

IN THE CITY COUNCIL  
FOR THE CITY OF HOOD RIVER, OREGON

**ORDINANCE NO. 1994**

An Ordinance Amending the Hood River Comprehensive Plan, Goal 9, Adopting a New an Economic Opportunities Analysis, and Amending the Hood River Municipal Code to Implement Revisions to the C-2 Zone, Industrial Zones and Planned Unit Development Provisions in Accordance With the Economic Opportunities Analysis Recommendations.

By                      Date 11/11  
CODIFIED

The Hood River City Council finds as follows:

**WHEREAS**, the most recent Commercial and Industrial Inventory and Analysis and Buildable Lands Survey was adopted by the City pursuant to Ordinance No. 1787 on December 27, 1999; and

**WHEREAS**, the City received a grant from the Land Conservation and Development Commission (LCDC) to up-date its Commercial and Industrial Inventory and Analysis and Buildable Lands Survey by conducting an Economic Opportunities Analysis (EOA) under State-wide Planning Goal 9 (Economic Development); and

**WHEREAS**, the City contracted with the consulting firm, FCS Group, to prepare an updated Commercial and Industrial Inventory and Analysis and Buildable Lands Survey. Prior to writing the report, a stakeholders committee consisting of representatives of the business and development community was formed and met several times to review FCS Group findings and to offer a community perspective. The draft EOA report, including amendments to the City's Comprehensive Plan Goal 9 (buildable lands inventory) and municipal code changes, was presented to the Planning Commission; and

**WHEREAS**, based on the input from its public meetings on the subject, the Planning Commission duly noticed and conducted public hearings and work sessions on April 18, April 29, May 2, May 6, and May 16, produced a recommendation and forwarded it to the City Council; and

**WHEREAS**, the Planning Commission recommended City Council adopt the EOA Plan, amendments to Goal 9 – Economic Development and subsequent code changes which include the types and amounts of commercial and industrial lands needed over the 20 year planning period; and

**WHEREAS**, the Planning Commission also recommended certain amendments to the City's Zoning Ordinance under the commercial and industrial zones to achieve the revised goals, policies and implementation strategies under Goal 9 of the Comprehensive Plan; and

**WHEREAS**, the City Council conducted a public hearing on May 23, 2011, at which time it reviewed the Planning Commission recommendation and record, including

the findings set forth in Exhibit A, accepted additional oral and written testimony, and then deliberated and decided the matter on June 13, 2011.

**NOW THEREFORE**, based on the foregoing Findings, the Hood River City Council Ordains as follows:

**Section 1 – Comprehensive Plan.** The Hood River Comprehensive Plan, Goal 9 – Economic Development (Background Report, Goals, Policies and Implementation Strategies for economic development), adopted pursuant to Ordinance 1787 on December 27, 1999, is hereby repealed in its entirety. In its place a new Goal 9 – Economic Development (Background Report, Goals, Policies and Implementation Strategies for Economic Development), as set forth in Exhibit A, attached hereto and by this reference made a part hereof, is hereby adopted and made a part of the Hood River Comprehensive Plan.

**Section 2 - Municipal Code §17.01.060, Definitions.** The Hood River Municipal Code, Title 17 (Zoning), Chapter 01 (General Provisions), Section 17.01.060 (Definitions) is hereby amended to read as set forth in Exhibit B, attached hereto and by this reference made a part hereof, is hereby. In particular, HRMC §17.01.060 is amended to adopt new and revised definitions for INDUSTRIAL OFFICE USE, INDUSTRIAL USE and LIGHT INDUSTRIAL USE.

**Section 3 - Municipal Code §17.03.050, General Commercial Zone (C-2).** The Hood River Municipal Code, Title 17 (Zoning), Chapter 03 (Land Use Zones), Section 17.03.050 (General Commercial Zone, C-2) is hereby amended to read as set forth in Exhibit B, attached hereto and by this reference made a part hereof. In particular, HRMC §17.03.050 is amended to eliminate single family dwellings and accessory uses, duplexes and triplexes as out-right permitted uses; to allow as conditional uses, stand-alone residential dwellings but only at a minimum density of 11 units per acre and when developed as Planned Unit Developments; and to allow conditionally Professional Office and Office uses.

**Section 4 - Municipal Code §17.03.060, Light Industrial Zone (LI).** The Hood River Municipal Code, Title 17 (Zoning), Chapter 03 (Land Use Zones), Section 17.03.060 (Light Industrial Zone - LI) is hereby amended to read as set forth in Exhibit B, attached hereto and by this reference made a part hereof. In particular, HRMC §17.03.060 is amended to add provisions for light industrial offices and accessory activities; and to allow conditionally Industrial Offices greater than 25,000 square feet in gross floor area.

**Section 5 - Municipal Code §17.07.020, Planned Developments, Applicability.** The Hood River Municipal Code, Title 17 (Zoning), Chapter 07 (Planned Developments), Section 17.07.020 (Applicability) is hereby amended to read as set forth in Exhibit B, attached hereto and by this reference made a part hereof. In particular, HRMC §17.07.020 is amended to *delete* the requirement in 17.07.020 (D) that commercial and industrial PUD's on 2½ and 5 acres respectively be processed as PUDs.

**Section 6 - Municipal Code §17.07.090, Planned Developments, Approval Criteria.** The Hood River Municipal Code, Title 17 (Zoning), Chapter 07 (Planned Developments), Section 17.07.090 (Approval Criteria) is hereby amended to read

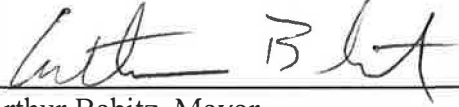
as set forth in Exhibit B, attached hereto and by this reference made a part hereof. In particular, HRMC §17.07.090 is amended to require that all of the off street parking required for a PUD may be provided in one or more common parking lots within the development.

**Section 6 - Municipal Code §17.16.055 (Design Standards for Large Scale Light Industrial Uses).** The Hood River Municipal Code, Title 17 (Zoning), Chapter 16 (Site Plan Review), is hereby amended to add a new section, Section 17.16.055 (Design Standards for Large Scale Light Industrial Uses), which shall read as set forth in Exhibit B, attached hereto and by this reference made a part hereof. In particular, new HRMC §17.16.055 provides the design standards for Large Scale Industrial Uses, to be applied during the site plan review process.

**Read for the First Time** this 27<sup>th</sup> day of June 2011

**Read for the Second Time** and approved this 11<sup>th</sup> day of July 2011. This Ordinance shall take effect on the 31<sup>st</sup> day following the second reading.


AYES: 4  
NAYS: 0  
ABSTAIN: 0  
ABSENT: 3

  
\_\_\_\_\_  
Arthur Babitz, Mayor

ATTEST:

  
\_\_\_\_\_  
Jennifer Gray, City Recorder

Approved as to form:

  
\_\_\_\_\_  
Daniel Kearns, City Attorney



# HOOD RIVER ECONOMIC OPPORTUNITIES ANALYSIS



April 7, 2011

FCS GROUP



## ACKNOWLEDGEMENTS

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This report was funded in part from a Technical Assistance Grant provided by the Oregon Department of Land Conservation and Development, with in-kind support from the City of Hood River planning and public works staff. We sincerely appreciate all the input that has been provided by City staff, Technical Advisory Committee members, and local community stakeholders.

### **Hood River Mayor and City Council**

- ◆ Mayor Arthur Babitz
- ◆ Council President Ann Frodel
- ◆ Dawna Armstrong
- ◆ Carrie Nelson
- ◆ Laurent Picard
- ◆ Brian McNamara
- ◆ Jeff Nichol

### **Hood River EOA Technical Advisory Committee**

- ◆ Mike Benedict, Hood River County
- ◆ David Barringer, Naked Winery & Hood River Downtown Association
- ◆ Kerry Cobb, Hood River Chamber of Commerce
- ◆ Greg Colt, Colt Realty
- ◆ Ty Erickson, Providence Hospital (Hood River)
- ◆ Mark Flaming, Gorge Technology Alliance
- ◆ Stephen Ford, Commercial real estate broker
- ◆ Amanda Hoey, Mid Columbia Economic Development District
- ◆ Tom Hogue, Oregon Department of Land Conservation and Development
- ◆ Bill Irving, Hood River Planning Commission & real estate broker
- ◆ Greg Knutson, Full Sail Brewing Company
- ◆ Michael McElwee, Port of Hood River
- ◆ Jeff Pickhardt, Key Development
- ◆ Brian Shortt, Shortt Supply Company

April 2011

Hood River Economic Opportunities Analysis

**Hood River Project Manager and Staff**

- ◆ Cindy Walbridge, Planning Director
- ◆ Kevin Liburdy, Senior Planner

**FCS GROUP Consultant Staff**

- ◆ Todd Chase, AICP, LEED<sup>AP</sup>, Senior Project Manager/Economist
- ◆ Peter Moy, Principal
- ◆ Tim Wood, Technical Support
- ◆ Amy Florence, Technical Support

**Additional project consultant team members included:**

- ◆ Scott Keillor, AICP, Columbia Planning and Design (Hood River based land use planning consultant)
- ◆ Justin Healy, Real Urban Geographics (GIS analysis)

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APPENDICES (see separate Hood River EOA Technical Appendix document)

Hood River EOA Technical Appendix A – TAC Meetings and Community Outreach

Hood River EOA Technical Appendix B – Employment Land Inventory

Hood River EOA Technical Appendix C – Employment Trends and Land Needs Analysis

Hood River EOA Technical Appendix D – Implementation Strategies

Hood River EOA Technical Appendix E – Draft Land Use Code Amendments

## SECTION I: INTRODUCTION

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The Hood River Economic Opportunities Analysis (EOA) will serve as a basis for the City of Hood River to document and adopt local policies and actions that help make Hood River a “more economically viable” community while maintaining a good quality of life for residents, businesses, and workers.

