1	BEFORE THE LAND USE BOARD OF APPEALS
2 3	OF THE STATE OF OREGON
3 4	DOUGLAS ZIRKER and VIVIANN ZIRKER,
5	Petitioners,
6	1 стионств,
7	vs.
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9	CITY OF BEND,
10	Respondent,
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12	and
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14	HOME FEDERAL BANK,
15	Intervenor-Respondent.
16	, A A A A A A A A A A A A A A A A A A A
17	LUBA No. 2011-036
18	
19	FINAL OPINION
20	AND ORDER
21	
22	Appeal from City of Bend.
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24	William H. Sherlock, Eugene, filed the petition for review and argued on behalf of
25	petitioners. With him on the brief was Hutchinson, Cox, Coons, DuPriest, Orr and Sherlock,
26	P.C.
27	
28	Gary Firestone, City of Bend Legal Counsel, Bend, filed a response brief and argued
29	on behalf of respondent. With him on the brief was Mary A. Winters.
30	
31	Steven P. Hultberg, Bend, filed the response brief and argued on behalf of interever-
32	respondent. With him on the brief was Ball Janik LLP.
33	
34	HOLSTUN, Board Member; RYAN, Board Chair; BASSHAM, Board Member,
35	participated in the decision.
36	
37	AFFIRMED 08/31/2011
38	
39	You are entitled to judicial review of this Order. Judicial review is governed by the
40	provisions of ORS 197.850.

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Opinion by Holstun.

2 NATURE OF THE DECISION

3 Petitioners appeal a city hearings officer's decision that grants site plan review4 approval for a triplex.

5 FACTS

6 Petitioners have appealed three prior city decisions concerning the disputed triplex. 7 Zirker v. City of Bend, 59 Or LUBA 1 (2009), rev'd and remanded 233 Or App 601, 227 P3d 1174 (2010) (Zirker III); Tallman v. City of Bend, 56 Or LUBA 398 (2008) (Zirker II);¹ 8 9 Zirker v. City of Bend, 55 Or LUBA 188 (2007) (Zirker I). We set out the history of these appeals in some detail in our decision in Zirker III, and no purpose would be served by 10 11 setting that history out in similar detail here. We limit our discussion of the facts to those 12 necessary to understand our resolution of petitioners' three assignments of error in the 13 present appeal. While Zirker I was pending before LUBA, intervenor's predecessor 14 commenced construction of the triplex. Petitioners' motion to stay the city's decision in 15 Zirker I was denied by LUBA. Construction of the triplex is now complete.

16 The subject property is zoned Residential Medium Density (RM) and has frontage on 17 Steidl Road, an existing improved city street. The standard front yard setback in the RM 18 zone is 10 feet, measured from the front lot line along the existing Steidl Road right-of-way. 19 Bend Development Code (BDC) 2.1.300(C)(2)(a). The triplex complies with this 20 requirement. Steidl Road has a 40-foot right-of-way and is improved with a 24-foot wide 21 paved surface. Under the current BDC, a local street such as Steidl Road is required to have 22 a 60 foot right-of-way and a 36-foot wide paved travel surface. In circumstances where 23 existing streets and rights of way are substandard, the BDC imposes three requirements that 24 are relevant here. First, it imposes a special 30-foot setback and requires that the normal

¹ Petitioners Zirker were also petitioners in this appeal.

1 front yard setback in the applicable zone be measured from this 30-foot special setback instead of the edge of the existing right-of-way. BDC 3.4.200(J).² In this case, that would 2 require that the 10-foot standard front yard setback in the RM zone be measured from the 3 4 special 30-foot setback instead of the edge of the existing right-of-way. The triplex intrudes 5 into this setback. In this opinion we will refer to the additional setback that is required under 6 BDC 3.4.200(J) as the Extra Setback. The BDC also requires that sufficient right-of-way be dedicated to bring the right-of-way up to current standard. BDC 3.4.200(N).³ In this case 7 8 that would require dedication of an additional 10 feet of right-of-way along Steidl Road. 9 Finally, the BDC requires a minimum pavement width of 36 feet. BDC 3.4.200 Table A. As previously mentioned, Steidl Road has a 24-foot wide pavement width.⁴ 10

In *Zirker III*, the city granted intervenor's predecessor Steidl Road LLC variances to the Extra Setback, right-of-way dedication and right-of-way improvement requirements. And, alternatively, the city waived the three requirements under a chapter of the BDC that authorized the city engineer to waive certain standards. In *Zirker III*, LUBA sustained petitioners' challenge to the variances. However, LUBA rejected petitioners' challenge to the waivers, and on the basis of those waivers, LUBA affirmed the city's decision in *Zirker III*. The Court of Appeals found the city engineer had authority to waive the right-of-way

² BDC 3.4.200(J)(3)(a) provides:

[&]quot;Unless waived under Section 3.4.150, all buildings or structures shall be set back from planned future rights of way the minimum distance established in the applicable zoning district."

