

MINUTES

Springfield Planning Commission
City Council Chamber
225 Fifth Street–Springfield

January 22, 2003
7 p.m.

PRESENT: Tim Malloy, Chair; James Burford, Vice Chair; Lee Beyer, William Carpenter, Steve Moe, Marilyn Phillips, Greg Shaver, members; City Attorney Joe Leahy, Assistant City Attorney Meg Kieran; Planning Director Greg Mott, Colin Stephens, Mel Oberst, Gary McKenney, Nick Arnis, City of Springfield staff.

Commissioner Malloy called the meeting of the Springfield Planning Commission to order.

1. Pledge of Allegiance

Those present recited the pledge of allegiance.

2. Approval of Minutes

Commissioner Moe, seconded by Commissioner Beyer, moved to approve the minutes of December 17, 2002. The minutes were approved as submitted by a unanimous vote of 7:0.

3. Report on Council Action

Commissioner Carpenter tabled his report until the next meeting.

4. Business from the Audience

Commissioner Malloy called for business from the audience. There was none.

5. Public Hearing

a. Public Hearing Closed, Deliberation on Request for Metro Plan and Gateway Refinement Plan Amendments Jo. No. 2002-08-0243 and Jo. No. 2002-08-0244 (PeaceHealth)

Commissioner Malloy recused himself from the item due to a conflict of interest. Commissioner Burford assumed the chair.

Mel Oberst, Planning Supervisor, reported that the commission would be making a recommendation to the Springfield City Council on a Eugene-Springfield Metropolitan Area General Plan (Metro Plan) Diagram amendment to re-designate 33 acres from Medium-Density Residential (MDR) to Commercial zoning; and a Gateway Refinement Plan text and diagram amendments, one to re-designate 33 acres from Medium-Density Residential to Mixed-Use Commercial (MUC) on the diagram, and to amend the text to

allow 66 acres of Medium-Density Residential to be rezoned to Medical Services (MS) District, pending approval of the master plan, and to amend the text to allow for the development of a hospital and nodal development.

Mr. Oberst noted the applicable criteria related to the application before the commission and asked that the commission direct its discussion to the approval criteria. He indicated staff would present a summation and the applicant would present rebuttal testimony prior to the commission's discussion.

Commissioner Burford noted that the hearing was a continuation of earlier hearings held on December 3 and December 17, 2002. He said the record for oral testimony was closed on December 17, 2002. The record for written testimony was closed on December 31, 2002. The applicant then had seven days to submit a written rebuttal. Commissioner Burford said he would reopen the record for the purpose of accepting the staff summation and recommendation and the applicant rebuttal. He reviewed the order of the proceedings and emphasized the importance that all commission questions address information in the record.

Commissioner Burford opened the public hearing.

Commissioner Burford called for *ex parte* contacts or conflicts of interest. None were declared.

Colin Stephens Planner II, reviewed the two applications before the commission. He said the commission must adopt findings demonstrating its decision was consistent with the approval criteria. He noted that the applicable criteria were contained on page 3 of the staff report.

Meg Kieran of the Springfield City Attorney's Office discussed the commission's application of the criteria. She referred the commission to a memorandum distributed prior to the meeting entitled *Peace health: Gateway Refinement Plan Amendments and Metro Plan Diagram Amendments*. Ms. Kieran said that staff has employed a hybrid procedure throughout the process that included the quasi-judicial procedure set forth in Oregon Revised Statutes 197.763, and the Type 4 procedure set forth in the Springfield Development Code, Section 3.100. Staff took the elements from each procedure that provided the most opportunity for public input and due process. Both decision-making processes must be based on evidence in the record, and the outcome must be supported by findings that addressed the approval criteria. The findings must be based on evidence in the record that was relevant to the criteria.

Ms. Kieran acknowledged that some of the evidence heard by the commission may not have addressed the applicable criteria, but said that was done to accommodate those citizens who elected to appear before it to speak, with the understanding the commission would be able to distinguish between relevant and irrelevant testimony and consider only the relevant testimony.

Ms. Kieran said that staff would be unable to go outside the record to respond to questions. She encouraged the commission to refer to the applicable criteria in its discussion.

Mr. Stephens said that staff reviewed the evidence submitted into the record. That record was available at the meeting. Staff had determined the application demonstrated consistency with the criteria of approval. Mr. Stephens said that based on the commission's analysis and the information in the record, the commission may decide to: 1) vote to recommend approval of the amendments with conditions; 2) vote to recommend approval of the amendments with changes or conditions; or 3) vote to recommend denial. He said he would prepare findings to reflect the commission's decision, and urged it to be clear in its reasoning. He anticipated the Springfield City Council would consider the amendments and the commission's recommendation at its meeting on February 18.

Commissioner Burford asked if there were commission questions related to Mr. Stephens' remarks.

Commissioner Carpenter informed Mr. Stephens that he disagreed with the statement in the staff report that the viability of the McKenzie-Willamette Hospital was not germane to the proceeding as he considered it germane to State Goal 9 (Economic Development). He asked staff to tell him why he should not consider that information. Mr. Stephens was unaware of anything in Goal 9 that called for staff to do an analysis of the job loss resulting from the closure of McKenzie-Willamette Hospital, but acknowledged there might be other policies related to the topic or the topic might have some relation to the criteria.

Commissioner Burford determined there were no further questions, and called for a summation by the applicant.

Philip Farrington, representing the applicant, PeaceHealth, 677 East 12th Avenue, Eugene, thanked the commission for its work in considering the application and the volume of testimony that had been submitted. He said the application was the first step in the creation of a center that would provide superior medical care in a setting that promoted healing and wellness. Mr. Farrington said the City's approval would allow PeaceHealth to create a master plan for the River Bend site with a state-of-the-art hospital serving as the catalyst for the realization of the community's nodal development objectives. He maintained that the application and supporting materials included evidence demonstrating consistency with the applicable criteria. Mr. Farrington indicated concurrence with the staff's recommendation, and urged the commission to approve the proposal.

Mr. Farrington discussed PeaceHealth's position on the planning goals that were the subject of testimony.

