

**BURDEN OF PROOF STATEMENT FOR COMPREHENSIVE PLAN TEXT AND MAP AMENDMENT
AND ZONE CHANGE**

**APPLICANT/
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OWNER: U.S. Forest Service
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**APPLICANT'S
LAND USE
PLANNER:** Retia Consult LLC
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LOCATION: The subject property is approximately 35.8 acres and is located at 201 N Pine Street. It is assigned map/tax lot number 151005D00200. The property is currently within the City of Sisters Urban Growth Boundary (UGB) and within City limits.



REQUEST: Consistent with the Land Use District Map and Text Amendment criteria outlined in SDC 4.7.300(B), the Applicant requests approval of a comprehensive plan map amendment and zone change from Public Facilities (PF), Open Space (OS), and Urban Area Reserve (UAR) to Downtown Commercial (DC), Multi-Family Residential (MFR), North Sisters Business Park (NSBP), and Open Space (OS), as well as a comprehensive plan text amendment to Chapters 9 and 14 of the City of Sisters Comprehensive Plan. The approximate existing and proposed acreages include:

<i>Existing</i>	<i>Designations/ Zoning</i>	
	Public Facilities (PF) =	27.53 acres
	Urban Area Reserve (UAR) =	4.76 acres
	Landscape Management (LM)/ Open Space (OS) =	3.55 acres
	TOTAL =	35.84 acres
	 <i>Proposed Designations/ Zoning</i>	
	Landscape Management (LM)/ Open Space (OS) =	3.85 acres
	Commercial (C)/ Downtown Commercial (DC) =	1.97 acres
	Residential Multi-Family (R-MRSD)/ Multi-Family Residential (MFR) =	25.06 acres
	Light Industrial (LI)/ North Sisters Business Park (NSBP) =	4.96 acres
	TOTAL =	35.84 acres

I. APPLICABLE PROCEDURES AND CRITERIA:

Sisters Development Code

- Chapter 4.7. Land Use District Map and Text Amendments

City of Sisters Comprehensive Plan

- Goal 5: Open Space, Scenic and Historic Spaces, Natural Areas
- Goal 8: Recreation Needs
- Goal 9: Economic Development
- Goal 10: Housing
- Goal 12: Transportation
- Goal 13: Energy Conservation
- Goal 14: Urbanization

Oregon Administrative Rules (OARs)

- 660-009, Economic Development
- 660-012, Transportation Planning Rule
- 660-015, Oregon Statewide Planning Goals

II. PROPOSED FINDINGS OF FACT:

A. Location:

The subject property is located south of W Barclay Drive, between W Pine Street and W Hwy 20, with an address of 201 N Pine Street. The subject property is assigned map/tax lot number 151005D000200. The property is within the City of Sisters Urban Growth Boundary (UGB) and within City limits.

B. Lot of Record:

Tax lot 200 was established as Parcel 2 of Partition Plat 2019-19, recorded on November 20, 2019 as instrument #2019-45332.

C. Zoning/Plan Designation:

The subject property is currently designated and zoned Public Facilities (PF), Urban Area Reserve (UAR) and Open Space (OS).

D. Site Description & Surrounding Uses:

The subject property is currently vacant and undeveloped. The subject property is outside of any FEMA flood zones. The property to the northwest is developed as a Best Western hotel and to the east are light industrial properties. Immediately to the south are Forest Service buildings and maintenance yards.

E. Proposal:

Consistent with the Land Use District Map and Text Amendment criteria outlined in SDC 4.7.300(B), the Applicant requests approval of the following:

- Comprehensive Plan Text Amendments to Chapter 9 and 14 (Exhibit D)
- Comprehensive Plan Map Amendment from PF, UAR and OS to DC, MFR, OS, and NSBP (Exhibit B)
- Zone Change from PF, UAR and OS to DC, MFR, OS, and NSBP (Exhibit B)

F. Exhibits and Attachments:

Exhibit A. Existing Mapping

Exhibit B. Proposed Mapping

Exhibit C. Legal Descriptions of Areas to be Rezoned

Exhibit D. Comprehensive Plan Proposed Text Amendments

Exhibit E. Letter from Forest Service

Exhibit F. Legal Description of Subject Property

Attachment A. Transportation Impact Study

Attachment B. Water/Sanitary Sewer Report

Attachment C. Title Report and Easements

Attachment D. (none)

Attachment E. EDCO Sisters Economic Development Goals/Missed Opportunities

Attachment F. EDCO Sisters 2018-20 Strategic Plan

Attachment G. Sisters Vacant Lands Chart - Employment Land 2019

Attachment H. EDCO Central Oregon and Sisters Building Activity an Employment Land Trends
Q1 2020

Attachment I. EDCO Sisters Employment Land Trends

Attachment J. EDCO Central Oregon Industrial Lands Summary

Attachment K. City of Sisters Employment BLI Map - Industrial Districts

Attachment L. City of Sisters Employment BLI Map - All Districts
Attachment M. Employment Lands - Industrial Tax Lots
Attachment N. City of Sisters Residential Buildable Lands Inventory (BLI), June 2019
Attachment O. City Sisters Housing and Residential Land Needs Assessment, June 2019
Attachment P. City of Sisters Housing Measures Report, June 2019
Attachment Q. City of Sisters Parks Master Plan Excerpts
Attachment R. Sisters Residential Building Permits Issued July 2019 - May 2020
Attachment S. City of Sisters Employment Lands Development Summary

Chapter 4.7 – Land Use District Map and Text Amendments

Sections:

- 4.7.100 Purpose**
- 4.7.200 Legislative Amendments**
- 4.7.300 Quasi-Judicial Amendment**
- 4.7.400 Conditions of Approval**
- 4.7.500 Record of Amendments**
- 4.7.600 Transportation Planning Rule Compliance**

4.7.100 Purpose

The purpose of this Chapter is to provide standards and procedures for legislative and quasi-judicial amendments to this Code and the Land Use District map. These amendments will be referred to as “map and text amendments.” Amendments may be necessary from time to time to reflect changing community conditions, needs and desires, to correct mistakes, or to address changes in the law.

4.7.200 Legislative Amendments

Legislative amendments are policy decisions made by City Council. They are reviewed using the Type IV procedure in Chapter 4.1, Section 600 and shall conform to Section 4.7.600, as applicable.

RESPONSE: This application includes proposed text amendments to the City Comprehensive Plan, which is a legislative amendment. The legislative criteria of 4.1.600 include:

4.1.600 Type IV Procedure (Legislative)

E. Decision-Making Considerations. The recommendation by the Planning Commission and the decision by the City Council shall be based on consideration of the following factors:

- 1. Approval of the request is consistent with the Statewide Planning Goals.**
- 2. Approval of the request is consistent with the Comprehensive Plan;**
- 3. The property and affected area is presently provided with adequate public facilities, services and transportation networks to support the use, or such facilities, services and transportation networks are planned to be provided concurrently with the development of the property. The applicant must demonstrate that the property and affected area shall be served with adequate public facilities, services and transportation networks to support maximum anticipated levels and densities of use allowed by the District**

without adversely impacting current levels of service provided to existing users; or applicant's proposal to provide concurrently with the development of the property such facilities, services and transportation networks needed to support maximum anticipated level and density of use allowed by the District without adversely impacting current levels of service provided to existing users.

4. Compliance with 4.7.600, Transportation Planning Rule (TPR) Compliance.

RESPONSE: Compliance with the Statewide Planning Goals and Comprehensive Plan are demonstrated below. The portion of the application that is legislative are proposed text amendments to the Comprehensive Plan, which do not include specific proposals for the subject property. As such, the demonstration of compliance with the TPR and assessment of adequate public facilities is associated only with the comprehensive plan map amendment and zone change, which are addressed herein.

4.7.300 Quasi-Judicial Amendment

A. Quasi-Judicial Amendments. Quasi-judicial amendments involve the application of adopted policy to a specific development application or Code revision. Quasi-judicial map amendments shall follow the Type III procedure as governed by Chapter 4.1.500, using standards of approval in Subsection "B" below. The approval authority shall be as follows:

- 1. The Planning Commission shall review and recommend Land Use District map changes which do not involve comprehensive plan map amendments;**
- 2. The Planning Commission shall make a recommendation to the City Council on an application for a comprehensive plan map amendment. The City Council shall decide such applications; and,**
- 3. The Planning Commission shall make a recommendation to the City Council on a land use district change application that also involves a comprehensive plan map amendment application. The City Council shall decide both applications.**

RESPONSE: This application proposes two quasi-judicial actions for a specific parcel: 1. comprehensive plan map amendments and 2. zone changes. The Applicant understands that the Planning Commission and City Council will review the comprehensive plan map amendments and zone changes as quasi-judicial amendments.

