

**IN A MATTER BEFORE THE CITY OF SISTERS COMMUNITY DEVELOPMENT DEPARTMENT
SUN RANCH TOURIST COMMERCIAL ZONE TEXT AMENDMENT REQUEST
APPLICATION NARRATIVE**

Property Lake House Inn
Owner/Applicant 160 S. Oak Street #147
Sisters, OR 97759

**Applicant's
Planning
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Subject Property 69013 Camp Polk Road, Sisters, OR 97759 (Township 15 South, Range 10 East, Section 04, Tax lot 1101)

Proposal: Applicant requests approval for a Development Code Text Amendment to section 2.12 of the Sisters Development Code (Sun Ranch Tourist Commercial District) and section 1.3 of the Sisters Development Code to add a new term (Lodging Establishment).

I. APPLICABLE REVIEW CRITERIA:

The following laws provide the relevant approval criteria for the City’s review of this application:

The City of Sisters Comprehensive Plan

- Section 1 – Public Involvement
- Section 2 – Land Use
- Section 8 – Economy
- City of Sisters Economic Opportunities Analysis

The City of Sisters Development Code (SDC)

- Chapter 1.3, Definitions
- Chapter 2.12, Sun Ranch Tourist Commercial
- Chapter 4.1.600, Type IV Procedure (Legislative)
- Chapter 4.7, Land Use District Map and Text Amendments

II. BASIC FINDINGS:

- A. LOCATION:** The subject property is located 69013 Camp Polk Road on the northeast side of the city of Sisters. It is located at the northwest corner of Camp Polk Road and E. Barclay Avenue.
- B. ZONING AND PLAN DESIGNATION:** The property is designated Commercial on the City’s Comprehensive Plan map and zoned Sun Ranch Tourist Commercial (SRTC) per the City’s zoning map and development code.
- C. SITE DESCRIPTION:** The Sun Ranch Tourist Commercial Zone applies to roughly 6.20 acres of property described as:
 - 15-10-04, Tax lot 1101 (69013 Camp Polk Road)
 - The southern 100+/- feet of tax lot 1900 on Map 15-10-04BD (575 E Sun Ranch Drive)
 - The southern 100+/- feet of tax lot 1901 on Map 15-10-04BD (No address)

The property owned by the applicant is roughly 4.61 acres in size and is generally rectangular in shape with the longer sides running in a north/south direction. The property is bound by E. Barclay Drive on the south and Camp Polk Road on the east. E. Barclay Drive is classified as a collector by the City’s Transportation System Plan (TSP). Camp Polk Road is also classified as a collector street by the TSP.

The property directly west on the southern half of the subject property is developed with a mini-storage facility (Sisters Self Storage). Directly west of the north portion of the property is vacant land within the Runway Protection Zone associated with the Sisters Eagle Airport. The lot directly north of the property is developed with a distillery business (Cascade Street

Distillery). The southern 100 feet of those two properties are within the Sun Ranch Tourist Commercial zoning district.

The property has an existing house on it that is in a state of disrepair. According to the Deschutes County Tax Assessor's office, it is 4067 square feet. That building has sat in a state of disrepair for more than 15 years and can't be remodeled in an economically feasible manner.

There are three other accessory buildings on site ranging in size from 80 to 440 square feet that are in various states of disrepair. A well house is on the western side of the property. The site once had two irrigation ponds on the north and south sides of the property which is evident from review of aerial photographs or walking the property. The property has certificated water rights for 4.95 acres per Permit G-13441 that will be used to irrigate landscaping and potentially for water features, such as ponds, on site.

The structures onsite will likely be torn down in preparation for a new development proposal. The existing structures will need to be demolished to assure safe use of the site for various anticipated future uses.

The lot is generally level, except for the areas where ponds once were. The southern frontage and the south half of the western property line is lined with arborvitaes. There are several mature conifer and deciduous trees scattered throughout the property. The ground cover consists of a variety of grasses, shrubs and brushes. A white fence runs along the eastern and southern property lines.

D. BACKGROUND: The subject property enjoys a long history in the Sisters community. The site once had a schoolhouse on it. The old residential structure onsite was originally constructed in 1947. That house was used as the home of the Hitchcock family and then the Conklin family. The house was used as a bed and breakfast from the 1980s through the early 2000s.

In 2004/2005, the previous owner of the subject property purchased this property and the 35+/- acres adjacent to the north and west. That owner worked with the City to create the Sun Ranch Industrial Park, Sun Ranch Residential District, and the Sun Ranch Tourist Commercial zone. These zoning districts were planned cohesively to leverage uses within the various districts for the benefit of residents and workers within those districts. For instance, the industrial district was planned to provide jobs for people who may live in the residential district. The Tourist Commercial district was planned to provide amenities such as eating and drinking establishments or overnight accommodations for the benefit of the residents of the residential zone or workers in the industrial park. That interplay is still very much a goal for the subject property. The zone was also planned to invite tourists as well as other Sisters community members. The proposed text amendments seek to expand and clarify the permissible uses on site with those objectives in mind.

