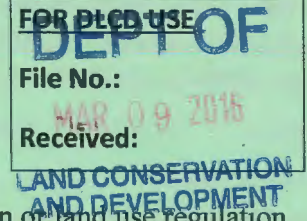


DLCD FORM 2



NOTICE OF ADOPTED CHANGE TO A COMPREHENSIVE PLAN OR LAND USE REGULATION



Local governments are required to send notice of an adopted change to a comprehensive plan or land use regulation **no more than 20 days after the adoption.** (See OAR 660-018-0040). The rules require that the notice include a completed copy of this form. **This notice form is not for submittal of a completed periodic review task or a plan amendment reviewed in the manner of periodic review.** Use Form 4 for an adopted urban growth boundary including over 50 acres by a city with a population greater than 2,500 within the UGB or an urban growth boundary amendment over 100 acres adopted by a metropolitan service district. Use Form 5 for an adopted urban reserve designation, or amendment to add over 50 acres, by a city with a population greater than 2,500 within the UGB. Use Form 6 with submittal of an adopted periodic review task.

Jurisdiction: City of Happy Valley

Local file no.: LDC-16-15

Date of adoption: 3-1-16

Date sent: 3/7/2016

Was Notice of a Proposed Change (Form 1) submitted to DLCD?

Yes: Date (use the date of last revision if a revised Form 1 was submitted): 12-2-15

No

Is the adopted change different from what was described in the Notice of Proposed Change? Yes No

If yes, describe how the adoption differs from the proposal:

No

Local contact (name and title): Michael D. Walter Economic & Community Development Director

Phone: 503 783-3839

E-mail: michaelw@happyvalleyor.gov

Street address: 16000 SE Misty Drive

City: Happy Valley

Zip: 97086-

PLEASE COMPLETE ALL OF THE FOLLOWING SECTIONS THAT APPLY

For a change to comprehensive plan text:

Identify the sections of the plan that were added or amended and which statewide planning goals those sections implement, if any:

Adopted addition of definitions & an Industrial Compus (IC) Zone Sub-District

For a change to a comprehensive plan map:

Identify the former and new map designations and the area affected:

| | | | |
|------------------------|----|--------|--|
| Change from change. | to | acres. | A goal exception was required for this |
| Change from change. | to | acres. | A goal exception was required for this |
| Change from change. | to | acres. | A goal exception was required for this |
| Change from | to | acres. | A goal exception was required for this change. |

Location of affected property (T, R, Sec., TL and address):

The subject property is entirely within an urban growth boundary

The subject property is partially within an urban growth boundary

If the comprehensive plan map change is a UGB amendment including less than 50 acres and/or by a city with a population less than 2,500 in the urban area, indicate the number of acres of the former rural plan designation, by type, included in the boundary.

| | |
|---|--|
| Exclusive Farm Use – Acres: | Non-resource – Acres: |
| Forest – Acres: | Marginal Lands – Acres: |
| Rural Residential – Acres: | Natural Resource/Coastal/Open Space – Acres: |
| Rural Commercial or Industrial – Acres: | Other: – Acres: |

If the comprehensive plan map change is an urban reserve amendment including less than 50 acres, or establishment or amendment of an urban reserve by a city with a population less than 2,500 in the urban area, indicate the number of acres, by plan designation, included in the boundary.

| | |
|---|--|
| Exclusive Farm Use – Acres: | Non-resource – Acres: |
| Forest – Acres: | Marginal Lands – Acres: |
| Rural Residential – Acres: | Natural Resource/Coastal/Open Space – Acres: |
| Rural Commercial or Industrial – Acres: | Other: – Acres: |

For a change to the text of an ordinance or code:

Identify the sections of the ordinance or code that were added or amended by title and number:

City of Happy Valley, Title 16 (Land Development Code) - including section 16.12.030; 16.25.005; and 16.25.010.

For a change to a zoning map:

Identify the former and new base zone designations and the area affected:

| | | |
|-------------|----|--------|
| Change from | to | Acres: |
| Change from | to | Acres: |
| Change from | to | Acres: |
| Change from | to | Acres: |

Identify additions to or removal from an overlay zone designation and the area affected:

| | | |
|---------------------------|--------------|----------------|
| Overlay zone designation: | Acres added: | Acres removed: |
|---------------------------|--------------|----------------|

Location of affected property (T, R, Sec., TL and address):

List affected state or federal agencies, local governments and special districts: City of Happy Valley, Clackamas County

Identify supplemental information that is included because it may be useful to inform DLCD or members of the public of the effect of the actual change that has been submitted with this Notice of Adopted Change, if any. If the submittal, including supplementary materials, exceeds 100 pages, include a summary of the amendment briefly describing its purpose and requirements.

None

Mayor
Honorable Lori DeRemer



City Manager
Jason A. Tuck

March 7, 2016

File No. LDC-16-15
(Administrative Amendments)

NOTICE OF DECISION

This is official notice of action taken by the City of Happy Valley Planning Commission and City Council public hearings held on February 9, 2016 and March 1, 2016, with regard to an application by City of Happy Valley for Administrative Amendments (Local File No. LDC-16-15), focusing on changes to Title 16 of the City's Municipal Code (Land Development Code) in regard to addition of definitions and an Industrial Campus (IC) Zone Sub-District.

At the final public hearing, the City Council voted to approve LDC-16-15 based upon submitted information, public testimony, and the recommendation of the Planning Commission. Copies of the Planning Commission and City Council Staff Reports for LDC-16-15 are available upon request.

This action of the City Council is subject to appeal to the State Land Use Board of Appeals. Staff from the City's Planning Division (503-783-3800) can provide information regarding the appeal process.

A handwritten signature in black ink, appearing to read 'Michael D. Walter', is written over a horizontal line.