B. Criteria for Quasi-Judicial Amendments. A recommendation or a decision to approve, approve with conditions or to deny an application for a quasi-judicial amendment shall be based on all of the following criteria:

- 1. Approval of the request is consistent with the Statewide Planning Goals;**

RESPONSE: Consistency with Statewide Planning Goals is demonstrated below.

- 2. Approval of the request is consistent with the Comprehensive Plan;**

RESPONSE: Consistency with the Comprehensive Plan is demonstrated below. Further, the Comprehensive Plan was developed to respond to and demonstrate the City's compliance with the Statewide Planning Goals, which are also discussed below.

3. The property and affected area is presently provided with adequate public facilities, services and transportation networks to support the use, or such facilities, services and transportation networks are planned to be provided concurrently with the development of the property. The applicant shall update the City of Sisters Master Plans for Water, Sewer, Parks and Transportation Systems subject to City Council approval, to reflect impacts of the rezoning on those facilities and long-range plans. The applicant must demonstrate that the property and affected area shall be served with adequate public facilities, services and transportation networks to support maximum anticipated levels and densities of use allowed by the District without adversely impacting current levels of service provided to existing users; or applicant's proposal to provide concurrently with the development of the property such facilities, services and transportation networks needed to support maximum anticipated level and density of use allowed by the District without adversely impacting current levels of service provided to existing users; and,

RESPONSE: The Applicant has included reports in Attachments A and B to demonstrate adequate public facilities, services and transportation networks to support the proposed zones. These reports demonstrate that the subject property can be served by adequate public facilities, services and transportation networks without adversely impacting current levels of service. The reports include proposed mitigations, where necessary, to mitigation possible adverse impacts. Each is addressed individually below.

Water: Attachment B includes a water analysis, which addresses available water and water rights. A fire flow analysis will be provided at the time of master plan submittal.

Available Water: City staff has previously confirmed that water is available to serve the property.

Water Rights: As requested, a water volume analysis based on land use was performed to determine the acreage of water mitigation rights necessary to be purchased by the City (or reimbursed for) and the corresponding fee required to be paid at building permit issuance to offset this City cost. The OS and PF zoned areas have existing water rights credit based on their land use. City staff has stated the UAR zoned areas do not have any associated water rights credit. Based on the proposed uses and unit counts, a new water rights calculation was completed to determine the total volume of water rights needed for the project. The existing water rights were then subtracted from the new total to determine the net volume required and fees that will be payable at building permit. The analysis in Attachment B includes the proposed water rights fee, with a proposal that it be divided on a per unit (or similar) basis.

Sewer: Attachment B includes a sanitary sewer analysis, which includes reasonable worst-case scenario estimates of the increase in equivalent dwelling units (EDUs) and resulting sewer flows on the subject property. The report identifies potential options for management of the increased flows, including direction of all flows to an 18" gravity main south of the subject property, use of local pump stations to facilitate this flow to the south with grade challenges, and proportionate share contributions to a new pump station and force main. In

summary, based on the analysis in Attachment B, the post-project peak flow of approximately 89 gpm, an increase of 54 gpm above the pre-project flow of 35 gpm, can be mitigated with appropriate infrastructure improvements.

Transportation: The subject property is flanked on three sides by existing public streets: N Pine Street on the east, W Barclay Drive on the north, and W Highway 20 on the south/west. Connections to these facilities will be designed and reviewed/approved during the development process. Attachment A includes a transportation impact study (TIS), which considers a reasonable “worst case scenario” trip generation calculation, resulting in a generation of a net increase of 44 peak hour trips above the number of trips assigned to the existing land uses in the Sisters Transportation System Plan (312 PM peak hour trips are currently assigned to the property).

The TIS includes several conclusions to demonstrate that the subject property can be served with adequate transportation networks without adversely impacting current levels of service. Where intersections exceed performance standards, mitigation strategies are proposed to continue compliance with the Transportation Planning Rule.

- All intersections were calculated as having a crash rate below 1.00 CMEV. No significant trends or crash patterns were identified at any of the study intersections that are indicative of safety concerns. Accordingly, no safety mitigation is recommended per the crash data analysis.
- The most recent site plan shows that proposed site access locations are in compliance with the access spacing standards shown in Development Code 3.1.300(I)(1) and the *1999 Oregon Highway Plan*. Actual site access locations will be determined at the time of a future land division application, following the zone change.
- Due to insufficient traffic volumes, traffic signal warrants are not projected to be met at the unsignalized study intersections of W Barclay Drive at N Pine Street, W Hood Avenue at US Highway 20, and N Pine Street at US Highway 20 under any of the analysis scenarios. Left-turn lane warrants are projected to be met under the year 2040 planning horizon plus zone change scenario for the intersection of W Barclay Drive at N Pine Street, specifically for the westbound approach.
- Two study intersections are either currently or projected to operate with v/c ratios in excess of the maximum allowable ODOT performance standards. These intersections are N Pine Street at US Highway 20 and N Locust Street at US Highway 20. The mitigation described below offsets the potential impacts from the project and avoids further degradation of key infrastructure in Sisters. Suggested mitigation may include the following:
 - N Pine Street at US Highway 20: During peak hours when delays are long, drivers will self-select how they enter US Highway 20 to avoid excessive delays. Local traffic may choose a number of other routes to avoid US Highway 20 and utilize the local street system. For this reason, no mitigation is recommended.
 - N Locust Street at US Highway 20: The applicant proposes mitigation in the form of a proportional share payment for improvements at the intersection of N Locust Street at US Highway 20.

4. Evidence of change in the neighborhood or community or a mistake or inconsistency in the comprehensive plan or land use district map regarding the property which is the

subject of the application; and the provisions of Section 4.7.600, as is determined to be applicable by the city of Sisters.

RESPONSE: The basis for all three proposed actions (Comprehensive Plan text amendment, Comprehensive Plan map amendment, zone change) is due to changing needs in the City of Sisters. Sisters has experienced significant population growth over the past twenty years. The 2019 Housing Needs Assessment (HNA), Attachment O, states that Sisters has experienced strong growth, with population growth of 185% since 2000, further noting that no other area of the County experienced a similar growth rate. Employment levels have reached a new high with strategic economic development efforts. The job number increases are in industries other than tourism, indicating that the local economy is becoming more diverse.

Additionally, there is a dearth of industrial lands within the City limits, due to several circumstances and changes in growth in recent years. The Sisters Light Industrial zone has nine vacant underdeveloped lots, however all are currently being utilized (Attachment I). Only one is being actively marketed, is adjacent to residential and requires access through a developed site that is occupied (also for sale). Currently, all underdeveloped lots are used by area businesses for parking, storage of raw materials, etc. Occupancy rate for the entire zone is nearly 100% with one site vacant while under construction.

As noted in Attachment I, the North Sisters Business Park zone allows for a mixed use of commercial and residential. All but two sites are less than one acre; several are narrow and impacted by the RPZ (runway protection zone). This zone had only one owner-occupied building from 2009 until 2014. However, in the last six years, development at the business park has increased significantly. Six projects are complete and occupied with site plans approved for three more. Additionally, a rapidly expanding company bought four lots for near term future development. Occupancy rate is 100%. Future tenants are signing leases before construction is complete.

In 2014, the City of Sisters approved a request to convert approximately 20 acres from designated future employment land to residential. The loss of employment land has not yet been replaced and the proposed applications are the first step to entitle the subject property to partially replenish the needed employment land.

Based on information from Economic Development for Central Oregon (EDCO), Sisters has missed five economic development opportunities recently due to very low inventory levels (Attachment H). Most businesses aren't able or do not want to endure the building construction process. A diverse supply of lot sizes and buildings in an LI zone is needed to attract more traded sector projects (Sisters Country Economic Development Strategic Plan). Local companies desire to stay and expand in Sisters, but will require buildings in the LI zone for their operations.

In conclusion, Sisters has not had enough available light industrial inventory to take advantage of opportunities. The residential lands reports (HNA, BLI) demonstrate a significant need for additional residential land. In addition, land that was rezoned from employment to residential needs to be replaced to capitalize on future opportunities and to retain local expanding companies. The proposed applications directly address needs for more residential and light industrial lands as well as increased diversity of commercial land, to meet the needs of the City in the rapidly growing and changing economic environment.