The SRTC district was created around a specific vision for the property. The uses permissible were tightly tailored to that vision. From 2004 through 2007, the previous owner worked with the city to create the entirety of the Sun Ranch concept. The bed and breakfast structure was meant to be a centerpiece of the SRTC zone. Remodeling of the bed and breakfast commenced to house a high-end restaurant about 2006/2007. The restaurateur that was heading the effort abandoned the project. The structure that was mid-renovation has sat unfinished since that time and is boarded up for safety reasons.

The vision for the SRTC zone in the mid-2000s is outdated at this point. Sisters was a different place at the time that the TC zoning district was created. For instance, Five Pine was still in initial phases of development. The housing stock in Sisters was extremely limited. There were fewer eating and drinking establishments in Sisters.

In 2007, the population of Sisters was 1,825 per the Portland State University Population Research Center [statistics](#). PSU's Population Research Center [estimates](#) that the population of Sisters in 2025 will be 3,890. Since the economic recovery following the Great Recession, the Sun Ranch area has developed with a variety of businesses and residential units. This reality creates an opportunity to create a set of regulations that permit various uses in keeping with the intent of attracting tourists and locals alike. The vision for the property still includes overnight accommodations and food & beverage establishments but in different forms. This new vision includes higher end RV spaces that cater to the "vanlife" market and things like food carts, a tap house, corn hole, pickleball, small concert stage and other items that attract local and tourist visitors.

Currently, the purpose of the TC zone is:

"The purpose of the Sun Ranch Tourist Commercial district is to establish landmark lodging, dining, and recreation destinations and gathering places for business travelers, tourists and the residents of the area. The district is for commercial properties in transition areas between residential, light industrial and commercial areas. This district establishes commercial uses to complement adjacent mixed-use light industrial and residential districts. Special design standards apply to create a rural ranch setting separate from, but compatible with, the 1880s Western Frontier Architectural Design Theme. Another purpose of this district is to provide flexibility for expansion of lodging facilities and improve accessory components of the commercial lodging establishment such as meeting facilities, restaurant, bar, neighborhood market, etc."

The proposed, new language still aims to provide various tourism related uses to attract locals and tourists and to provide community gathering spaces.

"The purpose of the Sun Ranch Tourist Commercial district is to establish a variety of uses associated with tourism such as options for overnight accommodations, dining, entertainment, and recreation and to provide gathering space and uses that attract business travelers, tourists and members of the Sisters community alike."

Uses such as cabins for overnight rental are not as high in demand as other types of overnight accommodation. Food carts, tap rooms and recreational opportunities create places where people gather. The proposed text amendments seek to expand and clarify the types of uses on site but still honor the purpose of the district in its relationship to the community and the traveling public. Further, based on feedback from City staff, the proposed text amendments will put the SRTC zoning district into a format that is more consistent with the rest of the Sisters Development Code.

- E. PROPOSAL:** The applicant seeks approval of a series of text amendments to the existing SRTC zoning district (Chapter 2.12) and Chapter 1.3 of the Sisters Development Code. Some of the proposed amendments are based on staff feedback to gain consistency between the SRTC and the other sections of the Sisters Development Code (SDC). However, the majority of the text amendments proposed are geared towards expanding and clarifying the types of uses permitted on site. These uses provide the ability to serve the needs of the local community and serve the needs of travelers to Sisters. This has always been, and will continue to be, the focus and intent of the SRTC.

The proposed text amendments include but are not limited to the following key items:

- Define the term “Lodging Establishment” in Chapter 1.3 of the SDC.
- Update the Purpose Statement in Chapter 2.12 (SRTC).
- Add uses permissible in Chapter 2.12 (SRTC) including Hostel, RV Park including caretaker’s residence, and Park.
- In consultation with City staff, remove many listed uses in the current SRTC as those uses would qualify as “Accessory uses.” Examples of this include “Saunas”, “Laundry establishment focusing on providing for the needs of guests”, and “Multi-use trails and paths.”
- Remove special standards for neighborhood market, laundry establishment and cottages.
- Remove the 1900s Rural Farm/Ranch House design theme and by default, implement the City’s Western Frontier Architectural Design Theme.
- Format the SRTC in a manner more like the rest of the SDC including introduction of a table format for development requirements.

III. ANALYSIS & CONCLUSIONS:

Sisters Development Code:

Chapter 4.7 – Land Use District Map and Text Amendments

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: The text amendments are proposed for some of the reasons listed in the purpose statement above in Section 4.7.100 – changing community conditions, needs and desires. This is detailed further below in this narrative. The proposed text amendments are considered Legislative in nature as the amendments will impact the entirety of the Sun Ranch Tourist Commercial Zone and the entirety of the city with the proposed definition of “Lodging establishment.” As such, the narrative addresses the criteria for the Type IV procedure found in Chapter 4.1 .600. Section 4.7.600 is addressed below and in more detail addressing the criteria related to the Transportation Planning Rule in Chapter 4.1.600. Exhibit F is the Trip Generation and Transportation Planning Rule Analysis memo from Lancaster Mobley Engineers.

The proposed text amendments to the SRTC zone are attached as Exhibit A which is the track changes version, and Exhibit B provides a clean version of the proposed changes.

