



City of Canby

Staff Report File #: DR 21-01 / VAR 21-01 Canby South

HEARING DATE: June 28, 2021
STAFF REPORT DATE: June 18, 2021
TO: Planning Commission
STAFF: Ryan Potter, AICP, Senior Planner

Applicant Request

The project applicant, VLMK Engineering + Design, on behalf of Trammell Crow Portland Development, requests Planning Commission approval to construct a warehouse/distribution facility on a 47.86-acre property in the southern portion of the Canby Pioneer Industrial Park. To facilitate “high-cube e-commerce” uses, the facility is proposed to have exterior walls up to approximately 53 feet above the ground plane, which is higher than the maximum allowed height of 45 feet. Therefore, the proposed project requires approval of a Major Variance related to building height.

Approval of the proposed project includes applications for Site and Design Review (City File DR 21-01) and a Major Variance (City File VAR 21-01). Note that an application for a Lot Line Adjustment (LLA) was submitted but later withdrawn.

Vicinity Map



Staff Recommendation

Based on the applications submitted and the facts, findings, and conclusions of this Staff Report, Planning Staff recommends **Approval** of DR 21-01 and VAR 21-01 pursuant to the Conditions of Approval identified in Section V of this Staff Report.

Property/Owner Information

Location: No current address; South of S Township Road between S Sequoia Parkway (to the west) and S Mulino Road (to the east)
Tax Lots: 41E0300100 and 41E0300103
Property Size: 47.86 acres
Comprehensive Plan: LI – Light Industrial
Current Zoning: M-1 – Light Industrial; I-O – Canby Industrial Area Overlay Zone
Owner: Weygandt, LLC
Applicant: Greg Blefgen, VLMK Engineering + Design
Developer: Trammell Crow Portland Development, Inc.
Application Types: Site and Design Review (DR), Major Variance (VAR)
City File Numbers: DR 21-01; VAR 21-01

Attachments

- A. Land Use Applications
- B. Application Narrative and Criteria Response
- C. Drawing Set
- D. Perspective Renderings
- E. Pre-Application Conference Minutes
- F. Neighborhood Meeting Minutes
- G. Preliminary Stormwater Report
- H. Geotechnical Report
- I. Traffic Study and Fee In-Lieu Analysis Memorandum
- J. Public and Agency Comments

Existing Conditions

The proposed project would be constructed on a 47.86-acre roughly-rectangular property that is comprised of one legal lot for development purposes but two separate tax lots (20.54 and 27.32 acres, respectively). The property, which is zoned for M-1 Light Industrial uses, has historically been used for agricultural purposes and is almost entirely vacant and flat; no structures are located onsite. With the exception of a small cluster of trees adjacent to S Township Road near the property's northwest corner, it is devoid of natural vegetation.

The subject property fronts directly onto three public streets: S Township Road on the north, S Mulino Road on the east, and S Sequoia Parkway on the west. The property's southwestern corner is adjacent to a functioning railroad spur, which travels in a diagonal northwest-southeast direction and under S Sequoia Parkway which bridges over it via an overpass.

The subject property is located in the Canby Pioneer Industrial Park and is generally surrounded by other parcels zoned M-1, Light Industrial. These parcels contain a mix of light industrial uses, agricultural uses, vacant land, and a few homes that are mostly associated with adjacent farms. To the east and northeast across S Mulino Road is farmland that is located outside of the City and zoned by Clackamas County for Exclusive Farmland Use (EFU). The Timber Park single-family residential subdivision is located to the southwest of the subject property across the rail spur and S Sequoia Parkway.

Project Overview

The proposed project is a concrete tilt-up warehouse/distribution facility that has been designed to accommodate “e-commerce” distribution uses, for an anticipated business. The applicant’s project narrative identifies a series of assumptions about the project in order to allow the City to evaluate a specific building envelope and range of business operations.

The proposed building would be 683,240 square feet (Phase I) with room for a 107,880-square-foot future expansion on the building’s southern end (Phase II). Phases I and II together would cumulatively contain approximately 791,120 square feet of building space. The building would be sited in the middle of the subject property, surrounded by 637 parking spaces, 223 trailer parking spaces, an internal circulation loop/maneuvering area for trucks, landscaping, and a vegetated stormwater basin. The building would include 124 loading docks and approximately 20,000 to 30,000 square feet of ancillary office uses. Its front façade and entrance would face S Township Road, with sidewalks connecting the building to the street.

The proposed facility would be accessed from four access points on S Township Road (three for passenger vehicles, one for trucks) and two access points on S Mulino Road. The project would not include access points on either S Sequoia Parkway or the adjacent railroad spur. Public street improvements would be constructed on all three of the adjacent streets.

Parking Reduction

The project applicant asserts that the desired use of the subject property and proposed building—e-commerce distribution—is one that requires less vehicular parking than required under the Canby Zoning Code. As analyzed under Chapter 16.10 below, the project applicant has requested an exception to the required number of vehicular parking spaces. The proposed project includes a parking space count that reflects market research conducted by the project applicant.

Major Variance

As stated above, the proposed warehouse and distribution facility is greater in height (up to 52 feet 10 inches; varies by building elevation) than allowed by the subject property’s zoning, which only allows a maximum height of 45 feet. The project applicant’s submittal materials describe their rationale for needing and requesting the additional eight feet in height (see Variance Narrative, dated April 20, 2021). This rationale revolves around the warehouse’s planned use of “high cube” racking systems associated with e-commerce distribution uses, which are designed to maximize storage space and facilitate emerging technologies for accessing and managing those systems. In this case, the warehouse is designed to accommodate 40 feet of clear interior height for racking.

Analysis and Findings

I. Applicable Criteria

Applicable criteria used in evaluating this application are listed in the following sections of the City of Canby’s Land Development and Planning Ordinance:

- 16.08 General Provisions
- 16.10 Off-street Parking and Loading
- 16.32 M-1 Light Industrial Zone

- 16.35 Canby Industrial Area Overlay Zone
- 16.42 Signs
- 16.43 Outdoor Lighting Standards
- 16.46 Access Limitations on Project Density
- 16.49 Site and Design Review
- 16.53 Variances
- 16.86 Street Alignments
- 16.88 General Standards and Procedures
- 16.89 Application and Review Procedures
- 16.120 Parks, Open Space, and Recreation Land – General Provisions

II. **Facts and Findings**

The following analysis evaluates the proposed project’s conformance with applicable approval criteria and other municipal code sections, as listed above in Section I. Sections of the Canby Municipal Code (CMC) are analyzed in the order that they appear in the code.

