



# City of Prineville

## DEPARTMENT OF PLANNING & COMMUNITY DEVELOPMENT

### PLANNING COMMISSION STAFF REPORT

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**File No.:** AM-2025-105

**Applicant/Owner:** Dixie Land LLC  
P.O. Box 72  
Halsey, OR 97348

**Consultant:** LUA Consulting, (Jordan Cogburn)  
P.O. Box 5831  
Eugene, OR 97405

**Location/Zoning:** 1220 NW Gardner Road. Map and Tax lots 141536A002501. Also identified as Parcel 2 of partition plat 2006-49. The property is currently zoned Light Industrial (M1).

**Notice DLCD:** 11/7/2025

**Neighbor:** 11/18/2025

**Newspaper Notice:** Planning Commission Notice – 12/2/2025

**Public Hearing:** Planning Commission – 12/16/2025

**Criteria:** City Land use Code Chapter 153 sections 153.037, 153.051, 153.060, 153.201, 153.230 – 153.236, 153.252 & 153.256. City Comprehensive Plan Chapters 2, 3, 5, & 6. ORS – 227 & 197, OARs – 660-009, 660-012, 660-015.

**Related Documents:** Planning Application - AM-2016-103, PP. 2003-34, PP. 2006-49

**Staff Reviewer:** Joshua Smith,  
Planning Director

**Proposal:**

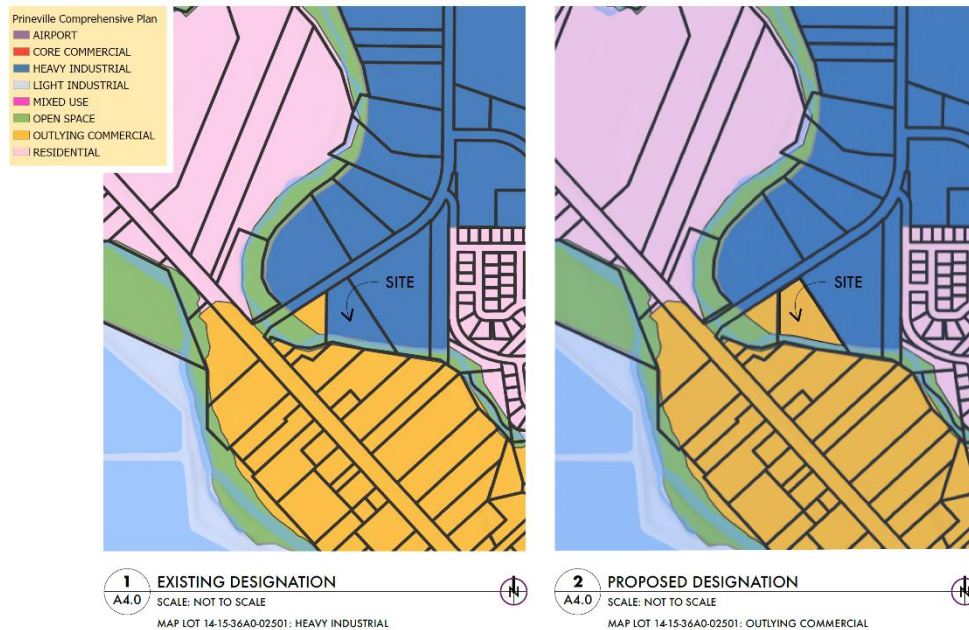
The Applicant is requesting approval of a zone change from Light Industrial (M1) to General Commercial (C2) as well as a comprehensive plan amendment from Heavy Industrial to Outlying Commercial. The existing Grocery Bandit commercial use abutting to the west is seeking to expand the commercial operations, including additional storage areas to the east of the existing structure. The anticipated commercial expansion will require the consolidation of the two jointly owned parcels into a single lot as the existing structure cannot be expanded across the current property line and the use is not on the list of allowed uses in the Light Industrial zone. Prior to the submittal of a lot consolidation application, the owner seeks to rezone the vacant parcel in order to avoid a split zoned property.

Below are several images of the property with proposed zone changes.

