



CITY OF KLAMATH FALLS DEVELOPMENT SERVICES DEPARTMENT

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Planning Commission Staff Report – Zone Change Request

File No.: 2-Z-25

Application Completeness Date: January 30, 2026

Master File No.: 336425

Application Type: Quasi-Judicial

Hearing Date: March 23, 2026

Staff Presenter: Jon Anderson

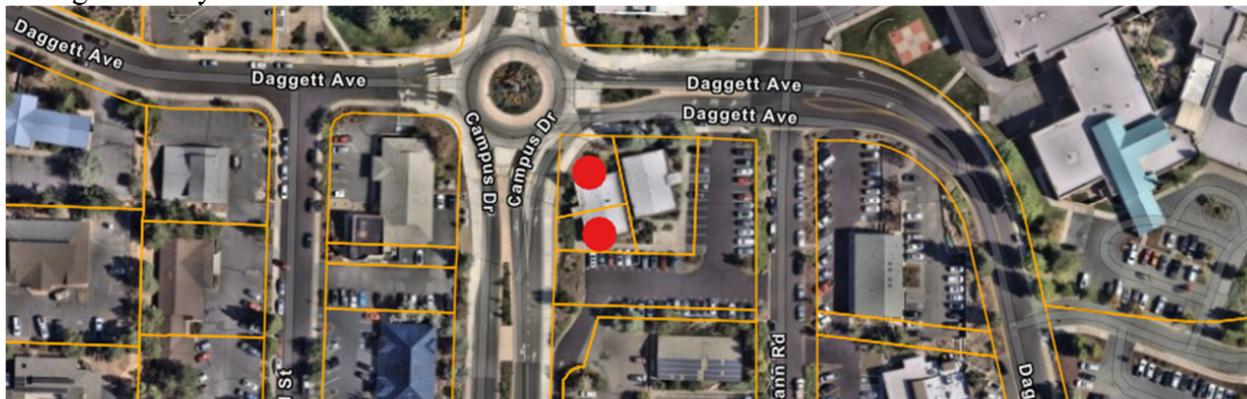
I. Application/Project Description and Background

Property owner David Panossian is requesting a zone change to convert two parcels, totaling 0.15 acres, from Campus Planned Unit Development (CPUD) Medical Professional (MP) to CPUD Neighborhood Commercial (NC) to accommodate additional uses along the Campus Drive corridor. The underlying legal lots are currently used as medical offices. Surrounding properties in the vicinity are CPUDNC to the west, and CPUDMP to the north, east and south, with uses including various medical offices and the regional hospital.

The CPUDMP zone is restricted primarily to essential medical services and offices of advanced degree holders. The CPUDNC zone allows all of the uses found in CPUDMP but also includes commercial uses that support Medical Professional uses, such as medical supply stores, and other uses such as small retail and professional business, grocery, and multi-family residential uses.

If the subject zone change were approved by City Council after Planning Commission recommendation, the applicant would need to obtain separate design review approval for any planned use different from the existing use (Medical Office) and meet all City development standards at the time of application.

The subject property is located immediately southeast of the intersection of Campus Drive and Daggett Avenue, addressed as 2682 and 2684 Campus Drive, identified as Klamath County Assessor Map Number R-3809-020BD, tax lot 4400 and 4500, and is further identified as Township 38 South, Range 9 East, Section 20, a portion of the Southeast ¼ Northwest ¼, less the right-of-way.



II. Applicant Information

Owner/ David Panossian
Applicant: 721 Arrowhead Rd
Klamath Falls OR 97601

Agent: Jonathan Moritz
Adkins Engineering & Surveying, Inc
1435 Esplanade Ave
Klamath Falls OR 97601

III. Conclusion and Staff Recommendation

*After reviewing the evidence submitted by the applicant and public and based on staff findings contained in **Exhibit A**, “Criteria and Recommended Findings,” **staff respectfully recommends the Planning Commission recommend approval of application 2-Z-25 to the City Council.***

The Planning Commission may accept staff’s findings as presented, modify or supplement staff’s findings and conditions, or reject staff’s findings and conditions, making a recommendation to the City Council as appropriate. Each of these options is presented below. In all cases, the Commission should explicitly address the review criteria, stating either agreement with staff’s recommendations or providing clear and unambiguous findings of fact when it modifies or rejects staff’s recommendation.

