

Minutes
Cheney Planning Commission
Regular Meeting – By Phone/Video Conference

May 10, 2021

Commissioners Attending: Richard Mount, Natasha Jostad, Jake Vibbert, Dan Turbeville, David Early and Daniel Hillman.

Commissioners Absent: Vara Lyn Conrath.

Staff Attending: Brett Lucas, Mark Schuller, Todd Ableman and Susan Beeman.

Councilmembers Attending: Vince Barthels; Mayor Chris Grover.

Call to Order: Chairman Mount called the meeting to order at 6:03 p.m.

Minutes: Commissioner Early made a motion to approve the minutes of the March 8, 2021 regular meeting as distributed. Seconded by Commissioner Hillman, and the motion carried unanimously.

Citizen Participation: None.

Public Hearing: #2021-06
Zoning Text & Map Amendments – Business Park Rezone

Chairman Mount opened the public hearing at 6:05 p.m.

Mr. Ableman explained that the Industrial & Technology Park property was annexed into the city in 1987 with a Light Industrial zoning designation. It continued with that zoning designation until 2008, when it was changed to a Business Park designation.

The City received an economic development grant to put in roads and infrastructure, and we purchased about half of the land from All Pak Industries in order to qualify for the grant. Currently, the City owns the west side of the park, and All Pak owns the east side.

Mr. Ableman explained that we were hoping to emulate the business incubator model that works so effectively for Schweitzer Engineering Labs and the City of Pullman, developing a kind of high-tech business park. We have not seen that kind of development come about, and the surrounding businesses were all built under the Industrial zoning standards.

Mr. Ableman explained that we have had a proposal for self-storage units to be built in the Business Park, which is not allowed as a primary use under the BP zoning

designation. Self-storage units would be allowed as an accessory use to some other primary use.

He noted that since 2008, we have not received very many proposals for businesses to locate in this area. The current discussion is an effort to step back and take another look at this. One question we are considering is whether the BP zoning regulations were too stringent, and we are just not getting people to take a look at this land for development.

Mr. Lucas gave a presentation which described the zone change process, and noted that if approved, it must be based on a defined set of criteria outlined in the zoning code. A zone change requires a public hearing, and it is a legislative act, with the final decision by City Council. It may include specific conditions of approval to mitigate impacts to surrounding properties.

Mr. Lucas explained that tonight's objective is to have the Planning Commission consider this zone change application based on the facts, findings, and conditions outlined in the staff report; to take into consideration any public testimony that is provided, and to make a recommendation to City Council.

Mr. Lucas said that a notice of the application and hearing was provided to owners of property located within 300' of the proposal site, and a notice was placed in the Cheney Free Press. He reviewed the project timeline, and said that the deadline for issuing a decision on this matter is September 20, 2021, which is 120 days from the date of application.

Mr. Lucas explained that the proposal is by the City of Cheney to rezone the 36-acre business park from BP, Business Park zoning to I-1, Light Industrial, to allow for additional types of development to encourage business growth. Also included is a text amendment to add design standards for self-storage facilities as part of the I-1 zone.

Mr. Lucas added that the first building to be constructed in the Industrial Park was a marijuana farm which operated for just a few years. The building is now occupied by a server farm. A second building is under construction now, a manufacturing facility for JC Steel Targets. Mr. Lucas showed a map which displayed parcels by ownership, and noted that of the parcels under City of Cheney ownership, the majority are under a long-term lease to Jake Vibbert, and are proposed for development as self-storage facilities.

Commissioner Early asked about the General Commercial (C-2) land located south of SR-904. Mr. Lucas explained that the self-storage facility there is located half in the C-2 zone, and half in the Light Industrial (I-1) zone.

Mr. Lucas showed a map of the proposed 300 unit self-storage facility, which would include boat & RV parking areas.