³ BDC 3.4.200(N) provides:

[&]quot;Existing Rights-of-Way. Whenever existing rights-of-way adjacent to or within a tract are of less than standard width, additional rights-of-way shall be provided at the time of subdivision or site development, in conformance with Tables A through E in Section 3.4.200, Transportation Improvement Standards, above."

⁴ In this opinion we cite to the amended BDC Extra Setback, right-of-way dedication and right-of-way improvement sections, some of which are not codified in the same location that they were codified at the time of *Zirker III*.

dedication and improvement requirements but did not have authority to waive the Extra
 Setback requirement. Based on the Court of Appeals' decision in *Zirker III*, in an
 unpublished opinion, LUBA reversed the city's decision on August 26, 2010. *Zirker v. City of Bend*, (LUBA No. 2008-217, August 26, 2010).

5 At some point, intervenor-respondent Home Federal Bank (Home Federal) took title 6 to the property. In addition, following the Court of Appeals decision in Zirker III, the city 7 amended the BDC to authorize the planning department to waive the Extra Setback 8 requirement if certain standards are met. Thereafter, on December 3, 2010, Home Federal 9 submitted a new application for site plan approval for the triplex, with waivers of the Extra 10 Setback, right-of-way dedication, and right-of-way improvement requirements under the 11 amended BDC. Applying the amended BDC, the city granted the waivers and site plan 12 approval, and this appeal followed.

13 FIRST ASSIGNMENT OF ERROR

ORS 227.178(3) applies what is called a fixed "goal post" rule to cities. Petitioner argues that under ORS 227.178(3) the city was bound to apply the version of the BDC that was in effect in *Zirker I, II, and III*, and that the city erred in applying the amendments to the BDC that authorize the planning department to waive the Extra Setback, because those amendments post-date the complete applications that led to *Zirker I, II, and III*.

19 ORS 227.178(3)(a) provides:

"If the application [for a permit] was complete when first submitted or the
applicant submits the requested additional information within 180 days of the
date the application was first submitted and the city has a comprehensive plan
and land use regulations acknowledged under ORS 197.251, approval or
denial of the application shall be based upon the standards and criteria that
were applicable at the time the application was first submitted."

ORS 227.178(3) is part of a larger statutory scheme that was adopted to protect permit applicants from changes in law that are adopted after a permit application is submitted and to assure that permit applicants receive a timely final decision on permit applications. If a city

1 does not render a final decision on a permit application within the 120 days specified by ORS 2 227.178(1), a permit applicant is authorized to file a petition for writ of mandamus. ORS 3 227.179(1). In that event, the city must approve the permit application unless the city can 4 establish that the approval would violate a substantive requirement of the city's 5 comprehensive plan or land use regulations. In Zirker III, the city took action within the 6 required 120-day deadline. There was no need to seek a mandamus remedy in Zirker III. All 7 parties, including Steidl Road LLC and petitioners, "received everything they were entitled 8 to under ORS 227.178" when the city rendered a timely final decision on those permit 9 applications, based on the BDC standards that were in effect when Steidl Road LLC 10 submitted its permit application. Seitz v. City of Ashland, 24 Or LUBA 311, 315 (1992).

11 There is no dispute that Home Federal submitted a new application on December 3, 12 2010 or that the amended BDC that gives the planning department authority to waive the 13 Extra Setback had been adopted and was in effect on December 3, 2010. Citing DLCD v. 14 Jefferson County, 220 Or App 518, 188 P3d 313 (2008), petitioners contend the city was 15 nevertheless bound to continue to apply the prior version of the BDC that does not authorize 16 the city to waive the Extra Setback to Home Federal's application, because the plans that 17 supported Steidl Road LLC's permit application and the plans that support Home Federal's 18 December 3, 2010 application are identical.