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: The applicant's transportation engineer, Melissa Webb, PE with Lancaster Mobley Engineers provided a memo that analyses the trip generation from the proposed text amendments and addresses the Transportation Planning Rule (Exhibit F). This is further explained in the response to the criteria related to the Transportation Planning Rule in 4.1.600 below. Generally, what the memo explains is that the proposed new uses do not generate the volume of trips that would "significantly affect" the transportation system per OAR 660-012-0060.

The analysis compares the reasonable worst case scenarios from a trip generation standpoint comparing the trips that result from developing the property relying on the existing zoning allowances to trips resulting from the proposed new uses for the site (RV Park and Park). The analysis found that the trip generation potential from the existing zoning district language would produce a much higher volume of trips than the trips produced if the site were developed exclusively with the proposed new uses. Therefore, the proposed amendments do not adversely affect the City's transportation facilities.

Chapter 4.1 – Types of Applications and Review Procedures

4.1.100 Purpose

The purpose of this chapter is to establish standard decision-making procedures that will enable the City, the applicant, and the public to reasonably review applications and participate in the local decision-making process in a timely and effective way.

4.1.200 Description of Permit/Decision-Making Procedures

All land use and development permit applications, except building permits, shall be decided by using the procedures contained in this Chapter. General provisions for all permits are contained in Section [4.1.700](#). Specific procedures for certain types of permits are contained in Section [4.1.200](#) through [4.1.600](#). The procedure “type” assigned to each permit governs the decision-making process for that permit. There are four types of permit/decision-making procedures: Type I, II, III, and IV. These procedures are described in subsections A-D below. In addition, Table 4.1.200 lists all of the City’s land use and development applications and their required permit procedure(s).

- D. **Type IV Procedure (Legislative)**. Type IV procedures apply to legislative matters. Legislative matters involve the creation, revision, or large-scale implementation of public policy (e.g., adoption of land use regulations, zone changes, and comprehensive plan amendments which apply to entire districts). Type IV matters are considered initially by the Planning Commission with final decisions made by the City Council and appeals possible to the Oregon Land Use Board of Appeals.

RESPONSE: The applicant proposes text amendments to the SRTC zone and Chapter 1.3 (Definitions) of the City’s Development Code. Again, the proposed text amendments include but are not limited to the following key items:

- Define the term “Lodging Establishment” in Chapter 1.3 of the SDC.
- Update the Purpose Statement in Chapter 2.12 (SRTC).
- Add uses permissible in Chapter 2.12 (SRTC) including Hostel, RV Park including caretaker’s residence, and Park.
- In consultation with City staff, remove many listed uses in the current SRTC as those uses would qualify as “Accessory uses.” Examples of this include “Saunas”, “Laundry establishment focusing on providing for the needs of guests”, and “Multi-use trails and paths.”
- Remove special standards for neighborhood market, laundry establishment and cottages.
- Remove the 1900s Rural Farm/Ranch House design theme and by default, implement the City’s Western Frontier Architectural Design Theme.
- Format the SRTC in a manner more like the rest of the SDC including introduction of a table format for development requirements.

The proposed text amendments to the SRTC district, if approved will apply to the entire zoning district. The proposed new definition for “Lodging establishment” will apply citywide. Therefore, this proposal is legislative in nature and will be reviewed through the City’s Type IV procedures. The specific language proposed for the SRTC can be reviewed in Exhibits A (track changes version) and B (clean version).

Chapter 4.1.600, Type IV Procedure (Legislative)

A. Application requirements. See 4.1.700.

RESPONSE: As mentioned above, the proposed text amendments will be implemented through the entirety of the SRTC zoning district and the proposed new term “Lodging Establishment” will apply citywide. Therefore, this application is a legislative amendment despite the relatively small area impacted by the change. Section 4.1.700 of the Sisters Development Code primarily details the required materials for submittal for such a proposal. The applicant has conferred with staff and has submitted the required materials. Per section 4.1.700(D), the applicant’s consultants met with City staff for pre-application meeting on November 14, 2023.

Sections 4.1.600 B – D provide the detail for required hearings for the Legislative procedure, notice requirements for hearings, and other related items. Sections 4.1.600 F – J provide detail on the required process and decision-making actions of the Planning Commission and the City Council. These sections do not contain approval criteria. The approval criteria to address for the proposed text amendment application are found in section 4.1.600E and these are addressed below.

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;**

FINDING: The proposed text amendments to the SDC, primarily concern the types of uses permissible within the SRTC zone and more specifically, on the subject property so that the property is positioned to develop the types of uses in demand by the traveling public and locals in Sisters. The amendment also proposes a new definition for “Lodging establishment.”

These changes primarily concern the following Statewide Planning Goals:

- Goal 1 – Citizen Involvement
- Goal 2 – Land Use Planning
- Goal 8 – Recreational Needs
- Goal 9 – Economic Development
- Goal 12 - Transportation

A brief discussion about how the proposal is consistent with those goals follows below. The following Goals are not applicable to the proposed Text Amendment:

Goal 3 – Agricultural Lands. The property contains no property planned or zoned for agricultural uses.

Goal 4 – Forest Lands. The property contains no property planned or zoned for forest uses.

Goal 5 – Natural Areas, Scenic and Historic Areas, and Open Spaces. There are no Goal 5 inventoried natural areas, scenic area, historic areas, or open spaces.

