

# CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

## Study Session Worksheet

**Presentation Date:** June 19, 2012 **Approx Start Time:** 2:30 PM **Approx Length:** 30 min.

**Presentation Title:** Development Review Process for a Home-Based Business

**Department:** DTD-Administration

**Presenters:** Cam Gilmour, Director DTD and Diedre Landon, Policy Analyst

**Other Invitees:**

### **WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?**

Revisions to the Zoning and Development Ordinance (ZDO) include provisions that allow our residents to become entrepreneurs through a range of business opportunities that operate from the home. DTD Administration desires to provide the BCC with an overview of the development process that applies to a home-based business within Clackamas County. Staff requests that the BCC direct staff to continue with its process for review of these applications, or to address issues of concern the Board may have with our current process.

### **EXECUTIVE SUMMARY:**

In recent years the Oregon Legislature has reduced land use restrictions governing the Exclusive Farm Use (EFU) properties in Oregon. These changes have led to County ZDO changes that provide a variety of opportunities for the local entrepreneur, from commercial event hosting to agri-tourism.

This process requires land use and plan reviews that can trigger site and building improvements because Clackamas County is responsible for ensuring compliance with the ZDO and for the safety of the travelling public on our roadways. Similar to a 'brick and mortar' commercial development, the development review process confirms that the home-based business can safely accommodate the traffic on-site and that the county network is adequate for any increased traffic. The county applies the standards of a number of guiding documents when reviewing development and the applicant may encounter fees and be required to make site improvements in preparation for the commercial use.

### **FINANCIAL IMPLICATIONS (current year and ongoing):**

No additional impact.

### **LEGAL/POLICY REQUIREMENTS:**

The development review process confirms that the home-based business conforms with local statutory and code requirements.

### **PUBLIC/GOVERNMENTAL PARTICIPATION:**

None.

**OPTIONS:**

- 1) The Board can endorse the current process applied to home-based businesses.
- 2) The Board can request changes to the process for home-based business applications.
- 3) The Board can request additional information.

**RECOMMENDATION:**

Staff respectfully recommends that the Board of Commissioners endorse the current home-based business review process, as presented.

**ATTACHMENTS:**

DTD Staff Summary – Development Review Considerations for a Home-Base Business

**SUBMITTED BY:**

Division Director/Head Approval *A. Barbara Carmichael 6/13/12*  
Department Director/Head Approval *Car Williams*  
County Administrator Approval \_\_\_\_\_

For information on this issue or copies of attachments,  
please contact Diedre Landon @ 503-742-4411.

**DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT  
STAFF SUMMARY**

**Development Review Considerations for a Home-Based Business**

Clackamas County supports development that creates jobs and encourages training of qualified industry employees for the employers. The county supports a range of business opportunities by encouraging private development and local investments to support the local entrepreneur interested in starting a new business in the community.

**LAND-USE PLANNING:**

Our land-use planning and zoning process provides a roadmap to foster economic development, while protecting the wildlife and the environment, preserving history, and managing parks and open space. Businesses, manufacturers, and residential communities all require specific geographic locations. Businesses are more suitable downtown, while manufacturing centers are most accessible for shipping at an interstate or a port. When designing residential developments, planners generally focus on developing close to commercial centers so the workforce can easily access employers. These basic accessibility concepts provide the basis for the zoning boundaries in Clackamas County.

With this in mind, the Zoning and Development Ordinance (ZDO) is used to permit some types of construction and prohibit others. In some areas, residential construction may be limited to a specific type of structure. Downtown areas may be a mixed-use of residential and commercial activity. Manufacturing centers will be zoned for construction close to the interstate. Some areas may be prohibited for development as a means of conserving green space or access to water.

That said, before any development can happen, the area needs adequate infrastructure to support the growth. The infrastructure includes electricity, roads, storm water management, sewer, and water.

**OPPORTUNITIES:**

The County Zoning and Development Ordinance offers a variety of opportunities for the local entrepreneur, from mobile vending units to commercial event hosting. The Department of Transportation and Development oversees the land use planning and infrastructure coordination for development within the county.

The review starts with our planning department and continues through the development review process before the applicant is given a certificate of occupancy. The customer provides a plan for site development and roadway access to accommodate the customer traffic. During the review, the county verifies that the plan meets the standards of a number of guiding documents when reviewing a local home-based business, such as, the Zoning and Development Ordinance, Roadway Standards, and County Code.

