

IN THE BOARD OF COMMISSIONERS OF LANE COUNTY, OREGON

ORDINANCE NO. PA 1317

IN THE MATTER OF AMENDING ORDINANCE NO. PA 1282 TO ADOPT ADDITIONAL FINDINGS ADDRESSING LUBA REMAND ISSUES AND SUPPORTING THE STATEWIDE PLANNING GOAL 14 REASONS EXCEPTION TO ALLOW URBAN LEVELS OF INDUSTRIAL DEVELOPMENT ON THE EXISTING RURAL INDUSTRIAL ZONED LANDS IN GOSHEN; AND ADOPTING SAVING AND SEVERABILITY CLAUSES. (FILE NO. PA 12-05232)

WHEREAS, the Board of County Commissioners of Lane County, through enactment of Ordinance No. PA 884, as amended, has adopted Lane Use Designations and Zoning for lands within the planning jurisdiction of the Lane County Rural Comprehensive Plan; and

WHEREAS, Lane Code 16.400 sets forth procedures for amendment of the Rural Comprehensive Plan, and Lane Code 16.252 sets forth procedures for rezoning lands within the jurisdiction of the Rural Comprehensive Plan; and

WHEREAS, in April 2012, at the direction of the Board of County Commissioners, the Lane County Land Management Division initiated a legislative post-acknowledgment plan amendment to the Lane County Rural Comprehensive Plan (RCP) and implementing land use regulations, to take a reasons exception to Statewide Planning Goal 14, Urbanization, in order to allow urban levels of development on the existing rural industrial zoned lands of the unincorporated community of Goshen; and

WHEREAS, on June 4, 2013, the Board of County Commissioners approved the proposed RCP amendment and rezoning in Ordinance No. PA 1282 and Ordinance No 13-2 and that decision was appealed to the Oregon Land Use Board of Appeals (LUBA) for review of several issues raised by an interested party; and

WHEREAS, on February 20, 2014, the LUBA issued a Final Opinion and Order in *LandWatch Lane County v. Lane County*, ___ Or LUBA ___, (LUBA No. 2013-058, February 20, 2014), that denied some of the assignments of error, but sustained three and remanded the county decision to address the need for additional findings and justification of certain aspect of the Goal 14 exception; and

WHEREAS, efforts to address the LUBA remand issues included conducting a wastewater feasibility study for the Goshen area to handle the potential build out of urban levels of development and that study was concluded in January 2015 for review by the Board of County Commissioners; and

WHEREAS, evidence exists within the record indicating that the proposal meets the requirements of the LUBA remand, Lane Code Chapter 16, and the requirements of applicable state and local law; and

WHEREAS, the Board of County Commissioners has conducted a public hearing and is now ready to take action;

NOW, THEREFORE, the Board of County Commissioners of Lane County Ordains as follows:

Section 1. The amendment to the Lane County Rural Comprehensive Plan (RCP) contained in Ordinance No. PA 1282, incorporated here by this reference, is readopted in its entirety and the revised Goal 14 reasons exception to allow urban levels of industrial and limited, related, secondary, small-scale commercial uses on the rural lands at levels not otherwise authorized by Goal 14 or implementing administrative rules (Goal 14 Rules) is adopted and made part of the RCP based on the revised findings and

justifications in Sections III through V of the Goal 14 Exception – Findings Document, Exhibit C, that is attached and made part of Exhibit A to this ordinance and incorporated here by this reference.

Section 2. The Lane County Rural Comprehensive Plan text and rezoning adopted by Ordinance No. PA 1282 shall remain effective and the provisions of LC 16.280 adopted by Ordinance No. 13-2 shall continue to apply to the areas rezoned in the Goshen unincorporated community by those ordinances, as amended here.

FURTHER, although not a part of this Ordinance except as described above, the Board of County Commissioners adopts the Findings as set forth in Exhibit A, including the revised Exhibit C, attached and incorporated here, in support of this action.