Section 16.08.070: *Illegally Created Lots*

This section of the CMC establishes that in no case shall a lot created in violation of State statute or City ordinance be considered as a lot of record for development purposes, until such violation has been legally remedied.

Finding 1: The originally submitted application materials indicated that the subject property was two legal lots consistent with Clackamas County tax lot lines. A Lot Line Adjustment (LLA) application was submitted requesting that the line between the two tax lots be adjusted to reflect the phasing line of the proposed project.

However, after Planning Staff requested additional documentation related to the legal status of the affected lots, correspondence between the Clackamas County Surveyor and the Canby Planning Director revealed that a property division created by deed in 1999 did not include a plat approval for the two tax lots. The chain of property divisions in the County’s records indicate that the property is a legal lot of record for development purposes, but also indicate that it is comprised of one lot rather than two.

For the above reason, Planning Staff finds this request is consistent with applicable provisions of the CMC.

Section 16.08.150: *Traffic Impact Study*

This section of the CMC outlines requirements for studying the transportation impacts of a proposed project. The section outlines how a traffic study is scoped and what the study must include.

Finding 2: At the pre-application conference held for the proposed project on November 19, 2020, City Staff determined that a full Transportation Impact Analysis (TIA)¹ was required. Discussion at the pre-application conference included potential traffic impacts of the project in the subject property’s immediate vicinity and in the larger community.

¹ Alternatively called a Traffic Impact Study (TIS).

The TIA was prepared for the proposed project by DKS Associates in March 2021. Using existing traffic data and projections for the generation of new vehicle trips by the proposed project, the TIA analyzes impacts of the proposed project on the area's circulation network, including roadways and 11 intersections. The report's methodology and assumptions are identified in the TIA, which is attached to this Staff Report. Because the proposed project is of a speculative nature, the TIA analyzes two project scenarios, which both include the initial project phase (Phase I) and the future expansion (Phase II):

1. An "as proposed" scenario for a high-cube fulfillment center warehouse.
2. A "high intensity" scenario representing a more intense distribution use.

The TIA projects that, at buildout, the two versions of the proposed project would generate trips as shown in the table below:

	Scenario	Peak Hour Trips		Total Daily Trips
		AM	PM	
1	As Proposed	118	126	1,432 (157 truck trips)
2	High Intensity	194	324	1,600 (182 truck trips)

As shown above, the proposed project would generate a substantial number of vehicular trips that would use the City's road network. Approximately 11 percent of total daily trips would be expected to be truck trips. The remaining trips would be passenger vehicle trips, which capture the arrivals and departures of the proposed facility's employees.

With or without the proposed project, three area intersections would have operations exceeding adopted mobility standards. As summarized in the TIA's executive summary (see Page 3 of the TIA), the following intersections would have volume-to-capacity (v/c) ratios above the mobility standard in 2026 (when both phases are assumed to be operational):

- Highway 99E at Ivy Street (PM Peak Hour)
- Highway 99E at Pine Street (PM Peak Hour)
- Highway 99E at Haines Road (AM and PM Peak Hour)

While the proposed project alone would not trigger future unacceptable v/c ratios at these intersections, operation of the project would contribute to the exceedance of adopted standards.

As summarized below, the TIA evaluates how roadway improvements could mitigate the impacts of the proposed project in combination with impacts generated by other land uses. Improvements at all three intersections would require collaboration with ODOT.

- **Highway 99E at Ivy Street.** There are no planned improvements for this intersection identified in the City's Transportation System Plan (TSP). Although a sensitivity analysis for the intersection revealed that improvements could improve the intersection's performance, its location at the edge of downtown Canby constrains the right-of-way available for widening.

- **Highway 99E at Pine Street.** This intersection does have future improvements identified in the City’s TSP and therefore system development charge (SDC) funds contributed by the proposed project would help facilitate construction of those improvements. Upon their implementation, they would cause the intersection to no longer exceed adopted standards.
- **Highway 99E at Haines Road.** There are no identified improvements for this intersection in the TSP, in part because it is outside the City’s jurisdiction. The intersection is considering failing under existing conditions and is expected to get worse with further development in the area.

In response to analysis in the TIA related to these intersections, DKS performed a supplementary analysis at the City’s request related to programmatic solutions along Highway 99E. The analysis identifies a fee-in-lieu contribution for system-wide improvement benefiting the overall highway corridor, to compensate for intersections affected by the proposed project where no capacity improvements are currently planned. The planned Walnut Road Extension/Industrial Connector Road project would be the beneficiary of the in-lieu contribution, since that project would provide a new connection between the highway and the Canby Pioneer Industrial Park, and because the new connection would “spread the load” of trips coming to and from the park. The supplementary analysis performed by DKS found that an estimated contribution of \$547,200 toward the Walnut Road Extension would be proportional to the proposed project’s impacts at Highway 99E/Haines Road and Highway 99E/Ivy Street.

Section V of this Staff Report includes a condition of approval with the mitigation strategy outlined above.

For the above reasons, Planning Staff finds this request, as conditioned, is consistent with applicable provisions of the CMC.

Section 16.08.160: Safety and Functionality Standards

The City will not issue any development permits unless the proposed development complies with the City’s basic transportation safety and functionality standards, the purpose of which is to ensure that development does not occur in areas where the surrounding public facilities are inadequate. At the time of development permit application submittal, the applicant shall demonstrate that the property has or will have the following:

- A. Adequate street drainage;
- B. Provides safe access and clear vision at intersections;
- C. Public utilities are available and adequate to serve the project;
- D. Access onto a public street with the minimum paved widths as stated in Subsection E below.
- E. Adequate frontage improvements as follows:
 - a. For local streets and neighborhood connectors, a minimum paved width of 16 feet along the site’s frontage.
 - b. For collector and arterial streets, a minimum paved width of 20 feet along the site’s frontage.

c. For all streets, a minimum horizontal right-of-way clearance of 20 feet along the site's frontage.