4.7.400 Conditions of Approval

A quasi-judicial decision may be for denial, approval, or approval with conditions. A legislative decision may be approved or denied.

RESPONSE: The applications for a Comprehensive Plan Map Amendment and Zone Change are quasi-judicial. The application for a Comprehensive Plan Text Amendment is legislative. Based on the responses provided herein, and the supporting documentation, it has been demonstrated that these three applications should be approved.

4.7.500 Record of Amendments

The Community Development Department shall maintain a record of amendments to the text of this Code and the Land Use Districts map in a format convenient for public use.

RESPONSE: This is an action required of City staff and the Applicant understands that the City will comply with these requirements.

4.7.600 Transportation Planning Rule Compliance

A. When a development application includes a proposed comprehensive plan amendment or land use district change, the proposal shall be reviewed by the City to determine whether it significantly affects a transportation facility, in accordance with Oregon Administrative Rule (OAR) 660-012-0060.

Significant means the proposal would:

- 1. Change the functional classification of an existing or planned transportation facility. This would occur, for example, when a proposal is projected to cause future traffic to exceed the capacity of “collector” street classification, requiring a change in the classification to an “arterial” street, as identified by the Transportation System Plan; or**
- 2. Change the standards implementing a functional classification system; or**
- 3. Allow types or levels of land use that would result in levels of travel or access what are inconsistent with the functional classification of a transportation facility; or**
- 4. The effect of the proposal would reduce the performance standards of a public utility or facility below the minimum acceptable level identified in the Transportation System Plan.**

B. Amendments to the Comprehensive Plan and land use standards which significantly affect a transportation facility shall assure that allowed land uses are consistent with the function, capacity, and level of service of the facility identified in the Transportation System Plan. This shall be accomplished by one of the following:

- 1. Limiting allowed land uses to be consistent with the planned function of the transportation facility; or**
- 2. Amending the Transportation System Plan to ensure that existing, improved, or new transportation facilities are adequate to support the proposed land uses consistent with the requirement of the Transportation Planning Rule; or,**
- 3. Altering land use designations, densities, or design requirements to reduce demand for automobile travel and meet travel needs through other modes of transportation.**

RESPONSE: Conformance with the Transportation Planning Rule is addressed below, under OAR 660-12-0060.

Conformance with the State Administrative Rules (OARs)

OAR 660-009, Economic Development

660-009-0000

Intent and Purpose

The intent of the Land Conservation and Development Commission is to provide an adequate land supply for economic development and employment growth in Oregon. The intent of this division is to link planning for an adequate land supply to infrastructure planning, community involvement and coordination among local governments and the state. The purpose of this division is to implement Goal 9, Economy of the State (OAR 660-015-0000(9)), and ORS 197.712(2)(a) to (d). This division responds to legislative direction to assure that comprehensive plans and land use regulations are updated to provide adequate opportunities for a variety of economic activities throughout the state (ORS 197.712(1)) and to assure that comprehensive plans are based on information about state and national economic trends (ORS 197.717(2)).

RESPONSE: The proposed Comprehensive Plan text amendment, Comprehensive Plan map amendment and Zone Change directly support the intent and purpose of OAR 660-009, to assist in providing an adequate land supply for economic development and employment growth in the City of Sisters. Numerous EDCO documents (Attachments E, H, I and J) articulate local and regional industrial land trends, as well as a significant dearth of light industrial-zoned land within the City, which has resulted in several lost opportunities as industrial lands of the right size and/or quantity have not recently been available for prospective industrial companies. Additionally, the EDCO Sisters 2018-2020 Strategic Plan identifies “lack of inventory of commercial/light industrial properties and buildings” as a weakness and “lack of diversity in commercial property inventory” as a threat.

Attachments G, K, L, and M illustrate the status of the City’s recent inventory of employment lands within the UGB. These documents clearly demonstrate a severe lack of needed industrial land within the UGB. As the attachments indicate, there is currently only one light industrial parcel of 0.58 acres remaining in the City that is not developed, constrained, or utilized with an active use. Further, while these attachments demonstrate the availability of some commercial properties within the city, they are generally scattered and small in size (all but six DC-zoned parcels within the city are less than an acre in sizes; all but two are less than two acres in size). The City’s 2018 Employment Lands Development Summary (Attachment S) concludes that only 16% of DC-zoned parcels are vacant.

The applicant’s Comprehensive Plan Map amendment and zone change supporting information sufficiently address local and regional land use trends, and the shortage of industrial lands and lack of diversity of commercial lands within the City of Sisters. For these reasons (demonstrated need, paired with directly addressing the need by creating more light industrial and commercial lands through the rezone of a portion of the subject property to North Sisters Business Park (NSBP) and Downtown Commercial (DC)), the proposed action is in direct support of and in compliance with OAR 660-009.

660-009-0025

Designation of Lands for Industrial and Other Employment Uses

Cities and counties must adopt measures adequate to implement policies adopted pursuant to OAR 660-009-0020. Appropriate implementing measures include amendments to plan and zone map designations, land use regulations, public facility plans, and transportation system plans.

RESPONSE: The City's Comprehensive Plan includes several policies in Chapter 9, focused on economic development. In particular, policy 6 of Chapter 9 states:

6. The City shall ensure an adequate supply of land for the needs of commercial, mixed-use and light industrial purposes.

As noted herein and in the multiple attachments, the amount of light industrial properties in the City is near zero, while the demand has significantly grown. The diversity of available commercial land has been identified as a weakness (Attachment F) and only 16% of DC-zoned lands are vacant (Attachment S). The proposed amendments are in direct support of the above OAR 660-009-0020 requirement, by utilizing Plan text and map amendments and zone changes to enable development of needed employment lands (NSBP and DC) that are currently lacking within the City's UGB.

(1) Identification of Needed Sites. The plan must identify the approximate number, acreage and site characteristics of sites needed to accommodate industrial and other employment uses to implement plan policies. Plans do not need to provide a different type of site for each industrial or other employment use. Compatible uses with similar site characteristics may be combined into broad site categories. Several broad site categories will provide for industrial and other employment uses likely to occur in most planning areas. Cities and counties may also designate mixed-use zones to meet multiple needs in a given location.

RESPONSE: These amendments are proposed by a property owner, not the City. As such, the property owner is not required to develop the City's 20-year planning forecast needs for industrial or other employment lands. However, as noted in the submitted EDCO Sisters Employment Land Trends summary (Attachment I), an adequate supply of light industrial lands are significantly lacking, with current occupancy of existing light industrial lands at 100%. The report goes on further to note that "a diverse supply of lot sizes and buildings in an LI zone is needed to attract more traded sector projects (Sisters Country Economic Development Strategic Plan)." EDCO also notes that the lack of diversity of commercial land is a weakness and threat (Attachment F). The City's 2018 Employment Lands Development Summary (Attachment S) concludes that only 16% of DC-zoned parcels are vacant and staff confirmed that no recent zone changes added commercial land to the City's inventory.

This application proposes to rezone approximately five acres to light industrial land (NSBP) and approximately two acres to commercial (DC) land, providing an increase in employment land availability and diversity, both attributes that support EDCO reports and above OAR requirement.

(2) Total Land Supply. Plans must designate serviceable land suitable to meet the site needs identified in section (1) of this rule. Except as provided for in section (5) of this rule, the total acreage of land designated must at least equal the total projected land needs for each industrial or other employment use category identified in the plan during the 20-year planning period.

RESPONSE: These amendments are proposed by a property owner, not the City. As such, the property owner is not required to develop the City's 20-year planning forecast needs for industrial or other employment lands. However, the proposal directly supports the intent of the above requirement to provide a site for needed employment land. As noted earlier, the proposed application includes a zone

change to a light industrial zone (NSBP) for approximately 5 acres and to a commercial zone (DC) for approximately two acres, providing an increase in employment land availability and diversity, both attributes that support EDCO reports and above OAR requirement. In addition, the proposal begins to replenish employment lands that were previously removed from the City's inventory at a time when the demand was low. (In 2014, approximately 20 acres of future light industrial land was rezoned to residential and has not yet been replenished, Attachment I).

(3) Short-Term Supply of Land. Plans for cities and counties within a Metropolitan Planning Organization or cities and counties that adopt policies relating to the short-term supply of land must designate suitable land to respond to economic development opportunities as they arise. Cities and counties may maintain the short-term supply of land according to the strategies adopted pursuant to OAR 660-009-0020(2).

(a) Except as provided for in subsections (b) and (c), cities and counties subject to this section must provide at least 25 percent of the total land supply within the urban growth boundary designated for industrial and other employment uses as short-term supply.