Addressing State Goal 1, Citizen Involvement- Mr. Farrington said PeaceHealth demonstrated consistency with the goal by providing for many methods of outreach. He acknowledged that some believed that the process was inadequate but suggested that was because they did not like the type of forum or the review process was not structured to their liking. Mr. Farrington said that PeaceHealth following the applicable rules. He

believed that the City's requirement for master plan review and the public process related to the refinement plan text amendments afforded greater opportunity for citizen involvement. Mr. Farrington noted that more people testified in support of the application than against it.

Addressing State Goal 7, Natural Hazards- Mr. Farrington noted the applicant's scope of analysis done for hazardous conditions. He said that PeaceHealth had committed to meeting or exceeding the City's standards regarding potential flood and stormwater impact from the development. He said that the analysis demonstrated that the proposal was consistent with the goal's provisions. Mr. Farrington said that there was no basis for arguments that PeaceHealth would not be able to meet the code requirements in the analysis of post-development conditions. He said such an argument was not factually based and was premature. There were no development proposals on which to gauge post-development impacts. Mr. Farrington said that PeaceHealth had demonstrated that the future hospital would be located well above the 500 year flood plain elevation and located in a low-risk area for seismic hazards.

Addressing Goal 9, Mr. Farrington said that the Land Conservation and Development Commission had acknowledged Springfield's Commercial Lands Study as the community's adopted tool for complying with the goal. The study concluded the city has an inadequate supply of commercial land to meet demand over the planning horizon. The study indicated newly developing areas of the city must be planned to provide for more commercial lands. Mr. Farrington said that the study anticipated that nodal development would be one means to make up its deficit in commercial lands.

Mr. Farrington cited two policies in the Commercial Lands Study as applicable to the application: Policy 3a stated that the City would re-designate and rezone portions of industrial or residential lands in identified nodes to mixed-use commercial to achieve the objectives of TransPlan, transportation planning rule (TPR) 12, and nodal goals related to residential and employment opportunities. Policy 1b stated that an adequate amount of commercial land must be designated in identified undeveloped nodal areas to accommodate some of the demand for commercial acreage and to implement the policies and objectives in TransPlan. Mr. Farrington said that the application was consistent with those goals and nodal development objectives.

Mr. Farrington disagreed with the contention of Mark Radabaugh of the Department of Land Conservation and Development, who contended that PeaceHealth must undertake an extensive economic opportunities analysis to demonstrate conformance with Goal 9. He believed Mr. Radabaugh was misreading the administrative rule. Oregon Administrative Rule 660.009.0010(4)(a) stated that such analysis was not required if the proposed amendments were consistent with the parts of the acknowledged comprehensive plan addressing the requirements of Goal 9. He said that PeaceHealth had demonstrated that consistency.

Mr. Farrington noted that Mr. Radabaugh also incorrectly asserted that Eugene and Springfield had medical service zones in place since 1979 but had not implemented them as justification for his contention for updating the Metro Plan's economic opportunities analysis. Eugene does not have a medical services zone and never had one; Springfield

had one, but its previous lack of application did not trigger the need for an economic analysis or have any relationship to the Goal 9 administrative rules or Commercial Lands Study. Mr. Farrington said the application provided an opportunity to develop several related uses and support services close to high-capacity transit.

Addressing Goal 10, Housing- Mr. Farrington said the application demonstrated that the text amendments conserve the existing surplus of residential housing units identified in the Residential Lands Study. Staff concurred with that analysis, and concluded the application did not affect the metropolitan area's compliance with Goal 10. The plan amendments would re-designate only 33 acres of the 162-acre site, leaving the balance for development as MDR. He said that while PeaceHealth might subsequently seek a zone change to apply the medical services zoning on a portion of the site, the text amendments required that PeaceHealth must still ensure a supply of adequate housing to ensure the existing surplus was retained, provide housing densities within the MDR range, provide housing at densities that support transit, and locate such housing within convenient distance of transit and commercial service and employment opportunities.

Mr. Farrington noted that less than 90 acres on the site were constraint-free and included in the buildable lands inventory. He said the buildable lands inventory assumed that less than 32 percent of the residential lands would be built with nonresidential uses, further reducing the acreage dedicated to housing development. Mr. Farrington said that the 20 percent figure cited by Mr. Radabaugh had no basis in the Oregon Revised Statutes, Oregon Administrative Rules, or any other implementing authority. He noted that Mr. Radabaugh had failed to cite a source for his figure. He noted Mr. Mott's response to Mr. Radabaugh's testimony, which indicated that the number of dwelling units possible on the site ranged from 730 to 974, dependent on the density. He believed that the PeaceHealth proposal could accommodate housing at densities considered transit-supportive, and in quantities that assured compliance with Goal 10.

Mr. Farrington noted that Mr. Radabaugh continued to suggest that PeaceHealth must provide enough housing on site to match future employment generated at the site and/or the adjacent campus industrial area, but there was no such requirement at the State or local level. He had been unable to find the legal basis for Mr. Radabaugh's contention. He said that nodal development policies in the Metro Plan's Transportation Element called for MDR and high-density residential (HDR) development within one-quarter mile of a transit station, major transit corridors, and employment centers. The Metro Plan Residential Element called for locating higher density residential uses near employment or commercial centers near major transit facilities in transportation efficient nodes. He maintained that the PeaceHealth proposal furthered those policy objectives. He said that Mr. Radabaugh's contention that each node must provide some perfect or even proximate balance in housing and employment was "just a fiction." Mr. Farrington referred to Land Use Policy #1 in TransPlan, which stated it was not intended to limit the type of nodal development patterns. Nodal development areas may vary in the amount, type, and orientation of commercial, civic, and employment uses.

Mr. Farrington said that the Metro Plan and State planning goals, administrative rules, and statutes offer no direction on where hospitals should be located. In testimony, Jan Wilson of CHOICES asserted that hospitals must be in located in an area designated for

commercial use, but that had no basis in law. The applicable refinement plan contained an implementing action, 12.6, which carried forward existing requirements for the application of the MS zone found in the Springfield Development Code. Mr. Farrington said that the argument that the MS zone was not intended to apply to a particular size or scope of hospital had no validity. He cited the purpose of the MS zone, which was intended to provide for comprehensive hospital expansion in a manner compatible with the surrounding neighborhood. He said that the legislative history of the adoption of the MS district indicated no concern being expressed regarding the scope of such facilities, and the staff findings demonstrating conformance with the Metro Plan policies at that time concluded that the MS district was intended to provide for large-scale hospital developments.