Mr. Lucas reviewed comprehensive plan goals and policies which might relate to this proposal. He reviewed several Comprehensive Plan policies about expansion of the number of local living-wage jobs, building Cheney's economic base, and supporting the

growth and recruitment of industries complementing existing and technology related business clusters, and noted that policies related to job growth and technology development are not really addressed by development of this property as self-storage. He concluded that based on our Comprehensive Plan goals & policies, the zone change from Business Park to Light Industrial may require modifying the I-1 zoning text.

Mr. Lucas reviewed the zoning history of this property, explaining that it was annexed into the city in 1979 as the 'Thera Tech Annexation,' with an I-1, Light Industrial zoning designation. The site was rezoned to a BP, Business Park designation in 2008. At that time, it was intended to be a catalyst for technology, and R&D oriented business, similar to that of Schweitzer Business Park in Pullman. As Schweitzer has benefitted from research activities at both Washington State University and the University of Idaho, the hope was that the Business Park in Cheney would benefit from some of the activities at EWU.

He explained that this has not occurred for a variety of reasons, but primarily because EWU is not an R-1 or R-2 research university. Over the years, the EWU administration has not actively encouraged faculty to do research outside of their core teaching responsibilities.

He added that another reason the Business Park has not developed as hoped is a function of basic economic and location geography. There is other land in the West Plains area that would allow for business/tech park uses closer to the airport and I-90. Once those areas are developed, he suggested that the Business Park in Cheney will eventually see a share of development, as businesses move into the peripheral areas.

Mr. Lucas contrasted the development standards for the BP and I-1 zones. He suggested that a rezone to I-1 could allow structures as high as 85' in this area, which are the heights of the grain silos at ADM Mill. If we change the business park zoning to I-1, we might want to add to the code some restrictions on building heights in areas adjacent to residential zones.

Mr. Lucas reviewed criteria for zoning map amendments, and explained that 'changed conditions' may include public opinion, land use patterns, or the site itself. He noted that since construction of the business park in 2008, the City has not seen a large amount of interest from potential businesses to develop in the business park. He added that many businesses are looking for building shells that have already been constructed and are move-in ready with a minimal amount of tenant improvements.

The second criteria for approval of a zone change is that the amendment has a substantial relationship to the public health, safety, morals or welfare of the community. He noted that a change to Light Industrial could make the 36-acre site more attractive to businesses that generate a higher decibel level of noise. Also, the site would allow buildings up to 85' in height which may not be appropriate in relation to the single family residential neighborhood to the north.

The third criteria for approval of a zone map amendment would be that the amendment conforms to the Cheney Comprehensive Plan. He noted that it would conform, as the 'Industrial' Comprehensive Plan designation is broadly written to allow for a variety of industrial uses, as both the BP and I-1 zones are allowed. Mr. Lucas added that with this application, there would be no need to amend the Comprehensive Plan.

The fourth criteria for approval would be an explanation of how sound and sight buffering would be provided between land uses when they are residential in nature. Mr. Lucas said that as proposed, there would not be any site buffering provided, and this should be discussed to identify and minimize impacts on the existing residential uses.

Mr. Lucas discussed concurrency and comments. He stated that a trip distribution letter is required for traffic analysis where more than 1,000 vehicle trips would be generated per day. Trip distribution letters are generally reviewed at the project level, as part of the project review process.

He added that at the time the staff report was mailed out, no comment letters had been received. After staff reports were distributed, we received a comment letter from the property owner at 1529 W 1st Street, and also from the manager of the Cheney Public Storage facility. Those letters were provided to Planning Commission members via email earlier today.

Mr. Lucas reviewed some proposed design standards that staff recommends be adopted if the zone change is approved. These would include:

- Minimum roof pitch of 4:12.
- Colors to be muted earth tones including but not limited to gray, off-white and beige.
- Exterior vertical surfaces require 50% of area to be materials such as decorative brick veneer, stone, stucco, textured block, and other materials which reflect residential design elements.
- Fencing is required to be low-maintenance material and articulation at intervals no greater than 20'. Chain link fencing is not permitted.
- A building or series of buildings parallel with, and adjacent to, residentially zoned or developed property or street frontage must have staggered setbacks for every 70' of lineal development.
- There must be at least 10' of separation between buildings.
- All setback areas shall be landscaped with a variety of trees, shrubs and ground cover plants consistent with Type II landscaping as defined under Chapter CMC 21.42, Landscaping and Screening.
- A solid wall, a screening fence, or a combination of both achieving a perimeter screening to a minimum of 6' in height is required and shall be located so that a minimum of 75% of the landscaping area is outside the fence.
- A landscape plan must be prepared by a landscape architect licensed in the State of Washington.