(b) Affected cities and counties that are unable to achieve the target in subsection (a) above may set an alternative target based on their economic opportunities analysis.

(c) A planning area with 10 percent or more of the total land supply enrolled in Oregon's industrial site certification program pursuant to ORS 284.565 satisfies the requirements of this section.

RESPONSE: The City's Comprehensive Plan includes policies to ensure adequate supply of lands, however, it does not specifically include policies and data related to the short-term supply of land. However, this proposal directly supports an immediate short-term need for light industrial land, as all but one small light industrial parcel (0.58 acres) in the city are developed, constrained, or under active use (Attachment M). The short term need for light industrial land is immediate and dire; in fact, EDCO has documented multiple recent "missed opportunities" (Attachment E) due to the lack of available light industrial land. This proposal would enable the development of approximately five acres of light industrial (NSBP) land to respond to the current short-term needs.

(4) If cities and counties are required to prepare a public facility plan or transportation system plan by OAR chapter 660, division 011 or division 012, the city or county must complete subsections (a) to (c) of this section at the time of periodic review. Requirements of this rule apply only to city and county decisions made at the time of periodic review...

RESPONSE: This section is not applicable as the City is not undertaking a public facilities plan or transportation planning activities at this time.

(5) Institutional Uses. Cities and counties are not required to designate institutional uses on privately owned land when implementing section (2) of this rule. Cities and counties may designate land in an industrial or other employment land category to compensate for any institutional land demand that is not designated under this section...

RESPONSE: This section is not applicable as the City is not evaluating institutional uses or institutional lands at this time.

(6) Compatibility. Cities and counties are strongly encouraged to manage encroachment and intrusion

of uses incompatible with industrial and other employment uses. Strategies for managing encroachment and intrusion of incompatible uses include, but are not limited to, transition areas around uses having negative impacts on surrounding areas, design criteria, district designations, and limiting non-essential uses within districts.

RESPONSE: The proposed zone change includes 4.96 acres of North Sisters Business Park (NSBP) along its northern border with Barclay Drive. The City of Sisters Development Code Section 2.14.100 documents the purpose of the NSBP zone to “create a mix of land uses that effectively transition between neighboring residential, light industrial, and commercial land uses.” The property immediately to the north (across W Barclay Drive) is currently in the land use process for a zone change to light industrial (from UAR). As a result, the proposal for the subject property to include 4.96 acres of NSBP zone along the south side of W Barclay Drive directly supports the purpose statement in the development code, as well as this compatibility requirement of OAR 660-009-025 by providing a transition/buffer area between light industrial uses to the north and residential uses to the south.

No encroachment or intrusion of incompatible uses will result from this proposal; rather, the proposed northern area of NSBP zone will serve as an expansion of an existing light industrial zone on the east side of adjoining N. Pine Street and the proposed light industrial zone to the north of W Barclay Drive, as well as a buffer between the industrial uses to the north and east and the proposed residential uses to the south.

(7) Availability. Cities and counties may consider land availability when designating the short-term supply of land. Available land is vacant or developed land likely to be on the market for sale or lease at prices consistent with the local real estate market. Methods for determining lack of availability include, but are not limited to:

- (a) Bona fide offers for purchase or purchase options in excess of real market value have been rejected in the last 24 months;**
- (b) A site is listed for sale at more than 150 percent of real market values;**
- (c) An owner has not made timely response to inquiries from local or state economic development officials; or**
- (d) Sites in an industrial or other employment land category lack diversity of ownership within a planning area when a single owner or entity controls more than 51 percent of those sites.**

RESPONSE: Attachments K, L, and M include recent (April 2020) City data on available lands. These documents demonstrate that only one 0.58-acre light industrial parcel is currently undeveloped, unutilized, unconstrained and vacant. All others are developed (and not for sale), constrained, (by the runway protection zone or exceptionally narrow), or utilized with an active use such as material and equipment storage, adjacent site parking, etc (and not for sale). In summary, there is only one light industrial parcel that could be developed without displacing current uses.

The City inventories also demonstrate that the existing Downtown Commercial properties are generally scattered and small in size (all but six DC-zoned parcels within the city are less than an acre in size; all but two are less than two acres in size). The City’s 2018 Employment Lands Development Summary (Attachment S) concludes that only 16% of DC-zoned parcels are vacant.

...

OAR 660-012-0060, Transportation Planning Rule

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 (exclusive of correction of map errors in an adopted plan);

RESPONSE: The proposed text amendments have no affect on the functional classification of an existing or planned transportation facility. Based on the findings in the TIS (Attachment A), subsection (a) is not triggered since the proposed comprehensive plan map amendments and zone changes will not impact or alter the functional classification of any existing or planned facility.

(b) Change standards implementing a functional classification system; or

RESPONSE: The proposed text amendments do not relate to the standards implementing a functional classification system. Based on the findings in the TIS (Attachment A), the proposed comprehensive plan map amendments and zone changes will not change any standards implementing the functional classification system. Accordingly, this section is not triggered.

(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.

RESPONSE: The proposed text amendments do not relate to traffic or transportation facilities and the TPR is not applicable for that application.

Based on the analysis findings in the TIS (Attachment A), upon rezoning properties within the subject site, two study intersections are currently or projected to operate with v/c ratios in excess of acceptable levels of operation per their respective jurisdictional standards. However, these intersections may be reasonably mitigated as

detailed in the *Mitigation Analysis* section of this report. The identified mitigation offsets the potential impacts from the project and avoids further degradation of key infrastructure in Sisters. Accordingly, the Transportation Planning Rule is satisfied. The data contained in the TIS is sufficient to address the impacts to the transportation system that will result from the proposed applications. Transportation Planning Rule 660-012-0060 is satisfied for the proposed land use.

OAR 660-015, Statewide Planning Goals

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.”* Statewide planning Goal 1 requires that the City provide the opportunity for citizens to be involved in the planning process.

RESPONSE: Notice of the public hearing to consider the proposed comprehensive plan text amendment, comprehensive plan map amendment and zoning ordinance amendment is expected to be posted, mailed to neighbors, and published in the local newspaper. Citizens will be provided the opportunity to comment on the proposed amendments at the public hearings before the Planning Commission and the City Council, or in writing in advance of the hearings.

Goal 2 - Land Use Planning, *“To establish a land use planning process and policy framework as a basis for all decision and actions related to use of land and to assure an adequate factual base for such decisions and actions.”* Goal 2 outlines the basic procedures of Oregon's statewide planning program. Land use decisions are to be made in accordance with a comprehensive plan, and that suitable "implementation ordinances" to put the plan's policies into effect must be adopted. It requires that plans be based on "factual information"; that local plans and ordinances be coordinated with those of other jurisdictions and agencies; and that plans be reviewed periodically and amended as needed.

RESPONSE: As required by Goal 2, the City has adopted criteria and procedures through the Sisters Development Code to evaluate and make land use decisions. Goal 2 requires periodic review and amendments to ordinances as needed and in accordance with the Comprehensive Plan. The proposed amendments meet the requirements of Goal 2 by following the appropriate procedures for amendments and by considering the goals and policies outlined in the Comprehensive Plan. The proposal will be reviewed according to the established local land use regulations, including the City's Development Code and the Comprehensive Plan.

Goal 3 - Agricultural Lands

Goal 3 requires counties to inventory agricultural lands and to "preserve and maintain" them through farm zoning outside of urban growth boundaries.

RESPONSE: Goal 3 is not required for compliance within the Urban Growth Boundary. Additionally, the proposed map amendments do not adversely impact the ability of the City to plan for agricultural transition opportunities within the City.

Goal 4 - Forest Lands

This goal defines forest lands and requires counties to inventory them and adopt policies and ordinances that will "conserve forest lands for forest uses."

RESPONSE: The proposed map amendments are consistent with Forest Lands (Goal 4) and Goal policies, as they do not adversely impact the ability of the City to plan for the appropriate transition of Forest-zoned lands within the City of Sisters. While the subject property is currently owned by the Forest Services, it is not “Forest” land and is not zoned “Forest.”

Goal 5 - Open Spaces, Scenic and Historic Areas and Natural Resources

Goal 5 covers more than a dozen natural and cultural resources such as wildlife habitats and wetlands. It establishes a process for each resource to be inventoried and evaluated. If a resource or site is found to be significant, a local government has three policy choices: preserve the resource, allow proposed uses that conflict with it, or strike some sort of a balance between the resource and the uses that would conflict with it.