Goal 6 – Air, Water and Land Resources. None of the uses proposed for the site generate the types of pollution, contaminants or industrial byproducts that Goal 6 seeks to regulate.

Goal 7 – Areas Subject to Natural Hazards. The subject property does not contain areas subject to Natural Hazards such as a flood plain or other.

Goal 10 – Housing. The subject property is planned and zoned for commercial uses. It is not property that is planned to address the city of Sisters' housing needs.

Goal 11 – Public Facilities. The property is located within the City's Urban Growth Boundary (UGB) and will be served by city services such as sewer, water, and transportation. The Goal 11 rules focus on the need for cities of over 2500 in population to plan for needed urban services. The City of Sisters has adopted sewer, water and transportation plans that demonstrate that the city has the ability to serve lands within the city's UGB with those essential urban services, including the subject property.

Goal 13 – Energy Conservation. The City of Sisters was required to "consider the effects of its comprehensive planning decision on energy consumption."¹ This proposal does not affect the City's energy conservation efforts.

Goal 14 – Urbanization. Goal 14 focuses on planning for orderly growth within UGBs and for areas added to UGBs. The subject property is already within the City's UGB and is adequately planned for needed infrastructure to allow orderly growth. This proposal does not impact the Goal 14 planning conducted by the City of Sisters.

Goals 15 – 19 do not apply in Central Oregon.

The following Statewide Planning Goals and Guidelines are applicable to this proposed text amendment.

Goal 1 – Citizen Involvement. Oregon's land use planning system, as implemented by the City of Sisters provides opportunities for public involvement throughout the land use decision making process. As the City's Comprehensive Plan explains, "Sisters is home to an active and

¹ Oregon Statewide Planning Goal 13, <https://www.oregon.gov/lcd/OP/Pages/Goal-13.aspx>

engaged community, with residents who care deeply about the future of their city.² This proceeding has had and will have opportunities for interested community members to engage.

The Sisters Development Code does not have a prescribed neighborhood meeting requirement rather, “Applicants are encouraged to meet with adjacent property owners and neighborhood representatives in order to solicit input and exchange information about the proposed development. In some cases, the Community Development Director or designee may require the applicant to meet with adjacent property owners or neighborhood representatives prior to accepting an application as complete.”³

The applicant held a neighborhood meeting in advance of submitting the Text Amendment application. The applicant held a neighborhood meeting on Wednesday, January 10 at 5:00 pm which was held at the Sisters Coffee Company at 273 W Hood Street in Sisters. The applicant sent notice of the neighborhood meeting to property owners within 500-feet of the Tourist Commercial zoning district boundaries and invited other community stakeholders.

Approximately 15 people attended the meeting. Eight of the attendees provided information on the sign-in sheet. The applicant provided a brief presentation on the history of the existing Tourist Commercial zoning, tourist market data relating to Sisters, and why the applicant is proposing the changes to the zoning text. The applicant’s landscape architect provided and described illustrative plans for potential development concepts for the property in addition to “idea boards” showing examples of developments that may be considered on site.

There was one question asked. A neighbor asked about the development timeline for the property.

The notice for the meeting and the sign-in sheet are attached as Exhibit C.

This application will require public hearings in front of the City’s Planning Commission and City Council providing the public with additional opportunities to provide comment on the record for the proposed text amendments (both written and in-person comments). The proposal is consistent with Goal 1.

Goal 2 – Land Use Planning. Goal 2 requires counties and cities to develop and adopt Comprehensive Plans and implementing regulations (such as the Sisters Development Code) based on a factual base. Policy 2.1.2 of the City’s Comprehensive Plan requires that City ***“maintain, enhance, and administer land use codes and ordinances that are based on an adequate factual basis.”*** The applicant provides evidence of various changes and market realities that provide the factual basis to support the proposed amendments. This is detailed below in 4.1.600(E)(2) relating to consistency with the Comprehensive Plan. Goal 2 also requires consistency between the Comprehensive Plan and implementing regulation. This is

² Sisters 2040 Comprehensive Plan, page 19.

³ Sisters Development Code, Section 4.1.100(A)

also detailed in 4.1.600(E)(2). The proposed text amendments and suggested findings are consistent with Goal 2.

Goal 8 – Recreation Needs. This goal states “Local, state, and federal agencies and the private sector must co-ordinate their plans for recreation facilities and activities to protect our recreation resources and to help nearby communities prepare to meet the demand these recreation destinations place on public services and facilities such as roads. Goal 8 requires local governments to plan for the recreation needs of their residents and visitors.” The City coordinates with the Sisters Park and Recreation District for recreational planning needs.

The proposed text amendments will allow a “Park” use that provides for limited recreational opportunities due to the size of the property and the mix of uses that could be developed onsite. The proposed “RV Park” use will attract visitors to the City in keeping with the economic development goals in the City’s Comprehensive Plan and Economic Opportunities Analysis. The proposed text amendment based on the size of the subject property will not introduce facilities that will overburden recreational resources or the public facilities within the City of Sisters that serve the subject property. This is further explained in the response to criterion 4.1.600(E)(3). The proposed text amendments are consistent with Goal 8.