F. Compliance with mobility standards identified in the Transportation System Plan (TSP). If a mobility deficiency already exists, the development shall not create further deficiencies. (Ord 1340, 2011)

Finding 3: The adequacy of public utilities and public improvements to serve the proposed project was discussed at the pre-application conference held on November 19, 2020. While electrical, gas, water, and sanitary sewer service are capable of serving the project site, street improvements and utility extensions of infrastructure would be required. Drawing C2.0 in the applicant's drawing set show proposed utility connections and extensions. See Section V of this Staff Report for conditions of approval related to public utilities.

The subject property fronts onto three existing public streets, which are all designated as Collector streets by the City's TSP: S Township Road, S Mulino Road, and S Sequoia Parkway. All three would require half-street and frontage improvements, including right-of-way dedication on S Township Road and S Mulino Road. With these improvements, circulation to, from, and in the general vicinity of the project site would be consistent with the City's TSP.

For the above reasons, Planning Staff finds this request, as conditioned, is consistent with applicable provisions of the CMC.

Chapter 16.10: Off-Street Parking and Loading

This chapter of the CMC identifies requirements for vehicular parking, bicycle parking, and loading facilities when new development occurs. As identified in Section 16.10.050, warehousing uses are required to provide two off-street parking spaces per 1,000 gross square feet of office space plus one space per 1,000 gross square feet of non-office space.

Finding 4: The project applicant asserts that the City's applicable parking standard overestimates the parking demand generated by an e-commerce distribution facility. The applicant's own findings for this conclusion are found in the Project Narrative (undated), Completeness Response (dated February 25, 2021), and Supplemental Completeness Response (dated April 14, 2021).

The table below identifies the amount of parking required by the CMC and the amount of parking provided by the proposed project. At buildout, the proposed project would provide 66 fewer spots than required by Chapter 16.10, a deficiency of 8.1 percent.

Phase	Use	Proposed Square Feet	Development Standard	Required Spaces	Provided Spaces
I	Office	20,000	2 spaces/1,000 square feet	40	637
	Warehouse	663,240	1 space/1,000 square feet	663	
II	Warehouse	107,880	1 space/1,000 square feet	108	108
Total	N/A	791,120	N/A	811	745

Non-truck passenger vehicle parking proposed for the project site is largely concentrated in a main parking lot between SE Township Road and the front façade of the proposed building. As required by the City's Public Works Standards, bays of parking spaces are separated by landscaped islands.

Parking for Phase II is shown in grayscale on the applicant's exhibits, with most of these 108 spaces at the southern end of the project site. Some parking for Phase II is identified near the building's main entrance.

Parking Exception

Subsection 16.10.10 of this chapter states that parking count exceptions are permitted as follows:

“A lesser number of spaces may be permitted by the Planning Commission based on clear and objective findings that a lesser number of parking spaces will be sufficient to carry out the objective of this section.”

As stated above, the applicant's submittal materials include a number of items that aim to document a parking demand for the proposed project that is less than required by the CMC. These include the following:

- Discussion of the proposed project's hypothetical timing of employee shifts. The applicant estimates that an e-commerce use in the proposed building would employ a maximum of 400 employees per shift. Conceptually, the proposed parking count of 637 passenger vehicle spaces (as shown for Phase I) would satisfy the parking needs generated by these employees with flexibility for some overlap of shifts.
- Information from prospective tenants and their stated needs for the site, several of which have communicated that they would need fewer parking spaces than required by code.
- Examples of development codes in nearby jurisdictions (Clackamas County, City of Wilsonville, and City of Tualatin) that implement parking requirements for warehouse uses significantly below those of the City of Canby.

Planning Commission's approval of a parking exception consistent with the submitted design drawings requires the Commission to adopt clear and objective findings based on the above lines of reasoning.

Loading Berths

The development's proposed number of loading berths (124 total berths²) is well above that required for industrial uses of 60,000 or more square feet (a minimum of three).

Subsection 16.10.060 requires that loading facilities be screened from “public view, from public streets, and adjacent properties.” Proposed loading berths and trailer parking areas would be located to the west (facing S Sequoia Parkway) and east (facing S Mulino Road) of the building. The proposed project would feature landscaped setbacks on both these frontages, with dense evergreen plantings and a six-foot sight-obscuring

² Page 33 of the project narrative describes 126 loading berths; the cover sheet on the revised drawings submitted dated April 19, 2021 states “124 loading dock doors.”

fence. As shown in the submitted landscape plan, landscaping along the western and eastern frontages would be layered, including ground cover, shrubs, and trees.

Because S Sequoia Parkway bridges over the railroad adjacent to the subject property's southwestern corner, the roadway is elevated in this location and provides unavoidable public views into the truck court/trailer parking area, particularly from vehicles as they travel over the overpass. However, the proposed project features its densest landscape buffer along this frontage, along with a vegetated stormwater retention basin and a landscaped strip between the two rows of trailer parking. These project features would screen loading areas to the extent feasible.

Parking Lots and Access

Planning Staff find that the proposed parking lots and site access are generally consistent with Subsection 16.10.070 of the CMC, including the following items:

- Compact spaces would not exceed 30 percent of parking spaces for passenger vehicles.
- Parking areas and driveways would be paved surfaces.
- No parking spaces would back directly onto public streets.
- Accessible parking would be provided as required. ADA-compliant sidewalk ramps would be constructed on both sides of each driveway.
- Sidewalks would extend directly from the ground floor entrance of the building to the public right-of-way, with pedestrian pathways leading directly to both S Township Road and S Mulino Road.
- Sidewalks would be constructed on all three public frontages.
- For truck egress/ingress points, the project applicant has requested widened driveways (50 and 60 feet wide) exceeding the maximum width of 36 feet identified in the code. The proposed driveway widths are consistent with truck driveways approved for other recent projects in the industrial park.
- Curb cuts onto public streets would be well above the minimum five feet from adjacent property lines.