Recommended Planning Commission Options, Recommended Motion/Action:

- Hold a public hearing and take testimony,
 - and either
- Staff Recommendation:
 - Move to accept the recommended findings from staff and recommend approval.
 1. “I move that we adopt staff’s findings as our own and recommend approval of the requested zone change, land use application 2-Z-25, to the City Council.”
 - or;
- Other Option:
 - Move to modify the proposed findings and/or conditions to mitigate a concern (list modifications).
 1. “I move that we adopt staff’s findings as our own, excepting
 - State the findings not accepted.
 - “where we instead find that...”
 - State the findings you wish to adopt.
 - Move to recommend approval
 1. “I move to recommend approval of the requested zone change, land use application 2-Z-25, to the City Council.”
 - or;
- Option to Deny:
 - Move to direct staff to modify the proposed findings to support denial.

1. “I move that we direct staff to modify the proposed findings to support denial of land use application 2-Z-25 as discussed during this meeting.”
- Move to recommend denial of the requested zone change, land use application 2-Z-25, based on the modified findings.
 1. “I move to recommend denial of the requested zone change, land use application 2-Z-25, to the City Council.”

IV. Attachments

Exhibit A – Criteria and Recommended Findings

Exhibit B – Agency, Department, and Public Comments

Exhibit C – Applicant-Submitted Site Plan

Exhibit D – Applicant-Submitted Narrative

Exhibit A –Criteria and Recommended Findings

Because the application under review is requesting a change of zone from CPUDMP to CPUDNC, the criteria for a Change of Zone in both the Urban Area Comprehensive Plan and the Community Development Ordinance (CDO) apply.

Urban Area Comprehensive Plan Review Criteria

Urban Area Zone Change Criteria

1. Procedural Requirements:

- a. *The Department of Land Conservation and Development (DLCD) shall receive notification at least 35 days in advance of the first planning commission hearing for a zone change application in accordance with ORS 197.610 et seq. Post-Acknowledgment Procedures.*
- b. *If a wetland is located on the subject property, the Department of State Lands shall be notified of the zone change proposal pursuant to ORS 227.030 Notice of proposed wetland development and ORS 215.418(5) Approval of development on wetlands, notice.*
- c. *Local public notice for quasi-judicial map amendments shall be provided as set forth in ORS 197.763 Conduct of local quasi-judicial public hearings; notice requirements – and in relevant sections of the Klamath County LDC or the Klamath Falls CDO, depending on the location of the proposed zone change.*

Discussion

- a. Notice of the zone change request was provided to the DLCD on February 10, 2026, for a Planning Commission hearing to be held on March 23, 2026, 41 days in advance of the hearing.
- b. Inventoried wetlands are not located on the subject property.
- c. Local public notice has been issued per State and local regulations. Notice to all property owners within 500’ of the subject lot under zone change consideration was mailed on March 3, 2026, 20 days in advance of the hearing.

Recommended Finding

The Planning Commission finds the Urban Area Zone Change Criteria for Procedural Requirements have been satisfied. **This criterion is met.**

2. Public Need:

To address Statewide Planning Goals 9 (Economic Development), 10 (Housing) and 11 (Public Facilities and Services), the applicant must demonstrate public need for the zone change by considering applicable relevant Volume II background studies and/or Volume III facility master plans as indicated below.

- a. *For small-scale zone changes in developed areas: The proposal must result in a more logical and coherent land use pattern, as determined by the review authority.*
- b. *For a zone change that would decrease the supply of buildable residential land: If the proposal would rezone buildable land (as defined in the Residential BLI) from a*

residential zone to a non-residential zone, or result in decreased residential densities, then the HNA found in Volume II: Background Plans and Studies must be consulted to ensure that the rezone does not result in a shortage of buildable land for a needed housing type. This analysis is necessary to demonstrate compliance with Statewide Planning Goal 10: Housing. For example, if there is a documented shortage in the supply of High Density Residential land in the Urban Area, then the proposed zone change cannot make this shortage worse. To compensate for the loss of land for needed housing, other Urban Area land may be rezoned for comparable residential use, so as to result in “no net loss” of buildable land for the needed housing type.

- c. For a zone change that would increase the supply of suitable commercial or industrial land: the proposal must meet a need for a targeted employment opportunity identified in the Economic Opportunities Analysis (EOA) using the medium growth scenario. The EOA is found in Volume II: Background Plans and Studies. Alternatively, the review body may rely on a written commitment to purchase the subject property for a specific employment opportunity to justify the need for an industrial zone change proposal.*
- d. For a Public Facilities rezone proposal: The property in question must be owned by a public or non-profit corporation and the project should be referenced in the relevant facility master plan found in Volume III: Facility Master Plans.*

Discussion

Staff has reviewed the applicant’s submitted findings and accepts them as their own for items a, b, and d. Regarding item c, Staff provides additional context below.

