

February 22, 2025

Chair Thuy Tran House Committee On Emergency Management, General Government, and Veterans 900 Court Se. NE Salem, OR 97301

### RE: City of Eugene opposes HB 3062

The City of Eugene is committed to supporting a healthy built environment for all community members, as well as an economic climate where businesses can grow and thrive. Land use planning is just one way the City can encourage development where residents have access to clean air and water, protection from environmental harms, and opportunity for economic prosperity.

As such, the City of Eugene agrees with the <u>intent</u> of HB 3062, sharing the goals of protecting and ensuring public health. However, we echo concerns raised by other cities in the League of Oregon Cities letter submitted in opposition to HB 3062. Locally, we are taking a different approach that will provide more clarity and certainty. Eugene's <u>Public Health Standards</u> project is identifying possible changes to local land use regulations to increase protections for residents from the potentially harmful impacts from new or expanded industrial developments.

This project was initiated by Eugene City Council to specifically address areas within city limits where industrial uses are adjacent to residential uses. City staff are coordinating with regulatory agencies such as the Lane Regional Air Protection Agency (LRAPA) to understand how the land use code can help to fill gaps in current regulations for industrial users, rather than duplicating existing programs. For example, the Department of Environmental Quality (DEQ) *Cleaner Air Oregon* program, implemented locally by LRAPA, regulates emissions of toxic air contaminants from industrial and commercial facilities based on local risks to health. This program is an existing, clear regulatory framework for assessing potential health risks from toxic air contaminants to people living, working, or going to school nearby.

Additionally, by implementing changes through the local land use code, Eugene can ensure effective local implementation. The definitions and process described in the bill are currently too ambiguous to be implemented by local governments. For example, the definition of "industrial uses" does not align with industrial uses as defined in Eugene's code nor as defined in current state law. Locally directed efforts can also prioritize specific areas that are of highest concern to the community, rather than the proposed definition of "sensitive uses" which includes parks and public land which are regularly used as buffers between industrial and residential land.

Finally, cities with populations over 10,000 are directed to complete mapping of harms to public health through the Oregon Housing Needs Analysis (OHNA). The recently adopted rules require cities to inventory community assets and harms, which include industrial lands, highways, and

more, and their proximity to housing. That is another example of an existing framework to accomplish the stated goals of the proposed legislation.

The City of Eugene recognizes the role of land use planning in protecting community members from environmental harms. We believe that this work is most effective at the local level and in concert with existing regulatory frameworks. Attached to this letter is more information about Eugene's Public Health Standards project, including Frequently Asked Questions that provide background on industrial development, existing regulatory agencies, possible pathways using the land use code, and more.

Respectfully,

Alissa Hunter

**Eugene Planning Director** 



Refining Eugene's land use code for industrial development

## **Project Overview**

The City of Eugene is committed to supporting a healthy built environment for all community members, as well as an economic climate where businesses can grow and thrive. Land use planning is one way the City can encourage development where residents have access to clean air and water, protection from environmental harms, and opportunity for economic prosperity.

The <u>Public Health Standards</u> project will identify possible changes to Eugene's land use regulations to increase protections for residents from the potentially harmful impacts of new or expanded industrial developments within the City of Eugene. Through this project, the City will:

- Engage residents, businesses, and community organizations on possible improvements.
- Identify gaps in local, state, and federal public health protections and other regulations of industrial development.
- Consider the enhancement of land use regulations for industrial developments located near residential zones, parks, schools, and other sensitive areas in order to mitigate community health risks.
- Gather additional recommendations for future changes to City policy, zoning of properties, programs and investments, or other ways to integrate environmental justice in land use planning.

The City's land use code already regulates industrial development in many ways, and under some circumstances, land use regulations can fill gaps and/or prevent future impacts. However, Eugene's land use code is not always the most appropriate and effective tool for regulating pollution, noise, odors, light, or other impacts from existing industrial development. This project will consider enhancements to industrial development standards citywide, including, but not limited to:

- Requiring more distance between new industrial developments and residential or other sensitive areas, through tools such as setbacks, buffer areas, and landscaping.
- Limiting or prohibiting certain types of new industrial development when it is located near residential zones or other sensitive areas.
- Increasing coordination between land use application processes and other approvals (such as traffic impact studies, clean air permitting, or other requirements)
- Other tools identified through research and community engagement



#### Refining Eugene's land use code for industrial development

## **Project Timeline**

Staff anticipate the following milestones for this project:

- January 2025: Community Engagement Plan & Initial Conversations
- Winter Spring 2025: Community Engagement, Research on Best Practices, Draft Changes to the Land Use Code
- Summer 2025: Begin Planning Commission and City Council Adoption Process

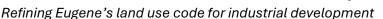
## **Community Engagement**

Read the project Community Engagement Strategy here. This project will include a variety of opportunities for the community to engage and contribute to the proposed changes. City staff will reach out to a broad spectrum of community members, including affected neighborhood groups, businesses, and environmental and community groups.

