

**MINUTES**  
**CANBY PLANNING COMMISSION**  
7:00 PM – Monday, January 14, 2019  
City Council Chambers – 222 NE 2<sup>nd</sup> Avenue

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**PRESENT:** Commissioners John Savory, Larry Boatright, Derrick Mottern, Andrey Chernishov, Jeff Mills, Jennifer Trundy, and J Ryan Adams

**ABSENT:** None

**STAFF:** Bryan Brown, Planning Director, and Laney Fouse, Recording Secretary

**OTHERS:** Kathy Polley, Nicole Plop, Roger Skoe, Buzz & Pat Weygandt, Kristine Simpson  
Brenda Gundersen, Daniel & Tamra Driver, Vicki Adamson, Patty & Curtis Green, Regina & Robert Taylor,  
Traci Heidt, Julie & Tom Rushton, Terry Tolls, Wayne Johnson

**CALL TO ORDER**

Chair Savory called the meeting to order at 7:00 p.m.

Chair Savory introduced the three new Planning Commissioners – Jeff Mills, Jennifer Trundy, and J Ryan Adams.

Nominations for Chair & Vice Chair were made. Commissioner Savory was re-elected as Chair and Commissioner Boatright was re-elected as Vice Chair.

**CITIZEN INPUT ON NON-AGENDA ITEMS** – None

**MINUTES**

- a. Approval of Planning Commission Minutes for December 10, 2018

**Motion:** A motion was made by Commissioner Boatright and seconded by Commissioner Chernishov to approve the December 10, 2018 Planning Commission minutes. Motion passed 7/0.

**NEW BUSINESS** – None

**PUBLIC HEARING**

- a. Consider a request to develop an approximate 531,148 SF warehouse and beverage distribution facility with office space at the southwest corner of SE 1st Avenue and S Mulino Rd. The development has been designed to accommodate a phased expansion which could add an additional 224,640 SF to the warehouse. **(DR 18-10/CUP 18-07 Project Shakespeare)**

Chair Savory opened the public hearing and read the public hearing format. He asked if any Commissioner had ex parte contacts or conflicts of interest to declare. There were none.

Bryan Brown, Planning Director, entered his staff report into the record. He described the applicable review criteria for the application. The property was zoned M-1, light industrial, and was within the Canby Industrial Overlay Zone. He explained the assessor's map of the property and how it included four parcels comprising

43.17 acres. If approved the lots would be replatted and the lot boundaries reconfigured so Phase 1 would not be built over a property line. They would also need to reconfigure the lots for the Clackamas County emergency cell tower that was on the property. The structures on the property currently would be removed before construction. The property had three street frontages, S Mulino Road and SE 1<sup>st</sup> Avenue which were in County jurisdiction and Walnut Street which was in City jurisdiction. He then reviewed the site plan. There were two entrances to the visitor/employee parking area and there would be a separate entrance for truck traffic, all on SE 1st. The difference between the truck entrance and other parking entrance was 157 feet and the standard was 200 feet. He asked that the applicant clarify if there was adequate turning radius for the trucks with the driveway in that location. It was noted in the Transportation System Plan that for full development of the Industrial Park that additional roads would be needed. The applicant had done a traffic study related to the proposed development and it recognized that the Sequoia Parkway to 99E route was the only route allowed for truck traffic. The Tofte Farms Homeowners Association was concerned about trucks using SE 13<sup>th</sup> Avenue to get to the highway. That area would soon be posted with “only local truck traffic” signs. Another concern was truck traffic on Territorial Road. He had added it as a condition of approval that the trucks were not to use Territorial. The traffic needed to be kept on Highway 99E. There was concern about what this additional traffic would do to the highway, but the highway was intended to be a truck route. The traffic study indicated and there was a letter on the record from ODOT stating they had no concern about the level of service at the intersections on 99E, especially at Sequoia and 99E, with the additional truck traffic. Regarding the phasing, the applicant was only asking for approval of Phase 1. The applicant did not know when they would apply for Phase 2. The traffic study had included both phases in the traffic counts. Two driveways on Mulino Road and one driveway on Walnut were also proposed and would be gated for emergency use only until Phase 2 was proposed. A condition of approval stated it was inappropriate to use the driveways on Mulino Road for truck traffic until there was a Phase 2 review. The concern was the intersection of SE 1<sup>st</sup> and Mulino Road. The developer was making substantial street improvements including paving 25 feet of frontage on Mulino Road and street lighting, planter strips, and sidewalks on Mulino and SE 1<sup>st</sup> Avenue. The County also wanted a further traffic study done on SE 1<sup>st</sup> Avenue to see if a left turn bay was needed for the amount of traffic on 1<sup>st</sup> adjacent to the development. The County allowed the driveways on 1<sup>st</sup> Avenue instead of on Walnut even though Walnut was a lower classification of street. The applicant had also submitted supplemental information regarding the importance of their layout to the success of the development and how having three driveways on 1<sup>st</sup> Avenue was necessary. The County had recommended a condition that they would not allow three driveways, and the applicant would have to revise the application to comply with that.

