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To: Chairman Cliff Wooten and Scio Planning Commission

From: David W. Kinney, Planning Consultant

Date: July 5, 2019

Subject: *File 2019-03* *Scio Comprehensive Plan Amendment and Zone Change Light Industrial to Commercial*

The Planning Commission held a public hearing on June 26, 2019 to consider the applicant's proposal to redesignate and rezone a 1.34-acre site at 38848 S. Highway 226 in Scio. If the City approves the Comprehensive Plan map amendment and zone change, the Hix Snedecker Development, LLC proposes to build a new Dollar General retail store on the property.

A. Summary of Proposal

The City has received seven land use applications to permit the development of a Dollar General retail store at 38848 S. Hwy 226 in Scio, Oregon. Under Section 12.090 of Ordinance 561, the City may consolidate applications for review and decision. The City has elected to consider these applications as four land use proceedings. File 2019-03 addresses two issues:

(1) Comprehensive Plan Map Amendment: Industrial (LI) to Commercial (C)
(2) Zone Change: Light Industrial to Commercial (C-1)

On May 15, 2109, the date of the application, the property at 38848 S. Hwy 226 is designated for Light Industrial development on the *Scio Comprehensive Plan, Map LU-1* and is located in the Light Industrial (LI) Zone. A retail store is not a permitted use in the LI zone. The applicant requests the City of Scio redesignate a 1.34-acre portion of a 9.53-acre parcel on the *Scio Comprehensive Plan* map as Commercial land and rezone the 1.34-acre site to a Commercial (C-1) zone.

B. Planning Commission Deliberations and Recommendation

The public hearing has been closed. The Planning Commission continued its deliberation to a special meeting on Wednesday, July 17, 2019 at 7:00 p.m. at the Scio City Hall.

No public testimony will be received by the Planning Commission at the July 17, 2019 meeting.

C. Key Issues Raised During the Public Hearing

Testimony provided during the public hearing focused on several Scio Comprehensive Plan goals and policies and wetlands protections measures in Chapter 4, Ordinance 561. The Planning Commission needs to address each of these items before making a decision on the proposal.

1. **Wetlands.** **Is off-site mitigation of wetlands consistent with the City's wetlands protection goals, policies and requirements in Chapter 4 of the Scio Zoning Ordinance.**

Discussion:

Goal NR-3 requires the City to ***"ensure identified significant wetlands will continue their functions unimpaired."***

Policy NR-5 states ***"Development on properties containing wetlands <u>may proceed under a Site Plan Review procedure</u> to provide maximum opportunities to protect any significant wetlands."***

The applicant proposes to obtain a Joint Permit to complete off-site mitigation of wetlands, rather than protect and retain wetlands on site. The applicant's wetland study identifies wetlands at the east and west end of the property. They provide testimony that the wetlands are degraded, low value and are not significant due to the past development on the property. They argue off-site mitigation is consistent with the Comp Plan Goal NR-3 and Policy NR-5.

Public testimony from Melody Scofield argues the proposal violates the city's Goal NR-3 to protect wetlands.

<u>PC Deliberation and Decision.</u>

The Planning Commission needs to determine if off-site mitigation of these wetlands complies with Plan Goal NR-3 and Policy NR-5.

2. **Flood Hazard.** **Can the proposal comply with Natural Resources Goal NR-4 and the Scio Flood Hazard Ordinance to prevent losses as a direct result of flooding?**

Discussion:

Goal NR-4 and Policies NR-8 and NR-10 and the Scio Flood Hazard Ordinance include standards for new development to minimize flooding impacts.

The applicant submitted a storm drainage analysis, storm drainage improvement plan, a plan for on-site detention and storm drainage discharge into the existing Peters Ditch

drainage basin. The City staff raised concerns that the storm system design could impede flood waters and create potential for flood losses.

During the June 26, 2019 public hearing the City Engineer Ryan Quigley stated he has reviewed the storm drainage analysis and design plans. He testified the applicant has proposed a "balanced cut & fill" complying with the City's ordinance and that the storm drainage proposal can comply with the City's flood development permit requirements. The City Engineer testified that some modifications may need to be made to the storm drainage system design prior to approval of a Site Development Plan and Flood Development Permit for the project to ensure floodwaters can flow through or around the site and flood losses will be minimized or prevented.