Goal 9 – Economic Development. “The purpose of Goal 9 planning is to make sure cities and counties have enough land available to realize economic growth and development opportunities.” Per Goal 9, the City has adopted an Economic Opportunities Analysis that identifies economic land needs, target industries and other local policies aimed at assuring economic opportunities within Sisters. The City has identified a continued focus on tourism related industries (hospitality, overnight accommodations, food and beverage services, etc.) and expansion of those types of uses to attract tourism activity in the shoulder season. The proposed text amendment does not remove property from the employment lands designation and aims to expand the types of uses permissible within the SRTC potentially attracting tourists in the slower seasons. This is further explained in the responses below related to the City’s economic development policies contained in such documents. The proposed text amendments are consistent with Goal 9.

Goal 12 – Transportation. “Goal 12 requires cities, counties and the state to create a transportation system plan that takes into account all relevant modes of transportation: mass transit, air, water, rail, highway, bicycle and pedestrian. The [Transportation Planning Rules](#) (TPR) implements Goal 12.”

The City adopted an updated Transportation System Plan in December 2021. The subject property is bound on two sides by Collector level streets (E. Barclay Avenue & Camp Polk Road). The City will be rebuilding E. Barclay Avenue and the applicant has begun discussions with City staff regarding a proposed bicycle/pedestrian connection to that road. The applicant has hired a transportation engineer to analyze the text amendments in light of the Transportation Planning Rule (TPR) and found that the amendments are consistent with TPR and as a result, Goal 12. This is further discussed in findings related to criteria in 4.7.600 and 4.1.600(3)&(4).

Exhibit F is the Trip Generation and Transportation Planning Rule Analysis memo from Melissa Webb, PE with Lancaster Mobley Engineers.

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

RESPONSE: The proposed text amendments to the Tourist Commercial zone are consistent with the Sisters 2040 Comprehensive Plan and its supporting documents. The amendments will allow uses that will deliver on some of the tourism industry related economic development ambitions identified in the Plan, the City’s adopted Economic Opportunities Analysis and the community created Sisters Country Vision. In consultation with City staff, the following citations and policies from the Plan are applicable to the proposal.

Section 1 – Public Involvement

POLICY 1.2.4

The City shall actively encourage community participation in planning processes and shall implement strategies to reach underrepresented or marginally-involved populations.

POLICY 1.2.6

The City shall provide options for community members to view and participate in all official City meetings in-person or remotely, consistent with State requirements, in order to reduce barriers to participation.

POLICY 1.3.1

The City shall provide information necessary to reach policy decisions at City Hall, on the City’s website, and via other avenues as appropriate.

City staff suggested that the applicant hold a neighborhood meeting which was hosted by the applicant on January 10, 2024 at the Sisters Coffee House. Notice was mailed to property owners within 500 feet of the Tourist Commercial zoning district. Further, the applicant reached out to various stakeholders including the Nugget newspaper editor to inform the community about the proposal.

This proposal will require hearings in front of the Sisters Planning Commission and City Council providing additional opportunities for community input. The City has adopted a hybrid approach to public meetings allowing remote and in-person attendance. Further, the application file and contents of the record will be available at City Hall for review by interested parties.

Section 2- Land Use

POLICY 2.1.2

The City of Sisters shall continue to maintain, enhance, and administer land use codes and ordinances that are based on an adequate factual basis, the goals and policies of this Comprehensive Plan, and applicable local, state, and federal regulations.

The proposed text amendments are geared towards updating and clarifying the permissible uses within the Tourist Commercial zone. Comprehensive Plans and Development Codes are living documents that require routine updates based on changes in federal and state law, local policy direction, and response to changing market conditions. In this instance, the applicant is proposing text amendments to the Tourist Commercial zone that will contribute to many of the goals and policies of the Comprehensive Plan and supporting documents as discussed below. Identifying the applicable Comprehensive Plan policies and explaining how the amendments are consistent with and will contribute to various policy ambitions provides the factual basis needed to support the changes. Changes that have occurred since the SRTC zone was adopted on the subject property, within the Sisters community and amongst travel behavior of tourists that also support these proposed amendments.

As detailed in Section C, Background of this document, the Tourist Commercial Zone was crafted by the previous owner of the 69013 Camp Polk Road property to deliver on a vision for the property in 2005 or so. The Tourist Commercial zone was a unique zoning district that was tailored to provide a “boutique” commercial hub for the Sun Ranch Industrial Park, residential areas in proximity and the traveling public. One focus was going to be the establishment of a high-end restaurant within the old residential structure on site. Further, cabins were planned to be developed on site to provide overnight accommodations for business travelers and tourists. Other uses were permissible on site including a neighborhood market and others that would typically be considered “accessory” to hotel uses like fitness center or saunas. The zoning district contained “movie rentals” as one permissible use – evidence of the need to update. Further, the zoning district prohibited uses such as “Auto-oriented uses and drive-through uses.”

A lot has changed in Sisters since the Tourist Commercial District was adopted to complement the boutique industrial and residential areas. Please note, the proposed text amendments would still provide complementary uses that can be enjoyed by users of the Sun Ranch Business Park and the surrounding residential areas, but the types of amenities proposed differ.