1. Aerial image (2023) of the property with floodplain comparison.



2. Proposed comprehensive plan amendment



3. Proposed zone amendment



**Background:** This property was annexed into the City as light industrial in January of 1989 (resolution 677) as part of a larger industrial lands annexation. The zone was designated as light industrial presumably because of the previous County zone and proximity to residential and commercial uses; though the Comprehensive plan designation remains heavy industrial. The property was a part of two partitions. The first in 2003 (PP. 2003-34) and again in 2006 as parcel 2 of PP. 2006-49. The property remains mostly vacant and is owned and utilized by the neighboring retail business; Grocery Bandit, on parcel 1 of the same plat. The current retail store on parcel 1 was originally developed in 2007 as a retail furniture store. A furniture store is one of the few types of retail allowed in the City's Light Industrial zone. In 2016 the zone of parcel 1 was changed from light industrial (M1) to General Commercial (C2), by planning application AM-2016-103 to accommodate the current use. The previous owner of the Grocery Bandit intended to use parcel 2 (the subject property) for more industrial warehousing purposes in conjunction with the grocery store. The new owners intend to consolidate the properties back to the original parcel in 2003 and expand the retail business.

**Findings Summary:** Staff finds that the requested plan amendment and zone change is a reasonable and appropriate request. The proposal will increase commercial C2 zoning without a significant impact to the current industrial zone or Natural Features Overlay District. This proposal will increase the commercial node near existing residential homes and an existing off highway path that further connects the proposal to residential areas. The proposal allows an existing business to expand its operations now and into the future, providing economic opportunities within the community.

## **SECTION 1: Code of Ordinances – Chapter 153, Land Use Code**

### ***Criteria: 153.037 COMMERCIAL & INDUSTRIAL USE TABLE***

#### ***M1 Light Industrial Zone***

***General Retail – Not Allowed***

***Grocery, Store or Market – Not Allowed***

#### ***C2 General Commercial Zone***

***General Retail – Outright***

***Grocery, Store or Market – Outright***

**FINDING 1A:** As shown above, the proposed expansion of the commercial use is not allowed in the M1 light industrial zone, but is allowed as an outright use in the General Commercial C2 zone. Due to the desire to expand the adjacent commercial use and with nearby residential uses; staff felt a zone change was a reasonable request that is justifiable.

### ***Criteria:***

#### ***153.051 GENERAL COMMERCIAL C-2 ZONE.***

***In a C-2 Zone, the following regulations shall apply.***

***(A) Purpose. The purpose of the C-2 Zone is to provide for those commercial uses which are considered more desirable to be located in an area outside of the downtown commercial core area, that are more dependent upon and create the highest volumes of vehicular traffic, are considered the heaviest or most intensive type of commercial uses, which actually involve a combination of heavy commercial and light industrial type uses, which commonly involve expansive areas of outside storage and displays of products and are more traveler oriented.***

**153.060 LIGHT INDUSTRIAL M-1 ZONE.**

*In an M-1 Zone, the following regulations shall apply.*

(A) **Purpose.** *The purpose of the Light Industrial M-1 Zone is to provide for a wide range of industrial uses, but limiting or excluding those industrial uses which are generally not considered compatible with adjoining commercial or residential areas and which, in many cases, involve industrial uses which involve hazardous or nuisance creating conditions.*

**FINDING 1B:** The C2 and M1 zones intersect on many uses but split when it comes to retail. Generally, only bulk retail like furniture or landscape materials are allowed in the M1 zone. This area fits the purpose of the M1 and C2 zones, however; due to the proximity to residential uses and the desire to expand an existing retail business, the C2 zone is justifiable.

**Criteria: 153.256.030.** *Decision on plan amendments and zone changes.*

A. *Except as set forth herein, the Planning Commission when acting as the Hearings Body shall have authority to make decisions on all quasi-judicial zone changes and plan amendments. Prior to becoming effective, all quasi-judicial plan amendments and zone changes shall be adopted by the City Council.*

B. *In considering all quasi-judicial zone changes and those quasi-judicial plan amendments on which the Planning Commission has authority to make a decision, the City Council shall, in the absence of an appeal or review initiated by the Council, adopt the Planning Commission decision. No argument or further testimony will be taken by the Council.*

**Finding 1C:** This proposal is for a Comprehensive Plan Map and Zoning Map amendment. As such it is subject to the process outlined in 153.230 – 153.236 and plan amendment decisions stated above. The purpose of the public hearing is to make a decision on the proposed amendment based on this staff report, the materials submitted by the applicant, and all comments and considerations raised through the land use application and hearings process. As stated in the absence of an appeal or review initiated by the Council, the Council shall adopt the Planning Commission decision with no argument or further testimony.