Michael D. Walter
Economic & Community Development Director

cc: City of Happy Valley, Applicant
Participants of Record

16000 SE Misty Drive, Happy Valley, Oregon 97086-4288
Telephone: (503) 783-3800 Fax: (503) 658-5174
happyvalleyor.gov

CITY OF HAPPY VALLEY
ORDINANCE NO. 491

AN ORDINANCE AMENDING MULTIPLE SECTIONS OF TITLE 16 (LAND DEVELOPMENT CODE) OF THE
CITY OF HAPPY VALLEY MUNICIPAL CODE – ADMINISTRATIVE AMENDMENTS

THE CITY OF HAPPY VALLEY ORDAINS AS FOLLOWS:

WHEREAS, Application LDC-16-15 was a staff initiated request to amend sections of the City's Municipal Code as detailed within the Staff Report to the City Council dated March 1, 2016; and

WHEREAS public hearings were held before the City of Happy Valley Planning Commission on February 9, 2016 and March 1, 2016; and

WHEREAS, the Planning Commission recommended the City Council approve the changes to Title 16 of the Municipal Code (as amended) as detailed in the Staff Report to the City Council dated March 1, 2016; and

WHEREAS, the City has forwarded a copy of the proposed amendments to the Oregon Department of Land Conservation and Development (DLCD) and METRO in a timely manner; and

WHEREAS, the Council of the City of Happy Valley, Oregon, has determined that it is reasonable, necessary and in the public interest to make the proposed amendments as detailed within Exhibit "A"; and

WHEREAS, the Council hereby adopts the proposed amendments as detailed in Exhibit "A", as supported by the Findings of Fact in the Staff Report to the City Council dated March 1, 2016, and as discussed at the regular meeting of the City Council on March 1, 2016; and

NOW, THEREFORE, based on the foregoing,

THE CITY OF HAPPY VALLEY ORDAINS AS FOLLOWS:

Section 1. The City of Happy Valley declares that the amendments to Title 16 of the City's Municipal Code be amended as set forth as part of Exhibit "A" and are fully incorporated herein.

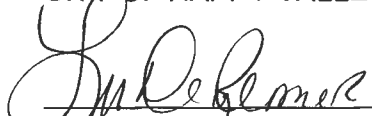
Section 2. The City of Happy Valley declares that the Findings of Fact included within the Staff Report to the City Council dated March 1, 2016 are hereby adopted in conjunction with this Ordinance.

BE IT FURTHER DECLARED that this Ordinance shall become effective thirty (30) days after approval by the City Council.

This ordinance takes effect 30 days after adoption.

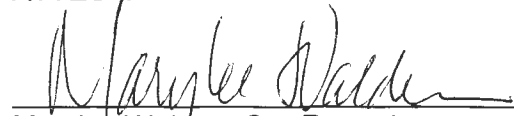
COUNCIL APPROVAL AND UNANIMOUS ADOPTION AT ONE MEETING: [March 1, 2016]

CITY OF HAPPY VALLEY



Mayor Lori DeRemer

ATTEST:



Marylee Walden, City Recorder

EXHIBIT "A"

(FINAL TEXT AS DETERMINED BY THE CITY COUNCIL AT THE
CONCLUSION OF THE PUBLIC HEARING TO BE INSERTED HERE)



**CITY OF HAPPY VALLEY
STAFF REPORT TO THE CITY COUNCIL**

MARCH 1, 2016

LAND DEVELOPMENT CODE ADMINISTRATIVE AMENDMENTS

FILE NUMBER: LDC-16-15

I. GENERAL INFORMATION:

The following proposed administrative amendments represent City initiated amendments to Title 16 of the City's Municipal Code (Land Development Code). The proposed changes are presented as the "first part" of a series of changes (to include future proposed Comprehensive Plan/Zoning Map amendments) that will accommodate a future employer within the RCEC Subdistrict area (assuming future Industrial Campus (IC) zoning).

EXHIBITS:

- A. Staff Report and Findings of Fact
- B. Rock Creek Employment Center Area Map
- C. Proposed Land Development Code Text Amendments
- D. Public Notice
- E. Published Notice

PROPOSAL:

The City seeks approval of Land Development Code (LDC) amendments governing land use in the area of land known as the Rock Creek Employment Center Subdistrict (RCEC). Staff has determined that the proposed LDC amendments comply with the applicable requirements of the City's Comprehensive Plan and LDC.

APPLICANT:

City of Happy Valley
16000 SE Misty Drive
Happy Valley, OR 97086

APPLICABLE CRITERIA:

Applicable Statewide Planning Goals; OAR 660-012-0060 of the Oregon Administrative Rules; Title 4 of Metro Chapter 3.07 (Urban Growth Management Functional Plan); applicable policies and sections of the City of Happy Valley Comprehensive Plan and Municipal Code, Title 16 (Land Development Code) - including Chapter 16.67 including 16.67.015, 16.67.020, and 16.67.060.

EXHIBIT A

BACKGROUND:

The proposal is to (a) extend the RCEC boundary to include a limited area of newly annexed land, east of 172nd Avenue and north of Highway 212 shown as “Subarea B” in the proposed LDC amendments (Exhibit C); and (b) modify use limitations that apply within the RCEC.

The RCEC area is roughly 450 gross acres in size and was brought into the Urban Growth Boundary (UGB) in 2002 as part of an approximately 12,000-acre UGB expansion. At the time of the UGB expansion, most of the RCEC was designated as Regionally Significant Industrial Area (RSIA), the remainder was designated as Employment land. The City of Happy Valley adopted the Rock Creek Mixed Employment Comprehensive Plan (2008) and the East Happy Valley Comprehensive Plan (2009), which includes the majority of the RCEC area (Exhibit B). The designations specified by the Rock Creek Mixed Employment Comprehensive Plan (RCME) and the East Happy Valley Comprehensive Plan (EHVCP) are consistent with Metro Title 4 RSIA and Employment designations. The City conducted more detailed analyses of the area as part of an Economic Opportunity Analysis (EOA), adopted in 2011. The LDC text amendments proposed in this report specifically address EOA goals of increasing economic vitality and facilitating development of the RCEC.

The Happy Valley city limits have recently expanded into areas not included in adopted long-range Comprehensive Plan maps. In addition, corresponding land use requirements pre-date the amended urban planning and settlement agreement between the City of Happy Valley and the City of Damascus. Further, the new boundary map line dividing the two cities' boundaries, and recent annexations along the eastern city limits have changed the city boundary equation. Interest in industrial development in recently annexed areas, which was not anticipated by the City's most recent long-range planning, has prompted a reexamination of policy and industrial development land use requirements. The City intends to undertake comprehensive land use planning for new areas in East Happy Valley but, prior to completion of long-range planning, does not want to inhibit near-term potential employment growth in this area of the City. At the same time, the City is committed to ensuring that as the city limits expand in East Happy Valley, industrial lands are protected for employment-intensive, not just land-intensive, uses.

