

**MINUTES**  
**CANBY PLANNING COMMISSION**  
**Monday, June 28, 2021**

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**PRESENT:** Commissioners John Savory, Larry Boatright, Michael Hutchinson, Jeff Mills, Jason Padden, Jennifer Trundy, and James Hieb

**ABSENT:**

**STAFF:** Don Hardy, Planning Director; Ryan Potter, Senior Planner; and Erik Forsell, Associate Planner

**OTHERS:**

**CALL TO ORDER**

Chair Savory called the meeting to order at 7:00 p.m.

**CONSENT ITEMS**

- a. Final Findings for Canby Utility (VAR 21-03)

**Motion:** A motion was made by Commissioner Padden and seconded by Commissioner Trundy to approve the final findings for VAR 21-03 Canby Utility. Motion approved 7/0.

- b. Final Findings for State Street Multi-Family (DR 21-04)

**Motion:** A motion was made by Commissioner Trundy and seconded by Commissioner Mills to approve the final findings for DR 21-04 State Street Multi-Family. Motion approved 7/0.

**CITIZEN INPUT ON NON-AGENDA ITEMS** – None

**MINUTES**

**Motion:** A motion was made by Commissioner Trundy and seconded by Commissioner Padden to approve the June 14, 2021 minutes. Motion approved 6/0/1 with Chair Savory abstaining.

**NEW BUSINESS** – None

**PUBLIC HEARING**

- a. Dragonberry Produce (DR 21-03/LLA 21-03)

Chair Savory opened the public hearing and read the hearing statement. He asked if any Commissioner had ex parte contacts or conflicts of interest to declare including a visit to the site. There was none.

Staff Report: Ryan Potter, Senior Planner, presented the staff report. This was a request for a design review and lot line adjustment to expand Dragonberry Produce. He explained the applicable criteria, existing conditions, and proposed project. This would be a warehouse with drive-in cooler, nut processing facilities, and office space. There would be 33 parking spaces and eight loading docks. The new building would match the existing building's design and un-irrigated landscaping would match the existing business. The lot line adjustment was to join the two parcels. He explained

the site plan and elevations and consistency with the criteria. The traffic impact study showed that approximately 49 total daily trips would be generated. The project would have a negligible impact on area intersections. Parking and loading requirements would be met. Bicycle parking (3 spaces) was required to be shown on the final site plan. Distribution and warehouse uses were explicitly allowed by right in this zone. The project would meet development standards for the zone including setbacks, building heights, and building design/orientation. The project would meet all of the requirements in the Canby Industrial Area Overlay Zone. No signs were proposed as part of this land use application. Signage would need subsequent approvals. The project would comply with all standards with the exception of irrigation standards for landscaping. However, the project would feature low-water drought-tolerant landscaping. A condition of approval required installation of irrigation if the landscaping failed. The project would consolidate lots, not create new lots. He then discussed the conditions of approval. There were 34 conditions, most were standard. There were specific street/frontage improvements, provision for bicycle racks, installation of an irrigation system in the event that the unirrigated landscaping failed, and vegetation required on the area set aside for a future phase. No public comments were received. Staff recommended approval.

Commissioner Hieb asked about the status of the Walnut Street extension. Mr. Potter said they were still doing engineering work on it.

Chair Savory asked if the daily trips were in addition to the current trip count or was it in total. Mr. Potter said it was the number for the expansion.

Chair Savory asked if those trips would be passenger vehicles coming to and from work or trucks for the business. Kevin Chewuk, DKS Associates, said it included trucks and vehicles.

Applicant: David Heiman, DECA Architects, was representing the applicant. He described the vision for the business and passion for good design and environmental stewardship by the owner of Dragonberry. The current building's architecture was distinctive and had beautiful landscaping with a Japanese garden and drought-tolerant plants. It was a cut above the typical industrial architecture. The project had a LEED Silver certification. Business had doubled and the business model centered around representing northwest and California growers of premium fruits and vegetables. The company helped promote and package all of the products and connected them to local stores as well as international markets. He showed pictures of the proposed building which would be similar to the current building. The intent was to create a campus feel that was consistent throughout. He then discussed the site plan and schedule for construction. He invited the Commission to the Groundbreaking on August 26, 2022. He requested approval.

Commissioner Padden appreciated the amount of work that went into the landscaping for the project.

Commissioner Trundy thought this was a good example of what they would like to see for future applications.