## **SAFETY:**

The County is responsible for ensuring the safety of the travelling public on our roadways, which extends to the customers of a home-based business in the rural area. While a home occupation (ZDO 822) may bring as few as 10 vehicle trips per day, which is similar to a single family home. Some of the new amendments (ZDO 806 & 400) authorizing rural event facilities can bring as many as 2,000 cars to the site for a single event. Prior to approving the development, the county must verify that drivers can safely stop or avoid a collision with traffic generated from the business. Similar to a commercial development, the home-based business must ensure that:

1. Vehicles pulling out of the driveway can see oncoming traffic.
2. Oncoming traffic can see a vehicle pulling out of the driveway.
3. Deliveries and customers can maneuver on-site and stay out of the roadway.

## **COSTS:**

As with any development, permits track the review and approval of the home-based business. The Board has adopted the fees that apply to each permit and many home-based businesses will be charged for permits as they work through the development review process.

One of the costs that the county considers as part of this process is the Transportation System Development Charge (TSDC). The TSDC is a charge that applies a 'cost per trip' to the customer trips coming to the site. This is charged on all new construction in the county, from single family homes to medical office buildings. Any development that increases the number of vehicles coming to and from a site is subject to the fee, regardless of whether a permanent structure is built on the site. It is important to consider that event hosting facilities, such as the Abernethy Center, have paid significant costs to develop the facility. To encourage these private investments that increase assessed value, Clackamas County needs to maintain a level playing field for developers by applying assessments consistently based on the traffic being generated.

Public investment was the cornerstone for developing the infrastructure currently in place, so as new businesses benefit from existing infrastructure, the TSDC provides the revenue for Clackamas County to invest in the infrastructure necessary to accommodate future growth. Revenue from the TSDC is restricted to capital improvements that increase the amount of traffic that can get through an area and the amount of the charge is determined by a specific list of projects that the Board adopts periodically.

## **CURRENT POLICY:**

### **Mass Gathering (ZDO 401)**

The Mass Gathering Permit allows one event every 3 months.

- A TSDC is not captured on these activities.

### **Home Occupation (ZDO 822)**

Home-based businesses that generate an average of less than 10 trips per day (average residential trip generation) will not be assessed for additional trips, as they are no longer

commuting to work and therefore they are minimizing their daily trips to and from the site. The land use approval dictates the TSDC assessment.

- Apply the Cost per Trip to the estimated attendance as approved by land use

#### **Home Occupation to Host Events (ZDO 806)**

The zoning ordinance limits the number of events per day and per week throughout the year; allowing for a maximum of 296 events annually when calculated out. The ZDO also limits how many guests can attend each event to a maximum of 300 guests. The factors above result in an average of 325 trips per day. Staff works with the applicants to limit the facility because typical event hosting facilities in Oregon are seasonal and limit the activity to weekends. The land use approval dictates the TSDC assessment.

- Apply the Cost per Trip to the estimated attendance as approved by land use

The Home Occupation to Host Events provides property owners to actively seek out customers to rent their event space, so the TSDC is passed on to the applicant through the contract price for renting a space that can accommodate more attendees and the landowner receives approval that runs with the land in perpetuity.

#### **Agri-Tourism (ZDO 401)**

ORS 215.283(4) recently passed Oregon Legislature allowing local agencies to adopt zoning regulations that allow for agri-tourism and other commercial events/activities related to and supporting agriculture activities on a site zoned EFU. There were four levels established by the state.

- Level 1: Single annual event – limited to 500 people (250 cars).
- Level 2: Expedited single license annual event – requires 10 acres of land and no more than 100 attendees (50 cars).
- Level 3: Six Events – will be limited to 50+ acres of land with no limitations in ORS for people or cars.
- Level 4: 18 Events – will be limited to 80 acres+ of land with no limitations in ORS for people or cars, structures can be built to accommodate attendees and event.

Unlike the typical Home-Occupation to Host Events, agri-tourism relies on a forecasted number of attendees influenced by weather and interest, so attendance may reduce over time if the event does not vary enough to maintain the interest of local residents.

Clackamas County has a number of opportunities as we approach these new proposals and we want to see how the attendance fluctuates over the life of the event before locking in the procedure for calculating the TSDC on the level 3 or 4 event facilities.

- Level 1: Single annual event
  - A TSDC is not captured on these activities.

- Level 2: Expedited single license annual event
  - A TSDC is not captured on these activities.
- Level 3: Six Events
- Level 4: 18 Events
  - Apply the Cost per Trip to estimated attendance as approved by land use
  - Gather ACTUAL Trip Data for Final Assessment