As respondent and Home Federal correctly note, LUBA has already determined that ORS 227.178(3) does not deprive an unsuccessful permit applicant of the right to submit a second application to again seek permit approval of the original proposal under amended permit standards:

"Petitioners' understanding of ORS 227.178(3) is not supported by the
statutory language, and ignores the fact that a city council properly exercises
both quasi-judicial and legislative powers. Nothing in ORS 227.178(3)
prevents a city from (1) determining that an application cannot meet a city
approval standard, (2) amending the city approval standard, and (3) applying
the amended approval standard to an application submitted thereafter.

"We agree that in order for the amended * * * provisions to apply, ORS 227.178(3) requires that the subject application postdate the * * * amendments * * *. However, we do not agree that in order for the amended * * * provisions to apply, the subject application cannot be identical to the original application. We see nothing in the statute to preclude an applicant from submitting a new application, similar or identical to a previous application found inconsistent with applicable standards, for the purpose of obtaining review under amended approval standards."

Sunburst II Homeowners v. City of West Linn, 18 Or LUBA 695, 701-02, *aff'd* 101 Or App
458, 790 P2d 1213 (1990); *see Eckis v. Linn County*, 19 Or LUBA 15, 44 (1990) (reaching
the same conclusion regarding the parallel language of ORS 215.428(3) applicable to
counties).

13 Petitioners' reliance on DLCD v. Jefferson County, is misplaced. It is true that in 14 DLCD the Court of Appeals stated that a permit applicant cannot insist on the benefit of the 15 goal post statute if the "application changes in a material way." 220 Or App at 524. But that 16 language in no way suggests that where there are two applications, the second application is 17 not entitled to be judged by amended standards or criteria that were in effect on the date the 18 second application was submitted, unless the second application "changes in a material way" 19 from a prior application that was denied. There was only one application in DLCD v. 20 Jefferson County; it was not a case where a second application sought approval for a 21 proposal after the decision granting the first application had been reversed. The principle 22 articulated in DLCD v. Jefferson County simply gives Home Federal the right to insist that its 23 application be reviewed based on the standards and criteria in effect on December 3, 2010, 24 unless that December 3, 2010 application was later changed in some "material way."

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The first assignment of error is denied.

26 SECOND ASSIGNMENT OF ERROR

In their second assignment of error, petitioners contend the city should be barred from applying the amended BDC to grant the Extra Setback waiver by the doctrine of equitable 1 estoppel. The elements of estoppel were set out in Coos County v. State of Oregon, 303 Or

2 173, 734 P2d 1348 (1987):

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"[T]here must (1) be a false representation; (2) it must be made with knowledge of the facts; (3) the other party must have been ignorant of the truth; (4) it must have been made with the intention that it should be acted upon by the other party; [and] (5) the other party must have been induced to act upon it." *Id.* at 180-81 (*quoting Oregon v. Portland Gen. Elec. Co.*, 52 Or 502, 528, 95 P 722 (1908)).

9 LUBA has questioned on numerous occasions whether LUBA has authority to decide 10 an appeal based on equitable estoppel principles. Chaves v. Jackson County, 56 Or LUBA 11 643, 645 (2008); Hiedgerken v. Marion County, 35 Or LUBA 313, 323 (1998); Mazeski v. Wasco County, 30 Or LUBA 442, 446 n 4 (1995); Pesznecker v. City of Portland, 25 Or 12 13 LUBA 463, 466 (1993); Lemke v. Lane County, 3 Or LUBA 11, 15, n 2 (1981). However, in 14 each of the cited cases LUBA concluded that even if a LUBA appeal could be decided based 15 on equitable estoppel, in the circumstances presented in those appeals there was no equitable 16 estoppel, making it unnecessary to decide the question. This is another such case.

Petitioners' equitable estoppel argument relies on four documents. The first is an October 22, 2007 e-mail message from the city's attorney to petitioners' attorneys, following LUBA's decision in *Zirker I*. The city attorney states in that message that the city believes its approval of the triplex in *Zirker I* was proper, but also advises petitioners' attorneys that the city was requiring the applicant to execute an agreement that it would remove the triplex in the event the applicant does not ultimately receive a favorable city decision granting approval for the triplex.⁵ The second document is an October 24, 2007 statement by Steidl

⁵ The substance of that message is set out below:

[&]quot;Here is a summary in my words as to the City's course of action:

[&]quot;The City staff will be preparing findings in the next few days possibly early next week to respond to [LUBA's] remand. Staff believes that the procedure that was followed is authorized by the [BDC].