Bicycle Parking

For industrial park uses, Subsection 16.10.100 of the CMC requires a minimum of two bicycle parking spaces per development, or 0.1 space per 1,000 square feet, whichever is greater. Office space requires a minimum of 1 space per 1,000 square feet. The proposed project at buildout therefore requires 97 total parking spaces (20 spaces for office, 77 spaces for warehouse space), which must be "in well-lit, secure locations within fifty (50) feet of the main entrance to a building." The proposed site plan currently shows 38 bicycle parking spaces outside the main building entrance, with notation indicating that 48 additional spaces would be located inside the entrance. These 86 spaces satisfy the Phase I portion of the required bicycle parking.

Planning Staff concur that it is appropriate for a portion of the required spaces to be located inside the building, as bicycles parked at the facility would be expected to be almost entirely comprised of employees and not the general public. However, site plan approval of Phase II would require the project applicant to demonstrate where the additional 11 spaces will be located.

Conclusion

For the above reasons, Planning Staff finds this request is consistent with applicable provisions of the CMC with the exception of the requested parking reduction.

Chapter 16.32: M-1 Light Industrial Zone

Lists of allowable uses and development standards for those uses are generally found in the respective chapters for each zone. The project site is zoned M-1, Light Industrial.

Finding 5: As listed in Section 16.32.010 of the CMC, uses permitted outright in the M-1 Zone include a broad range of manufacturing, processing, distribution, and storage uses. The proposed warehouse/distribution center is consistent with this range of allowable uses.

Because the proposed project is a speculative development, the exact number and types of tenants that would occupy the proposed building is unknown. However, the building typology proposed (large, open-plan, concrete tilt-up light industrial space with loading docks) is consistent with the land uses envisioned for the M-1 Zone and would accommodate the types of businesses found elsewhere in the Canby Pioneer Industrial Park, albeit on a larger scale. Future owners and/or tenants would be subject to the provisions of the code related to permitted and prohibited land uses. Existing City and County review processes, including business license approvals, site plan release letters for tenant improvements, and certificate of occupancy approvals, would ensure that the individual use is allowed in the M-1 Zone.

If in the future an occupant or use is proposed for the project site that is inconsistent with the project analyzed in this Staff Report—even if generally an allowable land use—a subsequent land use decision may be necessary to properly evaluate project impacts.

The proposed project is generally consistent with the development standards required of land uses in the M-1 Zone, as summarized below:

- At almost 48 acres, the subject property is well above the 5,000-square-foot minimum lot area.
- The property's minimum lot width (approximately 1,200 feet) and street frontages are well above the minimum of 50 feet.
- No yard setbacks or lot coverage maximums apply.
- No outside storage areas would abut a residential zone.

As discussed above under Project Overview, the proposed building would be taller than the maximum height of 45 feet allowed in the M-1 zone. Drawing G3.1 in the applicant submittal materials is an exhibit showing the proposed building heights by elevation. To accommodate the conceptual e-commerce distribution use proposed for the project, which typically uses automated storage and retrieval systems, the proposed building features 40 feet of clear interior height for racking. This results in a building with variable perimeter wall heights. At their tallest, these would reach approximately 50 feet on the front north elevation and approximately 52 feet 10 inches on the south elevation. Accordingly, the project applicant has applied for a Major Variance that would permit this exceedance of standards.

For the above reasons, Planning Staff finds this request, as conditioned, is consistent with applicable provisions of the CMC, with the exception of the height variance described above and analyzed under Chapter 16.53, Variances, below.

Chapter 16.35: Canby Industrial Area Overlay (I-O) Zone

The Industrial Area Overlay (I-O) Zone allows land uses which are permitted by the underlying zone districts but identifies a number of additional standards and regulations that apply to development in the industrial park.

Finding 6: As indicated above, the proposed project is consistent with the range of land uses permitted in the M-1 Zone. The project's consistency with individual provisions of Chapter 16.35 are summarized in the bullets below:

- **Conditional Uses.** This chapter of the CMC identifies a number of project aspects that require a project in the industrial park to obtain a conditional use permit (CUP). The proposed project would not fall under any of these categories. The project would not be expected to employ less than three employees per developed acre. It would not create over 60 acres occupied by a "single use or business" as the industrial park does not currently feature other e-commerce uses. Furthermore, the project would not feature retail or commercial uses and would not require an "H" occupancy under the Oregon Structural Specialty Code, which relates to business operations that generate physical and/or health hazards.
- **Prohibited Uses.** A number of prohibited uses are identified, including animal rendering plants, race tracks, landfills, nuclear power plants, and incinerators. However, e-commerce warehouse and distribution uses are not listed as prohibited.

Development standards and the project's consistency with those standards are summarized in the bullets below:

- **Lot Area and Frontage.** The I-O Zone has no minimum lot area, minimum lot width/frontage requirements, or maximum lot coverage.
- **Setbacks/Yard Requirements.** For buildings over 25 feet in height, the I-O Zone requires a 35 foot minimum setback from the street. Parking and internal drives, except curb-cuts and entrance drives, are prohibited within that setback. Interior and rear yards are required to be a minimum of 10 feet wide. These setbacks are met by the proposed project.
- **Building Height.** As discussed above under Chapter 16.32, the proposed building is taller than the maximum height of 45 feet. As shown in the applicant's design drawings, the height at each point along the building perimeter varies by building elevation due to variations in the ground plane and articulation on the building's facades, including parapet heights. The proposed project does not meet this criterion without approval of the requested Major Variance.
- **Building Orientation.** As required, the building provides "one public entrance facing the street" with a direct pedestrian connection. This is achieved by the proposed building's orientation to S Township Road and its two direct pedestrian connections to the public realm (to S Township Road and S Mulino Road).
- **Building Design.** The proposed building would be of concrete tilt-up construction, which is consistent with the overlay zone's prohibition of metal

building exteriors. As required, the site's truck loading/storage areas will be screened by plantings and site-obscuring fences.