The prior zoning repealed by this Ordinance remains in full force and effect to authorize prosecution of persons in violation thereof prior to the effective date of this Ordinance.

If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions hereof.

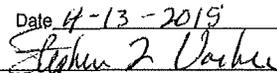
ENACTED this 12th day of May, 2015.



Chair, Lane County Board of County Commissioners



Recording Secretary for this Meeting of the Board

APPROVED AS TO FORM
Date 4-13-2015


LANE COUNTY OFFICE OF LEGAL COUNSEL

Exhibit A
To Ordinance No. PA 1317

Remand Response and Explanation of Findings
Supporting Ordinance Nos. PA 1282 and 13-2

Introduction

In June 2013, Lane County took action enacting Ordinance No PA 1282 and Ordinance No.13-2 which adopted amendments to the Lane County Rural Comprehensive Plan (RCP) that took a reasons exception to Statewide Planning Goal 14 to allow urban levels of industrial development and related small-scale commercial uses on existing Rural Industrial (RI) zoned land in the Unincorporated Community of Goshen. The county action was appealed to the Land Use Board of Appeals (“LUBA”) by Landwatch Lane County (“petitioner”).

On February 20, 2014, LUBA issued its decision upholding the county action on most of the issues raised by the petitioner, but remanding the action based on resolution of three issues (including supporting commercial uses in the Goal 14 exception analysis; addressing consequences of development impacts on wetlands in the economic, social environmental and energy “ESEE” analysis; and showing an appropriate level of public facilities and services, especially wastewater, will be provided in a timely and efficient manner). *LandWatch Lane County v. Lane County*, ___ Or LUBA ___, (LUBA No. 2013-058, February 20, 2014).

Addressing those three issues on remand requires the county to reopen the record for additional evidence and to adopt additional findings based on that substantial evidence to support the original action. For each of the issues remanded by LUBA, the county needs to clarify the findings adopted in support of the previous action or, as necessary, provide additional evidence and explanation of the new or existing evidence in the record that supports the findings and actions already adopted by the county decisions.

Petitioner’s Fourth and Seventh Assignments of Error (Commercial Uses Exception)

Petitioner argued to LUBA in one of the subassignments of error raised in the Fourth and Seventh Assignments of Error that the county decision inadequately addressed OAR 660-014-0040(3)(a) in the analysis that the “proposed urban development cannot be reasonably accommodated in or through expansion of existing urban growth boundaries or by intensification of development in existing rural communities[.]” Specifically, petitioner argued in the Seventh Assignment of Error that the county failed to demonstrate that the allowed commercial uses in the new urban industrial zones: General Industrial (GI) and Light Industrial (LI), cannot be “reasonably accommodated” within the Eugene or Springfield urban growth boundaries (UGBs). The LUBA decision agreed with some of the arguments raised by petitioner and remanded the county decision for the county to address the commercial uses, analyze them under OAR 660-014-0040(3)(a),

and determine whether those uses are limited to those expressly justified in the original exception or justify the limited small-scale and related commercial uses allowed in the new GI and LI zones as uses that cannot be “reasonably accommodated” within UGBs.

Criterion on remand is OAR 660-014-0040(3)(a), which provides in relevant part:

“(3) To approve an exception under section (2) of this rule, a county must also show:

“(a) That Goal 2, Part II (c)(1) and (c)(2) are met by showing that the proposed urban development cannot be reasonably accommodated in or through expansion of existing urban growth boundaries or by intensification of development in existing rural communities[.]”

LUBA’s ultimate direction on remand:

“Regardless, . . . remand is necessary for the county to either (1) limit the uses allowed in the GI and LI zones to those expressly justified in the exception, or (2) justify the commercial uses allowed in those zones under the applicable OAR 660-014-0040 standards.”