The RCEC expansion area, which is illustrated in Exhibit C, is currently zoned Clackamas County Rural Residential Farm Forest – five-acre minimum lot size (RRFF-5) and is designated a Metro Title 4 Regionally Significant Industrial Area (RSIA). This area was annexed into the City of Happy Valley in July 2015. It is expected that the land that is proposed as Subarea B will be zoned for industrial uses, given the existing RSIA designation; proximity to land currently zoned IC; the relatively large-lot parcels and less steeply sloped topography; and, its geographic proximity to Highway 212 and 172nd Avenue. Industrial zoning is also consistent with development interest in the site for a distribution center.

Expansion of the RCEC area to include Subarea B is well supported, as the area is geographically near the existing RCEC and consists of land with similar attributes, making it part of an area vitally important for industrial employment. Subarea B is also designated as a RSIA, is topographically similar to the current RCEC area, and is served by the same transportation network that supports planned employment and industrial uses. The proposed geographical area of Subarea B is relatively modest in size, and its inclusion in the RCEC is supportable given its general topography and suitability for employment uses and its proximity to the existing RCEC boundary, existing IC zoning in the area, and existing transportation system, including Highway 212 which is part of the Regional Freight Network.

Currently, industrial warehousing and distribution activities are only permitted as accessory to a primary use in the RCEC area industrial zones. If included in the RCEC boundary, this restriction would apply to uses in Subarea B, as would size limitations, with warehouse and distribution restricted to 20 percent of the total site or less. These requirements are in place to ensure that Happy Valley's important industrial employment areas are not disproportionately occupied by land intensive, but relatively low employment uses. However, the City is proposing to allow for more flexibility to accommodate specific distribution uses in Subarea B, while at the same time meeting community objectives of optimizing employment lands for jobs.

The proposed code modifications would relax the current, relatively narrow allowances for warehouse and distribution center uses (as the terms are proposed to be used and defined) in the RCEC to enable these uses to locate in Subarea B as an outright use. At the same time, an accompanying code requirement would ensure that some portion of the site would be retained for administrative or executive office space and/or the warehouse or distribution center use itself would generate a certain number of employees per square-foot of gross floor area.

No new uses are being permitted by the proposed text amendments and approval does not rezone the land in proposed Subarea B of the expanded RCEC. Future applicants in Subarea B will still need to apply for a Comprehensive Plan/Zoning Map amendment to allow industrial development.

GENERAL DISCUSSION:

The proposed text amendments to the LDC, specifically Chapter 16.25 (Industrial Districts), and associated additions of terms to Chapter 16.12 (Definitions) are summarized below. The actual proposed amendments are shown in highlight/strikethrough text in Exhibit C.

The proposed LDC amendments expand the RCEC area to include a sub-area of land recently annexed into the City of Happy Valley and modify applicable requirements to enable the types of employment suitable for this area as demonstrated in Exhibit C. Specifically, where distribution and warehousing facilities are limited in the RCEC area, in the proposed Subarea B these uses will be permitted if thresholds for employment and office use can be met. Proposed text amendments:

- Modify Table 16.25.010-1 Industrial (EC, IC) Permitted Uses, Note 8 to state "except as noted in Subsection 16.25.010(F)(3)."
- Modify Subsection 16.25.010(F) to include a sub (1), boundary of the Rock Creek Employment Center; a new sub (2) describing (existing) Trip Limitation Requirement; and a new sub (3) with requirements for distribution facilities in the new area.
- Modify Figure 16.25.010-1 Rock Creek Employment Center to:
 - Include an area recently annexed to the City (Clackamas County Tax Assessors Map 2 3E 7AD, tax lots 600, 700, 800, 801 and 802);
 - Identify Subarea B as subject to new Subsection 16.25.010(F)(3); and.
 - Re-name subarea currently subject to trip cap as Subarea A.

To clarify what uses are permitted in Table 16.25.10-1, the terms "distribution center," "self-service storage," and "warehouse" are suggested to amend similar, undefined terms currently in use. Similar modifications are proposed for Rock Creek Mixed Employment (RC-ME) Permitted Uses (Table 16.25.005-1). Definitions for these terms are proposed for inclusion in Chapter 16.12.

II. FINDINGS OF FACT

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

“GOAL 1: CITIZEN INVOLVEMENT

To develop a citizen involvement program that insures the opportunity for citizens to be involved in all phases of the planning process.

Staff Response:

The City, through the City of Happy Valley LDC, has created proper procedures to provide citizens the opportunity to have input in any proposed text and map amendments. Opportunities for public input will be available as part of the public hearings process and prior to action on this proposal. Notification of this proposal and hearing was provided via Public Notice within a 300-foot radius of the subject properties (Exhibit D) and Published Notice (Exhibit E).

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

GOAL 2: LAND USE PLANNING

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

Staff Response:

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

The proposed amendments to the Comprehensive Plan represent minor changes, and are supportive of the City’s intent to maximize employment opportunities in developing areas of the City, where appropriate.

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

GOAL 9: ECONOMIC DEVELOPMENT

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

Staff Response:

Statewide Planning Goal 9 calls for diversification and improvement of the economy. This Goal asks communities to inventory commercial and industrial lands, project future needs for such lands, and plan and zone enough land to meet those needs. Happy Valley completed its latest Goal 9 EOA in 2011 to address statewide requirements. The EOA sets forth the economic opportunities, policies and land needs analysis for employment lands. The EOA found the City

needs as much as 333 acres (high growth scenario) of employment land to meet its 20-year land needs and that there is an adequate supply of land in the industrial and office categories. The proposed amendments allow for some flexibility in a limited area to accommodate warehouse and distribution center uses. With much of the City's existing industrial land supply within the RCEC, and therefore subject to accessory use limitations and size restrictions for warehouse and distribution industrial users, there are minimal opportunities to site distribution centers in Happy Valley. The proposed text amendments are intended to help the City diversify and improve employment opportunities, while at the same time meet EOA Objective 2.2 (Recruit businesses that offer living wages that are higher than the statewide average for all private business establishments). The text amendments enhance the short-term land supply available for industrial warehouse and distribution uses, while ensuring that there is diversity of employment type and that number of employees relative to warehouse space remains high.

The proposed text amendments are therefore consistent with Statewide Planning Goal 9.