Mr. Farrington said that the application's analysis demonstrated that future development at River Bend would generate greater tax benefits greater than would have been generated by MDR development. PeaceHealth's annexation agreement with the City required the corporation to make property tax payments equivalent to that which would have been generated by MDR absent the PeaceHealth proposal.

Regarding Goal 12, Transportation- Mr. Farrington said that staff concluded that the application was consistent with the goal. The record demonstrated that PeaceHealth would make a considerable investment in public improvements, including nearly \$2 million for dedication of right-of-way for the Pioneer Parkway extension, \$2.75 million for funding construction of the extension, \$600,000 to extend the sanitary sewer trunk line, and \$10.2 million for off-site transportation improvements. In addition, PeaceHealth would develop an integrated internal collector street system to serve future development.

Mr. Farrington said the City was requiring the development of a trip allocation plan that assured traffic from future development would not exceed the capacity constructed to support it. He said that the City was also requiring PeaceHealth to construct improvements to the intersection at Highway 126 and Pioneer Parkway before the hospital was occupied. He noted that those improvements were already identified as needed in existing planning documents and would still be needed if the PeaceHealth proposal had not been made.

Mr. Farrington disagreed with those who asserted that the Beltline/I-5 intersection must be improved for the hospital to be built and to operate. He said that the Oregon Department of Transportation (ODOT) staff and the Beltline/I-5 Decision Team had concluded that the hospital's impact on the proposals planned for the intersection would not be significant. He said that contrary to the assertions of opponents, PeaceHealth was not the reason those improvements were needed; they were needed with or without the hospital and modifications to the interchange were identified as a high priority project in the 1986 TransPlan.

Mr. Farrington said that the reconstruction of the Pioneer Parkway/Highway 126 intersection was not needed for development to occur at River Bend. Minor improvements were needed and were a condition of approval. The hospital recognized that the Pioneer Parkway extension must be in place to provide access to the site and to generally improve traffic conditions, and was providing construction funding and right-of-

way to make the improvement happen. Mr. Farrington emphasized the importance of safe and convenient access to the hospital for PeaceHealth.

Mr. Farrington noted that the hospital would be assessed and would pay the City's new street maintenance fees as a member of the community. He said that PeaceHealth was not the source of the area's traffic problems but rather brought resources to the table to resolve them.

Regarding the financial status of McKenzie-Willamette Hospital, Mr. Farrington said that he did not believe the financial viability of the hospital was relevant to the decision before the commission. He said that the applicable land use criteria, does not address speculation about the impact of a new hospital on McKenzie-Willamette Hospital. Mr. Farrington acknowledged McKenzie-Willamette Hospital's history and importance to the community but suggested that other factors impacted its viability, including reductions in reimbursements from Medicare and the Oregon Health Plan, nursing shortages, and rising overhead. He said that such challenges were particularly difficult for small hospitals such as McKenzie-Willamette Hospital to overcome.

Mr. Farrington recalled Commissioner Carpenter's suggestions that there were several possible outcomes for McKenzie-Willamette Hospital related to approval of the application and its pending lawsuit against PeaceHealth. He suggested another unspoken outcome was that the City rejected PeaceHealth's land use application and McKenzie-Willamette Hospital was still unable to address its financial woes and continue to operate. What if it was to affiliate tomorrow with another health-care organization, such as a for-profit or Catholic-sponsored institution? He said that one could not speculate on such outcomes. Such decisions on the part of the hospital were outside the scope of a land use proceeding.

Mr. Farrington noted that he did not think there was sufficient evidence entered into the record to justify the statement that 1,000 jobs would be lost if the application was approved. He suggested that the commission keep in mind Commissioner Beyer's statement that he could distinguish between McKenzie-Willamette Hospital's business decision and the land use issues before the commission. Mr. Farrington said that if the land use application was denied on the basis it would help the McKenzie-Willamette Hospital, there would still be no certainty the hospital could overcome its problems. He said that PeaceHealth believed that the McKenzie-Willamette Hospital was a good community hospital and was prepared to participate with the community to find a solution to its business issues.

In conclusion, Mr. Farrington pointed out that the approval of the proposed plan amendments meant more than \$350 million in new construction dollars would come into the community. The result would be a new hospital offering medical excellence, secure family wage jobs, and economic and health care benefits to the City of Springfield and larger community.

Commissioner Burford called for questions from the commission.

Commissioner Carpenter asked that the applicant or staff walk through the traffic analysis with the commission.

Commissioner Shaver asked Brian Terrett of PeaceHealth about the accuracy of what was represented in an anonymous letter claiming that PeaceHealth employees were being forced to provide testimony in Mr. Terrett said he did not agree with the contents of the letter. He clarified that he sent an e-mail message to some PeaceHealth employees at the specific request of those employees; not all employees received the e-mail message. In response to a follow-up question from Commissioner Shaver, Mr. Terrett said that he had urged employees to use their own stationary and equipment and write their letters their own time it was not appropriate for employees to spend work time participating in a public decision, and because it was a better way for people to demonstrate they were expressing their personal feelings. He added that he had previously encouraged all those employees offering testimony to state that they worked for PeaceHealth. Commissioner Shaver determined that Mr. Terrett did not think it was appropriate for him to send the e-mail message to employees at their homes as opposed to their work computers.

Commissioner Burford closed the public hearing.

Commissioner Carpenter asked Mr. McKenney Transportation Planning Engineer, a series of questions related to traffic volumes and the eventual density on the proposed development site. Mr. McKenney clarified that the actual volumes used by the applicant's engineers came from the computer model maintained by the Lane Council of Governments. Mr. McKenney described the establishment of the trip cap and its relationship to traffic generation, emphasizing that the applicant's engineer had to make some assumptions about what would be built. He emphasized that those were assumptions, and they had been accepted by both ODOT and the City. He said that staff did not know what would be built in the next 20 years, and in order to ensure that the PeaceHealth assumptions were not exceeded the City established a trip cap. He said that the applicant met the criteria and complied with Goal 12.

Commissioner Carpenter determined from Mr. McKenney that the other 66 acres were not included in the analysis. Mr. McKenney clarified that they were included in the analysis that led to the conclusion that a trip cap was needed. He said that those trips were in the model and were accounted for. He said that the analysis also took into account trips that did not originate from the site.