Response and Explanation of Findings:

The findings adopted to justify the reasons exception to Goal 14 as reflected in Exhibit “C” to Ordinance No. PA 1282 adequately addressed the new urban industrial uses allowed in the GI and LI zones. They did not specifically address the limited commercial uses allowed in the GI and LI zones as subordinate to or supportive of the primary industrial uses allowed in those zones or analyze those uses under the OAR 660-014-0040(3)(a) reasonable accommodation standard.

One response to the LUBA remand could be to limit the uses allowed in the GI and LI zones to those expressly justified in the exception. Another response could be to justify the limited set of commercial uses allowed in the GI and LI zones under the applicable OAR 660-014-0040 standards. Either of those options would require revised and additional findings. The preferable option would be to clearly justify the limited supportive commercial uses under the exception and that is the approach taken.

Based on a review of the record and those findings, the Board concludes revisions to Exhibit “C” shall be made and are hereby adopted to support amending Ordinance No. PA 1282 by adding express language that expressly establishes the limited set of commercial uses allowed in the GI and LI zones are supportive of the primary rail-dependent/related urban industrial uses and must be located in close proximity to those urban industrial uses in order to support them. Because of the relationship of those supportive commercial uses to the primary urban industrial uses justified by the exception to Goal 14, the same reasons that establish those industrial uses cannot be “reasonably accommodated” within the Eugene or Springfield UGBs apply to justify the limited commercial uses. In addition, the entire Goshen community justified by developed and

committed exceptions to Goals 3 and 4 allowed a wide range of commercial uses justified by those exceptions. The limited set of new supportive commercial uses allowed in the GI and LI zones require very little additional justification under the Goal 14 reasons exception for the primarily rail-dependent/related industrial uses and the limited set of small-scale and related commercial uses. Based on those findings and conclusions, the commercial uses allowed in the GI and LI zones are justified under the applicable OAR 660-014-0040 standards.

The revised findings of Exhibit “C” previously attached to Ordinance No. PA 1282 showing those changes in legislative format are attached and incorporated here to show the adopted Goal 14 reasons exception revisions and other changes necessary to meet the requirements of OAR 660-014-0040 and the LUBA remand.

Petitioner’s Fifth Assignment of Error (Wetlands ESEE Analysis)

Petitioner argued to LUBA in one subassignment of error raised in the Fifth Assignment of Error that the county decision underestimated the economic, social, environmental, and energy (“ESEE”) consequences of allowing urban development on the Goshen site. Specifically, petitioner argued that the county failed to consider the extent to which the presence of wetlands on the site may limit urban development in the analysis required under OAR 660-014-0040(3)(b). While several arguments of petitioner in this assignment of error were not sustained by LUBA, the remand did conclude the county must address wetlands on the site specifically and determine whether the ESEE consequences of urban development of the subject property on wetlands that might exist on the site, or on surrounding lands, are significantly more adverse than the typical ESEE consequences that would result from the same urban development on other rural sites.

Criterion on remand is OAR 660-014-0040(3)(b), which provides in relevant part:

“(3) To approve an exception under section (2) of this rule, a county must also show:

“ * * * * ”

“(b) That Goal 2, Part II (c)(3) is met by showing that the long-term environmental, economic, social and energy consequences resulting from urban development at the proposed site with measures designed to reduce adverse impacts are not significantly more adverse than would typically result from the same proposal being located on other undeveloped rural lands[.]”

LUBA’s ultimate direction on remand:

“The county’s findings addressing OAR 660-014-0040(3)(b) and whether urban development of the Goshen site is limited by air, water, land and energy resources do not address the wetlands on the site. The county’s

ESEE analysis does not address wetlands. In fact, none of the county's findings cited to us address any environmental consequences of urban development on wetlands that might exist on the site, or on surrounding lands."

Response and Explanation of Findings:

The findings adopted in Exhibit "C" to Ordinance No. PA 1282 included limited and general analysis of the ESEE consequences resulting from urban levels of development. That analysis considered the uses allowed in the new urban industrial zoning along with measures contained in those zones for mitigating adverse impacts of development. In addressing the remand, additional specific findings on environmental consequences of urban development on wetlands that might exist on the site, or on surrounding lands, are included in the revised findings adopted previously to support Ordinance No. PA 1282.