First, the residential structure that is on site that was constructed in 1947 and was used to house a bed and breakfast from the 1980s through the early 2000s, has sat in a state of disrepair for 15+ years. The structure was in the beginning phases of demolition/remodeling when the restaurateur abandoned the project. It is financially infeasible to repurpose the structure for commercial use at this point.

Second, the entirety of Sisters has grown substantially and on a micro-level the growth within the Sun Ranch Business Park and the adjacent residential areas has been equally robust. Sisters

has more than doubled in size from its 2007 population of 1700 to more than 3500 today. The SRTC property still has significant potential to attract workers and residents from those areas. However, the types of uses that generate such interest currently aren't contained in the current zoning district. By adding and clarifying uses permissible in the district, it provides better flexibility to develop the types of uses that will cater to locals and travelers. For instance, the "Park" use is proposed as a permissible use which allows the property owner to consider development of a dog park area or pickleball court both of which are popular activities.

The number of more traditional overnight accommodations such as hotel rooms, cabins and short-term rentals have increased substantially within the community. For instance, when the SRTC zone was created, many of the uses at Five Pine had not been developed. The GrandStay Hotel had not been developed. The vision for the SRTC focused on cabin-like structures to provide overnight accommodations.

Likely aided by the pandemic, travel behavior has changed. The increase in the number of people who travel by RV has increased substantially. RV ownership has increased 60% over the past 20 years with an increasing number of younger RV buyers⁴. Remote working abilities has also led to an increase in such travel as all that is needed to work remotely is an internet connection. An RV Park on the subject property would cater to that growing segment of the tourism market.

The proposed text amendments seek to provide consistency with other portions of the Sisters Development Code but also enjoy the flexibility such consistency provides. For instance, the proposed text amendments will add "Eating and Drinking Establishments" consistent with other districts in the SDC as opposed to the current zoning language that includes "Restaurant, bar and food services." This will allow the owners to propose various types of eating and drinking establishments from food carts to a tap house, to a more traditional restaurant or other similar use.

As documented in the City's Comprehensive Plan, the City's Economic Opportunities Analysis (EOA) and the Sisters Country Vision, tourism has been and will continue to be an economic driver for the community. The EOA explains that uses that attract tourists provide desirable amenities for locals as well.

The Sisters Country Vision states:

As to its future economy, Sisters Country recognizes that tourism and the arts and recreational economies will continue to be a major source of its future prosperity⁵.

The City's adopted EOA states the following:

⁴ <https://www.rvia.org/go-rving-rv-owner-demographic-profile>

⁵ Sisters Country Final Vision Action Plan, page 6.

The City of Sisters has developed a robust mix of lifestyle retail stores and restaurants, providing a strong base for ongoing development and a range of amenities that can support tourist activities. The amenities that tourism traffic supports are largely consistent with what is desirable to residents. Quality retail, restaurant, recreation, and hospitality tenants make a community an attractive place to live and work. Studies have shown that amenity-related supportive uses also benefit and attract residents and businesses.⁶

The proposed text amendments will allow establishment of food and beverage, recreation and hospitality uses that drive visitor interest and local interest. In addition, the EOA identifies four strategies to pursue a prosperous economy. The first strategy reads as such:

Strategy 1: Four-Season Tourism and Visitor Destination Encourage ongoing tourism and destination economy, with a focus on shoulder season and winter events. This supports the following target industries:

- ***Leisure and Hospitality***
- ***Accommodation and Food Services***
- ***Retail Trade***

The proposed text amendments allow for various uses, such as a park or food services, that can be enjoyed year-round by residents and tourists. The uses proposed focus on leisure and hospitality, accommodation and food services. One use proposed, “RV Park” has the potential to be a year-round facility that will attract visitors to the city to enjoy the various amenities in the slower seasons as well. For instance, RVers could stay at the RV park on site while enjoying Nordic or alpine skiing in the vicinity during the day. This would allow such travelers to enjoy the outdoor recreation amenities outside of the city during the day while frequenting the city’s various amenities in the evening.

Another fact that supports the proposed changes relates to the changing travel behaviors of tourists. Over the past decade, RV ownership has increased substantially and world events such as the COVID Pandemic have changed how people engage in tourism resulting in many new RVers. According to the Recreational Vehicle Industry Association (RVIA) RV ownership has increased 60% over the last 20 years with now more than 11 million families owning RVs⁷. Ownership amongst the younger generations (Millenials and Gen Z) represents a growing segment of the market. This is understandable based on changing perspectives on remote work and other advances that allow for flexibility in travel and work.

It is important to consider the economic impact of RVing. According to RVIA, RVing had a \$4 Billion annual impact on Oregon’s economy including \$652 Million spent on RV campgrounds and travel (See Exhibit D). Further, the cost to travel via RV compared to traditional modes of travel (airline flights, rental cars, and hotel rooms) is much more affordable.

⁶ City of Sisters Economic Opportunities Analysis, Page 33.