- A performance bond equal to 25% of the value of the required landscaping will remain in effect for two years to assure full establishment of the plantings must be tendered before a certificate of occupancy is issued.

Mr. Lucas stated that two draft ordinances were included in the agenda packet for this meeting. Draft Ordinance ABC outlines the map amendment that would change the BP zoning to I-1 zoning. Draft Ordinance DEF would amend the zoning text for the I-1 zone to add design standards for self-storage facilities.

Mr. Lucas concluded that staff is neutral on this impact. He stated that the proposed zone change is consistent with the City's Comprehensive Plan, but the proposal could have an impact on the health, safety and general welfare of the surrounding area, with the potential for tall buildings on the north half of the site near Pineview Street.

Discussion followed. Chairman Mount asked if there are any ramifications with the potential zone change and the grant monies that were used to install infrastructure at the Industrial Park. Mr. Ableman reported that a goal of the grant was to report employment activity in the Industrial Park over the 6 or 9 years following receipt of the grant. Since that monitoring period expired, the grant has been closed out. Our city attorney sees no reason this would be a problem. Mr. Ableman said that the zoning probably could have remained I-1 and we still would have been eligible for the grant, but we chose to focus on the technology and business development aspect.

Commissioner Early asked about the terms and conditions of the lease currently in place on the City-owned lots in the Industrial Park. Mr. Ableman said that it is a multi-year lease with annual payments and periodic percentage increases.

Mayor Grover added that there is an option to purchase before the end of the lease period, as well.

Chairman Mount said that he has concerns about potential impacts on the land still owned by All-Pak, as well as the impacts on the adjacent residential neighborhood. Do we have any limitation on noise generated in the I-1 zone? Mr. Lucas said that the I-1 zone allows for a wide range of uses, from rail yards to other noise-intensive uses. Mr. Ableman suggested that we need to be considering some kind of height restriction, as well as noise restrictions on activities within a certain distance of the adjacent R-1 zone.

Chairman Mount recalled conflicts between adjacent residential and industrial uses that were brought to the Planning Commission several years ago, and noted that the industrial uses at North Star Equipment did not mesh very well with the residential uses at the adjacent RV park.

Chairman Mount said that we have had the Industrial Park designated since 2008, but we have only had two buildings sited there in that time. He asked Mr. Lucas if he knows how long it commonly takes for industrial parks to get established. Are we still in the infancy period? Have we had any interest at all from businesses that are more industrial in nature?

Mr. Lucas said that there are other business parks in the region, including a tech park at Post Falls just off I-90. The closer you are to the interstate, the faster a business park will develop. He is not sure how much research and analysis was done prior to 2008. Also, the City has not done a lot of marketing of those parcels, except a little outreach around 2012. He suggested that the slower buildout may be related to companies looking for building shells, ready to move into within a matter of a few months. When it is a matter of starting from vacant land, it might discourage companies who are looking for an opportunity to be in business more quickly.

Discussion continued.

Mr. Lucas said that to this point, we have not had a lot of demand for land in the BP zone, but we might not want to give up on it too soon. There is already additional Light Industrial land in the city, but there is not any other Business Park zoned land besides this 36 acres.

Commissioner Jostad asked if there are other parcels available in Cheney which are already zoned for self-storage units. Mr. Lucas said there is quite a bit of Light Industrial land available, and showed a zoning map, highlighting areas where self-storage facilities would be allowed under current zoning.