RESPONSE: The proposed amendments are consistent with Goal 5 and the Goal policies, as they do not adversely impact the ability of the City to protect the important natural resource and environmental elements within the City. No portion of the subject property has been identified as significant or listed as a Goal 5 resource for the City of Sisters and compliance with Goal 5 is maintained.

The subject applications include the rezone of 3.55 acres of land designated as Landscape Management (LM) on the Comprehensive Plan and zoned Open Space (OS). However, the proposal is to relocate this Landscape Management/Open Space land to the southwest corner of the property. Rather than a strip of land along the highway, the proposal is to designate an amount of land greater in size (3.85 acres) than the existing Open Space zone, and in a regularly-shaped area that will be more suitable for a community amenity.

Although the land zoned Open Space on the subject property is not an identified resource, this application proposes to retain a larger area with Open Space zoning, in support of community desires and goals for community cultural and recreational amenities. In addition, the City’s Comprehensive Plan references the East Portal in its discussion of open space and parks, expressing the City’s desire to retain at least a portion of the East Portal (southwest of subject property, across Highway 20) as a park. It is the Applicant’s understanding from conversations with City staff that these negotiations are occurring, although they are outside the discussions of this application.

Goal 6 - Air, Water and Land Resources Quality

This goal requires local comprehensive plans and implementing measures to be consistent with state and federal regulations on matters such as groundwater pollution. All waste and process discharges from future development, when combined with such discharges from existing development shall not threaten to violate, or violate applicable state or federal environmental quality statutes, rules and standards.

RESPONSE: The proposed amendments are consistent with Goal 6 and the Goal policies, as they do not adversely impact the ability of the City to protect air, water, and land resources quality. Any future development of the subject properties will be required to submit master plan and subdivision plan applications, which are reviewed for compliance with water, sewer, stormwater, and transportation requirements.

Goal 7 - Natural Hazards

Goal 7 focuses on local government planning to protect people and property from natural hazards.

RESPONSE: The proposed amendments do not impact the City’s ability to plan for natural hazards and mitigate risks. The subject property is not within the 100-year floodplain and the applicant is not aware of any known geologic faults on the property. There is no particular designation that makes the subject property more hazardous than any other properties in the area. The proposal is consistent with this goal.

Goal 8 - Recreational Needs

This goal calls for each community to satisfy the recreational needs of the citizens and visitors and, where appropriate, to provide for the siting of necessary recreational facilities including destination resorts.

RESPONSE: The proposed Comprehensive Plan text amendments do not impact the City’s ability to plan for the recreational needs of the citizens and visitors. Additionally, the subject property and existing open space zoning have not been listed in any inventory of recreational needs and is not identified as a Goal 8 resource. No part of the subject property is included in the City Parks Master Plan (Attachment Q) as an existing or proposed park or recreation area. In fact, the East Portal immediately south of the subject property is identified as a community park, and it is the Applicant’s understanding that the City is taking efforts to develop it as such.

The Sisters Development Code Table 2.8.1 lists “park sites” as a permitted use within the Open Space zone. The code currently defines park as *“Public or privately owned land set apart and devoted to the purposes of pleasure, recreation, ornament, light and air for the general public. Parks may include picnic areas, playgrounds, indoor recreation facilities, athletic fields, courts, amphitheaters and open space.”* This definition and the allowance of parks in the Open Space zone correlate the Open Space zone and recreation. The proposed Comprehensive Plan map amendments and zone changes support Goal 8 and the City’s associated Comprehensive Plan chapter by proposing a revised location and shape for the Open Space zone on the subject property that is more suitable to a recreational use.

The Comprehensive Plan Goal 8 chapter sets goals and policies focused on providing both recreational and cultural opportunities through park facilities. Specifically, Section 8.1 Goals includes the following goal and associated tasks:

“Maintain adequate park facilities providing a variety of recreational and cultural opportunities for residents and visitors of Sisters.”

...

Tasks -

a. Develop partnerships with community and private entities (e.g. community alliances, organizations, groups: that have an interest in providing recreation opportunities.”

The Comprehensive Plan tasks specifically require the City to develop partnerships and define roles with both community and private entities for the provision of these services, as a way to diversify community opportunities and expand City capacity through partnerships. The proposed Comprehensive Plan map amendment and zone changes include the relocation of open space from a strip along the highway to a consolidated, regularly-shaped area in the southwest corner of the subject property. This proposed shift in location and shape creates a much more useable area, setting the stage for possible future collaboration with community and private entities for the provision of recreational and cultural opportunities, directly aligned with the Comprehensive Plan.

Goal 9 - Economic Development

Goal 9 calls for diversification and improvement of the economy. It requires communities to inventory

commercial and industrial lands, project future needs for such lands, and plan and zone enough land to meet those needs.

RESPONSE: The proposed amendments directly support the City's efforts to accommodate diversification and improvement of the economy by providing needed light industrial and commercial lands, as well as residential lands to support the employment lands. The proposed comprehensive plan amendments and zone changes support Goal 9 by replenishing a portion of light industrial lands removed from inventory in recent years, by providing additional downtown commercial zoning along Highway 20, while also providing residential land available for potential affordable workforce housing.

Light Industrial

According to a recent EDCO report (see Attachment H), the Sisters area has missed five light industrial economic opportunities due to limited inventory. By early 2020, the amount of developable LI-designated land inside the Sisters UGB has significantly decreased. All of the light industrial parcels in Sisters (50.69 acres/89 lots) are being utilized (nearly 100% occupancy for the entire zone), with only 9 lots (6.75 acres) listed as vacant (still utilized, but not developed). Development within the North Sisters Business Park zone has increased significantly and the occupancy rate is 100%. Current vacancy rates regionally are also lower than historic rates. Based on recent summaries by Economic Development for Central Oregon (EDCO), "Sisters has not had enough available light industrial inventory to take advantage of opportunities." EDCO further reports that the majority of light industrial lot needs in the area are currently less than one acre, but some flexibility in sizing is desired to accommodate an opportunity for a larger project. Further, in 2014, more than half of the Three Sisters Business Park was rezoned from light industrial to residential. Justification for this change was the lull in lot sales and construction activity during and following the recession. The proposed zone changes include the addition of approximately five acres of light industrial land (North Sisters Business Park, NSBP) to the UGB.

Commercial

Similarly, the EDCO Sisters Strategic Plan (Attachment G) identifies "lack of inventory of commercial/light industrial properties and buildings" as a weakness and "lack of diversity in commercial property inventory" as a threat. The City's 2018 Employment Lands Development Summary (Attachment S) concludes that only 16% of DC-zoned parcels are vacant and staff confirmed that no recent zone changes have increased the amount of DC-zoned land within the UGB. The proposed zone changes include the addition of approximately two acres of commercial land (Downtown Commercial, DC) to the UGB.

Residential

Caprielle Foote-Lewis, EDCO Sisters Area Director, stated to the project team that "[f]or the past few years, the biggest challenge for expanding traded sector employers in Sisters has continued to be the availability of affordable workforce housing." Although Goal 9 focuses on the economy and specifically, commercial and industrial lands, the availability of affordable workforce housing is directly related to whether traded sector employers select Sisters for their businesses. The proposed applications are the first step to entitle 25 acres of the subject property for a variety of multi-family residential (MFR) zone allowed uses, including condominiums, cottages, and townhomes, to provide affordable workforce housing.

Goal 10 - Housing

This goal specifies that each city must plan for and accommodate needed housing types. It requires each city to inventory its buildable residential lands, project future needs for such lands, and plan and zone

enough buildable land to meet those needs. It also prohibits local plans from discriminating against needed housing types. Statewide Planning Goal 10 (Housing) states that each city must: *“encourage the availability of adequate numbers of needed housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type and density.”*

RESPONSE: The City completed a Housing Needs Analysis (HNA) and a Residential Buildable Lands Inventory (BLI) in June 2019. These analyses were paired with a Housing Strategies Report that recommended measures to help meet housing needs in the city.

The City’s 2019 Housing and Residential Land Needs Assessment (Attachment O) determined that “[t]he results show a need for 1,057 new housing units by 2039, which would represent 72% growth over the current estimated supply.” The associated net residential land need was identified as approximately 167 acres. In June 2019, the identified available net buildable residential land was 91 acres within the UGB, which was evenly split between Multi-Family Residential and Residential zones. Based on these analyses, the remaining needed net buildable residential land need is 76 acres (as of June 2019). This same report also identified a need for nearly every housing type, including townhomes, duplex through four-plex, multi-family, and condo flats at the low end of the pricing spectrum. Since the time that the BLI and HNA were published in June 2019, 120 residential building permits have been issued in the City of Sisters (Attachment R), leaving a significant remaining need for 936 housing units by 2039. The proposed Comprehensive Plan amendment and Zone Change applications include the addition of 25 gross acres of residential land (MFR) to the UGB, as well as an additional seven acres of light industrial and commercial land for which the development code allows some residential uses. These proposed buildable residential lands will support of Goal 10 by providing need residential lands.