Mr. McKenney said that what was important was the change the applicant was proposing to make, and how that change affected consistency between the land use and transportation system plan. He said that the applicant was proposing to change 99 acres of land designated for another use, and staff was working to assure the change could be done consistently with those plans. Only the affected land was at question. What remained on the land was consistent with the transportation system plan.

Commissioner Carpenter asked what, was the assumption of density behind the modeling. Nick Arnis Transportation Manager, provided information indicating that the LCOG model used 16.33 units for all the MDR land. Commissioner Carpenter determined that the applicant owned the other 65 acres that was zoned MDR. He expressed concern that the applicant would return to the City and ask that the trip cap be dropped because it could not be met as a result of the development of the remaining acres. Mr. McKenney reminded Commissioner Carpenter that the annexation agreement for the entire site required a

master plan, and the applicant would be required to describe what it intended to put in type and quantity on the entire site. That development would have to be consistent with the transportation facilities available when the development was built.

Mr. McKenney noted that the trip cap was not considered a precisely accurate number. It was a limit that one attributed to the development. The number had a purpose; that purpose was to assure that the land subject to the application did not generate more trips than the number established, because if it does, the development might not meet the TPR. Staff wanted to guarantee that the applicant's assumptions could be lived with in the future. Commissioner Carpenter asked if the City would measure to determine if the trip cap was exceeded. Mr. McKenney said that as part of the master plan, staff recommended that the applicant do a trip allocation plan tying the cap to the manner in which the entire site was developed. Commissioner Carpenter asked if traffic counters would be placed at the intersections to determine if traffic counts were exceeded. Mr. McKenney said that there could be at some time in the future.

Responding to a question from Commissioner Carpenter, Mr. McKenney confirmed that the trip cap was proposed by the applicant and based on what was proposed to be developed rather than what was in place now. He said that the transportation system could handle the traffic projected, but given how close some of the projections were to the performance standard, the City wanted to ensure that no more than the traffic projected came from the development. The cap assured that. Commissioner Carpenter determined from Mr. McKenney that the existing development was not a basis for the trip cap.

Commissioner Carpenter asked if there would be a trip cap for the remaining 65 acres, even though it was not being rezoned. Mr. McKenney reiterated the requirement for the master plan for the entire site, through which the applicant must demonstrate the plan had adequate transportation facilities in place at each phase of the development and with each site plan for any phase. If the applicant wanted to develop at 20 units per acre, which he doubted was feasible, it would have to demonstrate it did not exceed the performance standards. If the applicant could do so, and the proposed density was within what was allowed by the code, there was no issue. The purpose of the master plan was to assure consistency between what was proposed and what was constructed, and construction could not occur until the needed capacity was in place.

Commissioner Carpenter referred to the tables on pages I-46 to I-48 providing volume-to-capacity ratios and Level of Service (LOS) for affected facilities and noted that the tables indicated greater numbers than the mobility standards. Mr. McKenney confirmed that there were places where the numbers exceed the mobility standard. Commissioner Carpenter asked if that was a problem in terms of worsening traffic conditions in the area. Mr. McKenney said that relative to the application, no. He said that the table indicated that without the amendments, the situation was no worse. He said that congestion would occur however the land developed. In response to a follow-up question from Commissioner Carpenter, Mr. McKenney confirmed that LOS D was the current standard and LOS C met the standard. If the standard was not exceeded under the existing designation, the applicant could not exceed the standard. If the standard was exceeded without the amendment, as was the case in the volume to capacity ratio, the amendment could not make the situation worse.

Commissioner Shaver referred to Table 5 on page I-48 and noted that it indicated that even with mitigation, the facility labeled “Pioneer Parkway at eastbound Highway 126 ramps,” the LOS was still too high for capacity. Mr. McKenney confirmed the development made the situation worse. Commissioner Shaver asked what staff was recommending to mitigate the situation. Mr. McKenney said that the applicant had proposed improvements to the facility that the traffic consultant calculated would bring the figure down to .93. He noted that the involved facility was an ODOT facility. Mr. McKenney said that approval would be conditioned on improvements at that intersection beyond what the applicant proposed. The scope of those improvements were developed in consultation with ODOT staff. That condition would require the improvements prior to construction. Commissioner Shaver asked if staff was satisfied that imposition of the condition meant the volume to capacity ratio would not exceed 1.03. Mr. McKenney said yes. He said the analysis that led to the .93 calculation assumed a much more modest improvement than was being conditioned.

Commissioner Shaver said in his review of the staff materials, he could not recall any other intersections or roadways where LOS dropped below acceptable or current standards. The intersection he cited was the only such facility. Mr. McKenney concurred. He added that was what the TPR required.

Commissioner Burford invited further questions. There were none, so he called for a ten-minute meeting recess.

Commissioner Burford reconvened the hearing.

Commissioner Burford asked the commissioners to share their thoughts on the application before the commission.

Commissioner Shaver said the process had been an interesting and important one. He was honored to be on the commission serving the public when it made the decision. He recalled his past service on the commission and noted that at the end of his service, work on the Gateway Refinement Plan had been in process. He said that many, many citizen hours and energy had been spent on the plan. He said that there had been many intense discussions about the neighbors’ expectations of the future.

Speaking to those who called for wider regional involvement in the decision before the commission, Commissioner Shaver said that Springfield had the right and responsibility to make the decision. The remainder of the community might not like that and he understood that. Perhaps the decision should be made in the broader context, but the City was following the law and a process that all three jurisdictions party to the Eugene-Springfield Metropolitan Area General Plan had agreed to.

Commissioner Shaver discussed the applicable land use goals. Regarding Goal 1, Citizen Involvement, he believed its requirements had been met. The commission’s process was extensive and it had done what it could to involve the public. He said he was not calling the process a good process. Commissioner Shaver said he had personally been disappointed with the way in which the proposal was presented as a “done deal” by the applicant and news media from the start of the process, which led people to believe that the decision had been made.

Commissioner Shaver noted that the commission was in midst of the Goal 2, Land Use Planning, process.

Commissioner Shaver did not see goals 3 (Agricultural Lands) or 4 (Forest Lands) as being applicable to the decision before the commission.