Paul Bondo, Equilus Capital Partners, introduced himself and explained that he currently has a piece of land under contract on the south side of 1st Street, across the highway from the Industrial Park. They are planning to build a self-storage facility with approximately 400 units, along with space for retail, office, and outdoor storage. He explained that his family has been in Cheney for 14 years, and his two sons graduated from EWU. When they lived here, they had trouble finding places to store things. Having a storage facility at this end of town is a good thing, but having three of them is too much. They have filed an application for a pre-construction meeting which is scheduled for May 20.

Mr. Bondo said that he has built apartments east of Presley, along 1st Street, which have less than a 2% vacancy rate. He believes that they are not a typical developer, but their vision for innovative design will make the community better.

Mr. Bondo stated that this will be a multi-use facility, and they can meet the design standards. They will not be high-rise buildings, but will be 2 stories, at the most. He said that the growth of Amazon is going to mean that offshoot businesses are going to need space to rent, as well as places to live. He said that building additional apartments would be their first choice, but the land they have under contract is not zoned for residential development. They are trying to build something that will serve both the residential and business community at the same time.

Mr. Bondo said that he does not believe a third storage facility is needed at this end of town, and if the Planning Commission allows the rezone of the Industrial Park to allow storage units, his company will go somewhere else.

Commissioner Early asked about the percentage of retail versus storage units in his project. Mr. Bondo explained that they are looking at a feasibility study to determine that mix.

Commissioner Early commented that we currently have self-storage units at each entrance to town, and he is concerned that it is the first thing you see when you enter the town. He wonders if this is the best use of the land. He referenced draft finding #8, which recognizes that losing the Business Park zoning could make it difficult to meet Comp Plan policies #2, 6, 8, 9, 11 & 42. He also has questions about where we are at in the life cycle of the business park. If we are approaching what could be its prime, and we allow it to be rezoned to something else, are we going to regret it later?

Chairman Mount stated that he has similar concerns, and feels that if we change the zoning designation of the Industrial Park, it is not just a small change, but would have a significant impact, and would not aid us in reaching the goals identified in the Comprehensive Plan. He is not seeing a compelling reason to change the zoning from what it presently is.

Mr. Bondo suggested that if they could build apartments in this area, they would do so. Since they cannot build apartments in this area, they are looking at facilities to support the population and businesses.

Discussion continued.

Commissioner Hillman suggested that the biggest reason to allow the rezone is that the Industrial Park has been mostly vacant for a decade, and a bird in the hand is worth two in the bush. We can wait and hope it gets better, or we can take action and try to help something happen sooner.

Chairman Mount referred to Mr. Archuletta's comment letter, and said there were several questions that have not yet been answered.

Mr. Lucas commented that the Cheney Light Department spent \$60,000 earlier this year to expand infrastructure to the Industrial Park to carry higher electrical loads used by the current server farm, and future businesses. Also, each parcel has water and sewer stubbed in, ready to connect. Development of storage facilities would not take advantage of any of those infrastructure investments which have already been made.

Mr. Lucas reviewed the questions raised in the letter from Mr. Archuletta, which started with asking why the land was being leased, and not sold outright. Mr. Lucas said that was the agreement reached between the City Council and Jake Vibbert several years ago, and he was not involved in those discussions.

Mr. Archuletta asked why the city planner doesn't just encourage Mr. Vibbert to build his self-storage facility on land that is already zoned appropriately for that use. Mr. Lucas said that he has had that conversation with Mr. Vibbert, but the lease is already in place, that that is the location Mr. Vibbert prefers.

Chairman Mount asked if this lease was entered into with the understanding that the property would be used for self-storage units.

Mayor Grover answered that there was discussion of storage units and professional development building, but those uses were not spelled out in the lease agreement. He added that he has been quite open about this, but he was not aware at the time of negotiations that self-storage facilities were not an allowed use in the BP zone.

Mr. Lucas referred to the next question asked by Mr. Archuletta, which had to do with personal relationships between the Mayor, himself, and Mr. Vibbert, and whether those constituted a conflict of interest. Mr. Lucas stated that he does not have a personal relationship with Mr. Vibbert. Mr. Vibbert is a member of the Planning Commission, and Mr. Lucas is a member of City staff.

