff and other potential developers along Tom McCall Road and George Millican Road. These areas are close to the Hwy, offering efficient and convenient access for the area.

**Staff Findings:**

***Criteria: City land use code - Amendments 153.230 – 236***

**Finding 1:** The applicant has submitted a consolidated application for a text amendment and Comprehensive plan and zone map amendment. The application includes a burden of proof addressing applicable State Statutes, Oregon Administrative Rules (OARs) and the goals and objectives of the City’s Comprehensive Plan. The application also includes a full traffic study and a conceptual development plan that the amendments are based on. Staff finds the application meets the submittal requirements.

Section 153.232 states; that *“If the applicant fails to abide by the conditions or modifications attached to a re-zoning of property, the City Council may, at a later date, rezone the affected property to its original zoning”*. As a condition of approval the City will reserve the right to revert the zone back to M1 should the uses specific to the C4 zone not materialize. This would be subject to a notice and review by the Planning Commission & City Council. The purpose of this condition is to encourage the property owner to provide the services and not prevent someone else from having an opportunity. It also provides a simple process to revert the zone back should the zone change become irrelevant or unwanted by the applicant.

***Criteria: City land use code – 153.030, 153.037 & 153.053***

**Finding 2:** The applicant is proposing amendments to the land use code and zoning maps for the purpose of developing commercial services to serve the industrial area. During a pre-application meeting with the applicant, staff weighed the options of using an existing commercial zone or creating an entirely new zone for the applicant’s proposal. At the conclusion of that meeting staff determined that the most appropriate course of action for the City would be to modify the existing “Neighborhood Commercial” (C4) zone. The C4 zone is not currently used anywhere in the City and was originally designed to provide commercial nodes within residential neighborhoods. With minimal modification to the text of the zone and minor modifications to the allowable uses, the C4 zone could be used to provide convenience commercial nodes in many situations including industrial areas.

Staff has reviewed the applicant’s proposed text amendments and finds them to be consistent with what was discussed. The modifications to the use table are primarily changes to how applications are processed. Only one use was added (hardware store) and two uses were removed (travel agency and video store). Both uses being removed are relatively obsolete and would be allowed under other categories. Staff finds that even if the zone change is not recommended for approval, the amendments to the C4 zone are logical for the future growth of the community should be recommended individually.

**Criteria: City Comprehensive Plan Chapters 1, 2, 5**

**Finding 3:** The applicant's submittal addresses the appropriate chapters in the City's Comprehensive Plan. In review of the responses to the various code sections, staff agrees with the applicant's findings and adds the following analysis:

- Chapter 1, Community Characteristics: Goal 1 of this chapter specifically makes reference to improving the function of commercial and industrial areas. Item 4 of the program section discusses development of an overlay map that would show potential areas needed for commercial and industrial services. As mentioned in the background section above, commercial services in this area have been discussed before, but the right time and place has generally been left for the market to decide. Due to significant development in the area, staff believes there is enough evidence to warrant some commercial services as proposed. Staff also believes this type of zoning should not proliferate in the area without showing additional need and should be concentrated adjacent to arterial and major collector streets.
- Chapter 2, Urban Land Uses and Zoning Regulations: Goal 1 of this chapter lists values and policies for each zone category. The applicant identified some industrial policies that justify this proposal; however, it's the commercial zone policies that get to the heart of what is being proposed. Within the commercial zone section there are several policies that specifically address the need for convenient commercial zones throughout the community that reduce vehicle trips. Those policies are listed below.
  - *Commercial zones shall be places that provide a wide range of services and goods to citizens in a convenient manner and without creating unnecessary subsidies.*
  - *Commercial areas, nodes, and zones should be located throughout the community to provide convenient shopping, employment, and services to citizens in an efficient manner.*
  - *Commercial zones should provide adequate opportunities to locate and operate businesses so Prineville can be as self-sufficient as possible without requiring citizens to make excessive vehicle trips to other communities.*
- Chapter 5, Economy: Goal 1 of this chapter directly speaks to providing adequate commercial and industrial lands. While this is primarily referring to adding more lands to the City, a couple of policies do refer to updates and amendments when certain types of uses are needed. The applicant is correct in siting the policy on "complete neighborhoods", as suggested in Chapter 2. An additional policy also justifies the proposal by noting a need for specific uses in a specific location.
  - *Updates to the inventories may be required in response to redevelopment, proposed zone changes, mixed-use development techniques and planned unit developments that enable "complete neighborhood" concepts and economic development opportunities.*
  - *Additional land is needed to support commercial and industrial uses. Where there are particular locational requirements for certain activities, amendments to the Comprehensive Plan may be necessary. Amendments should be evaluated in relation to all applicable policies of the Comprehensive Plan.*