#### Commenter issues

- Documentation – missing pages. Mr. Brown clarified there were no missing pages. The documents in question were memos and memos didn't require signatures.
- Building utilization – retail/customer area. Mr. Brown would let the applicant clarify this, but there were Code limitations that only allowed 15% the area to be used for retail space.
- Street Access – Driveways # and location. Mr. Brown said there were existing residential driveways on the other side of the street that would not meet the 200 foot spacing. By policy they were not measuring the 200 feet on both sides of the street because all properties in the Industrial Park would be unable to meet that standard. The County was also in favor of this policy and agreed the residential driveways were insignificant due to the small amount of traffic that they generated.
- Traffic – distribution of trips. Mr. Brown said there was concern about where the truck trips would end up going. One way trucks could go was on SE 1<sup>st</sup> to the intersection of Hazel Dell Way and Sequoia where a traffic signal would need to be installed. The City was working on that project currently and this development would contribute 5% to the project.

- Expansion/Phase 2 – Onsite Circulation. Mr. Brown said there was concern that the driveways that would be gated in Phase 1 would be in full use once Phase 2 was done.
- Air Quality Impacts. Mr. Brown said the concerns were related to the fact that the Carus DEQ sampling station had a long history of being the worst sampling site in the state for ozone levels. It was mostly weather related and how Canby was located in just the right topography for Portland air pollution to float down to Canby and settle in the valley. The Comprehensive Plan talked about being cautious when building out the Industrial Park because that station and its sampling could cause problems in meeting the national pollutant discharge requirements. The truck traffic could be a problem as they were a known contributor to pollutants. Staff did not think this was something the City could regulate as it was a state responsibility. The use proposed was an outright permitted use in the M-1 zone and no performance standards were required.
- Impacts on wetlands. Mr. Brown said there were two wetlands on neighboring properties. They were a distance away and the Code did not require any mitigation as long as the development met the drainage standards.
- Storm water management. Mr. Brown said in the final construction plans the applicant would have an acceptable drainage solution for the street runoff, most likely an underground injection well.
- Open space within Industrial Park. Mr. Brown said the Pioneer Industrial Master Plan gave suggested areas for open space within the Industrial Park. There were areas suggested in the Master Plan that had already been developed as parks, such as Arneson Park and Timber Park. It was not likely that the City would attempt to acquire more open space in the Industrial Park. He did not think part of this property should be left as open space.
- Truck bypass. Mr. Brown stated that the traffic study recommended that the City limit truck access on Haines Road. Trucks were also not allowed on Territorial, Redwood, and Walnut. There would be signs placed on the roads stating that only local delivery trucks were allowed and explained where truck routes were allowed.
- Area of Special Concern J. Mr. Brown explained this area was adjacent to NE 1<sup>st</sup> Avenue. There was a draft master plan for that area, but it was rejected by ODOT because it increased the intensity of use and the traffic was beyond what Highway 99E could accommodate. This would continue to be an area of special concern until they solved the problem of where a future extension of an industrial road to the highway should be located.