Proponents: None

Opponents: Sean and Julie Collinson, Canby residents, said the traffic study showed negligible traffic impact with the project, but it was unclear whether 49 additional trips would impact this area. They did not think it would be negligible, especially when other nearby developments were not taken into consideration. They were adding more traffic and not creating better infrastructure for that traffic. They were concerned that these projects were being approved without the Walnut Street extension being completed.

Mr. Chewuk said the traffic generation of 49 trips was dispersed throughout the day and a lot were happening during off peak hours. The applicant would be contributing to System Development Charges that would be used for improvements to the system including the Walnut Street extension. The study did consider other development going on in this area.

Ms. Collinson asked when the improvements would be made. She thought it would be better to enhance the systems prior to expansion and development. Mr. Chewuk said all of the potential projects had been analyzed and the outcome for the Walnut Street project was that it would be needed by 2035. This application would generate less than five trips during the peak hours. It was a minimal amount of trips that would be added to the peak hours.

Councilor Padden said the streets for the Industrial Park were being built for the future build out of the park to handle the volume. Development paid SDCs which were used to build the infrastructure.

Ms. Collinson said since Walnut Street would not be completed until 2035, what would be done for the arterial roadways that were not in the City that were being utilized to support the traffic currently. She asked how City dollars were being used to support those roads. Mr. Potter clarified the Walnut Street extension was on the Capital Improvement Plan to be done in the next five years. There were plans to bring Mulino Road into the City and it had been upgraded as projects came through. There were state facilities experiencing more congestion and ODOT was planning to do improvements on 99E next year. Every project was paying SDCs which would help pay for these projects.

Commissioner Padden asked if the street improvements were based on County or City standards. Mr. Potter said it depended on the location. Mulino was being updated to County standards.

Don Hardy, Planning Director, clarified the County's urban standards were higher than the City's.

Mr. Chewuk explained the purpose of the Transportation System Plan and how the projects in the Plan were implemented. New development was paying for the improvements to serve the trips generated by the development.

Ms. Collinson said the City's TSP was not in line with ODOT and the County. Many businesses were utilizing County roads and the flow was not adequate for the amount of traffic they were adding to the system.

Mr. Chewuk addressed the adopted levels of service for these roads. Each project was measured against all of criteria for these levels.

Neutral: None

Rebuttal: Mr. Heiman said this project would have a low level of impact with 49 trips per day and 5 trips during peak hours. It would not be burdening the existing system. It was a distribution center with little public access to and from the site. They would be paying SDCs and would put in sidewalks and street trees.

Commissioner Hieb asked when the Transportation System Plan would be updated. Mr. Hardy said it would be done in 2022. As growth happened, there was additional congestion. It was measured against the level of service and standards of the City.

Chair Savory closed the public hearing.

**Motion:** A motion was made by Commissioner Trundy and seconded by Commissioner Hieb to approve DR 21-03/LLA 21-03 with the conditions proposed in the staff report. Motion approved 7/0.

b. Canby South (DR 21-01/VAR 21-01)

Chair Savory opened the public hearing and read the hearing statement. He asked if any Commissioner had ex parte contacts or conflicts of interest to declare including a visit to the site. There was none.

Staff Report: Mr. Potter presented the staff report. This was a request for design review and variance for Canby South. He discussed the existing conditions of the site. The proposed project was a concrete tilt-up warehouse/distribution facility. The site and proposed building were designed to accommodate “e-commerce” warehouse uses; no specific user or tenant had been identified. At buildout, the building would feature approximately 791,120 square feet. There would be 637 vehicular parking spaces with space for 108 additional spaces, 223 trailer parking spaces, 124 loading docks, approximately 20,000 square feet of ancillary office space, and the building height would vary by elevation, between 44 feet and 52 feet, 10 inches. He discussed the site plan, aerial photos of the site, elevation renderings, and applicable criteria. The traffic impact study showed that the proposed project would generate approximately 1,432 to 1,600 average daily trips. Approximately 11% would be truck trips. With or without the proposed project, three intersections would have operations exceeding mobility standards. These would be Highway 99E at Ivy Street, Highway 99E at Pine Street, Highway 99E at Haines Road. There were obstacles to improving these intersections. The supplementary analysis performed by DKS found that an in-lieu contribution of \$547,200 would be proportional to the project’s impact. This fee would be used for the Walnut Street extension project. The proposed project would provide 66 fewer parking spaces than required by the code. The applicant’s design reflected the site needs that had been expressed by their potential site users. Other requirements for parking and loading would be met. Distribution and storage uses were explicitly allowed by right in this zone. The project would meet most requirements except for the maximum allowed height of 45 feet. The project would meet most requirements but would exceed the maximum allowed height and would have fewer parking spaces than required. He discussed the variance to allow variation in the building height. Most of the building would be around 46 feet in height, but there was a section that would be 52 feet, 10 inches. There would also be decorative parapets and