To stay informed and find opportunities to engage, <u>sign-up for project updates</u> and follow the project on <u>Engage Eugene</u>.

#### **Contact Us**

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## **Frequently Asked Questions**

Updated Frequently Asked Questions for the project can be viewed on the City's website here.

## Is this project the same as the public health overlay zone?

The Public Health Standards project evolved from initial community and City Council conversations about a public health overlay zone. After multiple work sessions, City Council directed staff to develop land use code amendments implementing citywide public health standards for industrial development, rather than an overlay zone. The two approaches are different in a couple of ways.

An overlay zone is traditionally limited to a **specific geographic area** and amends the base zoning of all properties to which it is applied. Overlay zones can be time consuming to implement.

Development standards, which are proposed for this project, apply to **industrial development** across the City and do not require rezoning of affected properties. They can include a variety of tools to fill gaps in existing regulations, including buffer areas, increased landscaping or other requirements, or limiting specific uses that have negative community impacts.

## What parts of Eugene will be affected?

The Public Health Standards will be implemented through changes to Eugene's Code and will apply only to industrially designated and zoned land within Eugene city limits. They will not apply to land outside the city limits but within Eugene's urban growth boundary (UGB). Those properties are regulated by the Urban Transition Area Land Use Code (UT Code) adopted by Lane County, not the City of Eugene.

Eugene's zoning map shows which properties are zoned for industrial uses, including E-2 Mixed-Use Employment, I-2 Light-Medium Industrial, and I-3 Heavy Industrial. Eugene's land use code regulates the allowed uses, intensity, and development standards on these industrially zoned properties. Properties zoned for industrial uses are generally located between Highway 99W and Northwest Expressway, between West 11<sup>th</sup> Avenue and Roosvelt Blvd, and in the Clear Lake area near the Eugene Airport. Residential areas near these industrial areas generally include River Road, Santa Clara, Bethel, Trainsong, and Crow Road.

## What does 'industrial development' include?

Eugene has three zones that allow industrial uses, E-2 Mixed-Use Employment, I-2 Light-Medium Industrial, and I-3 Heavy Industrial. Staff do not anticipate that this project will include a focus on the E-1 Campus Employment Zone, which tends to serve more office-based and light industrial uses.

**Mixed-Use Employment (E-2)** areas serve a mixture of compatible employment opportunities – industrial, office, and commercial – that benefit from multi-modal transportation access. The zone is generally sited along key transit corridors with existing commercial and industrial businesses. It is intended to provide a wide range of permitted uses, while creating a transit-supportive, pedestrian friendly corridor.

**Light-Medium Industrial (I-2)** areas serve a wide variety of manufacturing and other industrial activities with controlled external impacts. These types of industries are often involved in the



secondary processing of materials into components, the assembly of components into finished products, transportation, communication and utilities, wholesaling, and warehousing. The external impact from these uses is generally less than Heavy Industrial, and transportation needs are often met by truck. Activities are generally located indoors, although there may be some outdoor storage.

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**Heavy Industrial (I-3)** areas serve a range of manufacturing uses including those involved in the processing of large volumes of raw materials into refined products and/or industrial uses that have significant external impacts. Heavy industrial uses often have transportation needs that include both rail and truck.

<u>Table 9.2450</u> in Eugene's Code lists all the uses that are allowed in industrial zones, either permitted outright (P), permitted subject to site review (SR), permitted subject to a conditional use permit (C), or permitted subject to special development standards (S). If the table includes a blank space for a certain use in a certain zone, that use is not allowed under any conditions in that zone.

# How are industrial developments regulated in Eugene? What other agencies regulate industrial developments?

Within the City of Eugene, there are several regulatory tools and teams outside of land use, including the Fire Marshal and various sections of the Eugene Code. Additionally, there are other regulatory agencies, including Lane Regional Air Protection Agency (LRAPA) and the Department of Environmental Quality (DEQ), that regulate air, water, and land quality.

#### **Eugene Fire Marshal**

Deputy Fire Marshals work in concert with building code analysts, inspectors, and land use and public works staff to ensure project compliance with codes and standards. Deputies conduct fire plan reviews and inspections on all commercial projects, multi-unit residential developments, single-unit residential developments over 3,600 square feet, fire protection systems, and hazardous tanks/processes.