GOAL 11: PUBLIC FACILITIES AND SERVICES

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

Staff Response:

The proposed LDC and supportive policy amendments will not increase the demand for utility infrastructure and services. Adoption of the proposed amendments will not modify the City of Happy Valley Comprehensive Plan/Zoning Map and no new uses are actually being permitted by the proposed text amendments. Prior to any urban industrial development being permitted in the area identified as Subarea B, a property owner or their representative will need to apply for a Comprehensive Plan/Zoning Map amendment and provide supportive findings regarding the suitability of the site for industrial use. Findings related to Goal 11 will include the adequacy of water and sewer service to the site. This area has been within the Metro UGB since 2002 and, through the recent annexation process, the City of Happy Valley supports providing city services to the area. The Sunrise Water Authority is the water service provider in the area. Clackamas County Water Environment Services (WES) coordinates storm water management, water quality and stream enhancement projects. Future land use application(s) for development within the proposed RCEC Subarea B will need to demonstrate coordination with these agencies for adequate provision of these public facilities and services.

The amendments are consistent with Statewide Planning Goal 11.

GOAL 12: TRANSPORTATION

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

Staff Response:

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

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

*"OAR Chapter 660, Division 12 (Transportation Planning)
660-012-0060*

Plan and Land Use Regulation Amendments

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

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

(b) Change standards implementing a functional classification system;

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

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

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

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

Staff Response:

Adoption of the proposed amendments will not modify the City of Happy Valley Comprehensive Plan/Zoning Map and no new uses are being permitted by the proposed text amendments. The proposed LDC changes will modify how distribution center and warehouse uses are permitted in a limited area of an expanded RCEC sub-area. Any transportation issues that may result from these uses in this area will be addressed at the time of Comprehensive Plan/Zoning Map amendments. Therefore, these criteria are satisfied.

3. The following Titles from METRO Chapter 3.07 (Urban Growth Management Functional Plan) are applicable to this request:

“TITLE 4: INDUSTRIAL AND OTHER EMPLOYMENT AREAS

3.07.420 Protection of Regionally Significant Industrial Areas

A. Regionally Significant Industrial Areas (RSIAs) are those areas near the region’s most significant transportation facilities for the movement of freight and other areas most suitable for movement and storage of goods. Each city and county with land use planning authority over RSIAs shown on the Employment and Industrial Areas Map shall derive specific plan designation and zoning district boundaries of RSIAs within its jurisdiction from the Map, taking into account the location of existing uses that would not conform to the limitations on non-industrial uses in this section and the need to achieve a mix of employment uses.

Staff Response:

Land that is proposed to be included in the RCEC is designated a Metro Title 4 Regionally Significant Industrial Area. As described in the Background section of this report, most of the RCEC area also has this designation. The proposed amendments to Chapter 16.25 (Industrial Districts) ensure that, at such time IC zoning is applied to the newly annexed area of Happy Valley, development would be subject to the limitations of Subarea B. Proposed thresholds for office and employment uses associated with warehouse and distribution center uses would apply. Therefore, these criteria are satisfied.

B. Cities and counties shall review their land use regulations and revise them, if necessary, to include measures to limit the size and location of new buildings for retail commercial uses - such as stores and restaurants - and retail and professional services that cater to daily customers - such as financial, insurance, real estate, legal, medical and dental offices - to ensure that they serve primarily the needs of workers in the area. One such measure shall be that new buildings for stores, branches, agencies or other outlets for these retail uses and services shall not occupy more than 3,000 square feet of sales or service area in a single outlet, or multiple outlets that occupy more than 20,000 square feet of sales or service area in a single building or in multiple buildings that are part of the same development project, with the following exceptions:

- 1. Within the boundaries of a public use airport subject to a facilities master plan, customary airport uses, uses that are accessory to the travel-related and freight movement activities of airports, hospitality uses, and retail uses appropriate to serve the needs of the traveling public; and*
- 2. Training facilities whose primary purpose is to provide training to meet industrial needs.”*

Staff Response:

Happy Valley’s existing requirements for the Industrial (EC, IC) zones meet Title 4 requirements for limiting retail commercial uses. Proposed amendments to Chapter 16.25 (Industrial Districts) requirements apply only to the IC zone, and only to the proposed sub-area, and do not modify standards applicable to retail uses. Proposed provisions allow for larger warehouse or distribution center uses in the proposed sub-area, but only where thresholds for office and/or employment can be met. Office uses are limited to a maximum 40 percent of the gross floor area square footage of the distribution use and must be executive and/or administrative offices related to the operation of the distribution center. Therefore, these criteria are satisfied.

4. The following Land Use Policies from the City’s general Comprehensive Plan Policies are applicable to this request:

“Commercial and Employment Area Policies

Policy 54: To encourage compatible residential, commercial and light industrial development in both the City of Happy Valley and nearby Clackamas County that will provide jobs. The City supports the development of commercial and employment uses in the Hwy. 212/224 Corridor, Sunnyside Road Corridor and the Rock Creek Employment Center and in other areas, subject to design standards.

Staff Response:

The proposal supports compatible uses and jobs within the RCEC, as modified, consistent with this plan policy. Therefore, this policy is met.

Policy 54A: To reduce vehicle miles traveled and street congestion, and to provide local employment opportunities, Happy Valley will encourage home based businesses that show no outward signs of business activity and fully retain the residential character of existing neighborhoods.

Staff Response:

The proposal extends the RCEC to a new area of the City that is well served by the existing transportation system, including Highway 212 and 172nd Avenue. Both freight movement and future commuters will benefit from the adoption of the proposed sub-area designation, and code amendments related to the RCEC. The proposed modifications will allow a variety of industrial employment uses in an area east of 172nd Avenue, including warehousing and distribution where proposed specific criteria for employment numbers and office space can be met. Therefore, this policy is met.

Policy 54B: To comply with Statewide Planning Goal 9 (Economy of the State) and to meet long-term neighborhood-oriented commercial and office needs for existing and future City residents in the Rock Creek Comprehensive Plan Area, Happy Valley has annexed existing and planned commercial and office sites served by Sunnyside Road in the Rock Creek Comprehensive Plan Area. In addition, to meet the long term needs of Happy Valley residents for local services and employment land, the City has created a broad range of commercial, employment and light industrial districts.

Staff Response:

The proposal is designed to maintain needed job growth on suitable lands, by proposing code amendments that extend the RCEC to newly annexed areas of the City, while at the same time creating a Subarea where warehouses and distribution center uses may be permitted where office use and employment thresholds can be met. Therefore, this policy is met.