### A. OREGON REGULATORY REQUIREMENTS

The City of Hood River is undergoing a periodic review of its Comprehensive Plan per State of Oregon requirements. As part of the Comprehensive Plan update, the City must address the requirements of Goal 9 (Economic Development, OAR 660-009). Goal 9 requires cities to periodically review and update the following:

- ◆ Local vision for strengthening local economies through the adoption of local economic policies that include community economic development objectives (CEDOs).
- ◆ Local urban growth requirements (land needs) for providing an adequate land needed to accommodate 20-year employment growth forecasts. Land needs are to be based upon:
  - Current analysis of vacant and part-vacant buildable lands that are zoned or planned to accommodate job growth; and
  - Forecasted land needs based on an EOA that considers global, national, and local trends, and is generally consistent with regional growth forecasts or coordinated population growth forecasts.

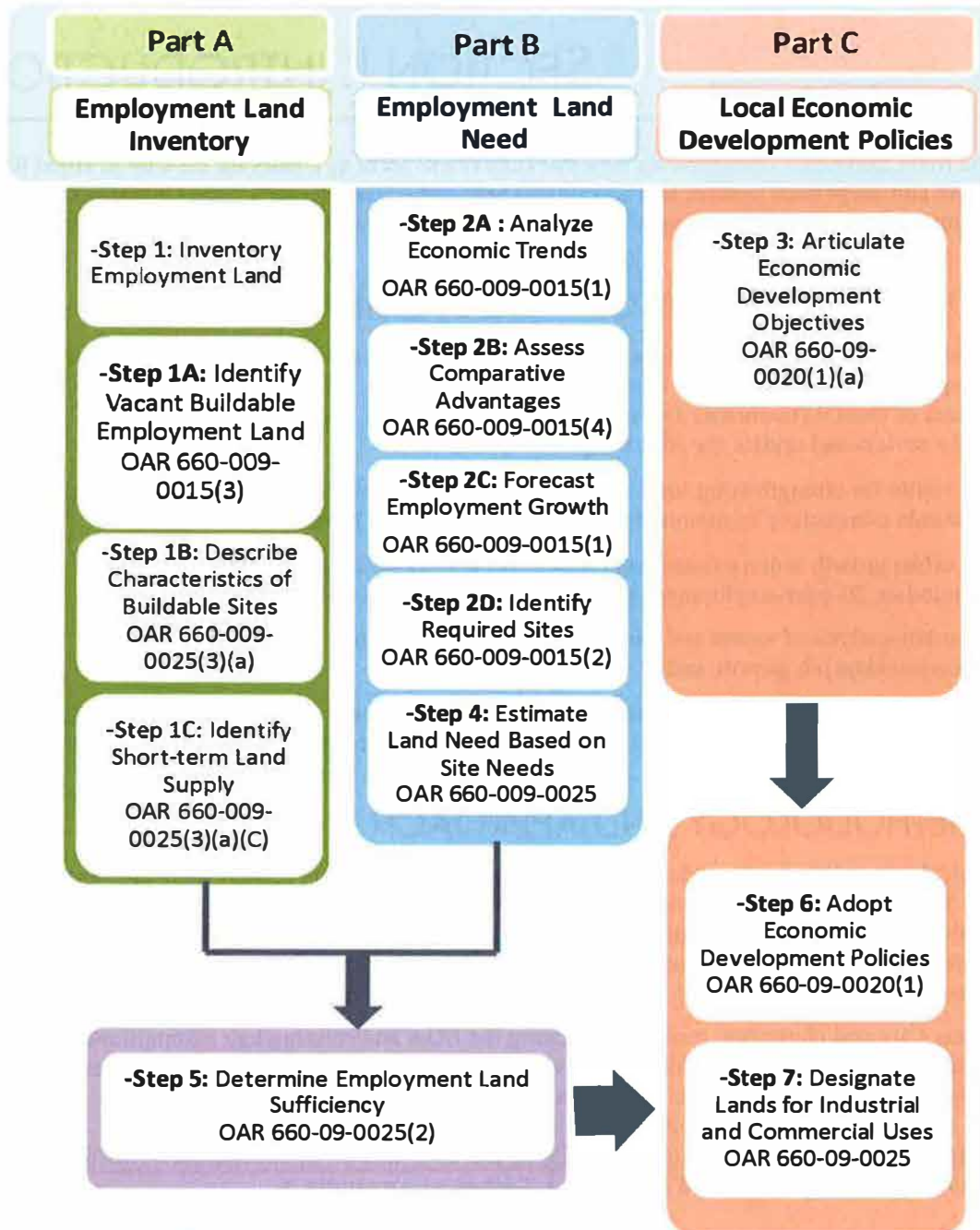
### B. METHODOLOGY AND APPROACH

The technical and political approach used for the Hood River EOA and related steps are illustrated in **Figure 1**. This approach has been deemed to be consistent with the DLCDC Goal 9 administrative rule, and the supporting OAR 660 guidance, as well as other supporting guidance provided per the *DLCDC Industrial & Other Employment Lands Analysis Guidebook (2005)*, and the *Economic Development and Employment Land Planning Guidebook (July 2010)*.

To assist the City and consultant team with creating the EOA and refining key assumptions, the City formed a local Hood River EOA Technical Advisory Committee (TAC) comprised of several leading community members. The EOA also included a cross-section of City, Hood River County, and Columbia River Gorge regional public staff members and private business and citizen representatives. During the preparation of the EOA, the TAC met on three separate occasions. TAC meeting notes are provided in **Hood River EOA Technical Appendix A**.



**Figure 1. Hood River EOA Methodology and Approach**



## SECTION II: BUILDABLE LAND ANALYSIS

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In accordance with OAR 660-009-0015(3) and OAR 660-009-0025(3)(a)(C), the existing supply of buildable employment zoned land within the Hood River Urban Growth Boundary (UGB) was inventoried and evaluated as part of the EOA. The Hood River EOA includes a recent buildable land inventory completed by the City of Hood River Planning Department staff using Geographic Information Systems (GIS) data that is consistent with current land use development characteristics.

### A. BUILDABLE LAND INVENTORY (BLI) METHODOLOGY

The buildable land inventory (BLI) analysis focused on the land use classifications that support employment uses, including commercial and industrial zones. In light of limited employment development potential allowed in the R-3 and RC zones, the subsequent BLI work focuses on C-1, C-2, LI, I, U-C-1, U-C-2, U-LI, and U-I zones for meeting future vacant land needs for the Hood River UGB.

The BLI analysis included existing vacant and part vacant (sub-dividable) tax lots with adjustments made to deduct any current building and related parking development. The GIS analysis included all significant environmental constraints to estimate buildable land area within the Hood River EOA. The buildable land area was derived by deducting environmental features that would constrain the amount of potential site development on vacant and part vacant areas. For purposes of this analysis, the environmental constraints were calculated for each site using estimates for land constrained by the following: environmentally constrained areas (waterways, wetlands, riparian buffers); slopes over 25 percent; and other known site development constraints identified by City planning staff.

An additional infrastructure analysis was conducted by the City's planning and engineering staff to ascertain known infrastructure conditions and related capacity constraints (if any) to providing adequate transportation, water, sewer, and stormwater requirements associated with future development. In accordance with OAR 660-009-025(3)(a)(C), City staff also provided estimated time frames and preliminary capital cost estimates for planned infrastructure improvements.

### B. LONG-TERM EMPLOYMENT LAND INVENTORY

The existing vacant and part vacant land inventory for the Hood River includes 95 tax lots with a total buildable land area of 111.9 buildable acres, as indicated in **Table 1**. Hood River's vacant land supply consists of 69 small (0.2 to 1 acre) tax lots, 22 tax lots between 1-5 acres in size. The larger tax lots include 3 lots with 5-10 acres (22.5 acres total), and 1 tax lot over 10 acres in size (10.5 acres total).

Please refer to **Hood River EOA Technical Appendix B** for additional detail on the BLI method used to determine the BLI.

**Table 1. Vacant and Part Vacant Lands by General Land Use Zone Class, Hood River UGB**

Land Use Zoning Classification	.0.2 to 0.5 acre		.5 to 1 acre		1 to 2 acre		2 to 5 acre		5 to 10 acre		10 or more acre		Total Gross Buildable (less 25% slopes)	
	tax-lots	acres	tax-lots	acres	tax-lots	acres	tax-lots	acres	tax-lots	acres	tax-lots	acres	tax-lots	acres
C-1/U-C-1 - Office Residential	2	0.7	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	2	0.7
C-2/U-C-2 - Commercial	38	11.4	11	9.7	9	22.1	4	11.4	1	8.2	1	10.5	64	73.3
I/LI- Industrial/Light Industrial	13	4.7	5	3.5	7	8.3	2	7.1	2	14.3	0	0.0	29	37.9
<b>Subtotal Employment Land</b>	<b>53</b>	<b>16.8</b>	<b>16</b>	<b>13.2</b>	<b>16</b>	<b>30.4</b>	<b>6</b>	<b>18.5</b>	<b>3</b>	<b>22.5</b>	<b>1</b>	<b>10.5</b>	<b>95</b>	<b>111.9</b>

Source: City of Hood River and Real Urban Geographics, April 1, 2011.