An Operational Permit issue by the Fire Marshal's Office is required when a business stores, handles, or uses any hazardous materials above the quantities listed in Section 105.6 of the <u>Oregon</u> Fire Code.

To terminate storage, dispensing, handling or use of hazardous materials, a <u>Facility Closure Plan</u> must be submitted to the Fire Marshal's Office no less than 30 days prior to facility closure or removal of hazardous materials. The plan must demonstrate that hazardous materials in the facility will be transported, disposed of, or reused in a manner that eliminates the need for further maintenance and any threat to public health and safety.

#### **Eugene Nuisance Code**

Chapter 6 of the Eugene Code (EC) covers Environment and Health. It provides a list of prohibited nuisances, some of which relate to industrial business activities, including debris, odors, failure to maintain stormwater facilities, and more.

In addition, Chapter 6 regulates some other industrial activities, including:



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- Hazardous Substance Discharge and Removal (EC 6.340 6.380): provides authority to take
  action or defer to the U.S. Environmental Protection Agency (EPA) or Oregon Department of
  Environmental Quality (DEQ) if they have issued an enforceable order.
- Industrial Pretreatment Program (EC 6.550 6.584): directs the City to work with state and federal laws (including the Clean Water Act) to keep pollutants out of the wastewater system.
- Ozone Protection (EC 6.700 6.725): restricts the use and sale of ozone depleting products.
- Environmental Noise Disturbance (EC 6.750 6.755): regulates commercial and industrial noise.

#### Lane Regional Air Protection Agency (LRAPA)

In Lane County, the Lane Regional Air Protection Agency (LRAPA) is responsible for issuing air permits to commercial and industrial operations with emissions above a certain threshold. LRAPA's air permits have operational requirements that follow federal, state, and local regulations that are designed to minimize emissions from businesses.

There are approximately 300 commercial and industrial operations in Lane County with an <u>air permit issued by LRAPA</u>. Here is a partial list of the types of operations LRAPA issues an air permit for:

- Asphalt, concrete plants
- Boilers
- Foundries, mills
- Coffee roasting
- Crematories
- Crushing operations
- Dry cleaners
- Emergency generators
- Fiberglass fabrication
- Gasoline stations
- Marijuana production, processing
- Metal plating
- Painting, coating
- Printing
- Solvent cleaning

LRAPA issues five types of permits, including state-required Air Contaminant Discharge Permits (ACDP) and federally required Title V Operating Permits. Air permits serve as a tool for compliance and include:

- Emission limits
- Required monitoring
- Source testing requirements
- Record keeping requirements
- Reporting obligations



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Some types of permits trigger additional requirements through a new program called <u>Cleaner Air Oregon</u>, adopted by LRAPA in 2019. The program requires industrial facilities to assess and reduce toxic air contaminants. The program applies to both new and existing businesses requiring higher level permits, and evaluates both toxicity (how harmful contaminants are) and exposure (frequency and duration of exposure) to protect public health. Businesses closer to residential properties often increase the potential health risk assessed under this program, which can result in additional permit conditions. The program was intended to close gaps in existing air quality rules, as well as to provide greater access to air toxics emissions data and increase certainty for regulated facilities in addressing community health concerns.

#### **Oregon Department of Environmental Quality (DEQ)**

The Department of Environmental Quality (DEQ) is responsible for protecting and enhancing Oregon's water, air and land quality; managing the proper disposal of solid and hazardous wastes; providing assistance in cleaning up contaminated properties; and enforcing Oregon's environmental laws. The agency director has authority to issue civil penalties for violations of pollution laws and standards.

The DEQ requires a permitting process that includes risk screening for a number of different types of development/uses, including:

- Brownfield site cleanup
- Composting facilities
- Conversion technology facilities (using processes to convert separated organic solid waste into fuels, chemical, or other useful products)
- Fuel tanks seismic stability
- Gas stations and other dispensing facilities
- Gasoline terminals and bulk tank facilities
- Gasoline tanker trucks
- Infectious waste disposal
- Marijuana processing facilities
- Material recovery facilities and transfer stations
- Mattress recycling
- Meat processing and slaughter facilities
- Nuisance odor
- Paint manufacturers
- Pesticide use
- · Removal and fill certification
- Solid waste disposal sites and landfills
- Tanks storing gasoline, ethanol, diesel, biodiesel, and listed hazardous substances
- Underground injection wells
- Waste tire storage
- Water quality permitting and pretreatment requirements for industrial activities