Policy 55: To improve the economy of Happy Valley by providing a range of land use types including a variety of commercial and employment districts. The following commercial and employment districts are applicable for any location in the City:

Policy 55D: Employment Center. The Employment Center designation is intended to provide for a mix of employment opportunities, located where they are accessible by a variety of transportation modes, including transit service and safe and convenient pedestrian connections. These areas:

- 1) Provide transition between mixed use centers and residential areas;*
- 2) Provide sites suitable for industrial, office, tech/flex, creative arts, high schools and technical schools (that meet code criteria for compatibility in employment areas), and other businesses in multi-tenant and (in some cases) multi-story buildings. The walkable character of the surrounding urban environment is a defining element.*
- 3) Support limited retail and services serving their locales;*
- 4) Allow housing as part of mixed use buildings and sites.*

Staff Response:

No requirements applicable to the EC zone are proposed. Proposed text changes that apply to the EC zone are limited to modifications in the terms distribution activities (proposed to be amended to “distribution center”) and warehousing and freight movement (proposed to be amended to “warehouse”). Therefore, these policies are met.

Policy 55E: Industrial Campus. The Industrial Campus designation is intended to provide employment opportunities consistent with Metro’s Title 4 requirements. The district is Happy Valley’s zone for implementing Metro’s requirements for Regionally Significant Industrial Areas. IC districts are intended to:

- 1) *Protect sites for larger scale industrial users, with exceptions for pre-existing parcels and committed areas.*
- 2) *Provide industrial land near appropriate transportation facilities, specifically Highway 212/224.*
- 3) *Retain land for industrial use, in part by limiting the size and location of new buildings for retail commercial uses (such as stores and restaurants) and retail and professional services that cater to daily customers (such as financial, insurance, real estate, legal, medical and dental offices) to ensure they serve primarily the needs of workers in the area. Non-industrial uses will not exceed 3,000 square feet in a single outlet, or 20,000 square feet in a multi-tenant building. Compatible public facilities will be permitted.*
- 4) *Provide for public facilities, parks, education and related uses that are compatible with industrial areas.”*

Staff Response:

The proposed text amendments apply to IC zoned land that lies within the boundaries of the proposed RCEC sub-area. The requirements, as amended, better provide for warehouse and distribution uses in an area that is best suited for this type of industrial use, specifically an area with good accessibility to Highway 212. The amendments identify this area as part of the RCEC, but at the same time relax restrictions on warehouse and distribution center use in a limited area. Therefore, this policy is met.

5. The following Goals and Objectives from the City’s Economic Opportunities Analysis are applicable to this request:

“Goal 2: Increase Economic Vitality of Happy Valley

Objective 2.1: Increase marketing exposure of shovel-ready development sites, including a mix of site sizes (i.e., 5-acre to 10-acre) to meet business expansion requirements.

Objective 2.2: Recruit businesses that offer living wages that are higher than the statewide average for all private business establishments.

Staff Response:

The RCEC was brought into the Urban Growth Boundary (UGB) in 2002 as part of an approximately 12,000-acre UGB expansion. The property was primarily designated as a Regionally Significant Industrial Area. Since that time, the City has annexed the area and

applied urban zoning. The 2011 Happy Valley EOA prepared a current economic development mission statement, policy objectives and conceptual vision for the RCEC. The proposed LDC and supportive policy amendments will extend the RCEC while at the same time, for a specific geographic area of the RCEC, reduce regulatory barriers to siting warehouse and distribution centers that bring significant employment numbers and/or executive or administrative offices as part of their operations. The City finds that these uses, with limitations and in specific locations, can add to employment opportunities in the city and can increase economic vitality. Therefore, this goal is met.

Goal 4: Facilitate Development of Rock Creek Employment Center and Happy Valley Town Center Infrastructure

Objective 4.1: Work with Clackamas County and local residents and businesses to solidify a vision and preliminary design plan for a new Rock Creek Employment Center and Happy Valley Town Center.

Objective 4.2: Work with Clackamas County, ODOT and potential site tenants to obtain full funding commitments for the on- and off-site infrastructure.

Objective 4.3: Optimize Overall Site Development Potential

Objective 4.4: Oversee Development Regulations”

Staff Response:

As findings demonstrate in this report, the City supports expansion of the RCEC area to include land recently annexed to Happy Valley and previously designated by Metro for industrial uses. The modification of development requirements related to warehouse and distribution center uses will expand the options for development in this area, maximizing the locational advantages provided by the transportation system for these types of uses. Future land use applications for this area, including Comprehensive Plan/Zoning Map amendment, will require further coordination with the City, Clackamas County and ODOT to ensure that the on and off-site infrastructure can adequately and efficiently serve proposed development. Therefore, this goal is met.

6. The following Sections from Title 16 of the City’s Municipal Code (Development Code) are applicable to this request:

“Chapter 16.67 Comprehensive Plan Map, Specific Area Plans, Land Use District Map and Text Amendments

16.67.015 Initiation of a plan amendment.

A. Any change in the text, map or implementing ordinances of adopted Happy Valley land use regulations may be initiated by the city, any resident of the city, property owners or authorized agent.... The City may, for the purposes of revising or updating plans to comply with statewide goals, legal guidelines or other necessary criteria, initiate a change in the map or text of any plan and this Land Development Code at any time.

Staff Response:

The City is initiating the proposed LDC amendments and supportive Comprehensive Plan policy amendments. The proposed amendments include:

- Text Amendments to the City of Happy Valley Development Code, Chapter 16.12 Definitions

- Text Amendments to the City of Happy Valley Development Code, Chapter 16.25 Industrial Districts

Therefore, this criterion is satisfied by the proposed amendments.

16.67.020 Legislative Amendments

Legislative amendments are policy decisions made by City Council. Except in the case of expedited annexation, they are reviewed using the Type IV procedure in Section 16.61.050 and shall conform to the Transportation Planning Rule provisions in Section 16.67.060, as applicable.

Staff Response:

The proposed amendments are legislative in nature. They will be reviewed using the Type IV procedure and will be considered by the Planning Commission and the City Council. Compliance with the Transportation Planning Rule is addressed below. Therefore, this criterion is satisfied.