The record contains sufficient evidence of wetlands on the site and in the surrounding area. In addition to the specific measures included in the new GI and LI zones to address adverse impacts of urban development, any new urban industrial development that will potentially affect wetlands will trigger review by the Oregon Department of State Lands (DSL) and that review will adequately address any concerns that might arise about adverse impacts on wetlands on the site or surrounding lands. That review would also assure the long-term environmental consequences of developing in or near wetlands are unlikely to be significantly more adverse than the typical environmental consequences of such development on other rural lands.

Based on further wetland analysis and review of the evidence, the Board concludes the ESEE analysis addressing the environmental consequences of urban development on wetlands should be revised to reflect the evidence in the record showing the long-term environmental consequences of developing in or near wetlands are unlikely to be significantly more adverse than the typical environmental consequences of such development on other rural lands. Based on a review of the record and the LUBA remand, the Board concludes revisions to Exhibit "C" shall be made and adopted to support the previous actions taken in adopting Ordinance Nos. PA 1282 and 13-2.

The revised findings of Exhibit "C" previously attached to Ordinance No. PA 1282 showing those changes in legislative format are attached and incorporated here to show the adopted Goal 14 reasons exception revisions and other changes necessary to meet the requirements of OAR 660-014-0040 and the LUBA remand.

Petitioner's Sixth Assignment of Error (Wastewater Facilities)

Petitioner argued to LUBA in the Sixth Assignment of Error that the county decision findings failed to establish that the community sewer system required by the proposed urban development is "likely to be provided in a timely and efficient manner," as OAR 660-014-0040(3)(d) requires. Specifically, petitioner contended that wetlands on portions of the Goshen site will limit the use of on-site septic systems, hasten the day

when the carrying capacity of the soil will be exceeded, and a community sewer solution of some kind will be required. While the findings mentioned the possibility of a study of community sewer system feasibility, petitioner argues the findings fail to establish any basis to conclude a community sewer system is feasible or “likely to be provided in a timely and efficient manner.” The LUBA decision agreed and remanded the county decision so that the county could make a sufficient evaluation of the feasibility of providing a community sewer system and whether such a system with an appropriate level of facilities and services necessary to serve the urban level of industrial development at full build out authorized by the Goal 14 reasons exception is “likely to be provided in a timely and efficient manner” as required to establish compliance with OAR 660-014-0040(3)(d).

Criterion on remand is OAR 660-014-0040(3)(d), which provides, in relevant part:

“(3) To approve an exception under section (2) of this rule, a county must also show:

“ * * * * *

“(d) That an appropriate level of public facilities and services are likely to be provided in a timely and efficient manner [.]”

LUBA’s ultimate direction on remand:

“The county must make a sufficient evaluation of the feasibility of providing a community sewer system so that it can make an informed judgment, supported by substantial evidence, whether the community sewer system necessary to serve the proposed urban industrial development at full build out is ‘likely to be provided in a timely and efficient manner.’”

Response and Explanation of Findings:

The findings adopted in Exhibit “C” to Ordinance No. PA 1282 specifically included analysis of the capacity of existing water and septic systems to serve the proposed urban level of industrial uses and concluded the capacity of the existing systems would be exceeded. To the extent those findings create the impression that the basis for the county decision included only consideration of the existing on site sewer systems, those findings shall be revised to clarify and include discussion of the completed sewer system feasibility study and analysis of the likelihood of timely and efficient provision of community sewer system facilities and services as necessary to address the needs of full build out. Specifically, pertinent portions of the findings shall be revised in relevant part to describe the recently completed Goshen Wastewater Feasibility Study (January 28, 2015) and how it provides sufficient evaluation of the feasibility of providing community wastewater facility alternatives, if necessary. There is no evidence in the record sufficient to establish the presence of wetlands on the Goshen site will significantly affect the feasibility of onsite sewage treatment alternatives.