Chapter 16.35 provides a design review matrix specific to the I-0 Zone that substitutes for the matrix used for projects elsewhere in Canby. Projects must meet the minimum acceptable score unless Planning Staff determines that certain provisions do not apply. The applicant's self-assessment of consistency with the design review matrix (see Page 60 of the applicant's narrative) indicates that the project meets minimum scores for each category.

- **Parking:** Planning Staff acknowledge that the criterion related to placement of parking "to the side or rear of buildings as viewed from the public right-of-way" is a difficult one to score, since passenger vehicle parking for this type of use is only one aspect of a site's paved surfaces. Since arguably the most unattractive type of parking—truck/trailer parking and loading zones—is proposed to be located 100% to the "side or rear of buildings", this offsets the visual impact of the project's passenger vehicle parking being located along the public right-of-way (near S Township Road). Therefore, Staff concur that the middle score of one point is appropriate. Similarly, because the proposed project includes less than 100% of the required number of parking spaces, the maximum score of two points (which is intended to reward projects with less parking) is the most appropriate for this criterion.
- **Transportation/Circulation:** Staff concurs with the project applicant's assessment in this area.
- **Landscaping:** The project applicant's submittal materials do not demonstrate that the project provides an outdoor amenity such as "water features, plazas, seating areas, and similar features" proportional to the size of the proposed project; only a small pair of benches is shown. Section V of this Staff Report includes a condition requiring an enhanced private outdoor amenity to achieve a score of one under this criterion. Note that this score doesn't require an amenity for public use.
- **Building Appearance and Orientation:** Staff concurs with the project applicant's assessment in this area. Building articulation and detailing, largely concentrated at the Township-facing front façade, has been incorporated to the extent feasible for this type and scale of building.

For the above reasons, Planning Staff finds this request, as conditioned, is consistent with applicable provisions of the CMC with the aforementioned exception of building height. Planning Commission approval of the requested variance would remedy this exceedance.

Chapter 16.42: Signs

Finding 7: Although conceptual signage is shown on some of the applicant's exhibits, no specific signs are proposed at this time and approval of the proposed land use does not extend to future signage. Chapter 16.42, *Signage*, of the Zoning Code identifies requirements that will apply to signs proposed for the project at a future date.

For the above reasons, Planning Staff finds this request, as conditioned, is consistent with applicable provisions of the CMC.

Chapter 16.43: Outdoor Lighting Standards

The purpose of this chapter is to provide regulations for outdoor lighting that will minimize glare and light trespass, among other goals. The chapter identifies requirements related to the placement, shielding, height, and intensity of outdoor light fixtures. Because of the subject property's context, it is in Lighting Zone 2, as defined by Chapter 16.43. This zone is considered the "default condition for commercial and industrial districts in urban areas."

Finding 8: The proposed building and its surrounding site elements (parking, circulation, loading/unloading areas, etc.) would be lighted for security and visibility at night. Because the project site is currently vacant, this would represent a significant change in nighttime illumination compared to existing conditions. The subject property is surrounded by a range of uses that include residential uses, including rural residential uses in the unincorporated County and in the recently built Timber Park subdivision to the west. As in most residential areas, residents in the vicinity are sensitive to light overspill and trespass. Planning Staff note that, in recent years, residents in the surrounding area have expressed concerns about light emitted from existing industrial uses nearby in the industrial park.

The application submittal includes a photometric study that identifies locations of exterior light fixtures and demonstrates that the potential for light overspill from onsite fixtures would be limited due to the building's substantial setbacks from the perimeter of the project site.³ As shown on the submitted exhibit, the amount of downward-aimed illumination (measured in foot-candles) generated by the proposed parking and building lighting would be largely zero at the property boundaries. Pole lights would be shielded.

Planning Staff acknowledge that the vehicular truck and passenger car access points along S Township Road would generate light and glare from vehicles, which may affect existing residential uses across that roadway. Overall, nighttime illumination in the general vicinity would increase under the proposed project but is not expected to violate regulations identified in Chapter 16.43.

For the above reasons, Planning Staff finds this request, as conditioned, is consistent with applicable provisions of the CMC.

Chapter 16.46: Access Limitations on Project Density

This chapter addresses the number of street access points required compared to the level of development proposed, along with minimum dimensions of private drives.

Finding 9: As the proposed project does not create new parcels, introduce new public streets, or involve residential development, many of the provisions of this chapter do not apply. However, subsection 16.46.030 identifies spacing requirements specific to driveways on collector roadways. Driveways must be at least 100 feet from an intersecting street and also 100 feet from each other. As shown in the submitted drawings, the spacing of the proposed driveways far exceeds these requirements.

For the above reasons, Planning Staff finds this request is consistent with applicable provisions of the CMC.

³ Note that only illumination from onsite fixtures is measured by this exhibit. Required street lights are shown but not included in the foot-candle calculations.

Chapter 16.49: Site and Design Review Criteria

Section 16.49 of the Zoning Code provides review criteria to be used in the design review process:

In review of a Type III Site and Design Review Application, the Board shall, in exercising or performing its powers, duties or functions, determine whether there is compliance with the following:

1. The proposed site development, including the site plan, architecture, landscaping and graphic design, is in conformance with the standards of this and other applicable city ordinances insofar as the location, height and appearance of the proposed development are involved; and
2. The proposed design of the development is compatible with the design of other developments in the same general vicinity; and
3. The location, design, size, color and materials of the exterior of all structures and signs are compatible with the proposed development and appropriate to the design character of other structures in the same vicinity.
4. The proposed development incorporates the use of Low Impact Development (LID) best management practices whenever feasible based on site and soil conditions. LID best management practices include, but are not limited to, minimizing impervious surfaces, designing on-site LID stormwater management facilities, and retaining native vegetation.
5. The Board shall, in making its determination of compliance with this Ordinances, shall use the matrix in Table 16.49.040 to determine compatibility unless this matrix is superseded by another matrix applicable to a specific zone or zones under this title. An application is considered to be compatible with the standards of Table 16.49.040 if the following conditions are met: a. The development accumulates a minimum of 60 percent of the total possible number of points from the list of design criteria in Table 16.49.040; and b. At least 10 percent of the points used to comply with (a) above must be from the list of LID Elements in Table 16.49.040.
6. Street lights installation may be required on any public street or roadway as part of the Design Review Application.