16.67.060 Transportation Planning Rule Compliance

A. Review of Applications for Effect on Transportation Facilities. When a development application includes a proposed Comprehensive Plan amendment or land use district change, the proposal shall be reviewed to determine whether it significantly affects a transportation facility, in accordance with Oregon Administrative Rule (OAR) 660-012-0060 (the Transportation Planning Rule – TPR) and the traffic impact study provisions of Section 16.61.090. “Significant” means the proposal would:

- 1. Change the functional classification of an existing or planned transportation facility (exclusive of correction of map errors). This would occur, for example, when a proposal causes future traffic to exceed the levels associated with a “collector” street classification, requiring a change in the classification to an “arterial” street, as identified by the City’s Transportation System Plan (“TSP”); or*
- 2. Change the standards implementing a functional classification system; or*
- 3. As measured at the end of the Transportation System Plan (TSP) period, allow types or levels of land use would result in levels of travel or access that are inconsistent with the functional classification of an existing or planned transportation facility; or*
- 4. Reduce the performance of an existing or planned transportation facility below the minimum acceptable performance standards identified in the TSP; or*
- 5. Worsen the performance of an existing or planned transportation facility that is otherwise projected to perform below the minimum acceptable performance standards identified in the TSP.*

Staff Response:

Compliance with Statewide Planning Goal 12 (Transportation) and Oregon Administrative Rule (OAR) 660-012-0060 (Transportation Planning Rule – TPR) is addressed in Section 2 of these findings. Therefore, this criterion is satisfied.

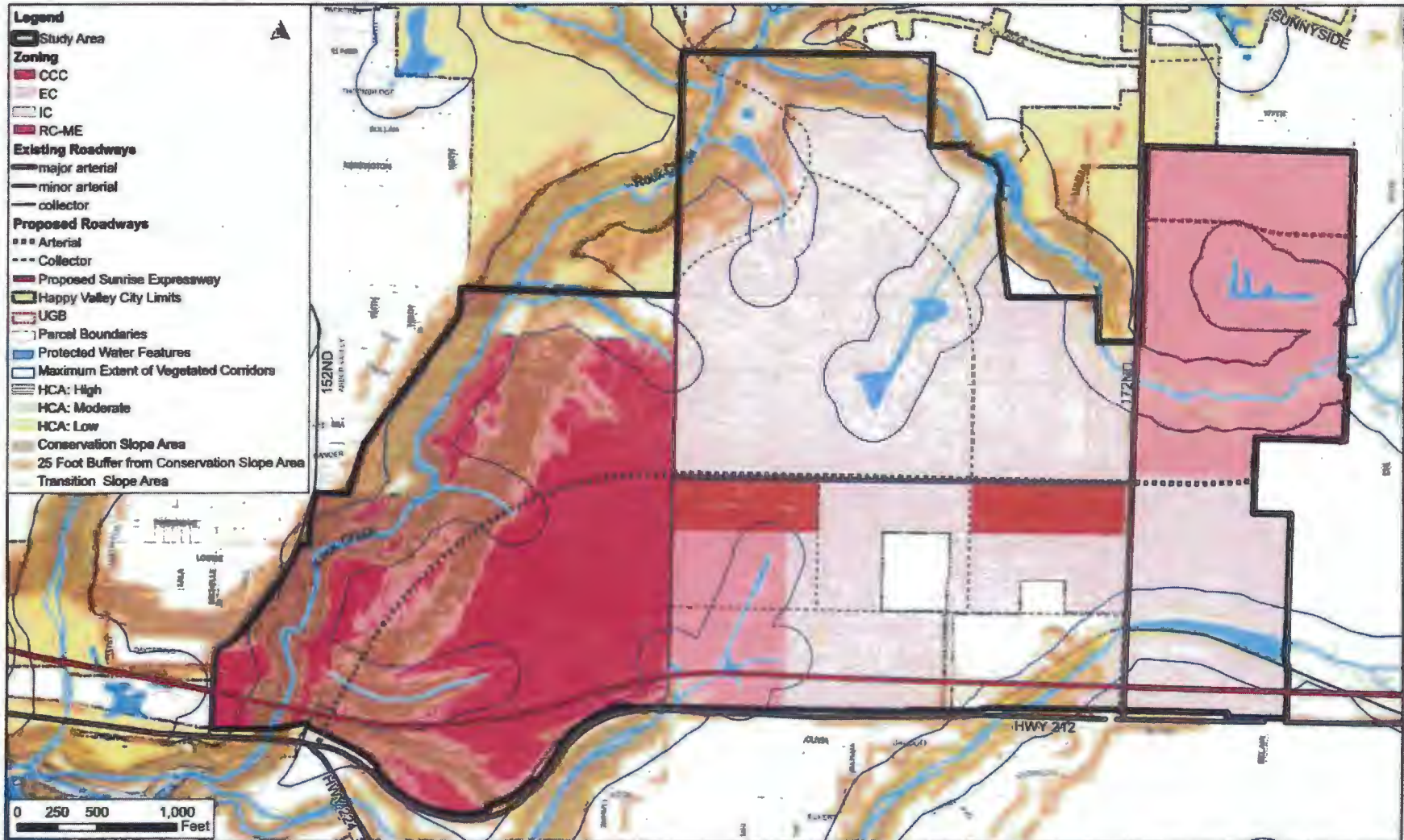
III. CONCLUSION AND RECOMMENDATION:

Staff has determined that the above findings demonstrate that the proposed LDC amendments satisfy the requirements of the City of Happy Valley Comprehensive Plan and LDC. On February 9, 2016, the Planning Commission recommended that the proposed amendments (as

amended, correcting a subsection reference) be considered by the City Council. **Staff, therefore, recommends that the City Council affirm the recommendation of the Planning Commission and approve Local File No. LDC-02-15.**

Happy Valley Rock Creek Employment Center

Existing Zoning, Natural Resources, and Planned Transportation Improvements



[...]

16.12.030 Definitions.

[...]

Distribution Center. An establishment engaged in the receipt, storage, and distribution of goods, products, cargo, and materials, including transshipment by rail, air, or motor vehicle.

[...]

Self-service Storage. A business that provides individual storage spaces for customers to store personal or business goods. This term is often used synonymously with “mini-storage” and “mini-warehouse.”

[...]