PC Deliberation and Decision.

The Planning Consultant concludes the applicant has provided adequate information to show that the proposal can comply with Goal NR-4 and Policies NR-8 and NR 10, subject to the review and approval as part of a Site Plan Review and Flood Development Permit process.

The Planning Commission needs to review the testimony and staff report and determine if you concur with the Planning Consultant's conclusion.

3. Transportation – Hwy 226 Improvements.

Does (or can) the proposal comply with Transportation Goal T-1, Transportation Objective including construction of planned urban-level street frontage improvements on Hwy 226?

Discussion:

Goal T-1, Objective 1b, Goal ED-3 and Chapter 13 of the Scio Zoning Code require construction of urban-level street improvements (curbs, sidewalks, paved shoulders) concurrently with a development.

The engineering plans do not show urban-level street improvements. Therefore, the proposal does not comply with plan goals and policies. The applicant requested the City grant a waiver to the street improvement requirements.

During the June 26, 2019 public hearing, the applicant's representative stated they will modify engineering plans for the Site Plan Review to include required street improvements and will build them concurrently with the development.

PC Deliberation and Decision.

The City Manager strongly recommends the Planning Commission affirm the City will require urban-level street improvements on the Hwy 226 frontage.

Since the applicant testified it will modify engineering plans to include street frontage improvements, the proposal can comply with Goal T-1, Objective 1b and Chapter 13 street improvement requirements.

The Planning Commission needs to review the testimony and staff report and determine if you concur with the Planning Consultant's conclusion.

4. Economic Development.

Does the proposal comply with the City's Economic Development Goal ED-1, Goal ED-2 and Land Use Policies LU-8 and LU-9?

Discussion:

Goal ED-1 states the City of Scio should work to ***"diversify the local economy by supporting small business development and expansion of retail, professional, personal and hospitality services in Scio".***\

Goal ED-2 states the City should work to ***"revitalize Scio's commercial districts along the Main Street and Hwy 226 corridor."***

Policy LU-8 states ***"The City supports the revitalization of Scio's downtown core and the development of a commercial area along Highway 226."***

Policy LU-9 states ***"Decisions to rezone other lands for commercial and/or industrial use will be based on an evaluation of employment needs, buildable lands, traffic impacts, availability of public infrastructure, impacts of flooding and the potential impacts the proposed uses will have on adjacent residential properties".***

During the June 26, 2019 public hearing, the City received oral and written testimony on the proposal.

The Staff Report dated June 19, 2019 includes findings and conclusions on these goals and policies. The Planning Commission is encouraged to review the written testimony and the related portions of the staff report (*Statewide Planning Goal 2* [p. 11-12]; *Statewide Planning Goal 9* [pp. 18-19]; and the *Scio Comprehensive Plan* -- Land Use Goals & Policies and Economic Development Goals and Policies [pp. 21-22].

The applicant's representative testified the proposal is consistent with the Economic Development goals and policies because the proposal will add needed "commercial" land along the Hwy 226 corridor inside the UGB. He also testified that they and local realtors searched for and evaluated all other vacant and available building sites inside the City of Scio. He stated they concur with the staff findings. Dollar General representatives were unable to find any parcel in the Scio UGB that was at least 1.0-acre in size, was zoned for commercial use and was located along the Main St./Hwy 226 corridor.

Public testimony is attached. Here is a brief summary of points made by business owners and Scio residents in their testimony; they stated the proposed rezoning of the property at 38848 S. Hwy 226 from Light Industrial to Commercial is:

- Not consistent with the city's policy to provide industrial land at the south end of the City along Hwy 226. It will result in a loss of 1.34 acres of LI zoned land.
- Not consistent with clustering commercial uses together on the Hwy 226 corridor.
- Does not support the city's policy of revitalizing the N. Main Street commercial district?
- Will negatively impact adjacent residential uses on the west side of Hwy 226 by increasing traffic, light, glare and enhance the potential for flooding.
- Will not diversity the local economy.
- Will not support the retention and expansion of local businesses and entrepreneurs, because it will allow a national retailer with less commitment and personal investment in the community.
- Will have negative financial impacts on local businesses.