A letter was received from Bob Cambra who raised three issues including the need for the traffic signal at Hazel Dell and Sequoia, the need for the applicant to contribute 20-25% of the cost for the traffic signal, and restricting truck traffic from 13<sup>th</sup> Avenue, Territorial, and Redwood.

A letter was also received from the Tofte Farms HOA who would like SE 13<sup>th</sup> Avenue listed as no truck traffic since Sequoia Parkway through Ivy was not a truck route.

Mr. Brown discussed how the applicant could provide a proportionate contribution to the improvement of SE 1<sup>st</sup> Avenue. He suggested a condition that until SE 1<sup>st</sup> Avenue was improved, the truck traffic would turn left and go down Walnut Street to Sequoia Parkway. Staff recommended approval of the application with conditions.

There was discussion regarding adding SE 13<sup>th</sup> Avenue to the list of streets the trucks could not use and the number of trips this development would generate.

Mr. Brown said the City's consultant had reviewed the traffic study and found that overall the conclusions were appropriate and correct. They did indicate that some data was missing that a traffic study normally included. He thought the applicant could address that as well.

**Applicants:**

Steve Sieber, Trammel Crow, said the proposal was for development of approximately 43 acres in the northeast corner of Canby's Pioneer Industrial Park and the use would be beverage warehousing and distribution with some office support facilities. The traffic study was based on the full build out of the site. The tenant would be signing a 15 year lease. One of the reasons this site was selected was because it would meet the future growth needs of the tenant. The tenant's name would remain undisclosed, however the facility operations would be 24 hours, 7 days a week. They would hire 275 employees which would be broken into 3 groups and would include 140 drivers, 110 warehouse, and 45 office jobs. They hoped to begin construction this spring. It would be a 12 month build and operations would begin in the summer of 2020.

Greg Blefgen, VLMK Engineering and Design, explained the building and site worked perfectly for the client's needs. He described the design of the building including high cube warehouse space, racks, storage, cooler, and series of docks. The building design was an upscale Class A industrial park design. Mechanical equipment on the roof would be screened by a parapet. The office would be in the northeast corner of the building. The truck courtyard would be secured and the trucks would queue in front of a security post. Future trailer parking would be on the west side of site facing Walnut Street. Due to the site topography, there would be retaining walls on the frontages of Mulino and Walnut. Stormwater would be treated and retained on site via drywells. There would be street improvements on Walnut, 1<sup>st</sup> Avenue, and Mulino. The lighting would be LED lights and would be dark sky compliant. The customer and employee parking would be separate from the truck entrance. There would be low impact stormwater treatment in the parking aisles.

Garth Appanaitis, DKS Associates, discussed how they had received input from the City, County, and ODOT as far as what should be included in the traffic study. The study included the full build out of the site.

Mr. Sieber thought the City would be proud of both the high quality nature of the development and the operations of this tenant. Over the last year, the City had been in competition for this business and they had won. He had a list of 37 businesses and individuals who were in favor of this development.

Commissioner Boatright asked about the numbers for the peak hour trips. Mr. Appanaitis clarified for the full build out, the morning peak hours would generate 80 trips and the evening peak hours would generate 90 trips. In the morning period about half of the trips would be from trucks and in the evening it would be a third to a quarter of the trips.

Commissioner Chernishov asked what the peak hours were. Mr. Appanaitis replied they were 7 to 9 a.m. and 4 to 6 p.m.

Chair Savory asked when deliveries would be made. Mr. Sieber explained they would come in at all hours. He explained how the operation would work with employees preparing shipments overnight and most of the trucks would leave early in the morning.

Mr. Sieber reviewed the elevations and renderings of the proposed building.