- a. The subject property is currently zoned CPUDMP. The applicant seeks to rezone the property to CPUDNC, which is contiguous with existing uses to west. CPUDMP and CPUDNC are nearly identical zoning, with additional uses in CPUDNC being more retail oriented. The Comprehensive Plan states that NC zoning “should be located to serve existing or planned residential and shall have frontage along a collector or arterial street,” and the subject properties front Campus Drive, which is a collector street. The subject parcels are also within two blocks of CPUD Apartment/Medical Professional (MP) zoning to the west, within walking distance. Together these attributes contribute to a logical and coherent zoning pattern.
- b. The CPUDNC zone provides greater flexibility than the current CPUDMP zone by allowing for “needed housing” types (multi-family) as identified in the City’s Housing Needs Analysis (HNA). Therefore, the rezone does not result in a net loss of buildable residential capacity; rather, it diversifies it.
- c. The proposed CPUDNC designation allows for low-intensity, neighborhood-scale services that complement the adjacent medical and institutional uses. This aligns with the Economic Opportunities Analysis (EOA) goal of providing service-oriented uses compatible with commercial corridors.
- d. Not applicable.

Recommended Staff Finding

The Planning Commission finds the Urban Area Zone Change Criteria, Public Need, has been satisfied. **This criterion is met.**

3. Purpose

The proposed zone change shall be consistent with the purpose of and uses allowed by the proposed zone.

Discussion

Because the property is currently used as a Medical Office, the proposed zone change will have no effect on existing uses. Future uses will be subject to development review and be required to comply with the new zoning designation if approved.

Recommended Staff Finding

The Planning Commission finds the Urban Area Zone Change Criteria, Purpose, has been satisfied. **This criterion is met.**

4. Transportation

The subject property is properly related to transportation facilities to adequately serve the range of uses allowed in conjunction with such zoning and is consistent with the Urban Area Transportation System Plan. The proposed rezone must also meet Transportation Planning Rule (TPR) OAR 660-012-0060 requirements. To demonstrate compliance with the TPR, the applicant may be required to submit a Traffic Impact Study that meets local and Oregon Department of Transportation requirements. The zone change proposal may be conditioned to include demand management strategies that limit peak hour trips to achieve consistency with the TPR.

Discussion

The applicant provided a trip generation analysis based on the ITE Trip Generation Manual (11th Edition). The analysis identified a “Coffee/Donut Shop without Drive-Through” (Land Use Code 936) as the highest practical trip-generating use allowed under the proposed standards. This use generates approximately 108.38 daily trips per 1,000 sq ft of Gross Floor Area (GFA). Given the lot’s size constraints (approximately 6,480 sq ft) and the reduction in area due to the roundabout right-of-way acquisition (approximately 920 sq ft), a building large enough to trigger the 400-trip threshold for a Traffic Impact Analysis (TIA) is not feasible on this site. Therefore, the change in designation will not have a significant effect on the existing transportation system.

Recommended Staff Finding

The Planning Commission finds the Urban Area Zone Change Criteria, Transportation, has been satisfied. **This criterion is met.**

5. Adequate Public Facilities

The subject property has adequate sanitary sewer, storm drainage and domestic water service to serve the range of uses allowed by the proposed zone.

- a. *To make this adequacy finding, the subject property must be served or serviceable within the next 10 years as determined by the city, district and/or county engineer with jurisdiction.*
- b. *The engineer's determination must consider the Urban Area Public Facilities Plan, and relevant facility master plans and capital improvement programs.*

Discussion

- a. The subject property is located within a developed portion of the City with existing public utilities available along Daggett Avenue and Uhrmann Road to the east, from which services are received.
- b. There are no deficiencies identified in the vicinity of the subject parcel based on review of available sanitary sewer (2014) and water (2020) master plans, as well as Capital Improvement Program (2018).

Recommended Staff Finding

The Planning Commission finds the Urban Area Zone Change Criteria, Public Facilities, has been satisfied. **This criterion is met.**

6. Residential Zoning Location

The following locational guidelines shall be considered by the review body for rezoning proposal to the following residential zones:

- a. *High Density Residential should be located within 1000 feet of transit service or should have frontage along a collector or arterial street.*
- b. *Medium Density Residential should be located within a half mile of transit service and should have frontage along a collector street or higher classification.*
- c. *Zone changes to Low Density Residential and Suburban Residential should not be allowed adjacent to an arterial street.*

EXCLUDED – DOES NOT APPLY.