- 1 Road LLC in which it "agrees to restore the site to its original condition if the application for
- 2 the land use approval for the triplex is denied."⁶ The third document is a November 15, 2007
- 3 performance agreement and guarantee that Steidl Road LLC will remove the triplex if a city
- 4 decision approving the triplex is not issued or is reversed on appeal.⁷ The fourth document is

"The City is requiring that the applicant execute a removal agreement and provide security to remove the structure in the event that the applicant is not permitted to construct the tri-plex. Nevertheless, the City believes that the approval of the tri-plex was substantively proper. Staff is looking to the applicant to provide the security and removal agreement within the next few days. If these documents are not provided, it will issue a stop work order." Record 81.

⁶ The substance of the October 24, 2007 removal agreement is set out below:

"To Whom It May Concern:

"The applicant, Steidl Road LLC, accepts each and every risk of loss and damage that may result if the application is denied, and further agrees to hold City, its officers, agents and employees harmless from such loss and damage.

"The applicant agrees to restore the site to its original condition if the application for the land use approval for the triplex is denied." Record 82.

⁷ The substance of that agreement is set out below:

"A. PERFORMANCE AGREEMENT

"1. DEVELOPER agrees to deposit \$12,780.00 (which is 120% of the total estimated cost of the site restoration to be completed by the DEVELOPER) in a certificate of deposit account, # 042-1387619-8, at BANK's Bend branch office, assigned to the City of Bend, to ensure that DEVELOPER completes all site restoration required by CITY for the development of the PZ 06-869 if said land use is denied by the Land Use Board of Appeals. Said improvements are shown on the construction plans for the Steidl Road Tri-plex per plans submitted to the CITY.

"2. In the event that the Land Use Board of Appeals denies the DEVELOPER'S project, the developer agrees to restore the site in accordance to City of Bend Development Code Section 4.1.910D. If the developer fails to restore the site according to the City of Bend Development Code to CITY standards, CITY may withdraw funds from the above mentioned account to complete the restoration to CITY standards. BANK agrees to disburse funds from said account to CITY upon request by CITY. CITY agrees that it will not request withdrawal of funds from said account except upon a failure of DEVELOPER to restore the site as required by CITY.

"3. Upon ultimate approval of PZ 06-869, including all appeals to LUBA and/or higher courts, all funds held in the account shall be disbursed to the DEVELOPER." Record 107.

a November 30, 2007 e-mail message from the city attorney to petitioners' attorney advising
 him of the November 15 performance agreement.⁸

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3 In a nutshell, petitioners contend the city falsely represented to petitioners that it 4 would require Steidl Road LLC to remove the triplex if its permit application was ultimately 5 denied, when the city intended all along that it would instead amend the BDC to again 6 attempt to approve the permit application if the initial permit application was denied (Coos 7 *County* elements 1-2). Petitioners contend they were ignorant of the city's intent (*Coos* 8 County element 3). If we understand petitioners correctly, they contend the city made this 9 false representation to induce petitioners to continue filing LUBA appeals and incurring 10 significant legal expenses and petitioners were so induced (Coos County elements 4 and 5).

The city never made the representation that petitioners contend it made. While one might infer that the city might demand that Steidl Road LLC remove the triplex and restore the property if its permit were ultimately denied or approved and reversed on appeal, the city never represented to petitioners that it would do so. The most logical inference from the October 24, 2007 and November 15, 2007 documents and the related e-mail messages is that the city was taking steps to protect the city from incurring costs related to removal in the event the triplex had to be removed. *Coos County* element 1 is missing.

Neither is *Coos County* element 4 present in this case. There is simply no reason to
believe the city took the actions it took in 2007 to induce petitioners to continue filing LUBA
appeals to challenge the city's decisions.

21 The second assignment of error is denied.

⁸ The substance of the November 30, 2007 e-mail message is set out below:

[&]quot;The applicant has made a cash deposit as security for the removal of the building.

[&]quot;As to the local appeal, I am told that the appeal will not be accepted." Record 83.