Mr. Blefgen discussed the proposed landscaping.

Mr. Sieber clarified there would be no retail in the building. If the tenant decided to do Phase 2 and expand, they would not need the emergency driveways on Mulino and Walnut as they would want to retain the same flow of traffic. He explained the types of trucks that would be used.

Mr. Appanaitis discussed how the applicant would need to study and possibly adjust the radius of the driveways to allow the trucks to turn down Walnut to get to Sequoia rather than using 1<sup>st</sup> Avenue.

**Proponents:**

Kathy Polley, resident of Oregon City, was in favor of the project but was concerned about the traffic. There was a tendency not to put in street improvements until the problem grew worse and she cautioned the City about doing that here. She discussed how trucks had been improved over the years and had increased inspections.

**Opponents:**

Nicole Plop, resident on SE 1<sup>st</sup> Ave, was not opposed to the project, but was also concerned about the truck traffic on SE 1<sup>st</sup> Ave. The street was not very wide and had potholes. Until it was improved, she was in favor of the trucks using Walnut to Sequoia.

Roger Skoe, resident on Teakwood Circle, thought they should limit truck traffic on SE 1<sup>st</sup> Ave and S Haines Road due to the negative impact on residents' safety, livability, and property values. This facility would be going 24 hours per day/7 days per week and trucks coming in and out all through the day and night. He did not think it was a minimal negative impact and thought the application did not meet that criterion. He thought they should use the wording that trucks were prohibited from using Haines Road. He thought the applicant should share in the cost for the road improvements.

Patty Green, resident on SE 1<sup>st</sup> Ave, lived near the corner by Walnut. She did not think SE 1<sup>st</sup> Avenue was ever intended to be a truck route. Her house had not been included in the traffic study at Walnut and SE 1<sup>st</sup>. She put a camera out and found that 500 vehicles including trucks used the street in a 24 hour period. She thought the development would have 840 trucks coming in and out per day and they would be using Walnut or SE 1<sup>st</sup>. She thought they should be using Sequoia Parkway.

Curtis Green, resident on SE 1<sup>st</sup> Ave, said in the past projects had been turned down because they wanted to use SE 1<sup>st</sup> as the access. There would not be an issue if they used Walnut, but he thought they would end up using SE 1<sup>st</sup>.

Wayne Johnson, resident on S Haines Rd, discussed how traffic had increased on Haines and how this development would double the traffic, especially truck traffic. He thought the suppliers would be using Haines Road as other trucks did. He suggested extending Otto Road to a new interchange on Highway 99E to provide direct access. That should be done as soon as possible. If they did not build the infrastructure in advance of the traffic then they would end up always being behind. The condition of SE 1<sup>st</sup> was poor and he was concerned that a big bottleneck would be created if they did not look forward and make the improvements sooner rather than later.

Terry Tolls, resident of Portland, was a real estate broker and had helped create the Industrial Park. He was exceptionally familiar with what had happened in the park. He discussed the history of the infrastructure. They did need an extension to the highway and the City had been actively working on it.