Additionally, in June 2019, the City completed a *Sisters Housing Strategies Report*, focused on addressing the identified housing needs and deficit of land zoned for residential. The submitted applications directly support several of these strategies, including:

- *Plan for potential residential uses on the US Forest Service property in Sisters. Some future residential use of that property is assumed but the property is not currently zoned for residential use and therefore is not included in the inventory of buildable residential land. (p.12)*
- *Rezone land from other residential designations and/or from commercial, industrial or institutional designations to meet specific housing needs, assuming there is an adequate supply of land available to meet non-residential needs. (p.13)*

And, while the submitted applications don’t propose development code amendments, the *Sisters Housing Strategies Report* demonstrates the City’s support of and need for compact development with increased housing types such as cottage clusters, townhomes and accessory dwelling units. A few supporting recommendations from this report include:

- *[Adopt] Code Amendments for Small Housing Types: Zoning code and other regulatory amendments to increase housing choices and reduce barriers to development for accessory dwelling units (ADUs), tiny homes, cottage clusters, townhomes, and other “missing middle” housing types.*
- *Reduce unnecessary barriers to housing development...*

In conclusion, the proposed Comprehensive Plan amendments and zone changes support Goal 10 by providing needed residential lands within the City of Sisters. The proposed applications respond to the needs and recommendations of the City's BLI, HNA and Housing Strategies Report by proposing zone changes that will accommodate residential land available for a variety of housing types on the Forest Service property.

Goal 11 - Public Facilities and Services

Goal 11 calls for efficient planning of public services such as sewers, water, law enforcement, and fire protection. The goal's central concept is that public services should be planned in accordance with a community's needs and capacities rather than be forced to respond to development as it occurs. OAR 660-11 implements Goal 11, and notes, "Cities or counties shall develop and adopt a public facility plan for areas within an urban growth boundary containing a population greater than 2,500 persons..."

RESPONSE: The proposed amendments do not adversely impact the City's ability to plan and develop a timely, orderly and efficient arrangement of public facilities. As addressed herein, the City has adequate water, sewer and transportation capacities to serve the subject property. Any future impacts of development will be mitigated at the time of development.

Goal 12 - Transportation

The goal aims to provide "a safe, convenient and economic transportation system." Goal 12 is implemented through the Transportation Planning Rule (TPR), OAR 660-012-0060, in addition to local land use regulations.

RESPONSE: The proposed amendments (comprehensive plan map and text amendments, as well as zone changes) do not adversely impact the City's ability to provide a safe, convenient and economic transportation system. Details of the transportation design within the subject property and connecting to the subject property will be reviewed in detail at the time of subdivision application.

Further, the Applicant submitted a TPR analysis within the Transportation Impact Study (Attachment A), prepared by Lancaster Mobley. The TPR analysis concluded that the TPR is satisfied for the following reasons:

- *"...the proposed zone change will not impact or alter the functional classification of any existing or planned facility, and the proposal does not include a change to any functional classification standards; and*
- *Upon rezoning properties within the subject site, two study intersections are currently or projected to operate with v/c ratios in excess of acceptable levels of operation per their respective jurisdictional standards. However, these intersections may be reasonably mitigated as detailed in the Mitigation Analysis section of this report. The identified mitigation offsets the potential impacts from the project and avoids further degradation of key infrastructure in Sisters. Accordingly, the Transportation Planning Rule is satisfied.*
 - *These intersections are N Pine Street at US Highway 20 and N Locust Street at US Highway 20. Suggested mitigation may include the following:*
 - *N Pine Street at US Highway 20: During peak hours when delays are long, drivers will self-select how they enter US Highway 20 to avoid excessive delays. Local traffic may choose a number of other routes to avoid US Highway 20 and utilize*

the local street system. For this reason, no mitigation is recommended.

- *N Locust Street at US Highway 20: The applicant proposes mitigation in the form of a proportional share payment for improvements at the intersection of N Locust Street at US Highway 20.*
- *The mitigation described above offsets the potential impacts from the project and avoids further degradation of key infrastructure in Sisters. Accordingly, the Transportation Planning Rule is satisfied.”*

Goal 13 - Energy Conservation

Goal 13 requires that "land and uses developed on the land shall be managed and controlled so as to maximize the conservation of all forms of energy, based upon sound economic principles."

RESPONSE: The proposed amendments support the City’s ability to create an arrangement and density of land uses to encourage energy conservation. The proposed amendments enable the development of land within the UGB, near the center of the City, rather than outside of the UGB. The proposed amendments are the first step to entitle the subject property for needed housing, light industrial and commercial uses within the City. Development of land within the UGB for these uses encourages reduced vehicle miles traveled by keeping origins and destinations within the city, rather than other regional cities or areas outside the city, supporting the City’s goals for conservation.

These applications propose a mixed-use development through three mechanisms: 1. mixed-use zoning with commercial, light industrial, housing and recreational uses all in a single development, 2. use of the Downtown Commercial (DC) zone to provide an opportunity for future vertical mixed-use along the highway, and 3. Use of North Sisters Business Park (NSBP) zone to provide an opportunity for integrating affordable residential uses within this light industrial zone.

The proposed mixed-use zoning arrangement of the site can provide energy efficiencies by including employment and retail lands within walking and biking distance of a significant number of housing units. Sidewalks and multi-use trail connections will be provided within the development and to adjacent surround areas, in support of Goal 13 (Task d) of the City’s Comprehensive Plan to “encourage energy efficiency:”

“d. Infrastructure in new developments, such as bike lanes, paths, and trails shall be laid out to provide convenient access to places of education, recreation, and shopping in an effort to promote energy efficiency...”

The mixed-use opportunities of the DC and NSBP zones include commercial or light industrial uses on ground floor and residential on upper floors, which can provide a diversification within a single footprint that can more efficiently utilize the space than a single use. This type of diversification keeps the space utilized 24 hours a day, rather than simply during business hours (for solely commercial uses) or during non-business hours (residential uses). This high rate of utilization can help with building conditioning by stabilize building temperatures, which in turn reduces maintenance costs, increasing long term energy efficiencies.

For all the above reasons, compliance with Goal 13 is maintained.

Goal 14 - Urbanization

This goal requires cities to estimate future growth and needs for land and then plan and zone enough land to meet those needs. It requires cities to provide for an orderly and efficient transition from rural to urban land uses, and to accommodate urban population and employment inside urban growth boundaries, while ensuring efficient use of land.

RESPONSE: The subject property is located within the urbanized city limits and the proposal will facilitate future development that will use existing public facilities and services in an efficient and functional land use pattern. The design of these facilities will be reviewed in subsequent site development applications. The proposed amendments directly support the City's efforts to accommodate urban populations and employment inside the urban growth boundary by creating much needed employment and residential land within the UGB, as discussed herein.

As demonstrated in the City's residential lands BLI and HNA (Attachments N, O), the City of Sisters has a significant need for residential lands that will accommodate a variety of housing types (see Goal 10 response). The City also has nearly zero available light industrial lands and low availability/diversity of commercial land (see Goal 9 responses). The proposed applications will provide residential, light industrial and commercial lands, in an effort to meet some of these needs and accommodate some of the local growth, in compliance with Goal 14.

Goals 15-19

RESPONSE: These goals pertain only to areas in western Oregon and are not applicable to these amendments.

Conformance with the City of Sisters Comprehensive Plan

Goal 1, Policy 1.1. The City of Sisters shall seek out and encourage public participation in all aspects of the City planning process.

RESPONSE: The proposed amendments are subject to the procedures of the Sisters Development Code, which provides for notice, opportunities for written comment, and public hearings before the City's Planning Commission and the City Council to allow for public participation in this planning process.

...

Goal 8, Policy 2 Strengthen relationships between the City of Sisters and its partners.

Tasks -

a. Develop partnerships with community and private entities (e.g. community alliances, organizations, groups) that have an interest in provided recreation opportunities.