## What can the land use code do to regulate industrial developments?

Eugene's land use code regulates which uses are permitted in each zone, as well as the standards those uses must meet. New land use regulations adopted as part of this project will only apply to new and expanded development. Existing development will not be required to comply with the new industrial development standards unless and until they want to redevelop or expand. Part of the Public Health Standards project will include research into meaningful and realistic ways the land use code could further regulate industrial development. Generally, some of the tools include:

- Permitted Uses: Eugene could allow or disallow certain uses in industrial zones, especially those uses whose industrial activities may result in air, water, or soil pollution, or otherwise impact nearby residents. Additionally, certain uses can include requirements to comply with special use limitations.
- Buffer, Setback, and Mitigation Requirements: Eugene could require additional measures to mitigate the effects of industrial development on surrounding properties, including landscaping, fencing, building orientations, air intake facilities, water collection, berms, site orientation, and more.
- Approval Processes: Eugene could require a discretionary approval process for certain uses, such as conditional use permits or site review, requiring projects to meet additional standards or other criteria to minimize impacts.
- **Environmental Impact Assessments:** Eugene could consider requiring a process for a development proposal to include a report outlining potential impacts on the surrounding area and residents.
- Traffic Impact Assessments: Eugene could consider refining the current Traffic Impact Assessment (TIA) process and criteria, which is an existing requirement for some new development that considers impacts on the transportation system.
- Density Limitations: Eugene could consider limiting how many instances of a certain use can be within a certain area, or how close similar facilities can be to each other. This is similar to the way that Eugene regulates marijuana dispensaries.
- Coordination with Other Permits: Eugene could require evidence that an applicant has been issued relevant LRAPA or DEQ permits before issuing building permits for certain industrial developments.

More tools may emerge through research on best practices and community engagement.

## How does this project relate to environmental justice?

As defined by the Environmental Protection Agency, "environmental justice means the just treatment and meaningful involvement of all people, regardless of income, race, color, national origin, Tribal affiliation, or disability ... so that people are fully protected from disproportionate and adverse human health and environmental effects (including risks) and hazards, including those related to climate change, the cumulative impacts of environmental and other burdens, and the legacy of racism or other structural or systemic barriers; and have equitable access to a healthy,





sustainable, and resilient environment in which to live, play, work, learn, grow, worship, and engage in cultural and subsistence practices."

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Land use patterns are closely tied to environmental justice within cities. Zoning separates uses into general types (residential, commercial, industrial, etc.) and intensities (lower intensity to higher intensity). Across the country and in Eugene, zoning has been applied to restrict higher intensity uses or locate them away from low density residential areas – often with disproportionate and adverse impacts for communities of color and lower income residents. Some high intensity uses, such as heavy industrial, can have impacts on the air, soil, water, and quality of life for surrounding properties. While zoning follows property lines, environmental impacts often do not.

Eugene's historic development patterns, including trade and transportation using the railroad and highway network, resulted in some residential areas that are adjacent to high intensity uses, including industrial areas. Given this local context, the City of Eugene has some regulatory tools, including the land use code regulating these uses, to advance environmental justice through this project. However, it is important to note that this project will not result in the elimination of adjacent residential and industrial uses, but instead will look to mitigate adverse impacts on residents.

## How will you involve the public? How can neighborhood associations or other groups get involved?

This project will include a variety of opportunities for the community to engage and comment on the proposed changes. The project's Community Engagement Strategy outlines engagement levels, tactics, and impacted and interested communities. Staff will reach out to residents and affected neighborhood associations in consultation with the City's Office of Equity and Community Engagement. Additionally, staff will work closely with businesses and environmental and community groups to understand priorities and draft code changes. Staff will also provide updates and seek feedback from the City's Sustainability Commission and Planning Commission. Community members can find updates and ways to engage on the project webpage, Engage Eugene page, social media, and through the EUG Planning Newsletter.

To stay informed and find opportunities to engage, sign-up for project updates and follow the project on **Engage Eugene**.

## Who are the decision-makers in this process?

Once the formal adoption process is initiated by City Council, members of the public will have the opportunity to provide public testimony both orally and in writing to the Eugene Planning Commission and the City Council. The formal adoption process includes public hearings and mailed public hearing notices as required by the land use code for a Type V Legislative Decision.

The Eugene Planning Commission will hold a public hearing on the proposed land use code changes and then make a recommendation to the Eugene City Council. The City Council will hold its own public hearing and then will ultimately decide whether or not to adopt the proposed land use code changes.