Regina Taylor, resident of Canby, thought some items were missing from the packet because she did not see a signature page but understood now those items were complete. Her question about the building utilization had been answered with the clarification there would be no retail. Regarding the streets and access, she understood that would need to be worked out with the County. It bothered her that the County had not known the full build out size when they made their recommendations and wondered if they would have a different answer if they had known the full size of the project. She wanted to know how many smaller box trucks the company would be using as they would have less impact on the queuing rates and the environment. The City recently adopted an ordinance prohibiting trucks on certain streets and defined a local truck as one that began or ended in Canby and local trucks could use SE 13<sup>th</sup> Avenue. The Shakespeare trucks would qualify as local trucks and could legally use 13<sup>th</sup>. She questioned whether the conditions of approval could be enforced. She thought the City's downtown intersections should have been included in the traffic study impact area as the Barlow Road and Aurora routes to the freeway would be used by the trucks. The traffic study also did not take into account trains traveling through the City or the impacts of major events held at the Fairgrounds. The City's traffic consultant reviewed the traffic study and identified missing, unreliable, or unsupported information that they questioned. She wanted to make sure Territorial was added to the truck prohibited list. She also questioned if the traffic survey took into account the full effect of all of the proposed docks. Regarding the conditional use, she read the environmental concerns policy in the Comprehensive Plan regarding pollution. She thought it was required for the applicant to provide performance standards relative to pollution as part of the application. The size of this project warranted an examination of this information especially in regard to air quality. She discussed the Carus monitoring station and how it had reached or exceeded the maximum acceptable range of ozone particulates for 17 years from 1991 to 2013. She thought the trucks from this development would make that problem worse. After 2013, the numbers were modified to offer a range of particulates instead of a target number. Canby still exceeded the range and the numbers had increased since 2013. Regarding the wetlands, she thought the applicant was required to delineate the boundaries of the wetlands to know the exact distance from this development. Both of the wetlands were in the general area of the alternative truck route from SE 1<sup>st</sup> Avenue to 99E which might change those plans. Stormwater management was challenging on this site and extra caution should be taken to protect the wetlands. There should also be caution when grading this site. The industrial area master plan requirements applied to the application and listed recommendations for open space south of and adjacent to SE 1<sup>st</sup> Avenue and creation of an open space gateway between the industrial area and the logging road trail. The Conditional Use was for not meeting the 12 employees per acre, however there were other issues that did not meet the conditional use criteria including the wetlands, air quality, and transportation infrastructure. Regarding the Industrial Overlay Zone, there could only be 60 acres total for one type of business or industry group and she thought with the other warehouses in the Industrial Park that they would exceed the 60 acres. If they did have retail, it could not be more than 15% of the footprint. She questioned the impact of the proposed alternative truck route to 99E to the future planned development of the Area of Special Concern J. She questioned if it would still be able to be developed as residential with an alternative truck route dissecting the neighborhood.

Buzz Weygandt, resident on S Ivy in Hope Village, said this property had been farmed for many years, but the property was determined in 1977 to be an industrial property. His brother was a truck driver and reminded him that the things they had in the past, present, and things they would have in the future that somewhere along the line a truck was involved.

**Neutral:**

Tamara Driver, resident on Haines Rd, was concerned about truck traffic coming down Haines. She also discussed the need to improve SE 1<sup>st</sup>. She was in favor of trucks using Walnut until SE 1<sup>st</sup> was improved.

Commissioner Adams declared he was an attorney in town in active litigation with Tofte Farms. He still planned to participate in the hearing.

**Rebuttal:**

Mr. Sieber gave a history of this industrial area that was established in the 1984 Comprehensive Plan. The Canby Pioneer Industrial Plan was adopted in 1998 and the annexation that created the Industrial Park happened in 2000. This development would add 275 new jobs to the City and it would be a significant investment in real estate, property taxes, road improvements, and SDC fees. He had a wetlands consultant check the site to make sure there were no wetlands on the site and there would be no impact to the wetlands that were a distance from this property. Regarding the 12 employees per acre, they were proposing to hire a lot of employees, especially for an industrial property in the outer Metro boundaries.

Chair Savory expressed his concerns about the traffic and the condition of SE 1<sup>st</sup> Avenue.

Mr. Appanaitis said they had collected input from the City, County, and ODOT regarding the facilities to be analyzed in the traffic study. They collected traffic counts at those locations in both the morning and evening peak hours. The intersections included Sequoia and Highway 99E and Sequoia and Hazel Dell. One that was not included was Walnut and SE 1<sup>st</sup> as Walnut was a local road and standard practice was that local roads were not major junctions. Typically higher classification roadways were usually where traffic was measured. From an engineering standpoint, a single road with traffic going each direction had the capacity to carry about 700 vehicles per hour. 500 vehicles during the course of a day were far below the capacity. In comparison, a street like Highway 99E had 2,000 vehicles in an hour.

