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MEMORANDUM

Development Services

To: Lebanon Planning Commission
From: Shana Olson, Development Services Director
Subject: Planning File No. CPMA-26-01, ZMA-26-01, PD-26-02, S-26-03

Date: July 7, 2026

I. BACKGROUND

The application requests approval of a Comprehensive Plan Map Amendment, a Zone Map Amendment, a Planned Development, and a Preliminary Subdivision Plat for the proposed Emerald Crossing development located west of Stoltz Hill Road and north of Oak Creek.

The 57.12-acre site includes 284 residential lots, one large commercial or multifamily development parcel, one parcel designated for open storage, public streets, utilities, multi-use trails, open space, and other supporting infrastructure. The Planned Development allows the site to be designed around its natural features while providing flexibility in the lot layout, street network, and open space to create a connected neighborhood and preserve wetlands and other environmentally sensitive areas.

The site is currently designated Residential Mixed Density (C-RM) and Industrial (C-IND) on the City's Comprehensive Plan Map and is zoned Residential Mixed Density (Z-RM) and Industrial (Z-IND). The application includes amendments to both the Comprehensive Plan Map and Zoning Map to establish a single land use designation that supports the proposed Planned Development and Preliminary Subdivision.

The proposal supports the City's long-range planning goals by providing additional housing, extending public infrastructure, creating a connected street network, and preserving important natural resources while allowing for orderly growth within the Urban Growth Boundary.

II. CURRENT REPORT

The Planning Commission is considering the following concurrent land use applications associated with the proposed Emerald Crossing development:

- Comprehensive Plan Map Amendment (CPMA-26-01)
- Zone Map Amendment (ZMA-26-01)
- Planned Development (PD-26-02)
- Preliminary Subdivision Plat (S-26-03)

Together, these applications establish the planning framework necessary to implement the proposed Emerald Crossing development.

The application was submitted to the City and determined complete following staff's review of the required materials. The proposal was distributed to affected agencies and utility providers for review and comment in accordance with the Lebanon Development Code.

As part of the applicant's public outreach efforts, a voluntary neighborhood open house was held on April 14, 2026, at Community Bible Church, located at 2600 Stoltz Hill Road. Although not required by the Lebanon Development Code, the meeting provided nearby property owners and interested residents an opportunity to review the proposed development, ask questions, and discuss the project with the applicant's project team prior to the City's formal public hearing process.

As part of the review process, the applicant submitted supporting technical studies, including a Traffic Impact Analysis, wetland delineation, floodplain information, utility plans, and other supporting documentation.

The Oregon Department of State Lands approved the wetland delineation for the site, identifying regulated wetlands and Oak Creek. The U.S. Army Corps of Engineers also completed an Approved Jurisdictional Determination identifying federally regulated waters within portions of the project area. Any future impacts to jurisdictional wetlands or waters remain subject to applicable state and federal permitting requirements prior to construction. Development within regulated floodplain areas must also comply with all applicable local, state, and federal requirements.

Public notice for the Planning Commission hearing was provided in accordance with the Lebanon Development Code. Staff has completed its review of the application, applicable approval criteria, technical studies, and agency comments and recommends approval subject to the conditions contained in this report.

III. STAFF ANALYSIS

The following analysis evaluates the proposed development's consistency with the Lebanon Comprehensive Plan, the Lebanon Development Code, the Engineering Design Standards, the Transportation System Plan, and other applicable regulations. The attached Draft Order contains the detailed findings supporting each application.

Zoning and Use

The subject properties consist of approximately 57.12 acres located west of Stoltz Hill Road, north of Oak Creek, and within the City's Urban Growth Boundary. The site is currently designated Residential Mixed Density (C-RM) and Industrial (C-IND) on the Comprehensive Plan Map and is zoned Residential Mixed Density (Z-RM) and Industrial (Z-IND).

The application includes amendments to the Comprehensive Plan Map and Zoning Map to establish a Mixed Use designation across the subject properties in support of the proposed Planned Development. The proposal includes approximately 284 residential lots, one large commercial or multifamily development parcel, and one parcel designated for open storage.

Staff finds the proposed land use pattern is consistent with the City's long-range planning goals for this area. The subject properties are identified for future urban development, are adjacent to existing residential neighborhoods, and can be served by public infrastructure. The proposed amendments replace the remaining industrial designation with a land-use pattern that better reflects the site's future development and surrounding uses. The applicant also demonstrated that redesignation of the industrially designated portion of the site is consistent with the City's adopted Economic Opportunity Analysis and does not adversely affect the City's inventory of employment land.

The mixed-use parcel is located near the development's primary entrance and offers an opportunity for future neighborhood-serving commercial or residential uses. Its location creates a transition between Stoltz Hill Road and the residential neighborhood while providing services within

walking distance for future residents. Future development of the parcel will require a separate land use review and compliance with the Lebanon Development Code.