7. Commercial Zoning Location

The following locational guidelines shall be considered in the review of the following commercial rezoning proposals:

- a. *General Commercial and Transportation Commercial shall have frontage along an arterial street; exclusive use of local streets the travel through existing single-family neighborhoods in Low Density Residential or Suburban Residential zones shall not be permitted.*
- b. *Neighborhood Commercial should be located to serve existing or planned residential neighborhoods and shall have frontage along a collector or arterial street; Neighborhood Commercial zoning may also be used as a transition area between General Commercial and Residential areas.*

- c. *Downtown Commercial shall be limited to the Downtown Klamath Falls area as identified in the Urban Area Plan.*

Discussion

Items a. and c. are not applicable as the proposed zone is CPUDNC.

Item b. of the Urban Area Zone Change Criteria specifies that Neighborhood Commercial (NC) should serve residential neighborhoods and have frontage along a collector or arterial street. The subject property has dual frontage on Campus Drive and Daggett Avenue. Campus Drive is classified as a collector street, which satisfies the locational requirement for the CPUDNC zone. Furthermore, the proposed zoning is contiguous with existing CPUDNC parcels to the west, separated only by the Campus Drive centerline. This change allows for a mix of small-scale commercial and residential uses that act as a logical transition between the institutional hospital environment and the broader commercial corridor.

Recommended Staff Finding

The Planning Commission finds the Urban Area Zone Change Criteria, Commercial Zoning Location, has been satisfied. **This criterion is met.**

8. Topographical Constraints

- a. *Areas with slopes that are predominantly 25 percent or greater and land within the 100-year floodplain should not be rezoned for High or Medium Density Residential uses.*
- b. *Areas with substantial topographic constraints, such as predominant slopes of 15% or greater, or substantial floodplain or wetland limitations, are not considered suitable for industrial or commercial development. To demonstrate suitability, the review authority may require engineering and mitigation studies that result in an effective mitigation plan.*

Discussion

Item a. is not applicable as the proposed zone does not include allowance for high- nor medium-density residential.

Regarding Item b., there are no slopes greater than 15%, wetlands, or floodplains on the subject property.

Recommended Staff Finding

The Planning Commission finds the Urban Area Zone Change Criteria, Topographical Constraints, has been satisfied. **This criterion is met.**

9. Contiguity

- c. *In situations where up-zoning is proposed, the subject property should have comparable or more intensive zoning on at least one side to minimize incompatible land uses, and to restrict “spot-zoning”.*

- b. *The contiguity requirement shall not apply to Neighborhood Commercial or Mixed-Use zones, or to rezoning of 20 acres or more or contiguous land (where adequate buffers can be provided to mitigate potential adverse impacts from the rezoning).*

Discussion

Per item b., the contiguity requirement does not apply.

Recommended Staff Finding

The Planning Commission finds the Urban Area Zone Change Criteria, Contiguity, has been satisfied. **This criterion is met.**

10. Size and Shape

The subject property is adequate in size and shape to accommodate the proposed use or uses allowed in the proposed zone.

Discussion

The subject property consists of two parcels totaling 0.15 acres (approximately 6,480 sq ft). Per CDO Table 12.005, the minimum lot size for NC zoning is 5,000 sq ft. However, footnote 11 of the table notes that this minimum size is only required for newly created lots. The site currently accommodates a 2,600-sq. ft. building, and the existing joint-use parking lot (47 stalls) is adequate to serve uses allowed in the CPUDNC zone.

Recommended Staff Finding

The Planning Commission finds the Urban Area Zone Change Criteria, Size and Shape, has been satisfied. **This criterion is met.**

11. Historic Sites and Structures

Rezoning of land will identify potential impacts on designated historic sites and structures and mitigate such impacts to the extent feasible.

Discussion

No known designated historic sites or structures would be impacted by the requested rezone.

Recommended Staff Finding

The Planning Commission finds the Urban Area Zone Change Criteria, Historic Sites and Structures, has been satisfied. **This criterion is met.**

12. Noise Sensitive Uses

Based on DEQ rules (OAR Chapter 340, Division 35):

- a. *Zone changes that allow uses that generate substantial noise should not be located next to noise-sensitive uses unless noise attenuation measures are assured.*
- b. EXCLUDED – DOES NOT APPLY. (Airport related)

Discussion

No uses allowed within the CPUDNC zone typically exceed DEQ noise-control regulations.

Recommended Staff Finding

The Planning Commission finds the Urban Area Zone Change Criteria, Noise Sensitive Uses, has been satisfied. **This criterion is met.**

13. Neighborhood Impacts

The review body shall consider impacts on uses allowed by zoning for properties within 500 feet of the proposed zone change.