1 THIRD ASSIGNMENT OF ERROR

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A. The Waiver or Modification Criteria and the Hearings Officer's Findings

The amended BDC authorizes waivers or modifications of BDC standards. BDC 3.4.150(A).⁹ BDC 3.4.150(B) sets out the criteria for granting waivers or modifications. BDC 3.4.150(B).¹⁰ As relevant here, BDC 3.4.150(B) requires the hearings officer to find

⁹ BDC 3.4.150(A) provides as follows:

"Authority to Grant Waiver or Modification. Waivers and/or modifications of the standards of this chapter and/or the City of Bend Standards and Specifications may be granted as part of a development approval only if the criteria of Subsection B are met."

¹⁰ As relevant, BDC 3.4.150(B) provides:

Criteria. The Review Authority, after considering the recommendation of the City Engineer, may waive or modify the standards of this title and the City of Bend Standards and Specifications based on a determination that (1) the waiver or modification will not harm or will be beneficial to the public in general; (2) the waiver and modification are not inconsistent with the general purpose of ensuring adequate public facilities; and (3) one or more of the following conditions are met:

··* * * * *

"2. An existing structure such as a substantial retaining wall makes widening a street or right-of way or required placement of lines impractical or undesirable.

··* * * * *

"5. The standard is a street or right-of-way standard and existing structures on the same side of the block make future widening of the remainder of the street or right-of-way unlikely and the additional width on the project site would not be beneficial for sidewalks or parking without the extension for the rest of the block.

··* * * * *

"7. The existing infrastructure (a) does not meet current standards, (b) is and will remain functionally equivalent to current standards, and (c) there is little likelihood that current standards will be met in the area.

··* * * * *

"9. There is insufficient right-of-way to allow a full width street cross section and additional right-of-way cannot be provided.

··* * * * *

Page 10

"that (1) the waiver or modification will not harm or will be beneficial to the public in general; [and] (2) the waiver and modification are not inconsistent with the general purpose of ensuring adequate public facilities[.]" BDC 3.4.150(B) also requires that the hearings officer find that one or more of 12 listed conditions are met. The hearings officer found that four of those 12 conditions are met, and petitioner does not assign error to those findings. Petitioners challenges are directed at the BDC 3.4.150(B)(1) and (2) criteria only.¹¹ The hearings officer's findings concerning those criteria are set out below:

8 "The evidence before the Hearings Officer is that proposed development is in-9 fill development, and the development pattern in the area is already established. All but one lot surrounding the subject property are developed 10 11 and were so before the time the site and surrounding properties were zoned 12 Residential Medium and before the current setback and right-of-way 13 standards applied. Four out of the five houses on the east side of Steidl Road 14 do not meet the standards sought to be waived by the applicant, and none of 15 the houses on the west side meet the setback standards sought to be waived by 16 the applicant. The City Engineer recommends approval of this application 17 and a waiver of the subject standards. Her comments are that Steidl Road 18 receives very low use. The maximum capacity of a two-way two-lane 19 roadway is 3,200 vehicles per hour according to the Highway Capacity 20 Manual. Steidl Road has an approximate existing volume of 120 vehicles per 21 hour. The City Engineer found that the changes of use on Steidl Road from a 22 single family dwelling to a triplex is '.... considerably less than 2 trips during 23 peak hour of the day or less than one trip added in a single half an hour 24 between the hours of 4 and 6 pm.' She concludes that given the close 25 proximity of parks, trails, schools and Downtown Bend 'there will be no 26 measurable impacts on Steidl Road or the greater transportation system from 27 this development.' The Engineer set forth her analysis in her comments to the 28 record, describing on-street parking as sparse, and stating that where on-street 29 parking occurs, the two-way travel is accommodated in the 16 to 17' lanes 30 allowing sufficient lanes for vehicles to pass each other. There will be a

"Any waiver or modification of applicable standards and specifications shall be the minimum needed to allow development, and maximization of the number of lots or parcels in a land division is not a reason to allow a waiver or modification."

¹¹ It is unclear to us whether petitioners challenge only the waiver to the Extra Setback or also challenge the waivers to the right-of-way dedication and right-of-way improvement standards. Because petitioners' arguments are generally directed at the Extra Setback Waiver our discussion of the third assignment of error also focuses on the Extra Setback waiver. However, even if petitioners' challenge does encompass the right-of-way dedication waiver and the right-of-way improvement waiver, our resolution of the third assignment of error is the same.