The proposal supports the City's Comprehensive Plan by expanding housing opportunities within the Urban Growth Boundary, utilizing existing and planned public infrastructure, and creating a connected neighborhood through an integrated street, pedestrian, and open space network.

The properties contain wetlands, floodplain, and riparian resources that limit the amount of developable land. Rather than maximizing development across the entire site, the proposed layout concentrates development within the most suitable areas while preserving significant natural resources. This approach minimizes impacts to environmentally sensitive areas and maintains opportunities for future connectivity to adjoining properties.

Overall, staff finds that the proposed Comprehensive Plan Map Amendment and Zone Map Amendment establish an appropriate and compatible land-use pattern that supports the City's housing needs, promotes orderly urban growth, and provides an appropriate framework for the Planned Development and Preliminary Subdivision.

Staff finds that the proposed Comprehensive Plan Map Amendment and Zone Map Amendment are consistent with the City's adopted Comprehensive Plan and establish the planning framework for the proposed Planned Development and Preliminary Subdivision.

Planned Development Framework

The Planned Development allows the development to be designed around the site's natural features while providing flexibility in lot layout, street design, and open space. This approach allows the project to better respond to the site's environmental constraints than a traditional subdivision while meeting the intent of Chapter 16.23 of the Lebanon Development Code.

The properties contain several natural features that influence where development can occur, including wetlands, Oak Creek, riparian corridors, portions of the FEMA 100-year floodplain, and existing topography. These features make a traditional subdivision layout less practical and support the use of the Planned Development process.

The proposed development places residential lots in the most suitable areas of the site, while preserving substantial wetland areas, Oak Creek, and other environmentally sensitive areas within dedicated tracts and open space. This approach reduces impacts on natural resources while allowing development in areas best suited for urban growth. Where wetland impacts cannot be avoided, the project provides opportunities for future mitigation in accordance with applicable state and federal requirements.

The Planned Development also creates a connected neighborhood through a network of collector and local streets, sidewalks, pedestrian connections, and future roadway connections to adjacent properties. A large development parcel is located near the primary entrance and is intended to accommodate future commercial, multifamily residential, or mixed-use development. Its location creates a transition along Stoltz Hill Road while providing flexibility for future development that complements the surrounding neighborhood.

The proposal provides a variety of lot sizes while balancing residential development with multi-use trails, open space, preserved natural resources, and future development opportunities. Staff finds this approach supports housing diversity, maintains compatibility with surrounding development, and makes efficient use of public infrastructure.

Overall, the Planned Development provides a practical approach to developing the properties by responding to the site's natural constraints, preserving important environmental features, extending public infrastructure efficiently, and creating a connected neighborhood that integrates with future development.

Staff finds the proposed Planned Development provides a better overall site design than a conventional subdivision by responding to the properties' environmental constraints, preserving natural resources, promoting connectivity, and supporting the City's long-term planning goals. Subject to the recommended conditions of approval, the Planned Development is consistent with the intent and purpose of Chapter 16.23 of the Lebanon Development Code.

Transportation and Circulation

The proposed Planned Development has been designed to provide a connected transportation network that supports safe vehicle, pedestrian, and bicycle travel throughout the development and connects to the surrounding street system. The preliminary plans include a network of public arterial, collector, and local streets that distribute traffic throughout the site while providing multiple connections consistent with the City's Transportation System Plan.

Pedestrian connectivity is an important component of the development. The proposal includes sidewalks along public streets, multi-use paths, pedestrian connections, and public access easements that provide access throughout the neighborhood and create opportunities for future connections to adjacent properties. These improvements support the City's goal of providing safe and connected travel options for pedestrians, bicyclists, and motorists.

A Traffic Impact Analysis prepared by Kittelson & Associates evaluated the transportation impacts of the proposed development. The analysis reviewed projected traffic volumes, roadway capacity, intersection operations, and future transportation conditions. The study concludes that the surrounding transportation system, together with the proposed street improvements, can accommodate traffic generated by the development while maintaining acceptable operating conditions. The TIA also concludes that the proposal will not significantly affect the function or capacity of existing or planned transportation facilities.

Public streets, utilities, and stormwater improvements will be designed and constructed in accordance with the Engineering Design Standards. Final street design, intersection improvements, access locations, frontage improvements, and utility construction will be reviewed during the engineering and construction permitting process to ensure compliance with the approved Traffic Impact Analysis, applicable City standards, and the conditions of approval. The proposed street network also preserves opportunities for future roadway, pedestrian, and utility connections to adjacent undeveloped properties, supporting future development and orderly growth within the Urban Growth Boundary.