### C. SHORT-TERM EMPLOYMENT LAND INVENTORY

In addition to the long-term land supply, OAR 660-009-0005 also requires the identification of a short-term supply of land meaning “suitable land that is ready for construction within one year of an application of a building permit or request for a service extension.” OAR 660-009-0025 also requires that cities must provide “at least 25 percent of the total land supply within the urban growth boundary designated for industrial and other employment uses as short-term supply.” For EOA planning purposes, the “short-term” is defined as a period of less than five years from EOA adoption.

In Hood River’s case all of the land supply currently included within the Hood River UGB, excluding the tax lots located in the “east-end” area (near Button Bridge Road) are considered to be within the short-term supply category. The City engineering staff has determined that there are approximately six tax lots near Button Bridge Road (over one-half acre in size) with a total of 6.1 acres of vacant and part-vacant land are that will not likely be developed with more intensive employment uses for at least six years due primarily to inadequate water and sewer infrastructure capacity for this area. According to the City’s planning staff, the preliminary cost estimates for extending water and sewer services to these tax lots is estimated to cost approximately \$2.0 million (2011 dollars).

The “west gateway” area of Hood River is an area that currently lacks adequate transportation infrastructure. Primary transportation constraints include inadequate spacing between the existing alignment and poor level of service characteristics at Country Club Road/Cascade Avenue intersection and the adjacent I-84 interchange ramps. However, the City intends to work closely with Oregon Department of Transportation (ODOT) and affected property owners to realign County Club Road to Cascade Avenue via Mt. Adams Avenue. They also plan to refine and adopt the interchange management plan for this area, which would include a capital improvement plan that provides adequate transportation facilities within five years. The west gateway area includes approximately 15 tax lots with 45 net buildable acres of employment land area.

After removing the Button Bridge Road tax lots from the short-term land supply, and assuming that all other tax lots in the Hood River UGB can be served with adequate public facilities within five years, Hood River appears to clearly meet the statutory requirements for short-term land supply, with 60.8 vacant and part vacant acres, 54 percent of total employment zoned acreage, classified as short-term land supply. However, given the importance of the west gateway area to the overall employment land supply in Hood River, the City should adopt specific policies aimed at refining and adopting

land use, infrastructure and funding strategies for the west gateway area, and completing strategic planning work over the next 1 to 3 years.

## D. REGIONAL EMPLOYMENT LAND CONSIDERATIONS

In addition to documenting existing vacant and buildable land area within the Hood River UGB, consultant team members also evaluated current listings for commercial and industrial vacant lands and buildings within the Columbia Gorge Region. The regional analysis of competitive land and buildings was based primarily on website listings, broker listings, and interviews with regional economic development managers in Hood River, Wasco, Skamania, and Klickitat counties. The regional land and building inventory findings reflect a total of 545 acres of industrial land area being currently available within the Columbia Gorge Region, but a fairly limited supply of competitive vacant commercial and industrial building floor area (less than 10,000 square feet of competitive vacant floor area excluding the Wind River Nursery in Skamania County), as indicated in the **Hood River EOA Technical Appendix B**.

## SECTION III: EMPLOYMENT TRENDS

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In accordance with OAR 660-009-0015(1-4), an analysis of economic trends and local competitive advantages was conducted to prepare employment growth forecast for the Hood River UGB. Local economic development visions, goals and objectives were also considered in this process to inform the growth forecast scenarios.

### A. EMPLOYMENT TRENDS ANALYSIS

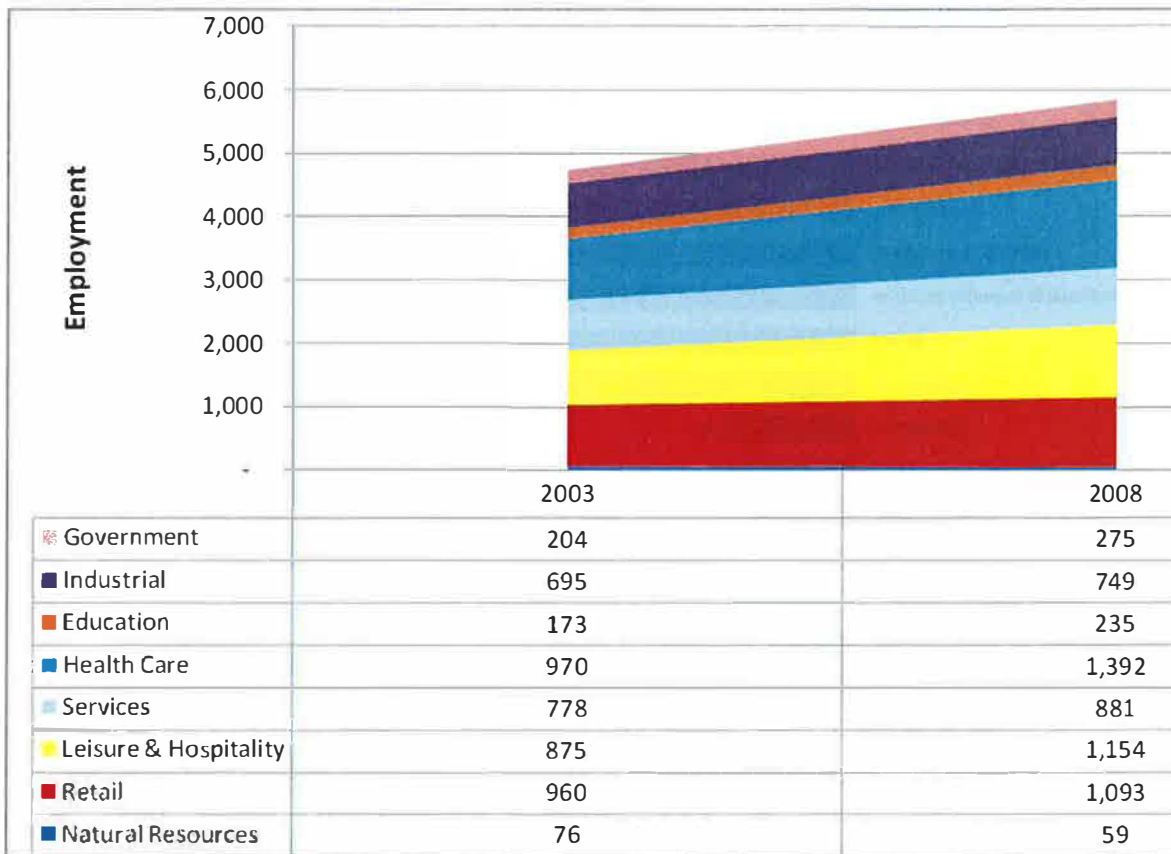
Hood River is a rural city (population 6,955 as of July 1, 2010) located in the heart of the Columbia River Gorge National Scenic Area between Mt. Hood and the Columbia River. The City of Hood River has grown measurable over the past few decades in population, employment and seasonal visitation. Today, the City functions as a bi-state regional rural service center and is a national and international tourism destination for water sports and other recreational activities.

The City's proximity to the greater Portland Metropolitan Region and agricultural commodities (including fruit crops, wineries, lavender, etc.) and wind energy farms in Oregon and Washington, makes the area a favorable location for food processing operations, technology and recreation-oriented businesses, and commuters that work part-time or full-time at businesses in the greater Portland Metropolitan Region (Portland Region).

It is apparent that the continued growth of the Portland Region will influence demographic and economic growth of both the City of Hood River and Hood River County. Population in the Portland Region increased from 1,928,000 to 2,185,000 people between 2000 and 2008 (July 1 estimate). The Portland Region is forecasted to increase in both population and jobs over the foreseeable future. Metro (the regional government for the Portland area) forecasts the Portland Region to add between 346,500 and 467,300 people over the next 10 years. This level of population growth in the Portland Region will likely have some "spillover" impacts on the City and County.

According to the Oregon Employment Department (OED), there were approximately 5,753 covered workers that were listed as people employed at local businesses within the Hood River Urban Growth Boundary (UGB) in 2008. As indicated in **Figure 2**, these workers reflect an estimate of the nonfarm "covered employment" only, which tends to exclude workers that are self-employed and/or part-time workers that do not pay unemployment insurance to the State of Oregon.

**Figure 2. Nonfarm Employment Trends, Hood River UGB, 2003 and 2008**



Source: Oregon Employment Department, 2008; compiled by FCS GROUP.

Most new job growth within Hood River County and the Hood River UGB is occurring among self-employed and *Stage 1* business entities with 2 to 9 workers per establishment. According to data estimates by Dunn and Bradstreet Corporation, OED and FCS GROUP, there were approximately 824 self-employed entities and 1,259 *Stage 1* entities in Hood River County in 2008, of which about one-half were located within the Hood River UGB.