Mayor Grover stated that he has a friendly relationship with Mr. Vibbert, but he would have had the same negotiations, and the same conversations, with anyone who showed interest in the Business Park. He saw it as a potential use for a property that has been stagnant for over 10 years, and he would have been happy to negotiate that with anybody.

Mr. Lucas referred to the next question, about whether the proposed changes to the zoning map were merely a 'fix for a decision-making mistake.' He noted that the Business Park was never intended for a self-storage facility, but the conversation tonight is about whether it would be appropriate to amend the zoning rules to permit self-storage in this area.

The next question related to commitments made to previous monetary contributors about the development of a 'business park' as something distinct from the surrounding Light Industrial area. Mr. Lucas said that this was addressed previously; there are no further reporting requirements related to grant funds received for infrastructure and development of the Business Park.

The final question had to do with the history and forecast efforts to promote development of the Business Park. Mr. Lucas said that there have been inquiries over the years, but no concerted efforts to market the property. He reminded the Commission that between 2008 and 2010, we were just coming out of a recession. Timing is everything.

Chairman Mount asked what kind of income would be generated for the City – would we recoup our costs in extending utilities to these sites by the existing lease/option to buy agreement?

Mr. Lucas said there are a couple of aspects to this. First, there is sales tax generated by construction activities, a portion of which is returned to the City. Then there is property tax revenue on developed land, versus property taxes on vacant land. We would have to do an analysis to really answer this question.

Commissioner Early asked if these lots were intended to be sold to businesses, or were they expected to be long-term leases? Mr. Lucas answered at the beginning, we were looking at selling the parcels to individual businesses. The business park was modeled after the WSU/Schweitzer Engineering Labs model, and the problem is that we just don't have a comparable research arm at EWU. Mr. Ableman added that the WSU model assumes that there would be students who develop patented products, and there would be available business & manufacturing space, not on the university campus, that they could use the first few years.

Discussion continued.

Commissioner Early said that for the past 10 years, we have not been meeting any of the goals related to employment and business growth. He is also concerned about optics: when people first enter our town, what impression do they get?

Mayor Grover responded to the discussion, and said that the City administration looked at the JC Steel Targets manufacturing facility, and their subsequent proposal for development of a self-storage facility. He saw this as a catalyst to look at the whole park, and how we can capitalize on a variety of different businesses coming in. He added that he wants to be very transparent about not knowing, during negotiations, that a storage facility was not an allowed use in the BP zone. When the conflict was pointed out, the question became, why are we restricting certain businesses from coming into Cheney?

Chairman Mount requested that staff provide a written response to Mr. Archuletta.

Chairman Mount verified that a quorum of commission members was still present on the video call. Mr. Lucas confirmed that there was still a quorum present, but Mr. Vibbert had recused himself from participation in the discussion about the potential rezone, as he is directly involved in the situation.

Chairman Mount called for further discussion or comments from commission members.

Commissioner Hillman made a motion to recommend approval of draft Ordinance ABC to City Council. The motion failed for lack of a second.

No further motions were offered. Chairman Mount closed the public hearing at 7:24 p.m.

Commissioner Reports:

Chairman Mount thanked City staff for their efforts during the Cheney Clean Sweep. He also thanked staff for the thoroughness of their presentation tonight.

Staff Reports:

Mr. Lucas reported that there is quite a bit of construction and development activity going on right now, and also code enforcement activities are increasing.

Mr. Ableman added that we are turning focus to parks, the pool, and summer event plans, particularly in light of changing Covid phases.

Chairman Mount asked if the City is doing any type of spraying for dandelions in city parks.

Commissioner Early asked about the large pile of dirt that has been placed just off Betz Road. Mr. Ableman said that was kind of a surprise, and staff is looking into it.

There being no further business, the meeting was adjourned at 7:28 p.m.

Respectfully Submitted,

Approved By:

Susan Beeman, Secretary

Richard Mount, Chairman