Portions of the subject properties are located within the Airport Overlay Zone. The proposed subdivision complies with the applicable airport compatibility standards, including residential density limitations and avoidance of residential development within the Runway Protection Zone. Staff finds the proposal remains compatible with operations at the Lebanon State Airport.

Based on the Traffic Impact Analysis, the proposed street network, and compliance with applicable City standards, staff finds the proposed development provides adequate transportation facilities, supports safe multimodal travel, and is consistent with the City's Transportation System Plan, Engineering Design Standards, and applicable provisions of the Lebanon Development Code.

Utilities and Public Services

The proposed development will be served by public water, sanitary sewer, and storm drainage. Public utility infrastructure will be extended throughout the development in accordance with the Engineering Design Standards. Detailed engineering plans will be reviewed and approved by the Development Services Department through the City's engineering and construction permitting process prior to installation.

As part of the application review, Development Services Engineering evaluated the proposed utility layout and the ability to extend public infrastructure throughout the site. The proposed utility extensions are consistent with the City's adopted utility master plans and are designed to support planned growth within the Urban Growth Boundary. Final utility sizing, alignment, and construction details will be reviewed and approved during the engineering plan review process.

During the public review process, questions were raised regarding the City's ability to serve additional residential growth with its existing water and wastewater infrastructure. Staff reviewed these concerns with the Public Works Department, which is responsible for the operation and maintenance of the City's utility systems. Based on the City's current system capacity, adopted utility master plans, and the planned public improvements associated with this development, staff finds that adequate water and wastewater capacity exists to serve the proposed development.

Each phase of the subdivision shall construct, or otherwise secure, the public improvements necessary to adequately serve that phase prior to final plat approval or recording for that phase, in accordance with City requirements. Public improvements shall be completed and accepted by the City or otherwise authorized by the City, before vertical construction, occupancy, or issuance of certificates of occupancy, as applicable and required by City standards. This ensures that utilities, fire protection, streets, and other public services are available as development occurs.

The Lebanon Fire District reviewed the proposal and will continue to review detailed engineering and building plans to ensure compliance with the Oregon Fire Code, including fire flow requirements, hydrant spacing, emergency access, and apparatus access roads.

Staff finds that adequate public facilities and services are available or will be provided by the developer to serve the proposed Planned Development. Subject to compliance with the recommended conditions of approval, the City's engineering standards, and the Engineering Design Standards, the proposal is consistent with the Lebanon Development Code and the City's adopted utility master plans.

Environmental Considerations

The subject properties contain several environmentally sensitive features that influenced the overall design of the proposed Planned Development. These include wetlands, Oak Creek, associated riparian corridors, portions of the FEMA 100-year floodplain, and areas regulated by the Floodplain Overlay Zone and Riparian Protection Overlay Zone. Rather than treating these resources as constraints on development, the subdivision was designed around them by incorporating wetlands, riparian areas, and floodplains into open space tracts and preservation areas, while limiting crossings to those necessary for streets and utilities.

A wetland delineation was prepared for the subject properties and approved by the Oregon Department of State Lands. The delineation identified approximately 15.23 acres of wetlands, including Oak Creek and associated drainage features. The subdivision layout preserves substantial wetland, riparian, and floodplain resources by incorporating them into dedicated tract areas and open-space corridors.

The U.S. Army Corps of Engineers completed an Approved Jurisdictional Determination identifying Oak Creek and Wetland 8 as Waters of the United States subject to federal jurisdiction. While the remaining wetlands are not federally regulated under the current Clean Water Act guidance, they remain subject to Oregon's Removal-Fill Law and other applicable state regulations.

The proposed development has been designed to avoid and minimize impacts to wetlands, floodplain areas, and riparian resources wherever practical. Development is concentrated within the most suitable portions of the site while preserving significant natural resource areas. Where impacts cannot be avoided, the applicant will be required to obtain all applicable permits and approvals from the Oregon Department of State Lands, the U.S. Army Corps of Engineers, and other regulatory agencies before construction begins. Compliance with permit conditions, including any required mitigation measures, will be verified during the engineering plan review.

Portions of the subject properties are also located within the Floodplain Overlay Zone. Any future development within these areas must comply with Chapter 16.11 of the Lebanon Development Code and all applicable floodplain management requirements. Development adjacent to Oak Creek must also comply with the Riparian Protection Overlay standards intended to protect water quality, stream functions, and habitat.

The applicant also submitted an Endangered Species Act (ESA) habitat assessment, which concluded that no federally listed species or designated critical habitat were identified within the development area. Should future federal permitting create additional ESA requirements, the applicant will be responsible for obtaining any necessary approvals.

Staff finds that the proposed Planned Development appropriately addresses the environmental constraints on the properties by preserving wetlands, riparian corridors, and floodplain areas while concentrating development in the most suitable locations. Subject to compliance with the recommended conditions of approval and all applicable local, state, and federal permits, the proposal is consistent with the Lebanon Development Code, Statewide Planning Goal 5, and other applicable environmental regulations.