Regarding Goal 5, Open Spaces, Scenic and Historic Areas, and Natural Resources, Commissioner Shaver believed the goal could be conditionally met. The area was located inside the urban growth boundary and its future development was addressed by planning documents. The level of development, to the degree it was to be urban, had been determined long ago. The area would develop in the future with or without the application. Commissioner Shaver said that the view that would be lost if a nine-story building was allowed to develop on the property was an issue for him. He thought the threat to the residents' views of the Coburg hills would require the commission to condition the size of the building to be constructed if the application was recommended for approval. He suggested that this was the appropriate process to deal with the issue; otherwise, there would be no height standards in all the land use designations.

Commissioner Shaver did not find Goal 6, Air, Water, and Land Resources, applicable to the decision before the commission.

Regarding Goal 7, Areas Subject to Natural Disasters and Hazards, Commissioner Shaver thought that PeaceHealth had done an excellent job in addressing his concerns and the concerns raised by others regarding flooding and earthquakes. He said that nothing was 100 percent safe. The information he had seen indicated that the seismic stability of the area was better than other areas, and the location was above the flood plain. He acknowledged that there were seismic issues about both the existing hospitals and the area's bridges, but he did not see the difference between not being able to reach a hospital that was still standing and being able to reach one that had fallen down. He did not see those concerns as sufficient to deny the application on the basis of Goal 6.

Commissioner Shaver did not find Goal 8, Recreation, applicable to the decision.

Commissioner Shaver did not think that Goal 9, Economic Development, was met merely because construction jobs would be created. If the construction jobs were sufficient to meet Goal 9, every project would meet the goal, so one must look beyond the construction project itself. Mr. Shaver believed that the estimated 2,200 new jobs in Springfield represented a transfer of jobs from Eugene to Springfield. The two communities share a common employment base and planning area. He was more concerned about the threat the relocation of PeaceHealth posed to the financial health of McKenzie-Willamette Hospital and its 1,000 jobs. Commissioner Shaver anticipated two potential outcomes: Springfield could potentially lose its existing hospital and PeaceHealth would become the sole provider of health care in the community, causing those costs to rise. That would be a negative economic effect. A second outcome was that the two communities could exchange hospitals at a high cost to taxpayers. The local community would have to service that debt, meaning that the payers for service and payers into the insurance programs would make those debt payments.

Regarding Goal 10, Housing- Commissioner Shaver did not think the goal was met by the amendments. If adopted, the City walked away from its earlier commitment to meet the goal. He said that when the land was re-designated, the Planning Director stressed the importance of the MDR housing. It was difficult housing to create because the single-family neighborhoods do not want such housing located near them. The Gateway neighbors had preferred the MDR zoning to other options, such as industrial. The 160 acres of land in the applicant's ownership currently zoned MDR could produce a minimum of 1,601 housing units. Removing 66 acres from the housing inventory for a hospital and 33 acres for commercial use would remove a significant amount of land from the inventory and could mean a potential loss of 700 to 2,200 units of housing. At a density of 15 units per acre, the loss would be about 1,500 units of housing.

Regarding Goal 11, Public Services and Facilities- Commissioner Shaver said it could be met conditionally. He acknowledged that some needed improvements and services would be paid for by the applicant. He said that there would be other off-site impacts, such as the Pioneer Parkway-Q Street interchange. Improvements to that intersection would cost about \$15 million, and the applicant was not required to pay for the cost of the interchange and had not offered to do so. He thought that upgrading Pioneer Parkway would trigger the need for those interchange improvements soon.

Commissioner Shaver addressed the costs of providing police protection to the site. He noted that the two communities currently addressed police needs at the two respective hospitals. Now Springfield would have to provide police protection to two hospitals. However, he thought the issue could be addressed.

Regarding Goal 12, Transportation- Commissioner Shaver said that he thought the goal could be met conditionally. However, he believed that the application failed on the basis of the TPR. He said that examination of the different studies indicated the proper use of the trip cap could ameliorate undesirable effects. Whether the City wanted the additional traffic was another issue. He anticipated more requests would be received for sound walls as a result of the development being proposed. Commissioner Shaver believed that the City needed to keep in mind the fact that it was taking a hospital out of a population center and moving it to the edge of another population center. Everyone going to a hospital would now be going to a hospital in Springfield. What could be a short trip for many would be a long trip for everyone but Springfield residents. That went against the intent of the TPR. He did not think that the Bus Rapid Transit would address the transportation demand created by the hospital. Some employees on some shifts would be able to rely on that, but neither patients nor doctors would use the system. Many more trip miles would be added to the system if the application was approved.

Regarding Goal 13, Energy Conservation- Commissioner Shaver suggested could that, with the exception of transit, the goal could be met.

Commissioner Shaver did not find State goals 14-20 applicable to the application.

Commissioner Shaver spoke to the relationship of the Springfield Commercial Lands Study to the application. He said the applicant used the study to support the designation of the 33 acres of MDR zoned land to an MUC designation. He said the study projected a shortfall in commercial lands in Springfield and called for redevelopment of land and the

use of the commercial zoning designation to accomplish that. Much of the focus of the study was on other two areas of the city outside the Gateway Refinement Plan area. However, several of its findings have a direct bearing on the applicant's request. The study recommended re-designation of from 10 to 15 acres of MDR land to neighborhood commercial, not community commercial. It discussed neighborhood opposition to the zoning of neighborhood commercial zoning and the need to mitigate that opposition with standards that assured neighborhood compatibility. The study also recommended that Springfield update its residential lands inventory before any rezoning of residential lands to implement the study policies occurred. He did not think that any rezoning proposals should go beyond that recommended in the Commercial Lands Study.

Commissioner Shaver discussed the relationship of the Gateway Refinement Plan to the application. He said that it was very comprehensive refinement plan and more than 200 neighbors were involved in its development. It contained the largest commercial component of any area in the city and the second largest in the metropolitan area. It already has plenty of commercial uses. Neighbors wanted to limit the amount of commercial land in the area and the City had included language in the plan to limit those possibilities. The commercial uses in the area were intended to serve neighbors but not serve as attractor for traffic from outside the neighborhood. A maximum of three acres of neighborhood commercial was called for. Commissioner Shaver pointed out that no provision was made in the refinement plan for medical offices, much less a regional hospital. The applicant's request ran counter to the refinement plan's intent and was contrary to what was permitted. Commissioner Shaver said that approval of the proposed amendments would be a radical departure from the adopted refinement plan and what neighbors believed they could expect in the future.. In addition, approval of the request would disavow the utility of the refinement planning process and work against Springfield's desire for planning integrity and certainty. He called for denial of the application.