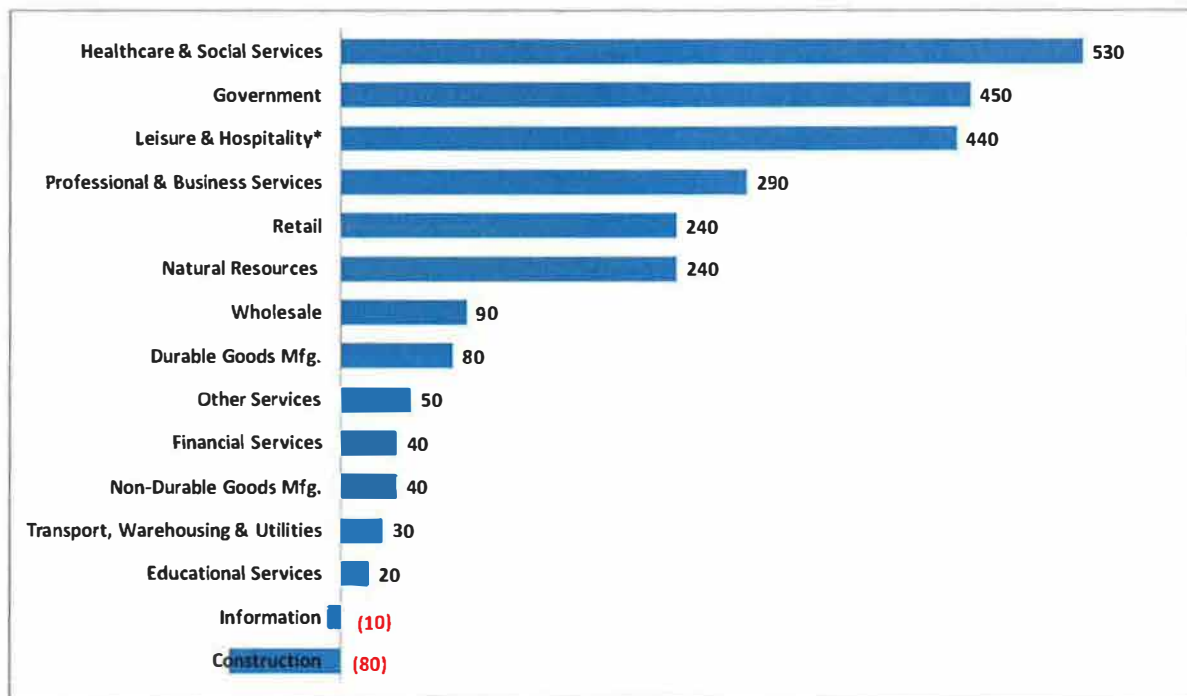
The Hood River UGB added an estimated 307 net new entities between 2003 and 2008. About nine out of ten new entities added in the Hood River UGB had less than ten employees. The Hood River UGB also added 24 net new *Stage 2* entities (10 to 99 workers each) and one *Stage 4* entity (500-plus workers) during this time frame.

## B. HOOD RIVER EMPLOYMENT GROWTH FORECASTS

Employment growth is forecasted to continue to occur within the Oregon Region 9 (portion of the Columbia Gorge Region). As indicated in **Figure 3**, the 10-year job growth forecasts for OED Region 9 portend a positive trend towards job growth for all industry sectors, except the information and construction sectors. The OED expects the number of jobs in Region 9 to increase by 2,450 jobs

over the next 10 years, increasing from 25,740 jobs in 2008 to 28,190 jobs by 2018. The sectors that are expected to grow the fastest in Region 9 include: healthcare and social services; government; leisure and hospitality; professional and business services; retail; natural resources; wholesale trade; and durable goods manufacturing (goods that last at least 3 years).

**Figure 3. Region 9 Nonfarm Employment Forecast, 2008-2018**



Source: Oregon Employment Department; Region 9 includes Hood River, Wasco, Gilliam, Sherman and Wheeler counties.  
 \* Leisure and hospitality sector includes restaurants, hotels, motels and other forms of lodging.

The EOA project consultant team prepared a range in employment forecasts for the Hood River UGB that is intended to coincide with Oregon Administrative Rules and Goal 9 requirements.

Three employment growth forecast scenarios were formulated for the Hood River UGB:

- ◆ **Scenario A (low):** Applies OED Annual Average Growth Rate (AAGR) Forecast to current estimated of nonfarm employment within the Hood River UGB. This scenario results in relatively low potential employment growth.
- ◆ **Scenario B (medium):** Applies the upper-end of UGB Capture of County Growth (using OED AAGR). This scenario results in medium growth potential.
- ◆ **Scenario C (high):** Modified version of Scenario B, with planned employment center(s) consistent with city/county coordinated growth forecast (AAGR = 2 percent). This scenario assumes that one or two large industrial or research and development employers locate into the Hood River UGB on vacant “campus industrial research and development” sites with a total of 900 industrial jobs added over and above what would be expected to occur in Scenario B. This level of campus industrial job growth would require approximately 45 net buildable acres of industrial land for the campus industrial areas (assumes 20 jobs per acre). To achieve the overall employment growth rate of 2.0 percent AAGR in line with the city/county coordinated population forecast, FCS GROUP adjusted the retail and commercial trades and services sector job growth forecast by 10 percent above Scenario B.

The three job growth scenarios translate into net new employment growth forecast over the 2010-2031 time frame ranging from: 1,502 jobs in Scenario A; 1,786 jobs in Scenario B, and 2,959 jobs in Scenario C (see Table 2).

**Table 2. Hood River UGB Employment Growth Forecast Scenarios, 2010 to 2031**

Sector	Estimated Existing 2010 Jobs in Hood River UGB <sup>1</sup>	Net New Hood River Job Growth		
		Scenario A	Scenario B	Scenario C
		Based on OED Region 9 Growth Rates Applied to Hood River UGB Job Sectors <sup>2</sup>	Based on High end of Hood River UGB Capture of Hood River County using OED Region 9 Growth Rate Forecast <sup>3</sup>	Modified Forecast, Based on Scenario C with New Employment Center(s); on par with City/County Coord. Pop. Growth Forecast <sup>4</sup>
Natural Resources	57	11	18	18
Retail & Commercial Trades	2,162	494	530	594
Services	2,610	761	835	935
Industrial/Other				
Industrial/Other	649	62	116	1,126
Government	275	62	287	287
<b>Total</b>	<b>5,753</b>	<b>1,502</b>	<b>1,786</b>	<b>2,959</b>

Notes:

1. Derived from Hood River EOA Technical Appendix C.
2. Derived from Hood River EOA Technical Appendix C.
3. Derived from Hood River EOA Technical Appendix C.
- 4 Assumes overall growth consistent with 2 percent AAGR (city/county coordinated population growth forecast with planned new employment center(s) that add 900 industrial jobs over and above Scenario B).

## C. OPPORTUNITIES AND CONSTRAINTS ANALYSIS

Input from the TAC and local stakeholder interviews was considered to help evaluate the local desire and ability to achieve the low, medium, and high growth employment forecasts and to ascertain potential issues regarding meeting unique site requirements for small, medium, and large employers. The overall findings from an opportunities and constraints analysis are summarized in **Hood River EOA Technical Appendix C**.

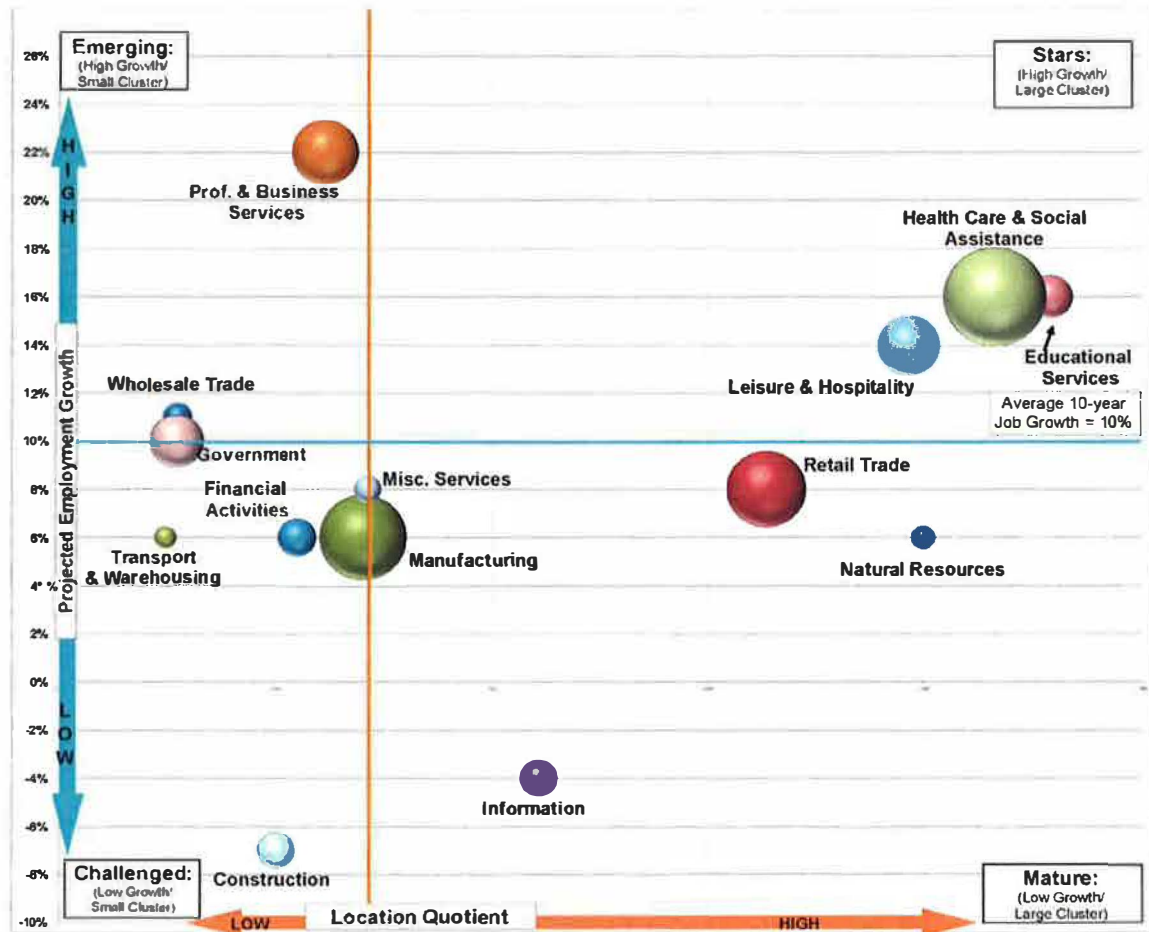
## D. TARGET BUSINESS CLUSTERS ANALYSIS

The business cluster analysis summarized in **Figure 4** identifies the business sectors within the Hood River region by their size and growth potential. Each sector has been analyzed by their North American Industrial Classification System (NAICS) code. This code is used by the federal government to classify types of businesses for tax accounting and economic research purposes. The data used for the clusters analyses were derived from the OED wage and salary employment statistics for the year ending in 2008. The size the bubbles in the following charts provide a relative



comparison within each jurisdiction of the total direct wages paid to workers within each industry sector.