⁷ <https://www.rvia.org/go-rving-rv-owner-demographic-profile>

Allowing a more affordable method of visiting Sisters is in keeping with feedback from the study the City commissioned by EcoNorthwest in 2021, the Sisters Visitors Opportunities Study (Exhibit E). Visitors were surveyed about their attitudes on visiting Sisters. Amongst many findings, there were two key complaints identified in that study that support changes to the Tourist Commercial zone including the ability to permit the RV Park use – lack of affordability in general and the lack of affordable accommodations. An RV Park in the City would offer a more affordable form of overnight accommodations.

As part of due diligence efforts, the applicant conducted a brief market study of Sisters this past summer. The study revealed that in July of 2023, the cheapest hotel room in Sisters was \$249/night. On the other end of the spectrum, a visitor to Sisters can easily spend more than \$600/night on the higher end accommodations in the city. The Creekside Campground offers a variety of RV spaces at more affordable rates (\$55/night for a full hookup 50 amp site). That facility is very popular with occupancy rates close to 70% (with a limited ability to track reservations made by the remote kiosk on site). The addition of a year-round RV park provides another option for travelers that can stay in Sisters, recreate, and spend money in local businesses without incurring the cost of staying in one of the City's hotels. This added overnight accommodation within the city diversifies the offerings to potential visitors to Sisters.

The proposed text amendments provide additional flexibility that will allow the property owner to respond to the changing tourism market and develop the property in a manner that will contribute to one of the City's main economic development platforms, tourism. The information provided in this response provides a sound factual base which supports the proposed changes.

POLICY 2.1.4

The City shall notify and engage partner organizations, residents, property owners, and businesses as part of processes to update and amend the City's Comprehensive Plan and Development Code.

POLICY 2.1.7

The City shall continue to explore opportunities to incorporate new regulatory approaches and other best practices to implement the Comprehensive Plan in a manner that can be administered effectively and efficiently.

The applicant appreciates this opportunity to propose updates to the development code in keeping with Policy 2.1.4. Text amendments that allow property owners to respond to changing market conditions and travel behavior is an effective way to adjust the city's development code to deliver on the tourism economic development policy ambitions in the City's Comprehensive Plan, EOA and the Sisters Country Vision. The City's Comprehensive Plan contains a policy that is geared towards amending the portions of the development code that regulate residential development to respond to changing housing market realities (Policy 5.1.4).

It may be worth considering a similar policy related to commercial and industrial development standards.

Chapter 8 of the City's Comprehensive Plan contains numerous policies that support the proposed text amendment and the types of development that could result due to the focus on attracting tourist activity and the economic benefits associated.

POLICY 8.1

The City shall maintain and enhance the appearance and function of the Commercial Districts by providing a safe and aesthetically pleasing pedestrian environment, encouraging mixed use development and unique design using the City's Western Frontier Architectural Design Theme.

POLICY 8.3

The City shall promote pedestrian scale developments in the commercial zones. Auto-oriented developments such as restaurants with drive-up windows will be discouraged, limited or prohibited in the Downtown area; in other areas, they shall be limited and managed to minimize their impacts.

POLICY 8.5

The City shall promote and incentivize mixed-use development within the Commercial Districts, and in transitional light- industrial areas such as the Sun Ranch and Three Sisters Business Parks (as previously noted in the findings), and small commercial uses and home occupation mixed with residential uses.

POLICY 8.18

The City shall strategically develop and continue to support the tourism and destination economy through strategies such as increasing the number of "shoulder season" (spring/fall) and winter events and attractions, including performances, festivals, retreats, educational speaker series, trainings, and outdoors sports tournaments.

The applicant has proposed the text amendments to allow development of a mix of uses on site. The applicant is seeking to remove the requirement to adhere to a 1900s Rural Farm/Ranch House and to instead implement the 1880s Western Design Theme for commercial structures on the property. Although RV Parks require the use of automobiles, it is not an auto-oriented use like a drive-through. Nor is it an "auto-dependent use" as defined in section 1.3 of the SDC.

The applicant has contacted the City's Public Works Director regarding a bicycle/pedestrian connection on the south end of the property to connect to the newly constructed bicycle/pedestrian facilities that will be constructed as part of the E. Barclay Avenue

reconstruction project this summer. This will provide bike and pedestrian access from the site and into the core of the city.

The applicant contemplates an RV Park that will be open year-round which will attract winter visitors who can engage in the various winter recreational activities surrounding the city and enjoy the amenities offered in the city. The mix of uses permissible will allow development that can attract shoulder season visitors.

The City's EOA supports the continued focus on tourism-related sectors as a Target Industry. The proposed text amendments are geared to unlock the potential that this property holds in terms of its ability to develop with a mix of commercial uses that will attract visitors to the property and to enjoy (and spend money at) the various restaurants, breweries, distilleries, retail stores and other businesses in Sisters. The update of the Tourist Commercial zone is consistent with the City's Comprehensive Plan and will modernize the zoning district in a manner that will allow the zone to better deliver on the tourism-related economic ambitions in the city's economic development planning documents.

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.

RESPONSE: The Text Amendment application is not seeking approval for a specific development on the property at 69013 Camp Polk Road. However, the subject property is within the City's UGB and is provided with the necessary sewer, water, and transportation infrastructure to serve the proposed uses in the SRTC zone based on the city's adopted capital facilities plans.