RESPONSE: The proposed Comprehensive Plan map amendment and zone change applications include the consolidation of open space land in the southwest corner of the subject property, instead of in the current long linear configuration along Highway 97. This proposed reconfiguration creates a regularly-shaped area that is better suited for a future open space/recreation facility. The combination of improved site location and size, with the fact that the subject property will be privately owned, presents an opportunity to develop partnerships with community and private entities for the provision of future recreation opportunities, in support of Comprehensive Plan Task (a) of Goal 8, Policy 2.

Goal 8, Policy 4 Establish stable and diverse mechanisms for funding existing and future recreation and parks facilities.

Tasks -

a. Develop and expand funding sources for operations, parks maintenance, and parkland acquisition.

RESPONSE: The Applicant cannot control or manage City budgets or establishment of funding mechanisms for the City. However, by establishing an open space area on the subject property that is sized and located appropriately for a community recreational or cultural facility, the proposed Comprehensive Plan amendment and zone change could foster community partnerships that will assist in the funding of the facility, in support of Comprehensive Plan task (a) of Goal 8, Policy 4.

Goal 9, Policy 3. The City shall continue to partner with the Community Action Team of Sisters, the Chamber of Commerce, Economic Development for Central Oregon, and other economic development agencies, to improve local and regional economic development efforts, attract businesses, and enhance and diversify the City's economic base. The City will participate with these agencies in periodic updating of the *Sisters Strategic Action Plan for Economic Development*.

RESPONSE: The City routinely coordinates with multiple agencies and committees regarding economic development. In the case of this application, the Applicant coordinated with EDCO and DLCD, which in turn, communicate with Regional Solutions. EDCO provided third party data about the economic development trends and employment land needs in Central Oregon and in Sisters. In particular, the EDCO reports (included as attachments) highlight the dearth of industrial land in Sisters, which has resulted in lost economic development opportunities. Through coordination with EDCO, the EDCO Sisters Area Director (Caprielle Foote-Lewis) noted via email to the Applicant team that *"For the past few years the biggest challenge for expanding traded sector employers in Sisters has continued to be the availability of affordable workforce housing."* The proposed comprehensive plan map and text amendments and associated zone changes will partially remedy the issues of limited industrial, commercial and residential lands by rezoning a little over 35 acres of land (25 acres to MFR, 5 acres to NSBP, 2 acres to DC, 3.85 acres to OS).

Goal 9, Policy 4. The City should support efforts to attract businesses providing family-wage employment opportunities.

RESPONSE: A key aspect of attracting businesses to Sisters is the availability of employment land, as well as the availability of housing that can be afforded by employees. The EDCO 2019-2021 Strategic Plan specifically identifies affordable workforce housing as an ongoing regional challenge to attracting and retaining businesses:

"Going hand-and-glove with available workforce concerns expressed by employers are double-digit increases of average home prices over the past five years in many of Central Oregon's communities. There are many stories from the private and public sectors where a job was offered to an out-of-region applicant only to be turned down due to the lack of (affordable) housing options. A number of factors are at play, and our region mirrors similar trends happening across the U.S. With the painful memory of the Great Recession still fresh in the memory of many developers, home builders and subcontractors, the industry is simply not expanding to meet demand. This supply imbalance is due to several factors, including:

- *striking increases in contractor and sub-contractor wages due to fewer young people entering the construction industry in the face of a rapidly aging labor force;*

- *lack of standard debt capital for spec homebuilding, which has been replaced by “hard money” from private investors with an interest rate often double that of bank financing - which has a dual effect of increasing builder costs (which are simply passed on to the homeowner) and holding back the number homes/apartments built; and*
- *limited supply of buildable land for residential units, which has pushed lot prices again in the six-figure range in Bend, Sisters and Sunriver – and become a leading component of price increases.”*

Further, the City’s Housing Strategies Report (Attachment O) confirms that the majority of employees in the city do not live in the city: “[r]elatively few jobs are held by local residents (208), while nearly 1,470 employees commute into the city from elsewhere. This pattern...is more pronounced in Sisters than in many urban metropolitan communities in closer proximity to other places to live or work.

The proposed Comprehensive Plan amendments and zone changes will result in an increase in the available residential lands within the City. The proposed zone change to MFR, as well as the DC and NSBP zones will create the opportunity for a variety of housing types that are appropriate and affordable as workforce housing. By providing this needed residential land and a zone appropriate for housing that is affordable for the workforce, the proposed applications will help attract new and retain existing businesses, directly supporting Goal 9.

Additionally, by 2020, the amount of developable employment land inside the Sisters UGB has significantly decreased. All of the light industrial parcels in Sisters are being utilized (nearly 100% occupancy for the entire zone), with only 9 lots (6.75 acres) listed as vacant (still utilized, but not developed). EDCO notes in Attachment H that, due to limited industrial lands within the City, there have been five recent lost opportunities. The proposed comprehensive plan text/map amendments and zone change are the first steps to entitle a portion of the subject property as light industrial land, in support of Goal 9, Policy 4 to attract businesses providing family-wage employment opportunities.

In support of Goal 9, Policy 4, the proposed applications address two significant factors that affect the ability of the City to attract businesses that provide family-wage employment opportunities:

- availability of employment lands
- availability of housing

The proposed applications will add 25 acres of multi-family residential land to the city, as well as nearly five acres of light industrial land and nearly two acres of commercial land. The multi-family residential land provides significant opportunity for affordable workforce housing, through the zone’s allowance for condominiums, townhomes, apartments and cottages. The proposed NSBP and DC zones allow mixed uses, with the integration of employment land and housing. Based on these factors, the proposed applications directly support Goal 9 of the Comprehensive Plan.

...

Goal 9, Policy 6. The City shall ensure an adequate supply of land for the needs of commercial, mixed-use and light industrial purposes.

RESPONSE: This application directly supports Goal 9, Policy 6, by proposing to create a variety of commercial, mixed-use and light industrial lands.

Commercial

The EDCO Sisters Strategic Plan (Attachment G) identifies “lack of inventory of commercial/light industrial properties and buildings” as a weakness and “lack of diversity in commercial property inventory” as a threat. The City’s 2018 Employment Lands Development Summary (Attachment S) concludes that only 16% of DC-zoned parcels are vacant and staff confirmed that no recent zone changes have increased the amount of DC-zoned land within the UGB. The proposed zone changes include the addition of approximately two acres of commercial land (Downtown Commercial, DC) to the UGB, in support of this policy.

Mixed-use

The proposed applications will enable a mixed use development on the subject property, as it will include residential, commercial, light industrial and open space zoning. Further, the proposed DC and NSBP zones include permitted mixed uses on individual parcels, allowing integration of residential uses with commercial and industrial uses. The future development intends to provide a mixed use development, both with the multiple zones integrated into a cohesive community, as well as within individual lots as permitted in the DC and NSBP zones (e.g. residential uses above commercial use along Highway 20), in support of this policy.

Light Industrial

The proposed applications include the addition of approximately 5 acres of light industrial land (through the NSBP zone) to the city, to partially replenish the industrial lands that were rezoned to residential in past years.

In 2007, the City removed nearly 5 net buildable acres of land (approximately 11.7 gross acres) located in the Sun Ranch Mixed Use Community from the industrial land supply of the City. Also in 2007, the City re-zoned a net buildable acre (12.6 gross acres) parcel from Light Industrial to Residential and Multi-Family Sub-district for residential purposes. In 2014, more than half of the Three Sisters Business Park (approximately 20 acres) was rezoned from light industrial to residential. Justification for this change was the lull in lot sales and construction activity during and the years following the recession. As a result of these previous rezoning and the surge in economic development needs, the City has a dearth of industrial lands and an inadequate supply to serve the needs of development.

By early 2020, the amount of developable employment land inside the Sisters UGB has significantly decreased. All of the light industrial parcels in Sisters are being utilized (nearly 100% occupancy for the entire zone), with only 9 lots (6.75 acres) listed as vacant (still utilized, but not developed). Development within the North Sisters Business Park zone has increased significantly and the occupancy rate is 100%. The proposed application would create nearly five acres of much needed industrial land within the city limits, in direct support of Goal 9, Policy 6.

Goal 14, Policy 1. The City shall promote development within the UGB to minimize the cost of providing public services and infrastructure and to protect resource land outside the UGB.

RESPONSE: This application directly supports Goal 14, Policy 1 by taking the first step to entitle the subject property for development within the UGB, where public services and infrastructure are available. As noted herein and in Attachments H, I, J, N, O, and P, Sisters has a significant need for residential and light industrial land to support the local demand. Rather than proposing development outside of the UGB, this application promotes the development of currently underutilized land within the UGB. Water, sewer and transportation services are available adjacent to the subject property and the submitted infrastructure analyses (Attachments A, B) demonstrate available capacity and associated mitigation measures to serve the subject property.