**Criteria: OARs – 660-009, 660-012, 660-015**

**Finding 4:** The applicant’s submittal addresses the appropriate Oregon Administrative Rules (OARs) for economic development, transportation and the state wide planning goals. In review of the responses to the various code sections, staff generally agrees with the applicant’s findings and adds the following analysis:

- OAR 660-009, Economic Development: The general purpose of this rule is to ensure that City’s provide an adequate land supply for economic development and employment growth. The City’s Comprehensive Plan includes policies to ensure an adequate supply of industrial lands. The City has maintained an adequate supply in recent years through a replenishment strategy; as data center development has expanded. Staff finds that changing 2.5 acres of light industrial zoning to convenience commercial will have a negligible effect on the industrial land supply, with a potential encouraging more industrial development.
- OAR 660-012, Transportation Planning: The purpose of this rule is to provide and encourage a safe, convenient, and economic transportation system. It also ensures that when a comprehensive plan is changed, the allowed land uses are consistent with performance requirements in the City’s transportation system plan (TSP). The applicant has provided a full traffic study with findings and recommendations listed on page 31. As indicated in these findings the functional classification of Empire Drive and Tom McCall Road will not change due to this proposal. As a condition of approval trip counts will be capped based on the potential trip generation in the existing industrial zone. If the cap is exceeded additional traffic review will be required for compliance with the State’s transportation planning rule (TPR). At this time the City does not anticipate implementing an additional impact fee for improvements to the Tom McCall round-about or O’Neil intersection. These improvements are anticipated to be incorporated into the City’s forthcoming TSP update, as well as the system development charge (SDC) methodology. Traffic impact, improvements and charges will be reviewed again during the site plan review process.
- OAR 660-015, Statewide Planning Goals: The purpose of this rule is to outline the 19 state wide planning goals that all land use laws in Oregon are based on. The applicant effectively addresses how the proposal conforms to each applicable state wide planning goal. City staff agrees with the applicant’s findings with no additional analysis.

**Staff Conclusions and Recommendation:**

Staff recognizes the need for some commercial services within the airport industrial area and concludes the applicant has shown enough justification to establish a convenience commercial zone as proposed. Staff also concludes that this type of zoning should not proliferate in the area without showing additional need and should be concentrated adjacent to arterial and major collector streets.

Staff supports recommending these amendments to City Council for approval based on the proposed concept plan with the following conditions:

1. The zone change is contingent upon substantial development of the submitted concept plan. The City reserves the right to revert the zone back to Light Industrial (M1) should uses specific to the Convenience Commercial (C4) zone not materialize. Reversal would require a similar process with notice to the owner, a recommendation from the Planning Commission and City Council approval.
2. The site plan approval shall limit the proposed development to a trip cap of 1,027 weekday daily trips or 96 weekday p.m. peak hour trips based on the “wost-case” development potential in the current M1 zone.

**EXHIBITS**

- Exhibit A - Proposed text amendments
- Exhibit B - Concept plan
- Exhibit C - Proposed Map Changes (4 maps)
- Exhibit D - Burden of Proof
- Exhibit E - Transportation Impact analysis