Based on that action to revise the findings, the Board concludes sufficient analysis addressing the feasibility of providing on-site and community sewer facilities has been provided and it establishes facilities necessary to serve the proposed urban level of industrial development at full build out is likely to be provided in a timely and efficient manner. Based on a review of the record and the LUBA remand, the Board concludes revisions to Exhibit "C" shall be made and are hereby adopted to support the previous actions taken in adopting Ordinance No. PA 1282 and Ordinance No. 13-2.

The revised findings of Exhibit "C" previously attached to Ordinance No. PA 1282 showing those changes in legislative format are attached and incorporated here to show the adopted Goal 14 reasons exception revisions and other changes necessary to meet the requirements of OAR 660-014-0040 and the LUBA remand.

Conclusion

For the reasons provided above, the actions taken in Ordinance No. PA 1282 and Ordinance No. 13-2 remain valid and effective to support amendments to the Lane County Rural Comprehensive Plan (RCP) amendment taking a reasons exception to Statewide Planning Goal 14 to allow urban levels of industrial development and related small-scale commercial uses on existing Rural Industrial (RI) zoned land in the Unincorporated Community of Goshen. The changes to Exhibit "C" of that ordinance described herein together with the ultimate findings of fact and conclusions adopted by that action and in this ordinance provide sufficient support for those amendments. Those ordinances and the original findings remain in effect except as modified by Ordinance No PA 1317 and together with this action amending and readopting those actions and findings as revised herein adequately resolve the remand from LUBA.