1 condition of approval preventing on-street parking in front of the proposed 2 triplex. While additional on-street parking could be added by additional 3 setback and right-of-way, there is no evidence that such is needed at all. As 4 noted by the Engineer, there is no evidence of a lack of on-street parking or 5 even a 'high potential for on-street parking.' I conclude the application of the 6 setback and right-of-way consistent with the surrounding properties will not 7 harm the public in general and will not inconsistent with the general purpose 8 of ensuring adequate public facilities. To quote the Engineer, 'there is no 9 deficit in traffic operations or on-street parking....'" Record 52-53 (emphasis 10 in original; citations omitted).

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B. The Effect of the Extra Setback Waiver

12 Before turning to petitioners' arguments, we note a point of confusion under this

13 assignment of error. Petitioner argues:

"The Special Setback standards * * * provide the City with the means to
ensure adequate and safe transportation within the urban area as it grows and
redevelops. For a local street such as Steidl road, the setback from the
centerline is 30 feet. *It is undisputed that the triplex violates this standard as it was built within 20 feet of the street centerline.*" Petition for Review 12
(emphasis added.)

20 As we explained earlier, it is the Extra Setback that the disputed triplex does not 21 comply with. The triplex is not built within 20 feet of the centerline of Steidl Road, as 22 petitioners suggest above. It is true that granting the waiver to the Extra Setback permits the 23 triplex to be closer to a 60-foot Steidl Road right-of-way, if that right-of-way is expanded to 24 60 feet in the future. But petitioners incorrectly suggest throughout their argument under the 25 third assignment of error that granting the disputed waiver to the Extra Setback will prevent 26 widening the Steidl Road right-of-way and prevent constructing roadway improvements that 27 meet current standards within that expanded right-of-way. As the planning staff advised the 28 hearings officer in a January 11, 2011 memorandum:

"If in the future it is determined that Steidl Road must be upgraded to meet
current improvement standards, a thirty-six-foot-wide street with six-footwide curbside sidewalks could be installed along the frontage of the site and
the triplex porch would still be setback six feet from the sidewalk." Record
88.

The point the staff is making is that granting the Extra Setback waiver does not preclude expanding the Steidl Road right-of-way to a full 60 feet and does not preclude construction of a standard city street with sidewalks and on-street parking. The Extra Setback waiver simply means the triplex would be closer to an expanded Steidl Road right-of-way (if it is expanded in the future) than it would be without the waiver.

6 7 C.

Petitioners' Arguments

1. On-Street Parking, Emergency Vehicles, Planned Development

8 Petitioners contend waiver of the Extra Setback "will ensure that on-street parking 9 along Steidl Road will never be allowed or legal, will ensure that emergency response 10 vehicles will be hampered and constructed indefinitely, and will ensure that 'adequate right-11 of-way' will NOT be available as the City grows * * *." Petition for Review 13.

It may be that large emergency vehicles that encounter on-street parking on Steidl Road will have to navigate past the limited amount of on-street parking with less than ideal roadway width. However, Home Federal responds that there is no evidence in the record that emergency response vehicles are experiencing difficulty on Steidl Road. Home Federal also points to testimony from the city engineer that the existing 24-foot roadway with two 12-foot travel lanes is more than adequate given the low traffic volumes and low demand for onstreet parking on Steidl Road. Record 153. We agree with Home Federal.

With regard to petitioners' contention that the hearings officer failed to consider that planned development may create a need to widen and improve Steidl Road, the hearings officer found the "development pattern of the area is already established." Record 52. In other findings addressing BDC 3.4.150(B), *see* n 10, the hearings officer found:

"* ** Given the low traffic volumes and the existing development pattern it is
unlikely that the City would condemn houses to make room for additional
right-of-way or want to and the City Engineer considered what she refers to as
a conservative redevelopment scenario. That is, she considered the
underlying zone and the possibility of redevelopment consistent with an RM
standard. She still opined that street-widening is not warranted and there

would be no harmful effect in maintaining the current right-of-way. * * *."
 Record 53.

The record does not support petitioners' contention that the hearings officer failed to consider redevelopment under RM zoning. Rather, the record shows the hearings officer simply viewed the neighborhood as one that is almost completely developed with single family dwellings with little chance that there will be significant redevelopment at higher densities. In the January 11, 2011 planning department memorandum to the hearings officer, planning staff took the position that redevelopment at higher densities in this area of the city is unlikely:

10 "* * * While it is true that [it] is *possible* that all of the properties along Steidl Road could be redeveloped in the future with duplexes, triplexes or higher 11 12 density residential development, this scenario is unlikely. With the exception 13 of one other lot on the street, the lots are already developed with single family 14 homes, most of which are higher-end homes in good repair. Although it is 15 true that this site is redeveloping, there is no history of significant levels of 16 redevelopment in the surrounding neighborhoods to indicate that the existing development pattern is likely to significantly change. * * *" 17 Record 87 18 (emphasis in original).