articulation. E-commerce uses tended to use more modern racking systems that allowed more storage which required 40 feet of clearance inside the building. No signage was proposed at this time. Signage would need subsequent approvals. A photometric study was provided. The proposed project would introduce new sources of nighttime light and glare but light overspill would be limited to the extent feasible. The building would be substantially set back from the public realm on all sides. Landscaping would be layered, with emphasis on screening the loading/circulation areas. Vehicular parking would feature landscaped islands and trees. Pedestrian connections would link the building to the street. He discussed the variance criteria. The exceptional circumstances of the site were related to its size. At nearly 50 acres, the property accommodated a large-scale distribution warehouse which used taller racking systems. It was not necessary to maintain similar property rights as elsewhere in the zone, but it would only marginally increase the property rights of the property owner. It would not be materially detrimental to the intents and purposes of the Comprehensive Plan or Zoning Ordinance since those documents generally contemplated larger light industrial uses. The additional height and bulk of the building would slightly increase the visual impacts of the building but these would be mitigated by the building's siting. The variance would be the minimum to alleviate the hardship because the extra height was only enough to accommodate modern interior racking systems. The building height only exceeded the standard in specific areas of the building, not the whole thing. The exceptional or unique conditions weren't caused by the applicant because they were affected by market conditions for e-commerce uses which were outside the control of the applicant. He then showed elevations with the different building heights. Public comments received included concerns about precedence of approving the height variance and impacts to the provision of emergency/fire services, concerns about impacts to parcels across Township including traffic/circulation, light pollution, access, and regional congestion, concerns regarding noise and visual impacts particularly in Timber Park, and concerns about public services (energy/water), noise, safety hazards, and waste/pollution. There were 32 conditions total; many standard conditions. He reviewed conditions specifically tailored to this project. Changes to the conditions included an updated Condition #3, deletion of Condition #4, and new Conditions #33 and #34. Staff recommended approval of the applications.

Questions: Commissioner Mills asked about the use of Haines Road. For another project they put prohibitions on truck traffic on Haines Road. Mr. Potter said the Commission could add that condition. This situation was different because they could use Sequoia as the main access. Mr. Chewuk confirmed the County was discouraging trucks from using Haines and when they distributed trips for this proposed project, they put trucks going down Sequoia to get to the highway. All the trips on Haines would be passenger vehicles.

Commissioner Trundy asked about Fire Department access to the roof. Mr. Potter did not know about that.

Commissioner Trundy was concerned about the traffic impact and reduced parking. She asked if they were building this for a specific client and that client did not materialize, what would happen with the variance? Mr. Potter agreed they did not know the users yet and precise parking needs, but they were analyzing the building envelope of what the applicant believed was needed.

Commissioner Padden asked if the highest height would be the peak of the roof. Mr. Potter said yes, that was what he understood.

Commissioner Padden asked if the applicant had to make significant changes to the building, would it come back to the Planning Department. Mr. Potter said it would depend on how much the project would deviate from what was approved.

Commissioner Padden asked if they needed to change the code to reflect industry standard heights. Mr. Potter said staff had noted that height maximums were lower than other jurisdictions and needed to be addressed in the future.

Commissioner Padden asked how many streets in the Industrial Park were still under County jurisdiction but would essentially become City streets. Mr. Potter said there were ongoing negotiations between the City and County on the number and timing. Having projects do frontage improvements did not necessarily bring in the whole facility into the City.

Mr. Hardy said Mulino would be built to standards and could easily be brought into the City.

Commissioner Padden said if it wasn't maintained, by the time the City took it over, it might be failing. That was his concern about the future. He was also concerned about the number of parking spaces.

Mr. Hardy said parking standards was another item that needed to be reevaluated in the code. He thought the Commission could support what was being requested due to the specificity of the use. If that substantially changed, then it would come back through the process.

Commissioner Hieb was not concerned about the height as it would largely be concealed from view from the residential neighborhoods. He thought this type of business would use fewer parking spaces. He was concerned about the streets not being able to handle the increased traffic. There would be significant passenger vehicle trips as well as trucks. He questioned the purpose of doing this project in two phases.