The Goshen Region Employment and Transition (GREAT) Plan

Goal 14 Exception – Findings Document

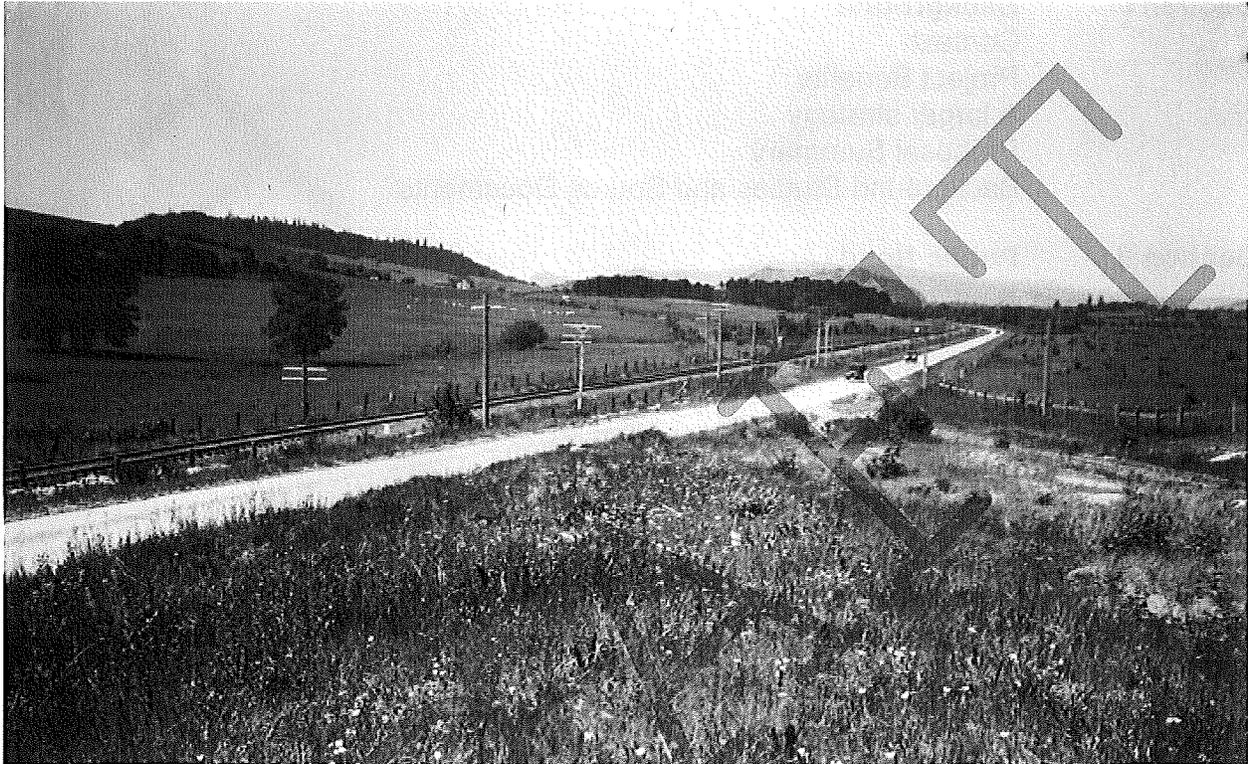


Photo: Courtesy of the Lane County Historical Museum
Date unknown. Thought to be circa 1920's

**FINDINGS AND REASONS IN SUPPORT OF GOSHEN
PLAN AMENDMENT, GOAL 14 EXCEPTION, AND ZONE CHANGE
BOARD OF COUNTY COMMISSIONERS HEARING DRAFT**

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SECTION I Background

Lane County (the County) has embarked on an innovative process to increase economic development and employment opportunities in the rural unincorporated Community of Goshen (Goshen). The GREAT (Goshen Region Employment and Transition) Plan seeks to enhance the economic viability of 316.51 acres of existing, underutilized industrially designated land within Goshen. By adopting the plan, the County intends to advance the purpose of Oregon Statewide Planning Goal 9, Economic Development, which is to provide adequate opportunity throughout the state for a variety of economic activities vital to the health, welfare, and prosperity of Oregon's citizens, and to assist Goshen to evolve into a prosperous community centered around urban levels of industrial and limited, related small-scale commercial uses that will serve as the region's engine of long-term economic stability.

On February 9, 2011 the Board of County Commissioners for Lane County (BCC) directed the Land Management Division (LMD) to explore ideas that would allow an increased level of employment uses for development within the Unincorporated Community of Goshen. Additionally, the BCC adopted a new countywide Strategic Plan on December 7, 2011. This plan includes, as one of its primary goals, transforming the existing industrial land in Goshen to allow increased levels of industrial development. The County chose Goshen over alternative sites because it most possessed the characteristics of a "Regionally Significant Industrial Area," as defined in ORS 197.722(2).

In April 2012, the County initiated a legislative post-acknowledgement plan amendment (PAPA) to the Lane County Rural Comprehensive Plan (RCP), to take a reasons exception to Statewide Planning Goal 14, Urbanization, in order to allow urban levels of industrial and limited, primary industrial use related, secondary, small-scale commercial development on the existing Rural Industrial (RI) zoned land in Goshen. Goshen is an "Unincorporated Community" under OAR 660-022-0010(10). The County comprehensive plan designates Goshen as a "Rural Community" under OAR 660-022-0010(7). (While, at first glance, it might seem to qualify as an "Urban Unincorporated Community" under OAR 660-022-0010(9), to do so it would need to have at least 150 permanent residential dwellings and a community sewer system. Goshen does not have either.)

This proposal seeks an exception to the Goal 14 restrictions in OAR 660-022-0010(7), which defines "Rural Community" in a way that limits development in Goshen to uses that serve only "the community, the surrounding rural area, or . . . persons traveling through the area." OAR 660-022-0030, which applies to unincorporated communities, generally limits new and expanded uses to, among other things, "small scale, low impact uses" and "new uses that will not exceed the capacity of water and sewer service available to the site on the effective date of this rule." OAR 660-022-0030(3)(f), the workforce provision, which applies specifically to industrial uses, allows new, more intensive uses only when they meet three requirements. First, they must be "necessary to provide employment that does not exceed the total projected work force within the

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community and the surrounding area.” Second, they may “not rely upon a work force employed by uses within urban growth boundaries. Third, “the “determination of the work force of the community and surrounding rural area [must consider] the total industrial and commercial employment in the community and [be] coordinated with employment projects for nearby urban growth boundaries.” OAR 660-022-0030(3)(f)(A-C). These provisions are discussed in detail below.