**Figure 4. Analysis of Business Clusters in Hood River UGB, 2008**



The recommended target clusters for Hood River take into account focused marketing and business recruitment efforts are being made by local organizations such as the Mid-Columbia Economic Development District (MCEDD), the Columbia River Gorge Technology Alliance, the Columbia River Wine Growers Association, the State of Oregon, and other entities to attract established and emerging business clusters to the region and State. The business and industry clusters that are currently being targeted by the Oregon Business Development Department, Portland Business Alliance, and the Portland Development Commission include advanced manufacturing, clean technology (with sustainability sub-clusters in green building, solar, and wind power), active wear/outdoor gear, and software.

The City of Hood River may target businesses that generally offer above-average wages and provide healthcare and retirement benefits that support families. According to the U.S. Bureau of Labor Statistics, the occupations that had the fastest growth and highest pay over the past 10 years

nationally included computer systems analysts, registered nurses, computer support specialists, teachers, social workers, college faculty, computer programmers, engineering sciences, police officers, securities and financial services, physicians, advertising, marketing, management analysts, electrical engineers, paralegals, writers/editors, commercial artists, and medical and health service managers.<sup>1</sup>

In light of these findings, it is recommended that the City focus on retaining and attracting a mix of existing and emerging business clusters that pay above average wages. This includes a mix of existing **established and emerging clusters**, including:

- ◆ Health services
- ◆ Advanced manufacturing (avionics, composite materials, electronics, etc.)
- ◆ Athletic/outdoor gear (wind sports gear, apparel, etc.)
- ◆ Clean technologies (renewable energy/utilities, research and development, etc.)
- ◆ Food and beverage processing (fruit juice, beer, wine, spirits, organic supplements, etc.)
- ◆ Creative services (computer software, electronic publishing, etc.)
- ◆ Advanced education/training (Columbia Gorge Community College related)

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<sup>1</sup> *These findings are based on publications provided by JIST Works, including the Occupational Outlook Handbook, 2008-2009; and America's Fastest Growing Jobs by Michael Farr.*

## SECTION IV: EMPLOYMENT LAND NEEDS

In accordance with OAR 660-009-0025, an analysis of 20-year land needs for employment growth in the Hood River UGB is required along with attention to unique site needs based on the identified employment types.

### A. EMPLOYMENT SPACE NEEDS ANALYSIS

After accounting for the level of expected redevelopment activity, the amount of vacant land demand in the Hood River UGB for employment uses over the next 20-years is expected to range from 50 acres (Scenario A), 60 acres (Scenario B), and 109 acres (Scenario C). Preliminary estimates for vacant lands needs in Hood River UGB by general building type are provided in **Table 3**. Please refer to **Hood River EOA Technical Appendix C** for detailed methodology and supporting information.

The overall employment land needs forecasts for Hood River assume a relatively high level of redevelopment activity for strategic locations within the City, including downtown, and the 12<sup>th</sup> Street Corridor in the Heights. Much of the redevelopment is expected to occur on smaller lots with a mix of office and residential uses (particularly in R-3 zoning), which allows professional office (as a conditional use) and multifamily housing. Overall redevelopment activity within the Hood River UGB is expected to range from 114,000 to 206,000 square feet of net new redevelopment (building floor area), which is considered to be over and above the vacant land needs shown in **Table 3**.

**Table 3. Hood River UGB Vacant Land Needs by General Land Use Zone Classification, 20-year Forecast (buildable acres)**

Land Use Classification	Scenario A	Scenario B	Scenario C
Commercial/Retail (C2)	23	28	36
Employment/Office (C1)	16	17	20
Industrial/Government/Other (I/LI)	11	16	53
<b>Total</b>	<b>50</b>	<b>60</b>	<b>109</b>

*Analysis by FCS GROUP, based on assumptions shown in Hood River EOA Technical Appendix C.*

The actual amount and timing of new development will vary from year to year. The range in development forecasts reflects several issues:

- ◆ The current uncertainty regarding the region's ability to retain and attract major employers.
- ◆ The City's potential to stimulate redevelopment of the west gateway area.
- ◆ The City's ability to work with ODOT to fund and construct required transportation and infrastructure improvements that can accommodate new commercial and industrial development on vacant lands, particularly in the west gateway area.

## B. OVERALL EMPLOYMENT LAND NEED REQUIREMENTS

This Hood River EOA indicates that the existing Hood River UGB is adequate to accommodate the forecasted level of employment growth that is expected to occur under Scenario A and Scenario B, but not Scenario C, unless a very compact form of development occurs (i.e., 2-4 level buildings), or a UGB amendment. Hence, it is recommended that the City of Hood River pursue policies that implement the job growth consistent with Scenario B (medium growth). Other issues with respect to achieving the job growth forecasts associated with Scenario B are described in **Section V, Policy Actions**.

### Industrial Land Need and Parcel Requirements

As indicated in **Table 4**, the medium growth scenario assumes 16 acres of net new industrial vacant land demand occurs over the next 20 years, which is above the estimated vacant industrial land supply of 38 acres (includes LI and I zoned tax lots). A preliminary expected forecast of demand by parcel size is also provided in **Table 4**, and assumes that most of the larger vacant industrial tax lots within the Hood River UGB will be absorbed over the next 20 years under the medium land use scenario.

**Table 4. Hood River 20-Year Industrial Land Requirements**

Land Demand and Supply	Scenario A - Low Growth (acres)	Scenario B - Medium Growth (acres)	Scenario C - High Growth (acres)
Demand (acres)	11	16	53
Supply (acres)	38	38	38
Land Surplus (supply less demand)	27	22	(15)
Preliminary Parcel Distribution, Medium Growth Scenario	Existing Supply (tax lots)	Forecast of Parcel Demand (tax lots)	Surplus (tax lots)
Less Than 1 acre	18	0	18
1 to 2 acres	7	0	7
2 to 5 acres	2	2	0
5 to 10 acres	2	2	0
10+ acres	0	0	0
<b>Total Parcels or Tax Lots</b>	<b>29</b>	<b>4</b>	<b>25</b>

Source: based upon findings included in demand and supply analysis.

### Office Land Requirements

As indicated in **Table 5**, with an office (C-1) land supply of only 0.7 acres, Hood River does not have an adequate existing vacant office land supply to meet the land demand forecasts for all office growth scenarios. The medium land need scenario assumes 17 acres of net new office land demand, which is well above the vacant land supply (0.7 acres). Hence, new local land use or development code policies are needed to ensure that future office demand can be met on other lands within the Hood River UGB.

**Table 5. Hood River 20-Year Office Land Requirements**

	Scenario A - Low Growth (acres)	Scenario B - Medium Growth (acres)	Scenario C - High Growth (acres)
<b>Land Demand and Supply</b>			
Demand (acres)	16	17	20
Supply (acres)	0.7	0.7	0.7
Land Surplus or (Deficit) in Acres (supply less demand)	(15.3)	(16.3)	(19.3)
<b>Preliminary Parcel Distribution, Medium Growth Scenario</b>	<b>Existing Supply (tax lots)</b>	<b>Forecast of Parcel Demand (tax lots)</b>	<b>Surplus or (Deficit) tax lots</b>
Less Than 1 acre	2	5	(3)
1 to 2 acres	0	6	(6)
2 to 5 acres	0	2	(2)
5 to 10 acres	0	0	0
10+ acres	0	0	0
<b>Total Parcels or Tax Lots</b>	<b>2</b>	<b>12</b>	<b>(11)</b>

Source: FCS GROUP, based upon findings included in demand and supply analysis.

**Commercial Land Requirements**

As indicated in **Table 6**, with a commercial (C-2) land supply of 73 acres, the City appears to have an adequate existing vacant commercial land supply to meet the land demand forecasts for all commercial growth scenarios. The medium land need scenario assumes 28 acres of net new commercial land demand, which is well below the vacant land supply.

Please refer to **Hood River EOA Technical Appendix D** for additional supporting analysis regarding the reconciliation of Hood River vacant employment land supply and demand.