Commissioner Hutchinson thought it was an appropriate use of the space. Regarding the height, the visual impact would be minimal and what was proposed made sense. He thought they were ready for this type of development, however traffic would be different.

Commissioner Boatright was concerned about light pollution.

Chair Savory asked about the cumulative effect of traffic from all the development in this area. Mr. Chewuk said the traffic study accounted for all of the developments.

Commissioner Boatright said the intersections of 99E and Ivy, Pine, and Haines Road peak hours with or without this development would have operations exceeding adopted mobility standards. He thought there was already too much traffic and Walnut Street might not be done until 2035. He did not think they were ready for this.

Mr. Chewuk said the Pine and Haines Road intersections were identified in the TSP as being over the mobility standards in the horizon of the TSP which was to 2030. There was an improvement planned for Pine to mitigate that issue and SDCs were being collected for that project. Ivy and Haines Road were not identified in the TSP and that was why the fee-in-lieu analysis was done. When intersections exceeded mobility standards without a proposed project, the standard was to mitigate it back to the condition it would be without the project. The fee-in-lieu was based on the number of trips this site would send through those intersections.

Commissioner Padden noted there would be a significant update to Ivy in the next few years.

Applicant: Steve Sieber, Trammell Crow, was representing the applicant. He gave a background on Trammell Crow and other projects they had done in the City. This was a large building on a large lot. It was a unique site and not many were left in the Metro area. The trips were exactly what these types of businesses did. He thought LED lights would alleviate lighting impacts, but it would be lighter than the grassy field it was now. The proposal was consistent with the zoning. They had asked for a variance to the parking. They were willing to pay their fair share for the traffic impacts with the fee-in-lieu. What was being proposed was what the site was for, which had been planned since the mid-1980s. They agreed with staff's findings and amended conditions as well as the fee-in-lieu.

Greg Blefgen, VLMK Engineering, gave responses to some of the comments regarding the setbacks which would allow for a good courtyard for truck maneuvering and trailer storage, right-of-way improvements which would be designed to the most stringent standards, the primary access for trucks would be on Township, the parking variance was specific to the use of an e-commerce center that was more automated, there would be two shifts, height variance would give them another rack, planter area at the northwest corner was a landscape berm which would have significant plantings to buffer the building and trucks, the stormwater would be retained onsite via underground chambers, all of the site lighting was pulled back from the street, and the street lights would be to Canby Utility standards.

Proponents: None

Opponents: Dan and Cyndi Haider, Canby residents, said their biggest concern was traffic. They did not think Township was rated for the amount of trips this development would bring. The half street improvements and sidewalks would not be sufficient. The building was being built without an identified tenant. The intersection of Sequoia and Township had not been addressed in the traffic study. The fee-in-lieu would not compensate for what nearby residents would have to deal with. A significant amount of traffic had already been added from other developments and Township could not support it. They were also concerned about the visual impact. They did not think this was the right time for this project.

John and Barbara Fontana, Canby residents, discussed the impact of the potential development on the quality of life in the neighborhood and greater Canby community. They were concerned about the increased traffic, particularly commercial trucks and semis, noise abatement measures, lighting, and if the infrastructure could support the large projects.

Sean and Julie Collinson, Canby residents, said Mulino was only accessible one way and in an emergency they would have a bottleneck. If all the vehicles accessed Township, it would exclude school buses getting to and from the schools. There were only four way stops to control traffic in these areas. Trucks were using Haines Road even though they were not supposed to. They questioned whether the jobs would be for residents of Canby. They were concerned about safety, emergency access, pushing traffic down Township, street maintenance, height, visual impact, and that it was a 24 hour facility.

Rebuttal: Mr. Chewuk said numerous intersections were analyzed, including Township. The level of traffic on Sequoia with this project would be 500 vehicles per hour and the capacity of Sequoia and Township was between 1,200 and 1,500 trips per hour. The forecasted traffic was well below the range of what the facilities could accommodate.

Mr. Sieber said they had worked for several years and invested a lot of money to prepare the site for what would be the most likely type of tenant. There was a huge demand for this type of facility. If there was a dramatic change in what the user needed, they would come back and seek approval for those changes.