Commissioner Shaver said he loved Springfield and worked for changes that would allow for many development projects. He was not anti-development; he was pro-Springfield. He said that the temptation to bring the hospital was attractive to many, but he thought the amendments were bad for Springfield.

Commissioner Beyer noted his own past service on the Planning Commission and City Council and his involvement in the development of the Gateway Refinement Plan. He said the City made many commitments through that plan. The discussions about what planning participants thought would happen on the land in question was different than what was being proposed. People had envisioned attractive multi-family developments being done on the property in question. He was unsure that was the best use for Springfield at this time given that it was comparatively flat land and could be used for other purposes.

Commissioner Beyer said the decision was one of the hardest he faced in many years of community service. He had visited McKenzie-Willamette Hospital and viewed the donor wall and thought about the community's efforts to create the hospital. He said that a hospital was a different use from other commercial uses. He was very concerned about the impact of the commission's decision on the hospital. However, he said that the commission agreed to live within the laws of the State and its adopted plans.

Commissioner Beyer said he reached a different conclusion than Commissioner Shaver. He did not find that the transportation, housing, infrastructure and issues involved were a barrier for the approval of the application. He had concerns about the impact of the development on City services, in particular public safety, but could not find grounds to deny the application on that basis. The State goal related to economic development had been a concern, but he could not state a conclusion with any certainty. The fate of the two hospitals was unknown. He said that some levels of employment would occur, but he was unsure of those levels. He also had serious questions whether the nodal concept fit into the area, or whether it fit with a hospital. However, Commissioner Beyer believed the application met the criteria and should be forwarded to the council with a recommendation of approval. He suggested that the City needed to consider the entire site and consider broader, less restrictive uses for the other 33 acres that would ultimately develop. Commissioner Beyer believed a logical divider between the hospital development and campus industrial zoning was Deadmond Ferry Road and Game Farm Road.

Commissioner Beyer shared Commissioner Shaver's concern about the view shed and said he opposed any development on the site that exceeded four stories. He agreed with Commissioner Shaver that this was the appropriate process through which to make that condition.

Commissioner Beyer concluded that, given the legal constraints the commission was operating under, he believed the application met the legal criteria and should be recommended to the council for approval.

Commissioner Moe said he would prefer not to be here and did not think the situation should have come up. He supported the expansion of the hospital at its existing site but acknowledged the difficulty of that. He acknowledged that the hospital had looked at other sites such as its own property in north Eugene, but the Eugene council had threatened to downzone that property to prevent the relocation of that community's largest private employer. Commissioner Moe said that PeaceHealth came to Springfield because there was available land and because Springfield's regulations allowed the hospital to use the land in question for a hospital.

Commissioner Moe pointed out that allowing a MS district in a MDR zone was what allowed the application to be submitted. He said that PeaceHealth owned the property and had the right to develop it. He believed that the application met the criteria. Many of his questions were answered by the staff report. He said he would support the application and testify before the council about the scope of issues involved, including the effect of the application on the McKenzie-Willamette Hospital, which he did not like. Commissioner Moe hoped that the council could do something about that. However, he felt that the commission was tied by the rules and regulations governing the application.

Regarding the issue of height, Commissioner Moe noted that the MS zone has a height limit. If the MS zone was applied, the applicant would be limited to a certain height.

Commissioner Carpenter noted that testimony had been received from former Mayor Bill Morrisette and outgoing councilor Fred Simmons, and they had urged the commission to consider the opportunities and risk of the application. He wanted to ensure that any

approval was conditioned to assure the commission that what it was presented on paper would be codified. He wanted to ensure that if anything changed from what was being proposed in the application, the situation would return to the status quo. He said that in his review of the testimony associated with the refinement plan, it was clear there was no discussion of nodal development when the refinement plan was developed. That had him incline to approve the application. Commissioner Carpenter suggested that this application presented an opportunity for nodal development to be done right by a developer with sufficient resources.

Commissioner Carpenter noted that the MDR land along the river was retained in the refinement plan in spite of attempts to re-designate it for low-density residential. He did not want to lose the 1,500 housing units mentioned by Commissioner Shaver, and wanted to accommodate that housing in a nodal concept. His support for the application would be dependent on the inclusion of a condition stipulating that the MDR designation would not be lost. He suggested that approval of the application be conditioned on the achievement of nodal densities. Commissioner Carpenter wanted to include conditions that assured the City and its residents of PeaceHealth's commitment to its plans. He said that otherwise, he would not approve the application because he believed it was counter to the refinement plan.

Commissioner Carpenter suggested that one benefit to the location of PeaceHealth at the proposed site was its proximity to the freeway and the access that created for residents.

Commissioner Carpenter noted his previous concern regarding Goal 9 and the economic impacts from the development on the McKenzie-Willamette Hospital. He had reviewed the record and found conflicting testimony from board members and officers of the hospital regarding the impact of the application on the hospital. He did not find sufficient information in the record to conclude 1,000 jobs would be lost if the application was approved. He believed that if that happened, there were factors other than PeaceHealth moving one-half mile closer to Springfield than it was now that would be relevant.

Speaking to Commissioner Shaver's points about the potential switch of hospitals between the two communities, Commissioner Carpenter pointed out that PeaceHealth would be a larger facility it had indicated it intended to retain some level of service in Eugene; for that reason, he believed it possible to make positive findings under Goal 9 that there would be some job creation.

Regarding Goal 1, Commissioner Carpenter suggested the City had done the best job it could with the constraints it faced. He said that the three jurisdictions party to the Metro Plan had agreed that decisions regarding plan amendments wholly inside a jurisdictional boundary were the decision of that jurisdiction. He expressed surprise that no elected officials from Eugene or Lane County appeared to testify before the commission. They had the opportunity, and elected not to exercise it. He said that the process might not be the best one, but it was the statutory process.

Regarding Goal 7, Commissioner Carpenter said the applicant demonstrated that the location of natural hazards was not sufficient to warrant a denial. Speculating on which bridges would fall in an earthquake was useless. He did not find arguments in this area valid, and questioned whether another site could be found in the community with as little

earthquake hazard. Regarding the potential of flooding, he thought siting the hospital above the flood plain addressed those concerns.