Phasing and Future Review

The applicant proposes to construct Emerald Crossing in multiple phases over several years. Phasing allows public infrastructure, including streets, water, sanitary sewer, storm drainage, multi-use trails, and other public improvements, to be constructed as development occurs while allowing the project to respond to market demand.

The Planned Development establishes the overall framework for the project, including the street network, lot layout, open space, environmental preservation areas, utility corridors, and one large commercial or multifamily development parcel. Future phases shall implement this framework through phased construction of public improvements and development consistent with the approved Planned Development and Preliminary Subdivision Plat.

The applicant has requested that the Preliminary Planned Development and Preliminary Subdivision Plat approvals remain valid for a period of ten (10) years, consistent with ORS 92.040 and the Lebanon Development Code. Staff finds that, given the size of the development, the anticipated phased construction, and the substantial public infrastructure improvements, a ten-year approval period is appropriate and supports the orderly implementation of the project.

Pursuant to LDC 16.23.050, the Planning Commission shall designate the review process for future phases of the Planned Development. The available options include:

Option 1: Ministerial Review by the Planning Official

Option 2: Administrative Review by the Planning Official

Option 3: Planning Commission review through a subsequent public hearing

Staff recommends designation of Option 2 – Administrative Review by the Planning Official because it provides the appropriate level of oversight for a development of this size while allowing future phases that remain in substantial conformance with the approved Planned Development, Preliminary Subdivision Plat, Conditions of Approval, and applicable provisions of the Lebanon Development Code to proceed efficiently. The purpose of the Administrative Review is to verify the implementation of the approved development framework and applicable conditions, rather than to reconsider issues resolved through this approval.

If a future phase proposes changes that are not in substantial conformance with the approved Planned Development or exceed the scope of Administrative Review authorized by the Lebanon Development Code, the application shall be processed under the applicable review procedures. The Planning Official also retains the authority to refer an application to the Planning Commission when appropriate.

IV. RECOMMENDATION

Based on the findings contained in this report and the attached Draft Order, staff recommends approval of the following applications subject to the Conditions of Approval contained in the Draft Order:

- Comprehensive Plan Map Amendment (CPMA-26-01)
- Zone Map Amendment (ZMA-26-01)
- Planned Development (PD-26-02)
- Preliminary Subdivision Plat (S-26-03)

Staff further recommends that the Planning Commission designate Option 2 – Administrative Review by the Planning Official, pursuant to LDC 16.23.050, for review of future phases of the Planned Development.

V. PLANNING COMMISSION ACTION

Staff has provided the Planning Commission with several options, each accompanied by an appropriate motion.

1. Approve the application, adopting the draft order as presented.

I move that the Planning Commission approve applications for Comprehensive Plan Map Amendment (CPMA-26-01), Zone Map Amendment (ZMA-26-01), Planned Development (PD-26-02), and Preliminary Subdivision Plat (S-26-03) and adopt the Draft Order as presented by staff.

2. Approve the application, adopting modifications to the draft order.

I move that the Planning Commission approve applications for Comprehensive Plan Map Amendment (CPMA-26-01), Zone Map Amendment (ZMA-26-01), Planned Development (PD-26-02), and Preliminary Subdivision Plat (S-26-03) and adopt the Draft Order with the following modifications:

3. Continue the hearing until August 19, 2026.

I move that the Planning Commission continue the public hearing on applications Comprehensive Plan Map Amendment (CPMA-26-01), Zone Map Amendment (ZMA-26-01), Planned Development (PD-26-02), and Preliminary Subdivision Plat (S-26-03) to August 19, 2026.

4. Close the hearing but keep the record open for submission of written testimony.

I move that the Planning Commission close the public hearing on applications Comprehensive Plan Map Amendment (CPMA-26-01), Zone Map Amendment (ZMA-26-01), Planned Development (PD-26-02), and Preliminary Subdivision Plat (S-26-03) and leave the written record open for submission of additional testimony until August 18, 2026.

5. Close the hearing and record, and continue deliberation to the next meeting.

I move that the Planning Commission close the public hearing and written record on applications Comprehensive Plan Map Amendment (CPMA-26-01), Zone Map Amendment (ZMA-26-01), Planned Development (PD-26-02), and Preliminary Subdivision Plat (S-26-03) and continue deliberations to the August 19, 2026 Planning Commission meeting.

6. Deny the application, directing staff to modify the draft order.

I move that the Planning Commission deny applications for Comprehensive Plan Map Amendment (CPMA-26-01), Zone Map Amendment (ZMA-26-01), Planned Development (PD-26-02), and Preliminary Subdivision Plat (S-26-03) and direct staff to prepare a Final Order reflecting the Commission's findings.