Mr. Blefgen said significant improvements would be done along Township and Mulino frontages. These were collector streets and the improvements would be more than adequate to serve this development and other properties in the future. There would be domestic water and a lift station would be installed for the sanitary services. Electrical services would be about 600 amps which was not significant in comparison to what was available. The building height would change the landscape, but they were trying to soften the impact. It was one of the last sites remaining that could accommodate a facility of this size. Regarding fire apparatus access, Canby Fire had no concerns. They were providing a looped water system and hydrants surrounding the building. For Phase 2, they would slope the roof to the south and all the walls would be at 46 feet. A large percentage of the walls would be at 46 feet and they were mitigating the height with landscaping. The parking spaces met the needs of the e-commerce business and additional parking could be installed, but he did not think it would be used.

Mr. Sieben explained they would be paying over a million dollars in SDCs in addition to the in-lieu fee. They were also paying for the improvements to Sequoia, Mulino, and Township. They were contributing about \$3.5 million to the transportation network.

Mr. Chewuk said the SDCs would be contributing to the improvements on Ivy, Pine, and Walnut Street to mitigate their impact. He explained what would be included in the half street improvements.

Chair Savory closed the public hearing.

Deliberation: Commissioner Mills saw no basis to deny the application based on congestion concerns. However, he would be voting against it because the applicant had not satisfied the conditions for the height increase. He thought they were asking for more property rights to increase the height and it would have a negative impact to the surrounding properties.

Commissioner Trundy agreed the criteria for the height had not been met. Her biggest concern was the impact to the neighbors.

Commissioner Padden shared the traffic and street condition concerns, however by allowing a development like this, it would bring funds which would allow them to put more money towards streets. They needed to do more to educate people as to where they were purchasing homes. He had no concerns regarding infrastructure capacity. He was also not concerned about the building height. He would like to know what was allowed in other cities for similar buildings and if the code needed to be changed. His issue was the 9% reduction in parking. He thought it was too much, especially if the use changed in the future. He thought 5% would be more acceptable.

Commissioner Hieb liked the amount of jobs this would bring to the City. He was still concerned about the traffic that would be diverted to Township. He questioned why the project was being done in two phases.

Mr. Sieben explained it was for future expansion of the facility.



Commissioner Hutchinson thought the setbacks would mitigate for the extra height. He did not think it would negatively impact the neighborhood. Regarding the traffic, the issues were more with the state and county which were out of the City's control. He did not want to wait for other government agencies to make it possible for the City to grow.

Commissioner Boatright said traffic and congestion were major concerns and putting that many cars on the City's streets. He did not think the mitigation would be enough. He did not have an issue with the parking or height. Most of the jobs would be for people who lived out of town.

Chair Savory was concerned about the cumulative amount of traffic from all the development in this area. He did not think they had the capacity. However, they built the Industrial Park for this purpose and he would be voting in favor.

**Motion:** A motion was made by Commissioner Hieb and seconded by Commissioner Hutchinson to approve DR 21-01/VAR 21-01 with the amended conditions proposed by staff.

Commissioner Padden asked about the parking reduction. Mr. Hardy thought they could add a condition that if the use changed, it would come back to the Planning Commission.

The Commission reviewed Condition #1 that stated any deviation from the submitted plans may require additional land use review.

Commissioner Padden would like more parking. Mr. Sieben said the numbers were based on their assessment of what the needs would be, but if the Commission wanted more, they were willing to add more.

There was discussion regarding how many spaces the applicant would need to provide.

Amendment to the motion: A motion was made by Commissioner Hieb and seconded by Commissioner Padden to amend the motion to require the number of parking spaces to be within 5% of the required amount.

Motion approved 4/3 with Commissioners Trundy, Mills, and Boatright opposed.

#### **ITEMS OF INTEREST FROM STAFF**

- a. Next Planning Commission meeting scheduled for Monday, July 12, 2021.

Mr. Hardy said in person meetings would begin in July. Staff was pursuing DLCD grants for the Housing Needs Analysis and Housing Production Strategy.

#### **ITEMS OF INTEREST/GUIDANCE FROM PLANNING COMMISSION**

Commissioner Trundy would not be in attendance at the next meeting. She also discussed the need for people with concerns to speak under non-agenda items.

Commissioner Padden suggested staff provide information to the Traffic Safety Commission on the City's Transportation System Plan.

## **ADJOURNMENT**

***Motion:*** A motion was made by Commissioner Trundy and seconded by Commissioner Hutchinson to adjourn the meeting. Motion approved 7/0.

**Meeting was adjourned at ?? PM.**