

City of Hood River  
Planning Commission  
Public Hearing  
Monday, November 19, 2012

City Council Chambers  
211 Second Street  
Hood River, OR 97031  
5:30 p.m.

PRESENT: Chair Laurie Stephens, Commissioners Nathan DeVol, Steve Winkle, Nikki Hollatz,  
Jennifer Gulizia, Bill Irving  
ABSENT: Commissioner Casey Weeks  
STAFF: Planning Director Cindy Walbridge, Senior Planner Kevin Liburdy, City Manager Bob  
Francis  
GUEST: Mayor Arthur Babitz

## MINUTES

- I. CALL TO ORDER: Chair Laurie Stephens at 5:34p.m.
- II. PLANNING DIRECTOR'S UPDATE:

The Hood River Valley Parks and Recreation District would like to make a presentation to the commissioners in March. Walmart is still scheduled for December 10<sup>th</sup> before the City Council. All Walmart-related documents are on the planning department's website including the lawyer's memorandums and public testimony. The next scheduled Planning Commission meeting date is December 3<sup>rd</sup>; Commissioner Hollatz will be out of town.

Chair Stephens announced that the conditional use permit for the cable park at Nichol's Boat Basin (File #2011-30B) has been withdrawn and no action is required tonight.

- III. ACTION ON MINUTES:

In September 17<sup>th</sup> minutes Chair Stephen's name is spelled incorrectly. Commissioner Hollatz made a motion to accept the September 17<sup>th</sup> and October 1<sup>st</sup> meetings, Commissioner Irving seconded. Motion passed unanimously.

- IV. PUBLIC HEARING:

File No. 2012-21, Code Changes.

A. Amend the definition of Waterfront in HRMC 17.01.060, and amend HRMC 17.03.050 to eliminate residential dwelling units as permitted and conditional uses in the General Commercial (C-2) Zone in the Waterfront district. The applicable criteria are detailed in HRMC 17.08.020. Applicable Comprehensive Plan policies are detailed in Goal 9, Economic Development, and Goal 10, Housing. The area affected by the elimination of residential dwelling units in the General Commercial (C-2) Zone is in the

Waterfront district of the City which is located west of the Hood River (SR-35) Bridge, north of Interstate 84, and east of the Hook.

Chair Stephens read the rules of order and asked for the staff report.

Senior Planner Kevin Liburdy explained that the draft findings include a history of waterfront development gleaned from the Port's website, augmented with dates of zone changes in the affected area. The background section of the findings also describes the Economic Opportunities Analysis (EOA) process. The EOA recommended code changes including prohibitions on single-family, duplex, triplex, and allowance for mixed-use projects subject to standards as a conditional use: Specifically, "Mixed Use projects with residential multifamily, condominium or townhome uses comprising no more than 50% of the ground floor area and no more than 50% of the total building area." The commission was unable to reach consensus on codifying the mixed-use requirements and the city had a deadline to complete the EOA project and close out a grant. The city adopted the standards that are currently in effect, relying on conditional use permit process and minimum density requirements for mixed-use projects. The EOA was adopted in August of 2011, and the intent was to return to planning commission and city council within six months to discuss the best way to address mixed-use on the waterfront. This summer, a year after adoption of the EOA, the council asked us to look at prohibiting residential in the C-2 zone on the waterfront. Staff drafted amendments to address council's request and the commission met in two work sessions to discuss elimination of residential dwellings in the C-2 Zone in the Waterfront district, as well as the other code amendments that are on tonight's agenda. The commission achieved consensus that development featuring exclusively residential use is not appropriate in this area. However, the commission still felt that mixed-use development may be appropriate in the Waterfront district but hoped to obtain affordable and workforce housing. Since that time staff learned about the State's vertical housing program that provides a property tax exemption (max. of 80% over 10 year term) as an incentive for mixed-use developments in targeted areas, with the residential portion used for both market rate and lower income households. Staff expects to address issues raised by the commission during the work sessions; perhaps through establishment of Waterfront Commercial Zone or Waterfront Master Plan, however, staff does not have a mixed-use ordinance to present at this time. The proposal before the commission is intended to prohibit residential dwellings in the Waterfront district. Attachment A, Exhibit A, details the proposed amendments which include broadening the definition of the Waterfront district to include lands north of I-84, west of the Hood River (SR-35 Bridge), east of the hook. Notice of the proposal was mailed to DLCD, to owners of property zoned C-2 located in the Waterfront area, and published a notice in the HR News. Staff did not receive any formal comments before the findings were drafted but did speak with the County Planning Director who recommended clarifying the permitted uses. As such, the recommendation is to approve the findings as drafted but to amend 17.03.050(A.) as follows: "The following uses are permitted except Dwelling Units and uses that require a dwelling as a primary use are not permitted in the Waterfront:"

Liburdy noted a typographical error on pg. 9 and explained that written testimony was submitted for the commission after the report was drafted.