Review body. The person or group who is assigned to make decisions on land use reviews, whether initially or on appeal. Review bodies in the City of Happy Valley include the Planning Official, **Hearings Officer**, Planning Commission, Design Review Board and the City Council.
Warehouse. A building used primarily for the storage of materials or goods for use on the site or for later distribution.

[...]

16.25.005 Rock Creek Mixed Employment (RC-ME) District.

[...]

E. Master Plan Requirements Specific to the RC-ME District.

[...]

- 6. RC-ME Concept Master Plan and Detailed Phasing Plan Approval Process.
 - a. Initial Approval. The application for a Concept Master Plan shall be reviewed as a **Type III-PC** quasi-judicial action at a public hearing before the Planning Commission and subsequently, with regard to architectural standards, by the Design Review Board, pursuant to the requirements of this section and using the approval criteria contained in subsection (E)(7).

[...]

B. Permitted Uses. Table 16.25.010-1 identifies the land uses that are allowed in the EC and IC Districts.

Table 16.25.010-1 Industrial (EC, IC) Permitted Uses

P=Permitted; C=Conditional Use; X=Prohibited

| Land Use | EC | IC |
|---|----------------|----------------|
| Distribution <u>center</u> activities and <u>warehouse</u> warehousing and freight movement | P ⁶ | P ⁸ |
| NOTES: [...] <p>⁷ Use is prohibited within the Rock Creek Employment Center Subdistrict as defined in Section 16.25.010(G).</p> <p>⁸ Within the Rock Creek Employment Center Subdistrict as defined in Section 16.25.010(G), use is permitted only as an accessory use—May not exceed twenty (20) percent of the total site area <u>except as noted in 16.25.010(G)(3).</u></p> | | |

C. Conditional Uses Approval Criteria *[No proposed changes.]*

D. Additional General Provisions for the Employment Center and Industrial Campus Districts. *[No proposed changes.]*

E. Development Standards. *[No proposed changes.]*

F. Trip Limitation Requirement. The standards in this subsection apply to all development proposed within the subarea identified on Figure 16.25.010-1 as subject to the trip limitation requirement.

- ~~1. The cumulative total p.m. peak hour trips for the subarea shall not exceed two hundred seventeen (217) trips except as permitted by subsection (F)(3).~~
- ~~2. Development applications within the subarea shall include a trip generation estimate demonstrating that proposed development will not cause the subarea to exceed two hundred seventeen (217) total cumulative p.m. peak hour trips.~~
- ~~3. The trip limitation of two hundred seventeen (217) p.m. peak hour trips may be exceeded if an applicant can demonstrate that there are funded transportation projects in the area to accommodate the additional trips or if a subsequent traffic analysis shows that additional traffic will not have a significant effect on the transportation system.~~

G. Rock Creek Employment Center Subdistrict.

1. The boundaries of the Rock Creek Employment Center Subdistrict are shown on Figure 16.25.010-1.

2. Subarea A - Trip Limitation Requirement. The standards in this subsection apply to all development proposed within Subarea A identified on Figure 16.25.010-1.

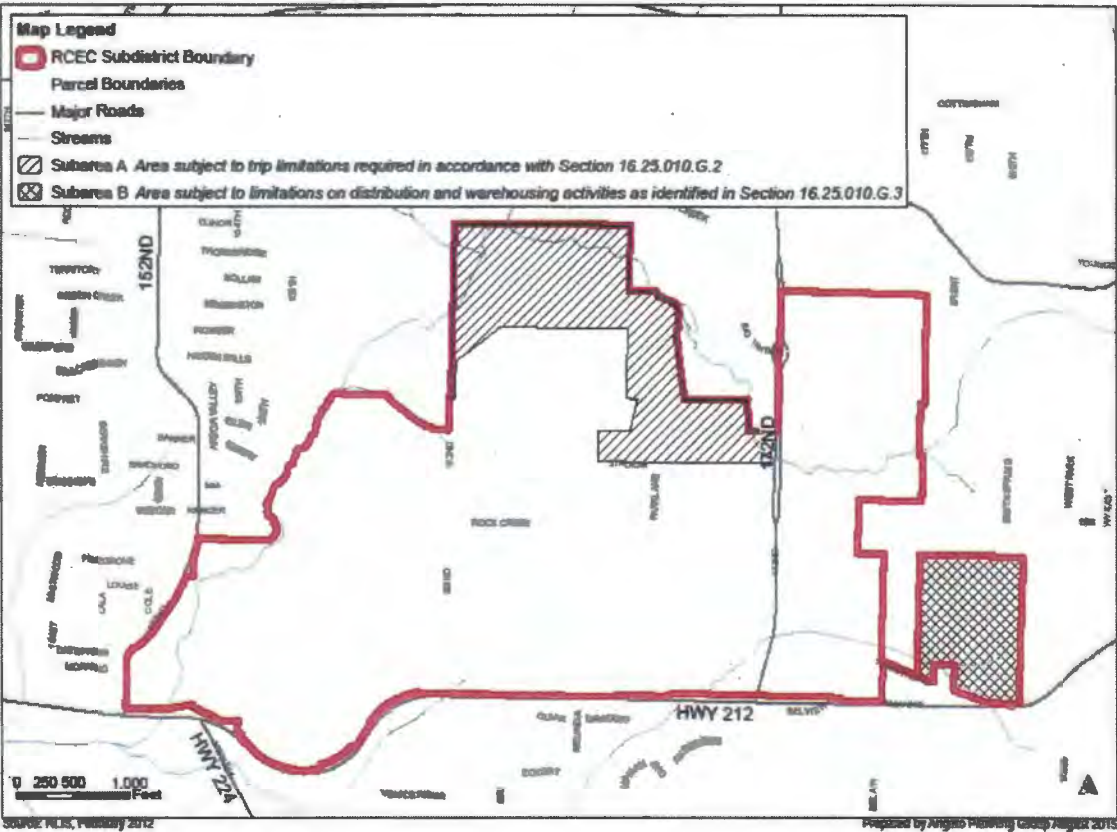
- a. The cumulative total p.m. peak hour trips for the subarea shall not exceed two hundred seventeen (217) trips except as permitted by subsection (F)(3).**
- b. Development applications within the subarea shall include a trip generation estimate demonstrating that proposed development will not cause the subarea to exceed two hundred seventeen (217) total cumulative p.m. peak hour trips.**

c. The trip limitation of two hundred seventeen (217) p.m. peak hour trips may be exceeded if an applicant can demonstrate that there are funded transportation projects in the area to accommodate the additional trips or if a subsequent traffic analysis shows that additional traffic will not have a significant effect on the transportation system.