Finally, as we have already noted, if it turns out that emergency vehicles do begin having problems on Steidl Road, or that more on-street parking is needed or that redevelopment exceeds the planning department's expectations, the Extra Setback waiver granted to Home Federal would not preclude expanding the Steidl Road right-of-way. Petitioners' argument regarding emergency vehicle access, on-street parking and the potential for redevelopment do not demonstrate that the hearings officer erred in waiving the Extra Setback.

26

2. Focus on the East Side of Steidl Road

Petitioners contend "the Hearing Officer looks to the far-side of Steidl Road in [an] attempt to justify waiving the setback and improvement requirements, noting 'Four out five houses on the east side of Steidl Road do not meet the standards sought to be waived by the applicant.' While this may be true, this does not justify a decision to waive setback restrictions on the west side of the street where the subject property is currently located.
 * * *" Petition for Review 15.

As the above-quoted findings make clear, the hearings officer did not focus exclusively on the east side of Steidl Road. To the contrary, immediately after the finding that four out of five houses on the east side of Steidl Road do not comply with the Extra Setback, the hearings officer found "none of the houses on the west side meet the setback standards sought to be waived by the applicant." Record 52. Petitioners' contention that the hearings officer erroneously focused on the east side of Steidl Road is without merit.

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3. Improper Focus on Steidl Road's Current Excess Capacity

Petitioners next fault the hearings officer for following the city engineer's reliance on Steidl Road's current excess capacity and the lack of any significant transportation impacts expected from the triplex itself in concluding that the Extra Setback waiver is warranted here. Petitioners contend that reliance led the hearings officer to fail to account for planned growth.

We see no reason to fault the hearings officer's reliance in part on Steidl Road's excess capacity or the lack of any significant traffic impact expected from the triplex. As for the hearings officer's failure to account for planned growth, as we have already noted, we simply understand the hearings officer to have a very different view of the likelihood of any significant redevelopment that might increase traffic on Steidl Road and create a need for a wider right-of-way and the on-street parking that a wider travel surface might allow.

Petitioners' arguments that the hearings officer assigned improper significance to
 Steidl Road's excess capacity is without merit.

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4. Failure to Establish That the Waiver is the Minimum Needed

The last paragraph of BDC 3.4.150(B) requires that a waiver under BDC 3.4.150(B) "shall be the minimum needed to allow development." *See* n 10. Petitioners contend the hearings officer failed to address this requirement. 1 LUBA's scope of review is "limited to those [issues] raised by any participant before 2 the local hearings body[.]" ORS 197.835(3). Under ORS 197.763(1), issues must be raised 3 sufficiently, prior to the close of the record, to give the parties and decision maker "an adequate opportunity to respond to each issue.¹² Home Federal contends that petitioners 4 5 failed to raise this issue below before the close of the record, and therefore the issue has not 6 been preserved for LUBA review. Home Federal also argues that petitioners failed to raise 7 this issue in their local notice of appeal to the Bend City Council, and the issue is therefore 8 also waived because petitioners failed to exhaust their available remedies regarding this 9 issue. Miles v. City of Florence, 190 Or App 500, 510, 79 P3d 382 (2003).

Petitioners did not file a reply brief or respond to Home Federal's waiver arguments at oral argument. We therefore do not consider petitioners' argument that the hearings officer's decision should be remanded because the hearings officer adopted no findings concerning whether the waiver is the "minimum needed to allow development." *Williamson v. City of Salem*, 52 Or LUBA 615, 619 (2006); *Coyner v. City of Portland*, 23 Or LUBA 79, 82 (1992).

16 Petitioners' third assignment of error is denied.

17 The city's decision is affirmed.

¹² ORS 197.763(1) states:

[&]quot;An issue which may be the basis for an appeal to the Land Use Board of Appeals shall be raised not later than the close of the record at or following the final evidentiary hearing on the proposal before the local government. Such issues shall be raised and accompanied by statements or evidence sufficient to afford the governing body, planning commission, hearings body or hearings officer, and the parties an adequate opportunity to respond to each issue."