Liburdy handed out an email from Andy von Flowtow dated Nov. 15; a letter from Thomas Peachy on behalf of the Hattenhauers, dated Nov. 16; and an email from Jeff Pickhardt of Key Development Corp., dated Nov. 19.

Chair Stephens called for a five minute recess so commissioners could read the testimony.

Liburdy explained that, in response to Mr. Peachey's letter, staff researched Measure 49 and does not believe that the Hattenhauers are entitled to compensation because the primary purpose of the General Commercial zone is commercial activities rather than single-family dwellings. Further, in response to Mr. Peachey's letter, the criteria for the legislative zone changes are addressed on pp. 6 and 7 of the findings. Assuming we are able to reconvene at a later date and discuss a mixed-use ordinance or master plan for the Waterfront, we look forward to working with the Hattenhauers.

Irving asked staff to clarify the process for the code changes and asked for verification of noticing requirements for DLCD.

Liburdy responded that the process for legislative zone changes is addressed in 17.09 of the zoning ordinance. Code amendments first go first to the planning commission. The commission makes a recommendation to the city council. Ultimately the city council will make a decision on the proposal. Notices were sent to the DLCD in accordance with their requirements.

Irving asked about the rationale behind the proposal.

City Manager Bob Francis explained that the city council had a discussion about limiting or prohibiting residential uses north of I-84, including discussions about trophy homes. The community was not supportive of residential on the waterfront. Ordinance 1851 did not have consensus for a mix of uses. For example, one developer wanted to build 90% residential.

Chair Stephens asks for ex-parte contact and disclosure information from commissioners. There is none except for Commissioner Irving who has been a real estate representative for the Port of Hood River, has purchased land for commercial and industrial buildings on the Waterfront but he does not believe there is a conflict of interest. There were no abstentions or other conflicts of interest from any commissioner.

Chair Stephens read the rules of conduct script for public testimony.

Doug Hattenhauer, 3205 Doane Rd., The Dalles, OR - is representing the Riverfront 76 as operator and lessee, and Hattenhauer Distributing. He opposes restricting residential on the Waterfront. He reminded the commission that in 2008 the commission and the city

council approved a condominium development in this area. Hattenhauer has an empty space above the gas station and wants to have options for its use such as apartments or condos. Does not see a conflict of commercial/light industry with residential use. Recommends developing a mixed-use plan before going forward. Recommends voting against Ordinance 2004.

Greg Colt, 606 Cascade Ave, Hood River, OR – opposes restricting residential anywhere. Encourages the Planning Commission not to rush into any decision.

David Ryan, 550 Riverside Drive, Hood River, OR - He is opposed to any additional laws, could play both ways for him. He believes it is a small area and the commission should take it on a case by case basis.

Bob Naito, 150 SW Harrison St, Suite 200, Portland, OR – He opposes restricting residential uses on the Waterfront. He believes it affects only three undeveloped properties including his property. The Port owns most of the land and they have a mission statement to support economic development. He stated that if you have mixed use, including residential, you have people living there all the time versus offices that close down at 5p.m. and residences use much less parking per acre of developed land and it's generally used during off-peak times. He said that the Port is in the process of developing a master plan for Lot 1 on the Waterfront and encourages the commission to wait until the plan is finished. He mentioned several zoning violations at the Waterfront to include Kayak Shed, Expo Center and Slackwater Beach. The Port's Marina Green area should be looked at more closely.

Michael McElwee, 1000 E Port Marina Dr., Hood River, OR – representing the Port of Hood River. The Port opposes the restriction of residential on the Waterfront, feels it is too broad, unnecessary and not the time to do this. The Port believes the area east of the Hood River should be considered separately. As far as the area west of 2<sup>nd</sup> Street, the Port thinks this is an industrial core and there are ingress and egress opportunities that keep it away from the recreational area. The Port is concluding a lengthy plan for the Waterfront and hope to have it completed in December. There is a possibility for mixed use along the West edge of the Nichols Basin. Areas should be looked at more specifically. The timing of this proposal is not good and it has a limited effect due to the limited acreage of C-2 in the area.

Chuck Hinman, 1108 E. Marina Way, Hood River, OR – Representing himself and the Hood River Inn. He encourages the Commission not to prohibit residential in the Waterfront. He participated in earlier discussions for mixed-use zoning on the waterfront and feels that mixed-use is necessary for the vitality of the Waterfront.

Thomas Stevenson, 476 W Jewett, White Salmon, WA. – Employee of Hood River Inn. He feels that the issue is more of a comprehensive plan rather than a planning zone issue. He does not want broad brush restriction of residential at the Waterfront.

Chair Stephens closed the hearing to public testimony after the conclusion of all testimony.

Planning Director Cindy Walbridge stated that the city is looking at the Kayak Shed and likely will eliminate the use. The City is working with the Port on the Expo Center as they develop a Lot plan. She asked Bob Naito about residential on top of commercial.