Finding 10: Planning Staff finds that the proposed project, including its site plan, architecture, and landscaping, is generally compatible with the surrounding context of the project site, which is located in an established industrial park. However, the proposed building would be the largest structure in Canby and therefore is at a development scale not seen elsewhere in the city. Furthermore, the surrounding vicinity does contain residential and agricultural uses; introduction of the project in its context would represent a significant change in visual appearance and character in the area. As documented throughout this Staff Report, the building's proposed height exceeds City requirements.

Specific subsections of Section 16.49 are analyzed below:

- **LID Best Management Practices.** The proposed project features an onsite storm water facility. Most of the LID best management practices listed above (e.g., minimizing impervious surfaces and retaining native vegetation) are not feasible due to the nature of the proposed project (a warehouse/distribution

facility requiring large maneuvering, loading, and circulation areas for trucks) and the site's existing conditions (lacking native vegetation). However, impervious surfaces have been minimized to the extent feasible, including provision of less parking than would normally be provided.

- **Site Design Review Matrix.** The site and design review matrix provided in Subsection 16.49.040 applies to most locations in the City but is superseded by a more specific matrix for projects in the I-0 Overlay Zone (Canby Pioneer Industrial Park). For an analysis of the proposed project's achievement of criteria in this matrix, see "Section 16.35: Canby Industrial Area Overlay (I-O) Zone", above.
- **Bicycle and Pedestrian Facilities.** The submitted materials generally demonstrate compliance with standards related to pedestrian facilities. A direct pedestrian connection between the building and the public street is provided. As discussed above, the proposed project includes bicycle parking as required.
- **Landscaping.** The Landscape Plan submitted by the project applicant shows a landscape concept that includes a mix of trees, shrubs, ground covers, and other plantings. These have been designed in part to screen and soften the visual impact of the facility, including its parking and truck maneuvering areas. The main parking lot at the building entrance would be planted with shade trees.

As shown on Page 4 of the submitted Site and Design Review application, the percentage of the project site that would be landscaped would meet the minimum requirements. Requirements for parking lot landscaping and trees would also be met.

- **Revegetation in Unlandscaped Areas.** Subsection 16.49.130 aims to address erosion control issues when areas not planned for landscaping are intended to allow native plants to re-establish themselves. There are no areas of the project site not planned for hardscape or landscaping. However, Staff note that on the submitted landscape plan, the portion of the project site reserved for a future Phase II is shown to be planted with Big Blue Lilyturf, a perennial flowering grass-like plant, in the interim condition. Planting in this area will prevent erosion prior to construction of Phase II.

As outlined in Subsection 16.49.130, plant materials are required to be watered at intervals sufficient to assure survival and growth for a minimum of two growing seasons.

For the above reasons, Planning Staff finds this request, as conditioned, is consistent with applicable provisions of the CMC to the extent feasible.

Chapter 16.53: Variances

This chapter of the CMC defines "minor" and "major" variances. As minor variances are limited to ten percent reductions in setbacks, other variances from approval criteria are considered major variances.

The Planning Commission is authorized to approve variances owing to "special and unique circumstances" related to a specific piece of property. In granting a variance, the commission may attach conditions which it finds necessary to protect the best interests of the surrounding neighborhood.

A variance may be granted only upon determination that all of the following conditions are present:

1. Exceptional or extraordinary circumstances apply to the property which do not apply generally to other properties in the city and within the same zone. These exceptional or extraordinary circumstances result from tract size or shape, topography or other circumstances over which the owners of the property have no control. Actions of previous owners do not constitute other exceptional or extraordinary circumstances.
2. The variance is necessary to assure that the applicant maintains substantially the same property rights as are possessed by the owners of other property in the city and within the same zone.
3. Granting of this variance will not be materially detrimental to the intent or purposes of the city's Comprehensive Plan or the Land Development and Planning Ordinance.
4. Granting of this variance will not be materially detrimental to other property within the same vicinity.
5. The variance requested is the minimum variance which will alleviate the hardship.
6. The exceptional or unique conditions of the property which necessitate the issuance of a variance were not caused by the applicant, or the applicant's employees or relatives.

Finding 11: The project applicant's narrative describes their rationale for the variance request related to maximum building height, which revolves around a need to accommodate the type of "high cube" racking systems used by the building's potential e-commerce users.

Planning Staff generally concur with the applicant's findings supporting their request for a Major Variance, including the following:

- The *exceptional circumstances* related to the subject property are associated with its size. The large (approximately 50-acre) property is large enough to accommodate a regional-scale distribution center but the City's code does not permit a building tall enough to accommodate the racking systems used by such a distribution center. Smaller parcels in the M-1 zone would presumably not require a similarly tall racking system as the economic benefits of automated storage and retrieval systems are lessened at smaller scales.
- The proposed building height would only marginally increase the project's owner's *property rights* beyond those possessed by owners of other properties in the same zone. Without the added height, warehouse and distribution uses would still be allowed on the subject property, therefore the property's value and utility doesn't dramatically increase with the higher building height alone.
- Planning Staff concur with the project applicant that the CMC does not explicitly state the *intent or purpose* of the 45-foot height limit identified in the CMC. However, presumably it is to control the scale and massing of new buildings so that they are not *materially detrimental to other properties* in the vicinity. Impacts of taller buildings can include shade, shadow, and lighting impacts, as well as adverse impacts to long-distance vistas in an area or across a site.

Because the building's distance from surrounding land uses, roadways, and property lines is substantially greater than required, Planning Staff believe that the materially detrimental impact of the additional building height would be marginal. Hypothetically, a shorter (consistent with height requirements) warehouse could be much closer to the project site's perimeter and would have greater impacts on long-distance views across the project site. Because the building is sited in the middle of the subject property, its shade and shadow impacts on surrounding uses would be essentially the same at either height (45 feet versus the proposed range of 44 feet to 52 feet, 10 inches).

Planning Staff note that the finding provided by the applicant team related to "materially detrimental" impacts to surrounding properties is not adequate. However, Planning Staff have conducted their own analysis as described above.