3. Subarea B - Distribution Center and Warehouse. Distribution centers and warehouse are permitted as primary uses within the area identified as Subarea B on Figure 16.25.010-1 provided:

- a. At least eight percent but not more than 40 percent of the gross floor area square footage of the distribution center or warehouse facility is executive and/or administrative offices related to the operation of the distribution center or warehouse; or,**
- b. The distribution center or warehouse is intended and designed to accommodate at least one employee per 2,000 square feet of gross floor area.**

Figure 16.25.010-1 Rock Creek Employment Center Subdistrict [Figure Revised/Replaced]



CITY OF HAPPY VALLEY

16000 SE MISTY DRIVE
HAPPY VALLEY, OREGON 97086
(503) 783.3800
FAX: (503) 658.5174

NOTICE

NOTICE IS HEREBY GIVEN that the Happy Valley Planning Commission will hold a public hearing on Tuesday, February 9, 2016 and the City Council will hold a subsequent hearing on Tuesday, March 1, 2016 at the City of Happy Valley City Hall, 16000 SE Misty Drive, in the City of Happy Valley, Oregon, at 7:00 p.m. in regard to the below matter:

DOCKET NUMBER:

LDC-16-15 “Industrial Campus (IC) Zone – “Sub-District”

The City of Happy Valley proposes to amend Title 16 of the City’s Municipal Code (the “Land Development Code”) in order to provide for the attached “sub-district” encompassing the illustrated properties. The proposed amendments allow for a future, planned beverage distribution facility to locate within the City’s IC zone.

The Planning Commission will make a decision to recommend approval; approval with conditions or denial of the subject amendments in accordance with the applicable Statewide Planning Goals; applicable Metro Functional Plan criteria; applicable City of Happy Valley Comprehensive Plan Policies; and, applicable sections of the City of Happy Valley Municipal Code. Interested parties are invited to attend the hearings or to submit comments in writing prior to the first evidentiary hearing (which is the Planning Commission date). All written comments must be received by the City of Happy Valley by 5:00 p.m. on **Wednesday, January 27, 2016** to be included in the Planning Commission packet – verbal or written testimony may also be entered into the record at the public hearing. Those wishing to present verbal testimony, either pro, con, or to raise questions, will be asked to speak after presentation of the staff report. Testimony should pertain to the applicable criteria.

The decision-making criteria, application and all materials submitted by the applicant and records concerning this matter are available at the City of Happy Valley City Hall at the above address during working hours (8:00 a.m. to 5:00 p.m. weekdays), please call for an appointment. The City’s staff report, findings of fact and staff recommendation are generally available seven days prior to the public hearing date. For additional information, contact Michael D. Walter, AICP, Economic & Community Development Director at the above address and phone number.

The meeting site is accessible to handicapped individuals. Assistance with communications (visual, hearing) must be requested 72 hours in advance by contacting Marylee Walden, City Recorder at the above phone number.

Notice to mortgagee, lien holder, vendor, or seller: The City of City of Happy Valley Development Code requires that if you receive this notice it shall be promptly forwarded to the purchaser.

Michael D. Walter, AICP
Economic & Community Dev. Director

NOTICE OF PUBLIC HEARING
City of Happy Valley Planning Commission and City Council

Notice is hereby given that the City of Happy Valley Planning Commission and City Council will hold public hearings on the following dates in regard to proposed amendments to Title 16 of the City's Municipal Code (Development Code).

- Date & Time:** Planning Commission, February 9, 2016 at 7:00 p.m.
City Council, March 1, 2016 at 7:00 p.m.
- Hearing Location:** City Hall, 16000 SE Misty Dr. Happy Valley, OR 97086;
- File & Subject:** LDC-16-15 (Administrative Amendments).
- Proposal:** Land Development Code Amendments focusing on the creation of an Industrial Campus (IC) zone "sub-district" in the Rock Creek Employment Center (RCEC) area.
- Location:** Sub-district area located east of 172nd Ave. and north of Armstrong Way.
- Applicant:** City of Happy Valley
- Applicable Criteria:** Applicable Statewide Planning Goals; applicable Oregon Administrative Rule (OAR) sections; Metro Functional Plan sections; applicable City Comprehensive Plan policies; and, applicable Sections of Title 16 (Development Code) of the City of Happy Valley Municipal Code.
- Staff Contact:** Michael D. Walter, Economic & Community Development Director
503-783-3800

Interested parties are invited to attend this hearing or to submit comments in writing prior to the meeting time. Written testimony may be submitted in advance or in person at the hearing. Those wishing to present verbal testimony, either pro, con, or to raise questions, will be asked to speak after presentation of the reports.

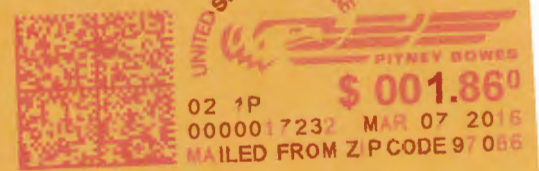
Testimony should pertain to the applicable criteria. The decision will be made in accordance with said criteria, and may be appealed to the Land Use Board of Appeals. Failure to raise an issue in writing prior to or before the close of the written comment period or failure to provide sufficient specificity at the public hearing to afford the decision-making body an opportunity to respond to the issue precludes appeal to the Land Use Board of Appeals based upon that issue. The applicant and any person who submits written comments shall receive notice of the decision.

The failure of the applicant to raise constitutional or other issues relating to proposed amendments without sufficient specificity to allow the decision-making body to respond to the issue precludes an action for damages in circuit court.

The decision-making criteria, application, and records concerning this matter are available at the City of Happy Valley City Hall at the above address during working hours (8:00 a.m. to 5:00 p.m. weekdays), please call for an appointment. For additional information, contact Michael D. Walter, Economic & Community Development Director, at the above address and phone number.

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CITY OF HAPPY VALLEY
16000 SE MISTY DRIVE
HAPPY VALLEY, OREGON 97086



DEPT OF

MAR 19 2016

LAND CONSERVATION
AND DEVELOPMENT

Plan Amendment Specialist – Angela Houck
Dept. of Land Conservation & Development
635 Capital Street NE, Suite 150
Salem, OR 97301-2540