Naito responded that he feels side by side buildings are better.

Walbridge asked Naito his opinion on how to avoid vacation rentals and how to avoid the dark unit most of the year.

Naito responded that affordable housing would be for full-time residents if it could be built, but does not know how to address the dark unit issue.

Commissioner Winkle expressed concerns with requirements for residential over commercial spaces and whether the 11 units per acre makes sense. He suggested that code requirements may get in the way of mixed-use.

Commission discussion continued about dark, unoccupied housing.

Chair Stephens asked for each commissioner's view on the issue.

Winkle does not support exclusive residential but is interested in mixed-use.

DeVol is inclined to vote for the proposed code language. 24/7 use by residents sounds good but seems unlikely, so he questioned if the city should give up employment land for limited residential. Comfortable with no residential at the Waterfront but suggests looking at mixed-use elsewhere in the city.

Hollatz explained that testimony has been compelling and the commission should slow down and look at mixed use. Not in support of exclusive residential. Comfortable with proposed code change if there was a plan to look at mixed-use language in the future.

Irving does not support the code change. Thinks more time should be spent on what the zone should be.

Gulizia does not support the code change. Looking for a healthy mix of residential and light industrial.

Stephens explained that the Port has worked hard to create a vision and this change could complicate fulfillment of their vision. There are three separate areas of C-2 land on the waterfront including east of the Hood River, the boat basin and the area west of 2<sup>nd</sup> Street. Does not think it is a good idea to broad stroke them. In favor of mixed use when it is done well.

Walbridge suggests there are three options: turn down the application and send it to City Council; turn down the application but send a recommendation to City Council for mixed-use definition; or approve the proposal.

Commissioner Irving made a motion to not approve the language for the ordinance as drafted and ask for staff resources for developing mixed use language and other options. Winkle seconded. Motion passed 5-1.

Mayor Babitz requested the planning commission provide the city council with a thorough description of their recommendation. Discussed work load of the planning commission and now that Walmart and the cable park have been resolved, staff does have more time. The city council will probably not get to this issue before January. The commission should provide a specific priority-action plan and determine how long it will take. It has been a legislative priority for four years to address the erosion of commercial space for residential use, as well as the erosion of industrial space.

Walbridge says that it is clear that the planning commission does not support this code change, that the commission would like to see mixed-use and some language needs to be drafted to send as a recommendation to council. The public will have an opportunity to comment. Will discuss process with city attorney.

Francis suggested that if you provide a clear recommendation to the city council, and the city council provides clear direction to him, then staff will get it done.

Walbridge suggested looking at the Waterfront parcel by parcel, not limited to mixed-use buildings, and whether to look at comprehensive C-2 changes.

Walbridge suggests that commissioners send talking points/ideas to planning staff by November 27<sup>th</sup> and they will compile them and have them ready by the December 3<sup>rd</sup> Planning Commission meeting. Walbridge will send commissioners a copy of Ordinance 1851, the last Waterfront plan.

B. Amend HRMC 17.04.350 to reduce setback requirements for accessory structures that are less than 10 feet tall and less than 100 sq ft in area to a minimum of three feet from side and rear property lines in residential zoning districts. The applicable criteria are detailed in HRMC 17.08.020. The area affected includes all residentially zoned property in the City.

Liburdy explained that Attachment A, Exhibit B, is essentially intended to allow garden sheds to be closer to property lines in residential zones without adversely affecting neighboring property owners. Staff recommends applying this to structures no larger than 100-square feet and 10-feet tall.

Winkle moved to recommend approval of the amendments to HRMC 17.04.030 as drafted to the city council.

Seconded by Irving. Motion passed unanimously.

C. Remove the sign regulations from HRMC 17.13 and associated sign definitions from HRMC 17.01.060 and codify them in a new title of the HRMC including updating citations and procedures and clarifications. The applicable criteria are detailed in HRMC 17.08.020. The area affected includes all land in the City.

Liburdy explained that Attachment A, Exhibit C, was drafted to move the Sign Code out of Chapter 17 of HRMC. No changes are proposed to content of Sign Code such as time, place or manner of signage, only the location of the ordinance in the municipal code and the permitting process. There are a number of outstanding issues associated with the format of the ordinance and procedures noted in the Track Changes sidebar. Because no changes are proposed to content, staff believes you can forward a recommendation of approval to the council subject to modification of the format and procedures of the new Title by the city attorney.

Hollatz moved to recommend approval of amendments moving the Sign Code and associated definitions from the zoning ordinance subject to the identified modifications to format and procedures.

Winkle seconded. Motion passed unanimously.

Chair Stephens adjourned the meeting at 7:34p.m.

ATTEST:

  
Laurie Stephens, Chair

4/29/13  
Date

  
Cindy Walbridge, Planning Director

4/29/13  
Date (Approved)