PC Deliberation and Decision.

The Planning Commission needs to review the testimony and staff report and determine if you conclude the proposal does/does not comply with the Land Use Goals and Economic Development Goals and Policies.

Please be prepared to discuss your rationale during the deliberations.

D. PLANNING COMMISSION OPTIONS

The Planning Commission has several options:

A. Continue the Public Hearing or Deliberations to the next regularly scheduled meeting.

B. Approval

C. Denial, if the Planning Commission concludes the proposal does not comply with the criteria.

E. MOTIONS

Approval Motion to recommend the City Council **APPROVE** File 2019-03 to amend the *Scio Comprehensive Plan Map* to redesignate a 1.34-acre site at 38848 Hwy 226 from a Light Industrial plan designation to a Commercial plan designation and to concurrently rezone the property from Light Industrial (LI) to a Commercial (C-1) zone and to direct the Planning Consultant to amend the findings of fact in the June 19, 2019 staff report to reflect the Planning Commission deliberations.

Denial Motion to recommend the City Council DENY File 2019-03 because the proposal

- does not comply with Scio Comprehensive Plan policies requiring protection of delineated wetlands and/or
- does not comply with the Land Use and Economic Development goals and policies in the Scio Comprehensive Plan to support the revitalization of the N. Main Street commercial district, or
- does not comply with the Scio Comprehensive Plan goals and policies by removing needed buildable land from the City's Light Industrial plan designation and zone.

Enclosures: Exhibit C - Public Testimony

C-1 Reed Testimony – Submitted June 26, 2019.
C-2 Vogel Testimony – Submitted June 26, 2019.
C-3 Scofield Testimony – Submitted June 26, 2019.
C-4 Garland Testimony – Submitted June 26, 2019.

City of Scio
JUN 25 2019
38957 NW 1st Ave

Nathan and Roberta Reed
1205 South Parton Street
Santa Ana, California 92707

June 21, 2019

Planning Commission
City of Scio
Post Office Box 37
Scio, Oregon 97374

RE: File 2019-03 – Comprehensive Plan Map and Zone Change – 38848 South Highway 226
Proposed Dollar General Store

Dear Members of the Scio Planning Commission:

We are the owners of the Joseph Wesely House at 38791 Highway 226. Our property is roughly one third mile from the proposed project. While we currently live in Southern California, we purchased our Scio property as our retirement home and intend to relocate to Scio in about four years. We fell in love with not only the Joseph Wesely House, but also with the historic town of Scio, its small town ambiance, and its residents, and look forward to the time when we will become full time residents and are able to fully invest ourselves in the community in Scio.

We are greatly concerned with the proposed comprehensive plan map and zoning change and project, and are **opposed** to both. While we realize that current decision is specifically related to the comprehensive plan map and zoning change, not the project itself, because the two issues are not mutually exclusive, we will address both in our comments.

The proposed comprehensive plan map and zone change is not a good land use decision for the city of Scio. (Scio Comprehensive Plan Chapter 4 – Land Use)

Page 17 states that the intent of the Industrial plan designation is to protect existing industrial uses and provide land for future industries in order to provide employment opportunities for residents living in Scio and the surrounding rural area.

Page 18 states that it is important for industry to have access to major transportation facilities, and that directing industrial uses south of the city would maintain the integrity of the city's commercial and residential districts.

Rezoning this property from light industrial to commercial would be in direct conflict to the goals stated above. It would result in a **loss** of land available for future industrial use located in the area south of the city specifically designated as the appropriate location for such uses and would not fulfill the goal of cohesively maintaining the city's commercial and residential districts, as the lines would become blurred.

In addition, piecemeal rezoning for specific projects makes the city vulnerable for future inappropriate rezoning proposals, putting both future industrial projects and existing businesses at risk.