**Table 6. Hood River 20-Year Commercial Land Requirements**

	Scenario A - Low Growth (acres)	Scenario B - Medium Growth (acres)	Scenario C - High Growth (acres)
<b>Land Demand and Supply</b>			
Demand (acres)	23	28	36
Supply (acres)	73	73	73
Land Surplus in Acres (supply less demand)	50	46	37
<b>Preliminary Parcel Distribution, Medium Growth Scenario</b>	<b>Existing Supply (tax lots)</b>	<b>Forecast of Parcel Demand (tax lots)</b>	<b>Surplus (tax lots)</b>
Less Than 1 acre	49	4	45
1 to 2 acres	9	3	6
2 to 5 acres	4	2	2
5 to 10 acres	1	2	(1)
10+ acres	1	0	1
<b>Total Parcels or Tax Lots</b>	<b>64</b>	<b>11</b>	<b>53</b>

Source: FCS GROUP, based upon findings included in demand and supply analysis.

## C. SITE REQUIREMENTS

In light of current limited supply of *large vacant development sites* within the Hood River UGB, (currently there are only two vacant commercial sites comprising 18.7 acres and two industrial sites comprising 14.3 acres) combined with the fact that there is a relatively large supply of vacant industrial land that exists elsewhere in the Columbia River Gorge Region (there were about 545 vacant acres being marketed within a 30- to 40- minute drive from Hood River as of January 2011), ***the medium growth forecast appears to be most consistent with local and regional growth policies, local buildable land inventory characteristics, and current market trends.***

The majority of the targeted businesses that consider expanding or relocating into Hood River will consist of small business operations (less than 10 employees) that can locate within existing professional office or industrial buildings, or within new office or flex/industrial buildings that are developed on vacant sites with less than 5 acres in size.

The City should also provide a variety of medium size sites (3 to 10 acres) that meet the targeted business and industrial requirements. The existing and potential businesses within the City can generally be grouped into three general land use categories: industrial, commercial, and office.

Most small and medium business establishments (less than 100 workers) prefer to initially lease space in office or industrial/flex buildings, and/or could locate into redevelopment sites in downtown, Waterfront area, or in selected redevelopment locations (e.g., west gateway area). No special vacant land requirements are identified for future small or medium businesses. However, the City and/or Port of Hood River could pursue more proactive policies and investments aimed at incubating and growing self-employed and small business establishments locally.

Once the remaining larger vacant sites are developed or acquired by businesses for future expansion (likely to occur within 20 years), large business establishments (over 100 employees) will have site size and infrastructure service requirements that cannot be easily met within the existing Hood River UGB. Typical site requirements for the larger targeted business types are described in **Table 7**.

**Table 7. Typical Site Size Requirements for Targeted Business Types**

	<b>Small Users</b>	<b>Medium Users</b>	<b>Large Users</b>
	<i>Less than 10 jobs per business</i>	<i>10 to 99 jobs per business</i>	<i>100+ jobs per business</i>
<b>Industrial</b> <ul style="list-style-type: none"> <li>■ Food &amp; Beverage Processing</li> <li>■ Advanced Manufacturing Athletic/Outdoor Gear Clean Tech</li> </ul>	Building tenants in office or flex buildings. Can be accommodated in Hood River UGB.	2 to 6 acres per user. Prefers industrial or business park settings. Could be accommodated within Hood River UGB.	6 to 40 acres per user. Prefers industrial zoned areas. Not easily accommodated in Hood River UGB.
<b>Office</b> <ul style="list-style-type: none"> <li>■ Creative Services</li> <li>■ R&amp;D component of Mfg. or Clean Tech</li> </ul>	Existing office in downtown or flex buildings. Can be accommodated in Hood River UGB.	1 to 2 acres per user. Prefers commercial centers or light industrial/business park settings. Could be accommodated in Hood River UGB.	2 to 4 acres per user. Prefers business park setting with transit service. Could be accommodated in Hood River UGB.
<b>Health Services</b>	Growth likely to cluster near the Hood River Hospital area, and downtown in commercial/office buildings and planned redevelopment locations.		
<b>Advanced Education/Training</b>	Growth likely to occur around in the Heights near CGCC Hood River annex area in small infill and redevelopment locations		

Source: assumes site development requirements shown in **Hood River EOA Technical Appendix C**.

## SECTION VI: POLICY ACTIONS

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In accordance with OAR 660-009-0020(1)(a) and OAR 660-09-0025, local economic development objectives and policies are to be adopted with special attention to designating lands for industrial and commercial use.

### A. POLICY ACTIONS

Consistent with EOA documentation requirements, the economic trends analysis, stakeholder interviews, Technical Advisory Committee input, and the target industry clusters analyses, the City of Hood River is uniquely positioned within the Columbia Gorge Region to experience continued success in retaining and attracting businesses and economic development. The ability to accommodate or exceed the level of employment growth expected under forecast Scenario B (medium growth) requires the City to undertake proactive steps through adoption of policies, including amendments to the Hood River Comprehensive Plan to provide community economic development objectives, a commitment to providing a competitive short-term land supply, and commitment to providing adequate sites and public facilities to serve new development.

The outline of implementation policies that are to be adopted as part of the Hood River EOA is provided below.

1. Community economic development objectives
2. Commitment to provide a short-term land supply
3. Commitment to provide adequate sites and facilities
  - a. Provisions to limit single family and duplex development uses in the C-2 zone.
4. Policies that provide for prime industrial land development on large lots
  - a. Provisions that help protect existing large industrial users from encroachment from non-industrial uses.
  - b. Provisions to allow office industrial and technology-oriented uses in the LI zone.
5. Policies that promote targeted redevelopment in the west gateway area
6. Policies that work with ODOT and Hood River County on the IAMP improvements
7. Policies that provide proactive economic development marketing and incentives directed towards strategic clusters
8. Land Use Development Code amendments that enable the City of Hood River to accommodate expected growth in office, commercial, and industrial employment consistent with the medium growth scenario

An outline of proposed Hood River Zoning Code updates is provided below in **Table 8**.

**Table 8. Outline of Proposed Hood River Zoning Code Updates**

<b>Zone</b>	<b>Issue</b>	<b>Recommended Amendments</b>
C-2 General Commercial	Residential allowed and is consuming commercial land. Office uses allowed by practice but not expressly permitted in the C-2 zone.	Prohibit single-family, duplex and triplex residential uses.
LI Light Industrial	Need to modernize to allow technology-based industrial office, research and development. Consider limited space for related sales/display and employee service uses.	Allow office, research and development and limited employee-serving or incidental showroom commercial uses.
I Industrial	Limited users and zoned areas. Traditional users are concerned about new LI office uses too close to their manufacturing operations.	Consider future rezoning for waterfront areas committed to traditional industrial uses from LI to I. Alternatively; consider buffers between uses in LI zone.
Planned Development	PUD review requirements for commercial uses over 2.5 acres and industrial uses over 5 acres could become conditional uses in the C-2 and LI zones to streamline the permit process.	Remove PUD requirements for commercial uses over 2.5 acres and industrial uses over 5 acres add them as conditional uses in the C-2 and LI zone,

### **Community Economic Development Objectives and Draft Code Amendments**

The draft goals and policies that are listed below are intended to serve as local community economic development objectives that guide positive economic development within the Hood River UGB. The goals and policies listed below are intended to replace the current Goal 9 policies for the City of Hood River. Please refer to **Appendix A** for the prior adopted Hood River economic development policies.

Please refer to **Hood River EOA Technical Appendix E** for a summary of draft land use amendments.



### Draft Hood River Economic Opportunity Analysis Policy Actions

The draft economic policies and implementation measures that are being considered as part of this EOA update are described below.

#### **Goal 9 – Economic Development**

**Overall Goal** (What do we want to achieve):

*To diversify and improve the economy of the Hood River planning area while preserving and promoting the City’s quality of life and small-town atmosphere.*

<b><u>Policies</u></b> <b><u>(course of action)</u></b>	<b><u>Implementation Measures:</u></b> <b>(actions that must follow any policy in order for something to actually happen)</b>
<p><b>1.</b> Preserve and promote the city’s “quality of life” including small town atmosphere, family-oriented community, good schools, open space and recreational opportunities, urban bike and walking system, beautiful natural setting and space for existing business to expand as an incentive for economic development.</p>	<p><b>1a.</b> Require uses that generate pollution, excessive noise, and similar adverse conditions to obtain a conditional use permit.</p> <p><b>1b.</b> Adopt building and site design standards in the commercial and industrial zones consistent with quality of life characteristics.</p>
<p><b>2.</b> Support a mix of light and heavy industrial development on the Waterfront that is compatible with recreational activities and that supports recreational commercial development.</p>	<p><b>2a.</b> Amend the land use code to allow for light industrial uses that have emerged into the Hood River market not already defined in the code.</p>
<p><b>3.</b> Allow for new and existing business expansion needs that support retention and growth of strategic employment clusters community which include: health care; advanced manufacturing (e.g., avionics, composite materials, electronics, etc.); athletic/outdoor gear (e.g., wind sports gear, apparel, etc.); clean-tech (e.g., utilities, wind energy research and development, etc.); food and beverage processing (e.g., fruit juice, wine, beer, organic supplements, etc.); creative services (e.g., computer software development, electronic publishing, etc.); and advanced education and create a desired balance between the quality of life of this community and economic health of the city.</p>	<p><b>3a.</b> Amend the land use code to allow for light industrial uses that have emerged into the Hood River market not already defined in the code.</p> <p><b>3b.</b> Write standards for development review that improve clarity and reduce uncertainty. Consider adopting a two-track review process: the first relying on detailed standards for administrative review, the second relying on more discretionary standards for quasi-judicial review.</p> <p><b>3c.</b> Encourage home-based businesses while ensuring standards for such activities minimize adverse affects on adjacent property owners in residential zones.</p> <p><b>3d.</b> Adopt building and site design standards in the commercial and industrial zones consistent with quality of life characteristics.</p>