Commissioner Mills clarified the conditions of approval prohibited the trucks from going on Haines Road. He asked if these trucks would be considered local trucks and would not be restricted from certain streets. Mr. Brown explained a starting destination in the City that was delivering statewide and into the Portland Metro area was not a local truck. It was a truck that had to use designated truck routes.

Mr. Sieber had sent the conditions to the tenant's operations director and the director said the conditions had no impact on how they planned to use the road network. The drivers would need to follow the posted signage and they could get a ticket if they did not. The tenant could provide advisories to the suppliers about the truck routes, but it was up to the drivers to follow the rules.

Commissioner Mills said Haines was a County road and he was concerned about enforcement. Mr. Sieber thought it was unlikely that they would go on Haines because the drivers would want a safe intersection for turning movements. There would be more truck drivers employed by the tenant than there would be by suppliers. Half of the trips would go to other parts of the state and half would go to the Metro area.

Commissioner Mottern said one of the concerns was the condition of SE 1<sup>st</sup> and there was a condition for trucks to go on Walnut until SE 1<sup>st</sup> was improved. Would they consider making additional improvements on SE 1<sup>st</sup>? Mr. Sieber said SDCs could be directed towards that improvement. They had budgeted for certain improvements and how those funds were to be used could be changed. It might be something to consider to use the funds that were going to improve Walnut and instead use them on 1<sup>st</sup>. Mr. Brown said the City could raise the priority for 1<sup>st</sup> and SDCs could be used to improve the street. He did not know how quickly the road would be improved and if trucks were going on 1<sup>st</sup> it would deteriorate rapidly. He thought they could ask for a proportional share from the applicant for the 1<sup>st</sup> Avenue improvements because the facility was inadequate to serve the site.

Chair Savory closed the public hearing at 10:17 p.m.

Commissioner Mills asked if there was a condition of approval that could satisfy the issues, especially on SE 1<sup>st</sup>, so the application could move forward.

Commissioner Mottern thought this would be a good addition to the City. Almost every application had to get a conditional use for the number of employees per acre. It was the right use for the space. He was also concerned about 1<sup>st</sup> Avenue and traffic. He was a proponent, but would like to add the restriction of truck traffic to go on Walnut until 1<sup>st</sup> was improved.

Commissioner Trundy saw this as a great opportunity for the City. She acknowledged that citizens wanted the City to be more proactive rather than reactive.

Commissioner Chernishov concurred this was a great opportunity and agreed to the proposed restrictions of truck traffic on certain roads.

Commissioner Adams agreed it was a great opportunity and was in favor with the added condition for traffic to go on Walnut instead of 1<sup>st</sup> Avenue.

Commissioner Boatright said traffic was his only concern and they had approved the conditional use for the number of employees per acre many times. There needed to be another access to 99E. He agreed with the condition regarding Walnut.

Chair Savory said traffic had been a concern for quite some time. The timing for building infrastructure was a matter of economics and where the funding would come from. He thought the economic benefits of this project would help get some of the infrastructure built. He was in favor of the application.

Motion: A motion was made by Commissioner Boatright and seconded by Commissioner Adams to approve DR 18-10/CUP 18-07 Project Shakespeare with the conditions of approval recommended by staff and the added condition to require trucks to take Walnut to Sequoia Parkway until the segment of SE 1<sup>st</sup> Avenue and Hazel Dell Way was improved to adequately accept the trucks. Motion passed 7/0.

**FINAL DECISIONS** – None

**ITEMS OF INTEREST/REPORT FROM PLANNING STAFF**

a. Next regularly scheduled Planning Commission meeting – Monday, January 28, 2019.

**ITEMS OF INTEREST/GUIDANCE FROM PLANNING COMMISSION** – None

**ADJOURNMENT**

Chair Savory adjourned the meeting at 10:30 p.m.