Regarding Goal 8, Recreation, Commissioner Carpenter noted his previously expressed concerns regarding access to the river for recreation and the subsequent staff recommendation in that area. He shared the concern about the loss of the view shed expressed by other commissioners. He agreed with Commissioner Beyer about the need to limit the building height of the development for the sake of compatibility with the neighborhood and the river itself. He said that the river was a major recreational facility and he did not think that a ten-story tower adjacent to it was appropriate. He agreed that should be done in this process rather than in the master planning process.

Commissioner Carpenter noted that the Gateway Refinement Plan also included plans for a golf course. He believed that a hospital more commercially feasible than a golf course.

Commissioner Carpenter said he would also include as a condition of approval that any ownership change or change in plans would sunset the commission's decision and restore the original zoning to the property.

Commissioner Carpenter emphasized his support for the application was based on the potential it could result in a workable node. He said he would place deadlines on certain elements in the process and if the deadlines were not met, the approval would be sunset and the original zoning restored to the property.

Commissioner Carpenter said he would reluctantly support the amendments and urged all local government leaders with a concern about the topic to testify before the City Council and called on Springfield officials to change the Springfield code to allow the City to see the uses proposed for a site before it approved an application.

Commissioner Phillips shared the concerns expressed by other commissioners regarding the impact of the application on McKenzie-Willamette Hospital. However, she did not think the hospital should be adversely affected by approval of the application as it provided different kinds of medical treatment and care than PeaceHealth. She shared Commissioner Beyer's concern about the height of the hospital facility being proposed. She said that a four-story building would be more acceptable to her than a nine-story building.

Commissioner Phillips believed the application met the relevant criteria and indicated her support for both amendments.

Commissioner Burford thanked the staff and applicants for their presentations, and thanked those citizens offering testimony to the commission. He agreed with other commissioners that the decision before the commission was a very difficult one.

Commissioner Burford said that while the application appeared to meet most of the State goals, he did not think the application satisfied the criteria related to Goal 9, Economic Development, Goal 10, Housing, or Goal 12, Transportation. He agreed with Commissioner Shaver's assessment of the refinement planning process and said he did not think the criteria associated with that amendment were satisfied by the application. He

was concerned about the impact of the application on McKenzie-Willamette Hospital and the impact of that hospital's potential failure as it related to Goal 9.

Commissioner Burford also shared the concerns about height expressed by other commissioners, and agreed with Commissioner Carpenter that a change of owners or plans should trigger a reversal of approval of the application.

In conclusion, Commissioner Burford said he did not support the application.

Commissioner Carpenter raised the issue of the commercial zoning raised by Arlie and Company. He said that it appeared Arlie and Company wanted a Metro Plan Diagram change, and he did not think that could be done by the commission at this time. Mr. Stephens clarified that the location of the commercial zoning was not site-specific. The company was not a party to the application but its property was affected by the Gateway Refinement Plan text amendments. The mixed-use commercial zoning could be applied to any annexed property within the Gateway MDR site either through the master plan or through the City's nodal implementation project. He said that the text before the commission gave the City the ability to analyze the best location for the 33 acres of mixed-use commercial, and some could end up on the Arlie property.

Commissioner Carpenter indicated that in the absence of a formal application, he did not want to take any action on the issue of the commercial zoning on the Arlie and Company property.

Commissioner Beyer referred to the refinement plan map and noted the MDR designation went to Deadmond Ferry Road (Exhibit B, page 211 of the application). He compared that with Exhibit C, which showed the area under discussion and which included the Arlie and Company property. Commissioner Beyer suggested that the application should include everything to Deadmond Ferry's Road. Mr. Stephens clarified that the properties fronting on Deadmond Ferry Road were low-density residential, not MDR. Regarding the issue of whether to consider them now, Mr. Stephens said that in a way, the City was considering the area now because as soon as those properties annex, they would be subject to the policy elements of the amendments and would be addressed through the nodal implementation project. Commissioner Beyer did not think it made sense to "bury" mixed use between a small strip of residences with none fronting Deadmond Ferry Road, which was directly across from campus industrially designated land. Mr. Stephens pointed out that the properties in question were outside the city limits and owned by others. He reiterated they would be addressed through the nodal development implementation project, which the City hoped to process concurrently. Action the commission took tonight did not preclude what Mr. Beyer had suggested.

Commissioner Shaver said he believed that there were sufficient grounds to deny the application and urged commissioners not to feel boxed in. He believed that every acre designated commercially would be used for commercial purposes. Commissioner Shaver indicated he could support ten acres of neighborhood commercial zoning with a nodal overlay zone but not fifteen acres of mixed-use commercial. He said that if the commission did not want to have all the commercial acres used by one applicant, it should preclude that possibility now.

Commissioner Carpenter pointed out that nodal development does away with neighborhood commercial zoning it was a different concept. Mr. Stephens said that neighborhood commercial zoning could limit the City's ability to limit nodal development. He confirmed, in response to a question from Commissioner Shaver, that the City could overlay the area with neighborhood commercial zoning but it would be limited to those restrictions in that zone. Mr. Stephens did not know if the limitations in the neighborhood commercial zone would result in a functional node. He clarified that allowing 33 acres of commercial did not mean that 33 acres of commercial zoning would be assigned to the property; the City Council would decide what amount was appropriate through the master plan process.

Speaking to Commissioner Shaver's comments, Mr. Leahy said that Arlie and Company was concerned it was being locked out of the process. Staff had been clear with Arlie representatives that decisions about the siting of the commercial would occur later during the master plan process, and no decisions were being made now with respect to that acreage. The commission would play a role in determining the allocation of the commercial acreage in its review of the master plan. Commissioner Shaver agreed, but said if the commission allowed for 33 acres of mixed-use commercial, the applicant would produce a master plan showing 33 acres of commercial, and City would not be able to say no to the applicant because it would have no basis to deny it; it was allowed in the plan.

Commissioner Beyer agreed with Commissioner Shaver. He believed that allowing for 33 acres of commercial would result in a master plan proposal for 33 acres of commercial, but that did not, particularly concern him.

Commissioner Beyer believed there was consensus among those in support of the application for the imposition of a height limitation on the application. He suggested a limit of five stories. Commissioner Beyer said he would feel comfortable if the application spoke to the need to involve adjacent property owners in the master planning process. Mr. Stephens indicated that adjacent property owners and neighbors would have an opportunity to be involved in the master planning process as well as the nodal development implementation project.