<p><b>4.</b> The majority of the targeted businesses that consider expanding/ relocating to Hood River will consist of small businesses (less than 10 employees) that can locate within existing office or industrial buildings or within new office or flex/industrial buildings that are developed on vacant sites under 5 acres in size.</p>	<p><b>4a.</b> Maintain an inventory of appropriately zoned land consistent with the needs, to include maintenance of short-term and long-term land supplies.</p>
<p><b>5.</b> Ensure provision of adequate public facilities in association with development to support economic development and maintain consistency between the public facilities plans and the Goal 9 goals, policies and implementation strategies.</p>	<p><b>5a.</b> Update the City's public facility and capital facility plans so that projects intended for improving infrastructure for developable commercial and industrial areas can be listed and available for funding.</p> <p><b>5b.</b> Utilize available grants and tax increment financing to assist in the financing of the extension of public facilities to lands in areas where infrastructure is deficient and cooperate with economic development agencies in marketing and incentives directed toward the five strategic clusters.</p>
<p><b>6.</b> The City has several commercial areas that can be set apart in the City and each have their own unique characteristics: Central Business District, The Heights Business District, The waterfront, and West Cascade. The City will seek to distinguish these differences and propose ways to maintain the spate districts.</p>	<p><b>6a.</b> Define boundaries of existing commercial districts and develop building and site design standards for each district.</p>
<p><b>7.</b> Limit commercial use on lands reserved for light industrial and industrial uses.</p>	<p><b>7a.</b> Maintain an inventory of appropriately zoned land consistent with needs, including maintenance of short-term and long-term land supplies.</p>
<p><b>8.</b> Minimize conflicts between uses that generate pollution, noise and similar adverse conditions (e.g. industrial) with other uses.</p>	<p><b>8a.</b> Adopt building and site design standards in the commercial and industrial zones consistent with quality of life characteristics.</p>
<p><b>9.</b> Engender economic sustainability by supporting small businesses.</p>	<p><b>9a.</b> Amend the land use code to allow for light industrial uses that have emerged into the Hood River</p>
<p><b>10.</b> To continue to recognize the City's role in the Hood River planning area, county and beyond.</p>	<p><b>10a.</b> Cooperate with the Port of Hood River, regional, state and federal agencies and private businesses to develop and implement plans to improve and diversity the economic base of the planning area.</p>

End



**City Council Recommendation (6/13/2011)**  
**C-2, General Commercial**

**17.03.050 General Commercial Zone (C-2)**

**A. Permitted Uses.**

1. Rooming and boarding houses
2. Home occupations
3. Bed and breakfast
4. Family day care
5. Residential care facility
6. Group residential, if less than 15 persons
7. Transportation facilities pursuant to 17.20.050(A)
8. Accessory dwelling units

**B. Permitted Uses Subject to Site Plan Review.**

1. Commercial uses
2. Industrial uses incidental and essential to an on-site commercial use (Refer to the section below, "K")
3. Change of use
4. Parking lots of four (4) or more spaces, new or expanded, and or the equivalent of paving equal to four (4) or more parking spaces
5. Multi-family dwellings subject to: a) 11 units/net acre.
6. Group residential, if fifteen (15) or more persons
7. Transportation facilities pursuant to 17.20.050(B)
8. Professional Office and Office Uses.

**C. Conditional Uses.**

1. Residential uses, excluding multi-family, subject to the following: a) shall be reviewed through the Planned Unit Development (PUD) process; b) PUD common open space criterion is not applicable; and c) shall achieve a minimum of 11 units/net acre.
2. Residential uses a minimum of 11 units/acre in conjunction with commercial uses on the same lot or parcel.
3. Hospitals, sanitariums, rest homes, nursing or convalescent home
4. Schools and day care facilities
5. Public parks, playgrounds, and related facilities
6. Utility or pumping substations
7. Churches
8. Commercial Uses on parcels of more than 1.5 acres.
9. Public facilities and uses
10. Hostels

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What? Delete single family duplex and triplex residential uses from the C-2 zone. Why? Help meet projected commercial and office demand, in part through deletion of one, two and three family residential uses from the C-2 zone. These uses have historically depleted the City's limited commercial land supply. Continue to allow multiple family and

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D. Site Development Requirements.

1. Minimum Lot Area: None.
2. Minimum Frontage:
  - a. Fifty (50) feet on a dedicated public street or
  - b. Thirty (30) feet on a public dedicated cul-de-sac.

**Deleted:** 9. 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.

E. Setback Requirements. The minimum setback requirements shall be as follows:

1. Front - not required.
2. Side and rear - not required except in the case where the structure is adjacent to a residential zone, in which case a three (3) foot setback is required for structures up to two (2) stories, and increased one (1) foot for each additional story above two (2) stories.

F. Maximum Building Height.

1. Thirty-five (35) feet for residential use.
2. Forty-five (45) feet for commercial use or for mixed commercial and residential use.
3. No commercial structure shall exceed a height of forty-five (45) feet.

G. Parking Regulations.

1. One (1) off-street parking space shall be provided on the building site, or adjacent to the site for each employee. In addition, adequate off-street parking shall be provided on or adjacent to the building site to meet the needs of anticipated clientele.
2. In no case shall there be less than two (2) off-street parking spaces.
3. The Central Business District, the Heights Business District and the Waterfront are exempt from this requirement but shall pay a fee in-lieu of parking in accordance with Chapter 17.24.
4. Parking in the Central Business District, Heights Business District and Waterfront may be satisfied by substituting all or some of the parking requirement at adjacent or nearby off-site off-street locations and/or by adjacent or nearby shared parking if the substitute parking reasonably satisfies the parking requirements of this section. If no off-street or off-site parking reasonably satisfies the parking requirements of this section, the fee in-lieu of parking shall be paid in accordance with Chapter 17.24. If less than all required parking is provided, the fee in lieu of parking shall be paid in accordance with Chapter 17.24, except that a credit shall be given for the number of spaces provided.
5. All parking areas and driveways shall be hard surfaced prior to occupancy, under the following circumstances:
  - a. New construction
  - b. Change of use
  - c. New parking area
6. All residential uses shall comply with the off-street parking standards as follows, unless exempt above:

~~a. All individual dwelling units, duplexes, and triplexes shall be provided with two (2) parking spaces for each unit on the building site, one (1) of which may be within the required front yard setback area.~~

~~b. Multi-family dwellings shall be required to furnish one and one-half (1½) off-street parking spaces per dwelling unit on or adjacent to the building site.~~

~~c. Required setback areas may be utilized for off-street parking for multi-family~~

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dwellings.

| ~~d~~ Parking spaces utilizing access from a public dedicated alley may be located within the setback areas.

| ~~e~~ Off-street loading facilities shall be encouraged. Public alleys may be utilized for off-street loading facilities.

7. Bicycle parking as required by 17.20.040.

H. Lighting. Artificial lighting shall be subdued and shall not shine, cause glare, or be unnecessarily bright on surrounding properties. Both interior and exterior lighting shall take into consideration the viewshed and shall be dimmed as much as possible after closing without compromising safety and security. Flood lights on poles higher than fifteen (15) feet shall not be permitted.

I. Signs. All signs shall be in conformance with the sign regulations in this title.

J. Landscaping. All landscaping shall be in conformance with the landscaping standards in this title.

K. Manufacturing. Manufacture or assembly of goods is a permitted use, provided such manufacturing or assembly is within or contiguous to a permitted commercial use. The retail sales and the commercial character shall be the prominent use. The goods manufactured and/or assembled shall be sold on a retail basis out of the commercial use which is the storefront for such sale. All uses shall meet the following standards:

| 1. Any use, or portion thereof, causing noise shall be performed in such a manner as not to create a nuisance or hazard on any adjacent property.

2. Any use, or portion thereof, causing vibration shall be performed in such a manner as not to create a nuisance or hazard on adjacent property.

3. Any operation producing intense heat or glare shall be performed in such a manner as not to create a nuisance or hazard on adjacent property.

4. There shall be no emission of odorous, toxic, noxious matter, or dust in such quantities as to be readily detectable at any point along or outside property lines so as to produce a public nuisance or hazard.

5. If the retail and industrial uses are housed in separate buildings on the site, the industrial building shall be equal to or less in size to the commercial building.

6. In the case of two or more separate buildings, the one closest to the public dedicated street must retain a retail storefront and a pedestrian-friendly character. New construction or major renovations shall achieve this standard through use of the following design elements:

a. Major renovations are considered any activity on the exterior of a building that exceeds ten percent (10%) of the structure's cost or fair market value or \$75,000, whichever is more, as determined by the building official.

b. The building entrance shall be oriented toward the primary street, whenever physically possible.

c. Off-street parking or driveways shall not be placed between the building and the primary street, whenever physically possible.

d. The retail storefront shall utilize regularly spaced and similarly shaped windows with window hoods or trim.

e. The retail storefront shall have large display windows on the ground floor and shall be

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framed by bulkheads, piers, and a storefront cornice.

f. For properties located within the Downtown Local Historic District, refer to the District's Design Guidelines.