Goal 14, General Requirements for United Forest Service Properties:

In the event that this land is purchased with the intent of developing the land with either commercial, residential or light industrial uses, then it is the policy of the City of Sisters that any comprehensive plan and/or zoning amendment that affects the future development of the properties must meet specific criteria in order for the City to be able to support a potential plan amendment for the property. These criteria are as follows:

1. The amendment shall be based on a 20-year land need analysis for both employment and housing needs, including for affordable housing. The analysis shall include an updated buildable lands inventory for employment and housing needs as part of the 20-year land need analysis. The analysis shall be consistent with statewide planning Goal 9 (Economic Development) and Goal 10 (Housing).

RESPONSE: The proposed amendments directly respond to the City’s land need analyses that identify an immediate shortage of both employment and housing needs.

Employment: Attachments H, I and J are summaries provided by EDCO and include employment land trends and building activity for Central Oregon and Sisters. These documents demonstrate a dearth of light industrial lands in Sisters, which has resulted in several “lost opportunities” as businesses have had to look elsewhere for suitable developable employment land.

As noted earlier in this narrative, on several occasions (2007 and 2014), industrial lands were rezoned residential to respond to land needs at that time, resulting in a significant decrease in industrial lands. The proposed comprehensive plan map amendment and zone change are the first step to entitle a portion of the subject property (4.96 acres) in order to replenish some of the loss of industrial lands within the city. Consistency with Statewide Planning Goal 9 is demonstrated herein, above.

The EDCO Sisters Strategic Plan 2018-2020 (Attachment F) highlights “lack of inventory of commercial/light industrial properties and buildings” as a weakness and “lack of diversity in commercial property inventory” as a threat. The City’s 2018 Employment Lands Development Summary (Attachment S) concludes that only 16% of DC-zoned parcels are vacant and staff confirmed that no recent zone changes have increased the amount of DC-zoned land within the UGB. The proposed zone changes include the addition of approximately two acres of commercial land (Downtown Commercial, DC) to the UGB.

Housing: The City completed a Housing Needs Analysis (HNA) and a Residential Buildable Lands Inventory (BLI) in June 2019. The City’s 2019 Housing and Residential Land Needs Assessment (Attachment O) determined that “[t]he results show a need for 1,057 new housing units by 2039, which would represent 72% growth over the current estimated supply.” The associated land need was identified as approximately 167 acres of net residential land. In June 2019, the identified available net buildable residential land was 91 acres within the UGB, which was evenly split between Multi-Family Residential and Residential zones, leaving a need for 76 acres of new buildable residential land. This same report also identified a need for nearly every housing type, including townhomes, duplex through four-plex, multi-family, and condo flats at the low end of the pricing spectrum.

Since the time the BLI and HNA were published in June 2019, 121 residential building permits have been issued in the City of Sisters (Attachment R), leaving a significant need for 936 housing units by 2039. The proposed applications include the addition of 25 gross acres of residential land (MFR) to the UGB, as well as seven acres of light industrial and commercial land, both of which allow a component of integrated residential uses.

Compliance with Statewide Planning Goals 9 and 10 is demonstrated in the findings for OAR 660-015 Statewide Planning Goals.

2. The amendment shall demonstrate consistency and integration with the city's 2018 update of its Transportation System Plan, as well as the state's Transportation Planning Rule as found in OAR 660-012.

RESPONSE: Attachment A includes a Transportation Impact Study (TIS), which includes a Transportation Planning Rule (TPR) Analysis. As discussed earlier in this narrative, the TIS demonstrates that the TPR is satisfied for the subject applications.

3. The amendment shall demonstrate that it has maximized urban efficiency consistent with city and state planning requirements and quality in urban design.

RESPONSE: City land use requirements and state planning goals are addressed herein, demonstrating that the proposed amendments are consistent with city and planning requirements. Additionally, the proposed amendments will result in a mixed-use development, integrating multiple compatible zones for maximized urban efficiency. Further, the mixed-use opportunities of the proposed DC zone include commercial on ground floor and residential on upper floors, which can provide a diversification within a single footprint that can more efficiently utilize the space than a single use. This type of diversification keeps the space utilized 24 hours a day, rather than simply during business hours (for solely commercial uses) or during non-business hours (residential uses). Future development applications will include master plan and subdivision and the proposed development design will be reviewed in greater detail at that time.

4. The amendment shall include a development plan for the South Barclay Parcel which integrates proposed land uses, transportation and building layout and design in a manner that meets the overall community needs. The development plan shall provide detailed commitments to design context, energy efficiency and public and private financing of public improvements.

RESPONSE: The proposed comprehensive plan map amendments and zone changes demonstrate a plan for a mixed-use development, including housing, commercial, light industrial and open space/recreational areas. The inclusion of these zones and uses is a direct result of City needs for housing and economic land, as documented throughout this narrative. Further, the application includes a transportation analysis and water/sewer analyses to demonstrate the availability of public infrastructure and to identify any related needs in these areas.

Design Context

The proposed Comprehensive Plan amendments and zone changes are the first steps to entitle the subject property for a mixed-use development that is being designed to respond to housing and economic development needs in Sisters. Commercial and light industrial growth in Sisters requires housing for working individuals and families that is compatible with incomes and affordability. The design vision for this subject property includes a variety of housing options (condos/flats, townhomes and cottages) within city limits that working individuals and families, local entrepreneurs and artisans will be able to afford, within walking distance to downtown. The availability of these housing options will also attract new essential talent to support local businesses.

The future development will also include commercial and light industrial lands to attract new entrepreneurs, makers and businesses to further diversify the local economy. The project is planning an interactive commercial artisan-style marketplace along with a provision for open space that will be set aside for significant public amenity. These uses will be designed and scaled to integrate with the mixed-use community being created.

The project is designed to be natural, with a lot of open spaces and community style housing that will enhance the feel and appearance of the town and allow residents to access all of town's amenities by foot and bicycle, which is also friendlier to town's traffic patterns than housing that requires automobile commuting for all outings. Finally, with our intentionally chosen moniker, *Sister's Woodlands*, we intend to nestle this denser, more forward/ future thinking development, amongst as many of the existing trees as possible.

Energy Efficiency

These applications propose a mixed-use development through two mechanisms: 1. mixed-use zoning with commercial, light industrial, housing and recreational uses all in a single development and 2. use of the Downtown Commercial (DC) zone to provide an opportunity for future vertical mixed-use along the highway.

The proposed mixed-use zoning arrangement of the site can provide energy efficiencies by including employment and retail lands within walking and biking distance of a significant number of housing units. Sidewalks and multi-use trail connections will be provided within the development and to adjacent surround areas, in support of Goal 13 (Task d) of the City's Comprehensive Plan to "encourage energy efficiency:"

"d. Infrastructure in new developments, such as bike lanes, paths, and trails shall be laid out to provide convenient access to places of education, recreation, and shopping in an effort to promote energy efficiency..."

The mixed-use opportunities of the DC zone include commercial on ground floor and residential on upper floors, which can provide a diversification within a single footprint that can more efficiently utilize the space than a single use. This type of diversification keeps the space utilized 24 hours a day, rather than simply during business hours (for solely commercial uses) or during non-business hours (residential uses). This high rate of utilization can help with building conditioning by stabilize building temperatures, which in turn reduces maintenance costs, increasing long term energy efficiencies.

Public and Private Financing of Infrastructure

The proposed amendments include water, sewer and transportation analyses that estimate reasonable worst-case scenario impacts on public infrastructure, including reasonable

mitigation of such impacts. These mitigation measures include private financing of a proportionate share of impacts to public infrastructure, in compliance with the above requirement. Additionally, future development will include master plan and subdivision applications, which will necessarily include significant public improvements for on site water, sewer, and roadway facilities.

5. The amendment shall demonstrate consistency and integration with the 2011 City of Sisters Parks Master Plan which recommends between 5 and 47 acres to be dedicated for a future community or regional park.

RESPONSE: Map 3-1 in the 2011 City Parks Master Plan, updated in 2016, (Attachment Q) identifies the East Portal as a community park (see below for excerpt). The Parks Master Plan includes several recommendations that express the City’s desire for acquisition of the East Portal (from the Forest Service) for both open space and park land. It is the Applicant’s understanding from conversations with City staff that conversations regarding acquisition of the East Portal are in process. The proposed applications have no impact on these City plans or initial conversations/negations for the East Portal.