Table LU-6 shows a surplus of 0.76 acres of industrial zoned lands, a deficit of 1.04 acres commercial land, and a surplus of 51.47 acres of residential lands. Additionally, page 19 states that future industrial development in Scio may be limited due to the location of Scio's industrial area. It can be reliably concluded that land suitable for light industrial development is limited in Scio.

As such, removing the light industrial designation from this parcel will result in a deficit of land designated as light industrial and will further exacerbate the issue of limited available property for light industrial development. While it would remove the deficit in available commercial land for development, doing so at a loss of industrial lands is too great a cost.

Policy LU-9 on page 34 states "The decision to rezone other lands for commercial and/or industrial use will be based on an evaluation of employment needs, buildable lands, traffic impact, availability of public infrastructure, impacts on flooding, and the potential impacts the proposed uses will have on adjacent residential properties." This project will have a direct impact on our home, which is approximately 1500 feet from the proposed project. The building will be prominently visible from any portion of our property. Store and parking lot lights will have an effect on our aesthetics at night. Traffic and noise from this store (and Dollar General stores are typically open 8 am to 10 pm, 7 days a week) will have a direct negative impact on the peace and quiet of our home.

Policy LU-10 states "The city will encourage industrial development on the south end of Scio where access to Highway 226 is available." In the event that this property is rezoned commercial, very little buildable land will be left at the south end of town to consider for industrial development.

Based on the issues stated above, the proposed rezoning is **not** in alignment with the Scio Comprehensive Plan and is not a good planning decision for the city of Scio.

The proposed comprehensive plan map and zone change is not a good economic decision for the city of Scio. (Scio Comprehensive Plan Chapter 9 – Economy)

Observations of AMEDC president John Pascone, as found on page 142, include the following:

- Job creation will be generated by existing employers who are committed to the community.
- Small towns offer opportunities for budding entrepreneurs.
- Small towns should embrace who they are, build in local strength, and present themselves well.

Mr. Pascone also recommends that city leaders build on the existing strengths in the community and make sure the city presents itself well and focuses on being a great small town.

We are of the opinion that the establishment of a Dollar General in Scio does nothing to support these recommendations, which can be found in the city's Comprehensive Plan. Allowing a large chain store in town does not embrace Scio's identity or build on its strengths, nor does it present the city well or help it to focus on being a great small town. It would, in fact, inhibit the city's ability to do so.

Although Dollar General has established a non-profit organization that provides grants to literacy programs in the states where it operates, and this is an admirable program, this is not the same as being committed to and part of the community.

The proposed comprehensive plan map and zone change does not support maintaining the competitive advantage of the commercial district. (Scio Comprehensive Plan Chapter 9 – Economy)

Page 145 of the Comprehensive Plan includes the following competitive advantages of the Scio Commercial District:

- Small business anchors
- Local businesses offer convenient services. The strong customer service orientation of local business owners is a strength.

While Dollar General might be considered to offer convenient services, it is neither a small business anchor nor is it known for offering good customer service. Approval of this project will have a negative impact on the competitive advantage of the Scio Commercial District.

Policy ED-1 of the City of Scio's Goals and Policies (page 153) is "To diversify the local economy by supporting small business development and expansion of retail, professional, personal, and hospitality services in Scio" and Policy ED-2 is "To revitalize Scio's commercial districts along the Main Street and Highway 226 corridor through the city."

Dollar General will provide neither diversity of the local economy (nor would the project support small business development) and the construction of a cinder block store (the usual low budget design) will not revitalize Main Street.

The effect of Dollar General on small towns is generally negative.

Additional information provided from various sources:

- National Public Radio (December 11, 2017): Competition from Dollar General is a top threat to small town grocers.