L. Commercial buildings between 25,000 square feet and 50,000 square feet. No new buildings shall exceed a combined contiguous length of three hundred (300) feet; nor shall any one building exceed a footprint of 50,000 square feet. Any building or contiguous group of buildings which exceed these limitations and which were in existence prior to the effective date of this ordinance may expand up to ten percent (10%) in area or length beyond their original area or length. Neither the gross square footage nor combined contiguous building length, as set forth in this section, shall be changed by a variance. The following standards shall apply to buildings or a group of buildings on one (1) site over 25,000 square feet in size;

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1. Buildings shall have an entrance for pedestrians directly from the street to the building interior. This entrance shall be designed to be attractive and functional and shall be open to the public during all business hours. Public sidewalks shall be provided adjacent to a public street along the entire street frontage.
2. Building facades greater than one hundred (100) feet in length shall have offsets, jogs, or other architectural distinctive changes.
3. Any wall which is within thirty (30) feet of the street, plaza, or other public open space shall contain at least twenty percent (20%) of the wall area facing the street in display areas, windows, or doorways. Windows must allow views into working areas or lobbies, pedestrian entrances, or display areas. Blank walls within thirty (30) feet of the street are prohibited. Up to forty percent (40%) of the length of the building perimeter, with the exception of the side facing the street, is exempt from this standard if facing toward loading or service areas.
4. A building shall be setback not more than twenty (20) feet from a public sidewalk unless the area is used for pedestrian activities such as plazas or outside eating areas. If more than one structure is proposed for a site, at least twenty-five percent (25%) of the aggregate building frontage shall be within twenty (20) feet of the sidewalk.
5. Developments shall divide large building masses into heights and sizes that relate to human scale by incorporating changes in building mass or direction, sheltering roofs, a distinct pattern of divisions on surfaces, windows, trees, and small scale lighting.
6. One street tree chosen from the street tree list shall be placed along the perimeter of the parcel fronting the street for each thirty (30) feet of frontage for that portion of the development facing the street.
7. Landscaping shall be designed so that fifty percent (50%) coverage occurs after one year from the date the certificate of occupancy is issued and ninety percent (90%) landscaping coverage occurs after five (5) years from the date the certificate of occupancy is issued.
8. Parking areas shall be shaded on the interior and exterior by deciduous trees, buffered from adjacent non-residential uses, and screened from residential uses. The appearance of a "sea of asphalt" shall be avoided.
9. A ratio of one (1) tree for each seven (7) parking spaces shall be required to create a canopy effect. The trees shall be an appropriate large, canopied shade tree and/or a conifer.

10. Landscaped areas shall be substantially evenly distributed throughout the parking area and parking perimeter.



**Planned Developments**

17.07.020 Applicability

A. Zones. The planned development designation is applicable to all zones.

B. Minimum Site Size for Residential Development. Residential development in the R-1 zone shall have a minimum parcel size of a half (½) acre to apply the planned development process. There is no minimum size for R-2 and R-3.

C. Density Calculations for a Planned Unit Development:

\*All projects can get a 30% bonus density for affordable housing only.

SIZE	R-1	R-2	R-3
<b>Infill PUDs</b>	Total lot area divided by base zone. Infill projects are projects that do not require any roadways, public or private.		
<b>2 acres or less</b>	Subtract 40% from total area before dividing for base density.	Subtract 30% from total area before dividing for base density.	Subtract 30% from total area before dividing for base density.
<b>More than 2 acres</b>	Subtract 50% from total area before dividing for base density.	Subtract 40% from total area before dividing for base density.	Subtract 30% from total area before dividing for base density.

For density calculation purposes the final number shall be rounded down to the next whole number if the calculation is .49 and rounded up to the next whole number if the calculation is .50.

\*Prior to a project being accepted for inclusion in the 30%, the applicant’s justification to include a) how the units will not become second homes; b)how the units will be prevented from being resold at market value; c)how they will not be immediately “flipped” for a quick profit; d)what income range are the residents? shall be approved by the City and made part of the PUD approval.

Deleted: D. Mandatory for Commercial and Industrial Developments. Developments with commercial uses that are greater than two and one half (2½) acres and developments with industrial uses greater than five (5) acres are required to use the planned development overlay. For projects that come under this category, the 30% open space requirement is not required.

17.07.090 Approval Criteria

5. The following criteria shall apply to all Planned Developments unless otherwise specified as applicable only to certain specific uses:

d. Parking: ~~All of the~~ required off-street parking spaces may be provided ~~in~~ one or more common parking lots within the Planned Development.

- ~~Deleted:~~ Up to fifty percent (50%)
- ~~Deleted:~~ of
- ~~Deleted:~~ for single-family attached dwellings
- ~~Deleted:~~ on
- ~~Deleted:~~ as long as each single-family lot contains one (1) off-street parking space.

All other aspects of the Planned Unit Development Ordinance remain unchanged.

LI, Light Industrial Zone. Site Plan Review, and Definitions

Recommended Changes:

Section 17.01.060, Definitions

INDUSTRIAL USE means any activity involving the manufacture, processing, warehousing, or outside storage of products to be transported elsewhere for retail sale and is more intensive than Light Industrial uses because of noise, odor and truck traffic.

LIGHT INDUSTRIAL USE means industrial service research and development, manufacturing, processing, fabrication, packaging, assembly of goods, and warehousing.

INDUSTRIAL OFFICE USE means activities that, while conducted in an office-like setting, are more compatible with industrial activities, businesses, and districts. Their operations are less service-oriented than traditional office uses and focus on the development, testing, production, product training and support, processing, packaging, or assembly of goods and products, which may include digital products. They primarily provide products to other businesses. They do not require customers or clients to visit the site; any such visits are infrequent and incidental.

Section 17.03.060 Light Industrial Zone (LI)

A. Permitted Uses.

- 1. Temporary uses not exceeding thirty (30) days.
2. Caretaker's residence for an on-site industrial use.
3. Transportation Facilities pursuant to 17.20.050 (A).

B. Permitted Uses Subject to Site Plan Review.

- 1. Light Industrial Uses including the following when accessory and essential to the permitted light industrial use: office uses, wholesale sales, marketing, training and outside storage.
2. Industrial Office uses up to 25,000 square feet of gross floor area.
3. Sales and display of products provided: (i) sales are limited those accessory and essential to the permitted use; and (ii) the total area devoted to sale and display of such products shall not exceed 2,500 square feet or 25% of the gross floor area within the building, whichever is less, except for LI uses in the Central Business District where the sales and display of products can be greater than 2,500 square feet or 25% of the gross floor area as long as the use remains incidental to the onsite light industrial use.
4. Parking lots of four (4) or more spaces, new or expanded, and or the equivalent of paving equal to four (4) or more parking spaces
5. Transportation facilities pursuant to 17.20.050(B)

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What? Amend Light Industrial Zone for the City of Hood River (Title 17.03.060) and consider Design Standards for buildings over 25,000 square feet of gross floor area, consistent with Goal 9 implementation strategies. ¶
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6. Change of use

C. Conditional Use

1. Industrial Office uses greater than 25 000 square feet of gross floor area subject to design standards in 17.16.055.
2. Light Industrial and Industrial Office uses with accessory and incidental employee services, such as but not limited to food and beverage sales. Such employee service uses are further limited by the following threshold criteria to ensure against public sales:
  - a. Location. Employee service areas shall be located within the building(s) of the permitted Light Industrial Use.
  - b. Visibility. An employee service area may be located on a street frontage with interior access and no direct exterior entrance. Secondary fire egress is allowed.
  - c. Signage. No exterior signs promoting employee service and sales are allowed.
3. Public facilities and uses, including change of use.
4. Light Industrial and Industrial Office Uses on parcels of more than 5 acres.

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Light Industrial and Industrial Office uses with accessory and incidental employee services, such as but not limited to food and beverage sales. Such employee service uses are further limited by the following threshold criteria to ensure against public sales:¶  
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## Add a new section to **Site Plan Review: Section 17.16.055**

### Design Standards:

#### 1. **PURPOSE**

The following design standards apply to buildings of more than 25,000 square feet of gross floor area. These standards are applied to enhance and take into account the visual character of the surrounding area; provide permanence; contribute to a safe, high quality pedestrian-oriented streetscape; and encourage high quality architectural design for large light industrial buildings.

#### 2. **BUILDING DESIGN STANDARDS**

a. Use high quality and long-lasting building materials (e.g. brick, tilt-up concrete, masonry, etc). Metal roofs and metal as an accent exterior finish material may be used.

b. Highlight main entrances with architectural features (e.g. windows, recesses, canopies, etc) and provide protection from natural elements.

c. Use ground floor windows or product display niches on elevations that border public streets.

d. Vary roof lines on building elevations facing streets with differing materials and/or varied parapet heights.

e. Provide architectural interest and variety on building elevations adjacent to public streets through the use of scoring, changes in materials, and the use of a variety of finishes such as wood, brick and concrete block.

#### 3. **SITE DESIGN STANDARDS**

a. Provide a safe, all-weather, efficient, and aesthetic pedestrian circulation system serving the site, including connecting parking areas with building entries and public sidewalks. Materials shall include but not be limited to: scored concrete, pavers (asphalt or otherwise), or similar materials.

b. Screen service and loading areas from streets, pedestrian circulation areas, open space areas, and adjacent parcels.

c. Minimize the visual impact of all exterior components of communications, plumbing, power, processing, heating, cooling and ventilating systems from adjoining streets, parcels, buildings, and open space areas. These components shall be screened to minimize visibility from the sidewalk or edge of pavement on the other side of the street.

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