SEWER:

The City's adopted Wastewater System Capital Facilities Update (2016) analyzed the city's ability to provide necessary sewer service based on development that could occur within the existing zoning districts and forecast population growth. There are four sewer laterals serving the property from the City's 12-inch gravity sewer line in Camp Polk Road.

The City's 2016 sewer facilities update found "Most gravity lines appear to be sufficiently sized for 2035 flows with existing zoning and provide capacity for growth with the exception of the

main 18" gravity main and the 10" main that serves the Industrial Park, which may reach their capacity with increasing density of development and property annexations.⁸ The property is not served by the 18" or 10" mains in the industrial park. The City's sewer system was sized appropriately to accommodate commercial level flows from the property. The proposed text amendments do not introduce new uses that exceed sewer needs of the uses permissible in the existing SRTC zoning district.

WATER:

There is an existing 1" water service connection to the subject property from a 12-inch water line in E. Barclay Avenue. The City's 2017 Water Capital Facilities Plan Update analyzed the city's ability to serve the community with water based on the existing zoning districts and forecast population through 2037. This analysis included the SRTC zoning for the property. Although the City has identified maintenance and capital projects to meet the needs of the growing community, the impacts from the commercial development of this site were factored into the system analysis. The City's water system has the capacity to serve this property. The exact size of the needed water service line and meter for future development of the subject property will need to be evaluated when such plans are developed.

TRANSPORTATION:

The City adopted a Transportation System Plan (TSP) update in 2021. Figure 4-3 from the TSP shows that the subject property has frontage on two collector roads, E. Barclay Drive on the south frontage and Camp Polk Road on the east property line. Per figure 3-3 from the TSP, Camp Polk Road contains a bicycle lane.

In discussions with City staff, the applicant is aware of the City's planned reconstruction of E. Barclay Drive as part of developing an Alternate Route to address Highway 20 congestion. That project will provide bicycle and pedestrian facilities along E. Barclay Drive. The City has indicated that vehicular access onto E. Barclay Drive will not be permitted, however, bicycle and pedestrian accesses from the subject property onto E. Barclay Drive are permissible.

The property contains enough linear frontage along Camp Polk Road to provide multiple access points in compliance with the city's access separation standards. The planned bicycle/pedestrian connection to E. Barclay and various opportunities for connections to Camp Polk Road will disperse trips in multiple modes and locations from the site.

The transportation impacts resulting from the proposed text amendments are analyzed in the attached Trip Generation & Transportation Planning Rule Analysis by Melissa Webb, PE with Lancaster Mobley transportation engineers (Exhibit F). Based on the trip generation analysis, the proposed new and clarified uses will not generate more trips than what can be developed under the current zoning (6000 square foot restaurant). As a result, the proposed text amendments do not introduce uses that will "adversely impact current levels of service provided to existing users."

⁸ Wastewater System Capital Facilities Update (2016), at 6-6

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

RESPONSE: The Trip Generation and Transportation Planning Rule Analysis provided by Melissa Webb, PE with Lancaster Mobley Engineers is attached as Exhibit F. The analysis compares the reasonable worst case scenarios from a trip generation standpoint comparing the trips that result from developing the property relying on the existing zoning allowances to trips resulting from the proposed new uses for the site (RV Park and Park). The analysis found that the trip generation potential from the existing zoning district language would produce a much higher volume of trips than the trips produced if the site were developed exclusively with the proposed new uses. Therefore, the proposal will not “degrade the performance of any planned or existing transportation facility. Accordingly, the TPR is satisfied, and no mitigation is necessary or recommended in conjunction with the proposed text amendment.”⁹

4.1.1000 Neighborhood Meetings

A. Neighborhood Meeting Requirement. Applicants are encouraged to meet with adjacent property owners and neighborhood representatives prior to submitting their application in order to solicit input and exchange information about the proposed development. In some cases, the Community Development Director or designee may require the applicant to meet with adjacent property owners or neighborhood representatives prior to accepting an application as complete.

RESPONSE: As detailed above, the applicant held a neighborhood meeting on Wednesday, January 10 at 5:00pm at the Sisters Coffee Company in Sisters. The applicant’s team presented a summary of the proposed text amendments, a brief history of the SRTC zone, and reasons behind the proposed amendments. Approximately 15 people attended the meeting. One question was asked relating to development timelines for the property.

IV. CONCLUSION:

The applicant has demonstrated consistency with state law, the applicable City Comprehensive Plan policies, and supporting documents. Further, the applicant’s proposed text amendments allow the property to better meet select economic development policies and ambitions identified in adopted City documents. For the reasons set forth herein, the proposed Text Amendments to the Sun Ranch Tourist Commercial zone and Chapter 1.3 of the Sisters Development Code warrant approval.

⁹ Webb, Melissa, Trip Generation & TPR Analysis Memo, page 7.

Exhibit List

Exhibit A – Proposed Text Amendments (Track Changes)

Exhibit B – Proposed Text Amendments (Clean Version)

Exhibit C – Neighborhood Meeting Notice and Meeting Sign-In Sheet

Exhibit D – RVIA Oregon’s Annual Impact

Exhibit E - Sisters Visitors Opportunities Study

Exhibit F - Lancaster Mobley Trip Generation and Transportation Planning Rule Analysis