- The variance request is the *minimum variance* which will alleviate the hardship since the proposed increase in height is only large enough to create 40 feet of clear interior height for racking systems. Furthermore, most of the points along the perimeter wall would be below the maximum allowed 45 feet. Only the rear (southern) elevation would reach 52 feet, 10 inches from the horizontal ground plane.
- Because the project applicant is responding to regional market conditions that have generated a need for e-commerce uses and their associated building technologies, the identified hardship was not *caused or created* by the project applicant. The project applicant aims to accommodate e-commerce building users, not construct a taller building simply to permit flexibility in future building programming.

For the above reasons, Planning Staff recommend that the Planning Commission approve the requested Major Variance.

Chapter 16.86: Street Alignments

This chapter of the CMC requires that adequate space be provided for the planned expansion, extension, or realignment of public streets consistent with Canby's TSP and Public Works Design Standards. The chapter also emphasizes that the street network in Canby is intended to be organized on a "connected grid pattern of local, collector, and arterial streets."

Finding 12: Because the subject property fronts onto three existing public streets and the proposed project is proposed to gain access from two of these facilities (S Township Road and S Mulino Road), half-street improvements on all three are required. Section V of this Staff Report lists conditions of approval related to public improvements.

Dedication of right-of-way is required along S Township Road and S Mulino Road to accommodate half-street improvements meeting the City's Collector street standard. This is reflected in the applicant's drawing set. Although the paved surface of S Sequoia Parkway has already been improved consistent with the Collector standard (including dedication of required right-of-way), construction of improvements behind the curb line (i.e., sidewalks and landscaping) are required. Overall, these improvements will implement the community-wide street connectivity described in Subsection 16.86.060, which relies on streets such Township, Mulino, and Sequoia to connect various parts of the community.

For the above reasons, Planning Staff finds this request, as conditioned, is consistent with applicable provisions of the CMC.

Chapter 16.120: Parks, Open Space, and Recreational Land

This section of the CMC requires dedication of parkland or payment of system development charges (SDCs) to compensate for the increased demand for recreational amenities generated by new land uses.

Finding 13: The proposed project does not dedicate public park space. If approved, the City will provide the applicant with an itemized summary of applicable SDCs.

For the above reasons, Planning Staff finds this request is consistent with applicable provisions of the CMC.

III. Public and Agency Comments

Notice of this application and the opportunity to provide comment was forwarded to property owners and residents within a 500-foot radius and to applicable public agencies. At the time of this writing, three public comments and two agency comments were received, as summarized below.

A. Public Comments:

- **Patricia Perkins (June 14, 2021).** The commenter expressed concern that the requested height variance would set a precedent for similar future requests and would be inconsistent with the intent of adopted height requirements. The commenter also expressed concern that a taller building would require Canby Fire to purchase or acquire additional equipment to provide emergency services to the proposed facility.
- **Dan and Cyndi Haider (June 16, 2021).** The commenters identified concerns regarding localized traffic and circulation impacts, driveway spacing, and light pollution. Potential impacts to existing land uses north across S Township Road were highlighted.
- **James Walton (June 16, 2021).** The commenter expressed concerns regarding mitigation of noise and aesthetic impacts to the Timber Park subdivision to the west across S Sequoia Parkway, including a request that special attention to screening/buffering be considered.

B. Agency and Service Provider Comments:

- **Matt English, Division Chief, Canby Fire (May 21, 2021).** Canby Fire provided a list of the agency's requirements and identified applicable fire and safety codes.
- **Curt McLeod, PE, Curran-McLeod, Inc. (May 24, 2021).** The City's Consulting Engineer provided comments regarding street dedication and improvements, and sanitary sewer connections.

IV. Conclusion

Staff has reviewed the applicant's narrative and submitted application materials and finds that the applications listed above conform to the applicable review criteria and standards, subject to: 1) the conditions of approval noted in Section V of this Staff Report, 2) approval of the requested variance, and 3) administrative approval of a parking exception. Planning Staff recommends that the Planning Commission **Approve**

Site and Design Review application DR 21-01 and Major Variance application VAR 21-01 subject to the identified conditions of approval.

V. Conditions of Approval

General Conditions:

1. The project shall substantially comply with the submitted narrative and plans. Analysis conducted by City Staff and the City's traffic consultant assumed an e-commerce warehouse/distribution use; a different land use or building type may generate different or greater impacts. Any deviation from submitted plans may require additional land use review. (Planning)

Public and Utility Improvements:

2. Public improvements shall comply with all applicable City of Canby Public Works Design Standards. Identified street improvements and right-of-way dedications must be designed and constructed (or bonded) to the satisfaction of the City Engineer. (Public Works/City Engineer)
3. Half-street improvements on S Township Road shall reflect a Collector street classification and shall include 37 feet of right-of-way and 25 feet of paved half-street. The existing right-of-way is 30 feet wide; therefore an additional 22 feet shall be dedicated. Frontage improvements shall include curb and gutter, sidewalks, street lighting, street trees, and stormwater improvements. (Public Works/City Engineer)
4. Half-street improvements on S Mulino Road shall also reflect a Collector street classification and shall include 37 feet of right-of-way and 25 feet of paved half-street. Right-of-way shall be dedicated consistent with these improvements. Frontage improvements shall include curb and gutter, sidewalks, street lighting, street trees, and stormwater improvements. (Public Works/City Engineer)
5. Frontage improvements on S Sequoia Parkway shall include sidewalk and street trees. Adequate right-of-way exists for this half-street. (Public Works/City Engineer)
6. Consistent with the memorandum submitted to the City by DKS Associates on April 19, 2021, the project applicant shall pay a fee of \$547,200 to the City in lieu of the project's share of highway and intersection impacts that cannot be mitigated due to improvements at those locations that are infeasible or unplanned. This in-lieu fee shall be used for the City's Walnut Street Extension/Industrial Connector Road project, which is identified in the City's TSP and will mitigate system-wide congestion along Highway 99E corridor. (Planning)
7. Sanitary sewer service shall be connected into the S Sequoia Parkway 12-inch Main Line. The station must be a private facility, operated and maintained by the property owner. Alternatively, a gravity sewer is available in S Mulino Road which would need to be extended from the adjacent pump station south of the project site. (City Engineer)
8. Water and electric service shall be extended to serve the facility to the satisfaction of the City Engineer and Canby Utility. Water services shall be constructed in conformance with Canby Utility requirements. (Public Works/City Engineer)
9. Access driveways for use by trucks shall be industrial type with large-radius curb returns to account for truck traffic. All driveways shall have an industrial driveway

approach consisting of 8-inch minimum concrete thickness with reinforcements or mesh welded wire fabric. (City Engineer)

10. Driveways widths shall be a maximum of 40-feet wide as per City of Canby Municipal Code unless specifically allowed by the City Engineer. (City Engineer)
11. All private storm drainage shall be disposed of onsite. A final drainage report shall be submitted with the final construction plans.