Commissioner Beyer asked how the City could assure that the master planning process would not be dominated by the largest land owner. Mr. Stephens clarified that any property owners participating in the master plan must sign the application. The nodal implementation project had been initiated by the City Council and included a citizen involvement component. Mr. Leahy said that it was difficult to require one property owner to join in the master planning process. Several of the property owners in the area do not want the City to bother them. He said that the City's attempted to get PeaceHealth and Arlie and Company to work together on a master plan through its annexation agreements with those parties, but there had been difficulty in realizing that goal. He suggested that the issues involved might be ironed out with the assistance of City staff. Mr. Leahy pointed out that the final decision on the master plan would be the City's.

Commissioner Beyer said there were three reasons he supported the imposition of a condition related to height: 1) compatibility with the neighborhood; 2) maintaining the view from the river; and 3) maintaining the view shed of the Coburg Hills looking out across the river.

Mr. Stephens noted that the MUC district associated with the application has a height limitation of 50 feet. Commissioner Burford questioned where the issue of solar protection for nearby residents was addressed. Mr. Stephens indicated that the properties were sufficiently large to allow for setbacks to buffer the facility from the neighborhood.

Ms. Kieran noted that height limitations in the MS district varied depending on the adjacent use. Planning Director Greg Mott suggested the commission consider a height limitation of 60 feet unless otherwise adjusted in a master planning process (“or as otherwise modified by an approved master plan”). There was brief discussion of how many stories were actually allowed by 60 feet. Commissioner Beyer accepted a suggestion from Commissioner Carpenter to phrase the condition “not greater than 60 feet.”

Commissioner Carpenter suggested a minimum number of housing units be established to offset the loss of MDR-zoned land. Mr. Stephens reported that he had reviewed the residential lands inventory for the site, which was included in the record. He said that no density was allocated in the inventory to the flood plain on the site; the master plan would show residential development in the 100-year flood plain, in accordance with Article 27. PeaceHealth proposed to achieve density on the site by placing housing on areas that no density was assigned to in the inventory. Mr. Stephens recalled that the inventory assigned around 800 units to the entire Gateway MDR site. Implementation action 12.6 was intended to address the issue by calling for the applicant to demonstrate that the site would be able to accommodate the number of housing units within the range for MDR land use designation in the Metro Plan and refinement plan. He said that staff would, through review, ensure that the minimum density in the residential lands inventory was accounted for. He said that staff did not specifically include the number in this application because there could be multiple master plans submitted, and density would be calculated proportionally.

Commissioner Shaver said if the commission decided it wanted to see a hospital on the property, it would not have housing. It would have to rezone the property to HDR to achieve the densities called for by nodal development.

Mr. Stephens reiterated that the City discounted all the property in the flood plain when it did the residential lands inventory. The City did not calculate the units out to 10 to 20 units per gross acreage, so Commissioner Shaver’s assumptions regarding potential build out were higher than the inventory. He referred the commission to page 1-18 of the staff report, which stated that assuming a minimum of 12 dwelling units per acre as required in the nodal overlay, the minimum density for the MDR site would be 780 dwelling units. Implementation Action 12.6 would require that the density planned for in the residential lands inventory would be preserved on the site, and the applicant must demonstrate that there was no net loss of housing below the minimum assigned density in the residential lands inventory.

Commissioner Beyer believed Commissioner Carpenter’s concern was addressed Mr. Stephens’ remarks. Mr. Stephens agreed.

Commissioner Carpenter asked about his suggestion to impose a condition related to a sunset. Mr. Leahy believed that Commissioner Carpenter's suggestion was a problematic approach that might not be easy to accomplish or construct at this time. He suggested that the commission could make a philosophical statement related to the issue. He said the annexation agreement included some "drop-dead" dates that, if not met, would result in the "de-annexation" of the property. Commissioner Carpenter said that did not address the issue of what would happen if the property was sold. Mr. Leahy pointed out that the property would still be burdened by the conditions imposed by the commission. The conditions followed the land, not the owner.

Responding to a question from Commissioner Beyer regarding the location of the floating node, Mr. Stephens indicated that would be established through the master planning process. He confirmed, in response to a follow-up question from Commissioner Beyer, that the floating node would be shown on the diagram. He anticipated that by the time the map was reprinted, staff would know the location of the floating node and other physical improvements.

Commissioner Shaver reiterated his concerns about the amount of commercial acreage that would be proposed in the master plan.

Commissioner Carpenter moved, seconded by Commissioner Beyer, to approve the 33-acre Metro Plan amendment, Jo. No. 2002-08-243, with the following conditions: 1) condition 1 as spelled out in Exhibit A, 2) condition 2 as spelled out in Exhibit A; 3) that there be a 60-foot height limitation mainly to comply with Goal 8 regarding recreational interests, 4) that there an approval of the master plan generally, and if the master plan does not become approved, then this recommendation would be rescinded and the amendment would be voided, and 5) the master plan must include a hospital.

Commissioner Carpenter accepted a suggestion offered by Mr. Leahy and Ms. Kieran that the intent of condition 4 would be conveyed to the City Council using language crafted by the City Attorneys.

The motion passed on a vote of 4:2, Commissioner Shaver and Commissioner Burford voting no.

Commissioner Carpenter moved, seconded by Commissioner Phillips, to approve Jo. No. 2002-08-244, with the following conditions, and including all of the text amendments recommended by staff with the exception of the one regarding height, which will be a maximum of 60 feet, and assuming that it could be approved by the City Attorney, that once again this would revert back to the original plan and language in the event that a master plan is not approved and there is not a hospital in the master plan, and including the findings related to goals compliance and the other applicable criteria of approval. The motion passed on a vote of 4:2; Commissioner Shaver and Commissioner Burford voting no.

Commissioner Malloy assumed the chair.

6. Business from the Development Services Director

There was none.

7. Business from the Commission

Commissioner Carpenter seconded by Commissioner Burford, moved to elect Commissioner Phillips chair of the commission. The motion passed unanimously.

Commissioner Beyer, seconded by Commissioner Carpenter, moved to elect Commissioner Moe vice chair of the commission. The motion passed unanimously.

The meeting adjourned at 9:50 p.m.

(Recorded by Kimberly Young)

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