**SECTION 2: Code of Ordinances, Title XV – Chapter 154, Comprehensive Plan**

Chapters of the Comprehensive Plan that are relevant and applicable to the proposed Comprehensive Plan Map and Zoning Map amendment are discussed below. City Planning Staff generally agrees with the findings in the applicant's burden of proof and adds the following analysis:

***City of Prineville Comprehensive Plan - Chapter 2: Urban Land Uses and Zoning Designations***

*Goal # 1: Create land use regulations that enhance Prineville without sacrificing community values.*

**Commercial Zone Values and Policies**

- Commercial zones shall be places that provide a wide range of services and goods to citizens in a convenient manner and without creating unnecessary subsidies.
- Commercial areas, nodes, and zones should be located throughout the community to provide convenient shopping, employment, and services to citizens in an efficient manner.
- Commercial zones should provide adequate opportunities to locate and operate businesses so Prineville can be as self-sufficient as possible without requiring citizens to make excessive vehicle trips to other communities.



**Finding 2A:** This property is adjacent to an existing retail business (Grocery Bandit), that provides a commercial node for two existing subdivisions off Western Sky Road and future apartment complex to the north. While the City does have adequate commercial zoning; much of it is underdeveloped or being used as residential. The applicant has a desire to expand the grocery store onto this property. This would expand the commercial node and capacity of the business to meet the needs of an increased population in the area and community as a whole. Staff finds that the proposal is consistent with the Comprehensive Plan commercial values and policies.

*Goal # 5: Establish growth management tools and other strategies to pace land development with the ability to provide the required services within the community*

### **Growth Management Community Values and Policies**

- Prineville will need to utilize various planning strategies to accommodate growth and have a higher success rate for developing as intended and with minimum conflict.

**Finding 2B:** This plan amendment zone change will allow an existing business to expand within the City with minimal conflict to existing uses and traffic patterns. Staff finds that the proposal is consistent with these values and policies.

### ***City of Prineville Comprehensive Plan - Chapter 3: Natural Environment***

*Goal # 1: Protect and enhance identified Goal 5 resources and other features of the natural environment using a variety of methods and strategies*

### **Natural Environment Values and Policies**

- Local citizens desire to be good stewards of their community's natural resources, including significant natural resource sites and natural hazards shown on the Prineville Goal 5 and 7 inventory.
- Riparian and wetland areas support important wildlife and ecology and should be retained and enhanced to the greatest extent possible. Wildlife habitat associated with rivers, creeks and wetlands will be protected by maintaining and enhancing riparian vegetation within significant riparian corridors.
- The creeks and rivers that traverse the community need special setback protection and corridor enhancement. Prineville has applied a three-tiered protection program that recognizes different levels of development that have occurred near Ochoco Creek, Crooked River, and the Hudspeth and Ryegrass Drainages.
- The Prineville community has long experience with damaging floods. Prineville will amend the floodplain ordinance to incorporate a "no net loss of flood storage capacity" standard. Significant riparian corridors and wetlands within the 100-year floodplain will have a high level of protection.

**Finding 2C:** The applicant is aware that the entire property is within the Natural Features Overlay District. Specifically the property is within the 100-year floodplain and 50 foot setback to Ochoco Creek. A zone change from M1 to C2 does not change floodplain and setback requirements. Floodplain standards and setbacks will be reviewed as part of a future development application.

## ***City of Prineville Comprehensive Plan – Chapter 5: Economy***

***Goal # 1: Provide adequate industrial and commercial land inventories to satisfy the urban development needs of Prineville for at least the 20 year planning horizon.***

### **Economic Values and Policies**

- Updates to inventories and analysis of needed industrial and commercial land types, existing land supplies, and economic development strategies for meeting the requirements of the community are essential. It is necessary to provide adequate buildable industrial and commercial land for at least 20 years.
- Additional land is needed to support commercial and industrial uses. Where there are particular locational requirements for certain activities, amendments to the Comprehensive Plan may be necessary. Amendments should be evaluated in relation to all applicable policies of the Comprehensive Plan.