The applicant shall demonstrate how the storm runoff generated from the new impervious surfaces will be disposed. If drywells (UIC) are used as a means to discharge storm runoff, they must meet the following criteria:

- a. The UIC structures' location shall meet at least of the two conditions:
 - i. The vertical separation distance between the UIC and seasonal high groundwater is more than 2.5 feet, or
 - ii. The horizontal separation distance between the UIC and any water well is a minimum of 267 feet in accordance with the City of Canby Stormwater Master Plan, Appendix "C", *Groundwater Protectiveness Demonstration and Risk Prioritization for Underground Injection Control Devices*.

The storm water drainage report and design methodology shall be in conformance with the requirements as stated in Chapter 4 of the City of Canby Public Works Design Standards dated December 2019. (Public Works/City Engineer)

12. Any existing domestic or irrigation wells shall be abandoned in conformance with OAR 690-220-0030. A copy of an Oregon Water Rights Department (OWRD) abandonment certificate shall be submitted to the City. (City Engineer)
13. Any existing onsite sewage disposal system shall be abandoned in conformance with DEQ and Clackamas County Water Environmental Services (WES) regulations. A copy of the septic tank removal certificate shall be submitted to the City. (City Engineer)
14. Water services and fire protection shall be constructed in conformance with Canby Utility and Canby Fire requirements, including requirements identified by Fire Inspector Jim Walker and Division Chief Matt English in their memorandum dated May 21, 2021. (Canby Fire)
15. The project applicant shall coordinate with Canby Fire to identify appropriate locations for fire hydrants. Prior to site plan approval, the project applicant shall provide an updated site plan identifying hydrant locations to the satisfaction of Canby Fire. (Canby Fire)

Project Design/Site Plan Approval:

16. Consistent with the project applicant's own scoring of their conformance with the Industrial Overlay Design Review Matrix related to landscaping (see Subsection 16.356.070 in the Canby Municipal Code), the project applicant shall provide a "usable outdoor amenity" such as "water features, plazas, or seating areas" that is proportional to the size and scale of the proposed facility. While the matrix scoring does not require an amenity for public use, the amenity must extend beyond two benches in the employee parking lot. Conformance with this condition shall be

evaluated by Planning Staff prior to completion of Site Plan Review for the first phase of development. (Planning)

17. The applicant shall work with Canby Utility and the Canby Public Works Department in order to provide the appropriate connections to all required utilities prior to site plan approval. (Public Works)
18. The developer/builder of the proposed buildings shall consult with Canby Disposal regarding final architectural plans and design considerations for solid waste pickup. (Canby Disposal)
19. All landscaping must meet the requirements of Chapter 16.49 for longevity, planting types, irrigation requirements and general coverage. (Planning)
20. All proposed lighting shall meet the standards described in Chapter 16.43 and must have cut-off shielding and be installed as described in the submitted lighting plan. (Planning)

Building Permits:

21. Pursuant to Subsection 16.49.060 of the Canby Municipal Code, Site and Design Review Board approvals shall be void after twelve (12) months unless: A building permit has been issued and substantial construction pursuant thereto has taken place, as defined by the state Uniform Building Code; or the Planning Department finds that there have been no changes in any Ordinances, standards, regulations or other conditions affecting the previously approved project so as to warrant its resubmittal. (Ord. 848, Part III, Section 4, 1091). (Planning)
22. An erosion control and a grading permit will be required from the City of Canby prior to any on-site disturbance. (Planning)
23. The project applicant shall apply for a City of Canby Site Plan Permit, Clackamas County Building permits (including grading permits), and a City of Canby Erosion Control Permit prior to project construction. (Planning/Public Works)
24. Clackamas County Building Services will provide structural, electrical, plumbing, and mechanical plan review and inspection services. (Clackamas County Building Services)
25. Construction plans shall be designed and stamped by a Professional Engineer registered in the State of Oregon. (City Engineer)
26. Prior to occupancy, sight distance at all access points will need to be verified, documented, and stamped by a registered professional Civil or Traffic Engineer licensed in the State of Oregon. (Public Works)
27. The applicant shall submit signage applications to the City for any future signs. Proposed signs shall conform to provisions of Chapter 16.42 of the CMC and shall secure a building permit from Clackamas County Building Services prior to their installation if applicable. (Planning)
28. The design engineer shall submit to the City of Canby for review and approval at the time of final construction plan approval a storm drainage analysis and report applicable to the defined development area detailing how storm water disposal from both the building and the parking areas is being handled. Any drainage plan shall conform to an acceptable methodology for meeting adopted storm drainage design

standards as indicated in the Public Works design standards. (Public Works/City Engineer)

Prior to Occupancy:

- 29.** A narrative with accompanying materials shall be provided during the final certificate of occupancy process that demonstrates how the project is consistent with the conditions of approval stated in this Staff Report. (Planning)
- 30.** Prior to occupancy, all landscaping plant material indicated on the submitted landscape plan shall either be installed (and irrigated) as proposed, or sufficient security (bonding, escrow, etc.) shall be provided pursuant to the provisions of CMC 16.49.100 (B). (Planning)
- 31.** Prior to occupancy, all parking striping, wheel stops, ADA space requirements and signage shall be installed. (Planning)
- 32.** Prior to occupancy, all pedestrian infrastructure including sidewalks, pathways and striping shall be installed. (Planning)