- a. *Where substantial adverse impacts are identified, the review body may condition the zone change to mitigate identified impacts.*
- b. *Where substantial adverse impacts are identified but cannot be reasonably mitigated, the review body should deny the zone change.*

Discussion

The review body must consider impacts on uses allowed by zoning for properties within 500 feet of the proposed change. Surrounding zones within this radius include CPUDMP, CPUDA/MP, and School (Oregon Tech). Many of the other parcels within this 500-foot buffer are already zoned CPUDNC. While the CPUDNC zone allows for a broader range of retail uses than the current medical professional designation, any future redevelopment remains subject to the CDO buffering and landscaping standards. Given the small size of the parcels and their location on a collector street, the impacts of neighborhood-scale commercial uses are expected to be similar in intensity to the existing medical office uses.

No comments, either positive or negative, were received from property owners within the 500' zone change notice area as of the date of publication of this report.

Recommended Staff Finding

The Planning Commission finds the Urban Area Zone Change Criteria, Neighborhood Impacts, has been satisfied. **This criterion is met.**

14. Planned Unit Development

EXCLUDED – DOES NOT APPLY. This section applies to new PUD zones.

15. Air/Rail Transportation Zone

EXCLUDED – DOES NOT APPLY.

Community Development Ordinance (CDO) Review Criteria

Article 7. Change of Zone

11.415 Required findings.

Prior to making a recommendation on the proposed change of zone, the Commission shall analyze the following criteria and incorporate such analysis in their decision:

A. The change of zone is in conformance with the Comprehensive Plan and all other provisions of Chapters 10 to 14 and any applicable street plans.

Discussion

The Urban Area Comprehensive Plan requirements are addressed through the findings above. Conformance with the Comprehensive Plan was met. Complete CDO conformance will be determined through any future subsequent development review.

Recommended Staff Finding

The Planning Commission finds the CDO Change of Zone Criteria, required finding A., has been satisfied. **This criterion is met.**

B. The property affected by the change of zone is adequate in size and shape to facilitate those uses that are normally allowed in conjunction with such zoning.

Discussion

This item is addressed under Urban Area Comprehensive Plan Review Criteria 10, Size and Shape, above.

Recommended Staff Finding

The Planning Commission finds the CDO Change of Zone Criteria, required finding B., has been satisfied. **This criterion is met.**

C. The property affected by the proposed change of zone is properly related to streets to adequately serve the type of traffic generated by such uses that may be permitted therein.

Discussion

This item is addressed under Urban Area Comprehensive Plan Review Criteria 4, Transportation, above.

Recommended Staff Finding

The Planning Commission finds the CDO Change of Zone Criteria, required finding C., has been satisfied. **This criterion is met.**

D. The proposed change of zone will have no adverse effect on abutting property or the permitted uses thereof.

Discussion

This item is addressed under Urban Area Comprehensive Plan Review Criteria 13, Neighborhood Impacts, above.

Recommended Staff Finding

The Planning Commission finds the CDO Change of Zone Criteria, Required finding D., has been satisfied. **This criterion is met.**

11.435 Required findings.

Prior to rendering a decision on a change of zone, the Council shall make such written findings as required in Section 11.415 (Required findings). (Ord. 17-10, 2017)

Discussion

This criterion does not apply at the Planning Commission hearing.

Recommended Staff Findings

No finding is required.

12.385 Amendments.

Any proposed amendment to an adopted final PUD plan shall be accomplished by following the procedures and meeting the criteria of Chapter 11, Article 7 (Change of Zone), Section 12.380 (Final PUD plan submittal requirements), and Section 12.383 (Criteria of approval for final PUD plan). (Ord. 17-10, 2017)

Discussion

This document incorporates the criteria from Chapter 11, Article 7.

Recommended Staff Findings

The Planning Commission finds that the CDO PUD Amendments criteria has been satisfied. **This criterion is met.**

Exhibit B – Agency, Department, and Public Comments

City - Engineering/Public Works

“No exceptions taken.”

County - Fire District No. 1

“Klamath County Fire District 1 does not have any comments or concerns with the proposed zone change, thank you.”

County - Public Works

“The site is within the City of Klamath Falls and does not take access directly from Klamath County roadways. Furthermore, this zone change is not expected to create any adverse impacts to County transportation facilities in the overall area. The site will drain directly to City/ODOT facilities and subject to City standards for development. As such, Klamath County Public Works (KCPW) does not have any comments for this project.”

Cal-Ore Communications

“Cal-Ore has not objections to this proposed land partition.”

Klamath Irrigation District

“Thank you for including Klamath Irrigation District. We have no comment at this time.”

Property Owners/Public

No comments received.

Exhibit C – Applicant-Submitted Site Plan
Provided under separate cover.

Exhibit D – Applicant-Submitted Narrative
Provided under separate cover.