**Finding 2D:** This section of the Comprehensive Plan considers industrial and commercial land needs. The City is currently updating its economic opportunities analysis that will determine land need for the 20-year planning horizon. The existing analysis detailed in Chapter 5 identifies an unmet commercial need of approximately 100 acres. This will likely be significantly lower with the new analysis. This zone change will only provide approximately 1.3 acres of buildable land. The loss of industrial land will be insignificant considering the property is already owned and partially used by the adjacent commercial use. Staff finds that this zone change is consistent with the values and policies of Chapter 5 as it will provide needed commercial zoning with particular location requirements.

## ***City of Prineville Comprehensive Plan – Chapter 6: Transportation***

***Goal #1: Ensure a safe, efficient, and accessible transportation system for all users.***

### **General Transportation Street Network Policies**

4. Require new developments to include an analysis of transportation impacts, needs, and mitigation options. When warranted, require that development projects provide a Transportation Impact Analysis or Transportation Impact Letter analyzing project conditions in order to minimize impacts and protect transportation facilities.

**Finding 2E:** The applicant has submitted a traffic impact analysis. This analysis shows a potential for retail use to generate more trips than those allowed in the M1 zone; however, the analysis shows no significant impact if future uses are limited to a trip cap of 599 weekday daily trips or 78 weekday P.M. peak hour trips. This is a significant trip count that will likely not be reached by the expansion of the adjacent business. This will be analyzed further at time of development. This trip cap shall be stated as a condition in the implementing Ordinance.

### **SECTION 3: Oregon Administrative Rules**

**Criteria: OAR 660-009, 660-012, 660-015**

**Finding 3A:** The applicant's submittal addresses the appropriate Oregon Administrative Rules (OARs) for transportation, economic development and the statewide planning goals. In review of the applicant's responses to the various code sections, staff generally agrees with the applicant's findings and adds the following analysis:

- **OAR 660-009, Economic Development:** The intent of this division is to link planning for an adequate land supply; to infrastructure planning, community involvement and coordination among local governments and the state. The purpose of this division is to implement Goal 9, Economic Development and provide adequate opportunities for a variety of economic activities throughout the state. The City is currently updating its economic opportunities analysis. This analysis will likely show that additional commercial zoning is not needed, however; this zone change will help expand an existing business, meeting the purpose of Goal 9. This change will only provide approximately 1.3 acres of buildable commercial land. The loss of industrial land will be insignificant considering the property is already owned and partially used by the adjacent commercial use.
- **OAR 660-012, Transportation Planning:** The purpose of this rule is to provide and encourage a safe, convenient, and economic transportation system. It ensures that when a zone is changed, the allowed land uses are consistent with performance requirements in the City's transportation system plan (TSP). The applicant has provided a traffic assessment with findings and recommendations. As indicated in these findings the functional classification of the roadways serving the property will not change and no significant impact is found if a trip cap of 78 P.M. peak hour tips is implemented. Traffic impact of any new development will be reviewed again during the site plan review process and may limit development or require additional mitigating improvements.
- **OAR 660-015, Statewide Planning Goals:** The purpose of this rule is to outline the 19 statewide planning goals that all land use laws in Oregon are based on. The applicant effectively addresses how the proposal conforms to each applicable statewide planning goal. City staff agrees with the applicant's findings with no additional analysis.

#### **Staff Conclusions and Recommendation:**

Based on the findings above, staff has determined that the proposed Comprehensive Plan Map and Zoning Map amendments are consistent with the City's Zoning Ordinance and Comprehensive Plan as well as state Planning Goals, statutes and administrative rules.

Staff recommends that the Planning Commission make a formal recommendation to City Council to approve the proposal as presented in this report.

#### **EXHIBITS**

Exhibit A - Proposed Map Changes

Exhibit B - Burden of Proof

Exhibit C - Transportation Impact analysis