- Fast Company (December 10, 2018):
    - Dollar stores take over the market, making it impossible for independent local retailers to thrive.
    - "There is growing evidence that these stores are not merely a by-product of economic distress. They're the **cause** (*emphasis added)* of it. In some small towns and urban neighborhoods alike, dollar stores are leading full-service grocery stores to close. And their strategy of saturating communities with multiple outlets is making it impossible for new grocers **and other local businesses** *(emphasis added)* to take root and grow." - Marie Donahue and Stacy Mitchell of the Institute of Local Self-Reliance
    - Dollar General stores only employ around 8 people, whereas independents average 14.
    - If independent grocers close, it is a barometer for other businesses in town.
- Herald and News (February 3, 2019):
    - "When you're bringing in a company like Dollar General, you are basically accepting the cheap date. You're essentially degrading the quality you're trying to build." - National planning expert Dan Burden
    - Wages are low for the average 6-9 workers, typically $7.97 to $8.34 an hour. For Oregon this would essentially mean earning the minimum wage of $10.75 an hour.
- According to research from Kansas State University, small town grocers may lose as much as 30% of sales when a Dollar General opens nearby. Given the tight margins that independents operate on, this could be devastating to the survival of the business.

Based on these insights, there is a strong potential that a Dollar General in Scio could directly lead to the failure of the grocery store, and could also have a negative, if not devastating, impact on Scio Hardware and Mercantile. And if the store does not create enough revenue to meet corporate standards, it is feasible that it too could close, after causing the failure of the other businesses. In that scenario, Scio would be even worse off than before.

Conversely, it is likely that business success for Dollar General would require pulling customers from other areas. This fact is recognized in the Scio Comprehensive Plan which states on page 145 that "new businesses will need to seek customers from a wider market area and will not be able to rely on local customers to be sustainable." On one hand, attracting a greater network of customers is positive as it helps to increase revenue for the city. **However,** for those of us who are property owners in the area surrounding the proposed Dollar General location, increased customers from out of area mean increased traffic and noise near our homes; business activities nearby 14 or more hours a day, seven days a week; light pollution from parking lot and store lighting; and the view of an unattractive cinder block store and even more unattractive signage from our front porches or anywhere else on our property. And to what benefit? Minimal low wage employment opportunities, loss of land that could be used for light industrial development with higher wages and possibly greater employment numbers,

and potentially loss of local businesses resulting in an even greater negative impact to the commercial area of Scio.

In conclusion, we are opposed to this Comprehensive Plan Map and Zoning Change, on the basis that it does not result in achievement of the goals of the Scio Comprehensive Plan, but in fact will likely create an **inability** to meet those goals. Further, we do not believe that a Dollar General in Scio is a positive move for the community for the reasons stated, and we most definitely believe that it will have a significant negative impact on those of us who are adjacent property owners.

Scio is a charming community with great potential. We can do better than settling for "good enough" – or even less.

We regret that we were unable to specifically address any items resulting from the staff report on this project, but the staff report did not become available until June 21, five days before the public hearing, and is not available on line. Because we currently live out of state, it was impossible to obtain a copy of the report and review it in time to submit comments for the public hearing, though we are very interested in evaluating the staff report and its conclusions regarding any impacts this project might have on employment needs, buildable lands, traffic, availability of public infrastructure, flooding, and adjacent residential properties. Thus, we have confined our comments to a review of the project based on the goals of the Scio Comprehensive Plan and our research of Dollar General projects in other areas.

Thank you for the opportunity to review this project. If you require further information or clarification, please feel free to contact us by email at Nathan-roberta@runnells-reed.com or at our address as listed on this correspondence.

Sincerely,

Nathan K. Reed

Roberta A. Reed, MPA

From: **Melodee Scofield** melodeebeth@smt-net.com
Subject:
Date: June 26, 2019 at 6:36 PM
To: Scio Hardware & Mercantile sciohardware@smt-net.com

My name is Melodee Scofield. I live at 38813 Garden Drive, Scio. I am the co-owner of Scio Hardware and Mercantile, a hardware and general merchandise store.

The City's #1 Economic Development goal is, and I quote: "To diversify the local economy by supporting small business development and expansion of retail, professional, personal and hospitality services in Scio." While Dollar General is a retail establishment and would hire some people, it does not support the small business aspect of the goal, which, I believe, is the heart of the economic development goal. The applicant stated in their findings that the city of Scio does not have a general merchandise store in the community. That is incorrect. Scio Hardware and Mercantile is a general merchandise store. While hardware is our specialty, we also sell paint, pet supplies, farms and ranch supplies, yard and garden supplies, clothing, home decor, office supplies, lotions and soaps, plumbing, electrical, toys, kitchen and housewares, cleaning supplies, gifts, and more. In addition, we have available home improvement items, lighting fixtures, yard equipment, outdoor living, patio furniture, fencing, and more.

In addition, I urge the planning commission to follow the recommendation of the City Planner and reject this application based on these additional findings:

Wetlands. Natural Resource Goal 3 is to ensure identified significant wetlands will continue their functions unimpaired by development activity. The applicant proposes to pave over the existing wetlands and mitigate (create) new wetlands in a different location. This goes against the city's Natural Resource Goal 3.

Transportation. Transportation Goal 1b specifies that urban improvements include sidewalks, curbs, bike lanes, ADA improvements, lighting, and safety enhancements. These improvements will eliminate existing hazards, enhance safety, promote economic development and beautify the community. The applicant is requesting the City waive the requirement to install curbs, gutters, and sidewalks along Hwy 226 in front of their proposed building. This shows a disregard for what is in the City's best interests and shows they don't want to eliminate existing hazards, enhance safety, promote economic development and beautify the community.

June 26, 2019

City of Scio
JUN 26 2019
38957 NW 1st Ave
4:48 pm
gm

To: Scio Planning Commission

Re: Dollar Store's request for land use designation change

I appreciate your consideration of my opinion on this matter. Thank you all for your time and efforts to support our town. Basically I oppose changing the designation from light industrial to commercial.

Scio needs more light industry to provide living wage jobs for our citizens. Scio does not need another grocery store we already have two in the area. I do not want to cause our current businesses to close because an Alabama-based corporation believes it needs more revenue – that corporation will never have enough revenue whether or not they have a store in Scio. They are not local and will take our money out of Scio and we will get nothing except a "quick rip off". We need locally owned family businesses with jobs that provide living wages and benefits.

Additionally, we just added more commercial zoning to town – and have yet to use those parcels to their full capacity. Isn't there another place a new commercial /retail businesses can build rather than to eliminate our few light industrial zoning areas?

Local businesses are the life blood of a community. If Scio ends up giving the go ahead to out of state corporations I think we are likely to see more closed local businesses and shuttered windows. Think about Walmart's impact on Lebanon and Albany. Why would we choose to make the same mistakes those cities have made and end up with downtowns where nobody goes to shop? We would lose our great little town and or whom? An Alabama based conglomerate. Please consider the long-term impacts on Scio and graciously decline their attempt to bring Scio into their realm.

Thank you,

Odie Vogel

Odie Vogel

After one year of business, how many people will be employed at a store of the size you propose for Scio?

What is the wage rate of your various employees, e.g. store manager, assistant manager, clerks?

Why should you receive a variance so that you do not have to provide a sidewalk in front of your store?

How does your corporation handle requests from local organizations for donations to local organizations and local events?

If Dollar General goes out of business, what arrangements are made concerning disposal of the building and land?

Why is there a residence currently in an area that is zoned Light Industrial?

Read at public hearing June 26, 2019 Mary Harland

Scio already has a full service grocery store, hardware store, mercantile, auto supply store, and feed and seed store. This "new" store will not be bringing new business to Scio, but will simply be slicing the pie for available local resources into thinner slices. People are not going to detour off of I-5 to visit the Dollar General store. The result of this new store would be a transfer of dollars spent in the N. Main Street corridor to dollars spent on the south edge of Scio along the Hwy 226 corridor. This does not appear to be a way of expanding business opportunities or supporting the current merchants.

As we have traveled around the U.S., on backroads and through small towns, I find that the greatest predictor of a rundown, vacant downtown is the presence of a Dollar store on the outer edge of the city. The Dollar General might be a real lifesaver to small rural communities without an existing downtown, but that is not the case here in Scio.

— local business development —

Feb-2019

flow through foundation

a slab takes care of this