While OAR 660-022-0030(3)(g)(A) allows new industrial uses on “abandoned or diminished mill sites,” and might initially seem to offer an opportunity for new development in Goshen, it cannot be relied upon because the proposed area for the Goal 14 exception does not include any abandoned or diminished mills sites as ORS 197.719(1) defines the term, since the mills in Goshen were neither closed after January 1, 1980 (they are still open) nor operating at less than 25 percent of capacity since January 1, 2003.

ORS 197.722(2), which defines “regionally significant industrial area,” calls for an area with sites “that collectively can provide *significant additional employment in the region.*” Goshen has site characteristics that give it significant competitive advantages over other sites and make it uniquely suited for urban levels of industrial development that will provide significant additional employment in the region. Better still, industry in Goshen will serve not only the region but also, by virtue of Goshen’s superior access to transportation infrastructure, areas beyond the region. Unfortunately, as implemented through OAR 660-022-0030(11), Goal 14 limits the designated Industrial lands in Goshen to “small-scale, low impact industrial use,” which cannot occur in buildings larger than 40,000 square feet. Without a Goal 14 exception, there will not be enough room in these buildings for urban-level Industrial and limited, primary industrial use related, secondary, small-scale commercial uses that can provide employment and stimulate economic development in the county and the larger region.

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SECTION II Public Need

In April 2011 Governor Kitzhaber made economic development and job creation key priorities for fostering job creation and community development in the State. His initiative included protecting key industrial areas.¹

According to the Oregon Business Council (OBC), a bipartisan, independent association of more than forty top business executives focused on public issues, Oregon's economy is driven by traded sector manufacturing companies.² These companies tend to cluster geographically so they can draw competitive advantage from their proximity to competitors, a skilled workforce, specialized suppliers, and a shared base of sophisticated knowledge about their industry. Because traded sector companies often offer higher paying jobs, the OBC's Oregon Business Plan envisions fostering highly productive industry clusters, to include traded sector companies. This is expected to create 25,000 jobs per year and to increase per capita income above the national average by 2020.³ Trade sector companies are attracted by an adequate supply of shovel-ready industrial sites.

Oregon again finds itself short of industrial lands that can be developed in a timely manner, which is costing us jobs, incomes, and tax revenues in communities across the state. If we want to exploit our advantage as a good place for international trade and manufacturing, we must address three key issues: land supply, regulatory/permitting barriers, and infrastructure.

- Time to Deliver, 2011 Leadership Summit December 12-13, 2011, Oregon Business Plan, Oregon Business Council⁴

Eugene and Springfield, Lane County's largest cities and the second largest metropolitan area in the state, recently completed draft buildable lands inventories and accompanying economic opportunities analyses that document the truth of this statement as it relates to the southern Willamette Valley. Industries seeking a larger footprint need large, flat sites, which, as demonstrated by Eugene's and Springfield's inventory work, are in short supply in or near the Eugene-Springfield metropolitan area, Springfield has no such sites, and while Eugene has one, 195-acre site, it is currently being used for wastewater reclamation and about 75% is wetlands.⁵ Lack of suitable, shovel-ready industrial land in Lane County is an obstacle for manufacturers that want

¹ Letter from Governor Kitzhaber to President of the Senate Courtney and Speakers of the House, dated April 5, 2011.

² Traded sector industries are those in which member firms sell their goods or services into markets for which national or international competition exists. See ORS 285B.280

³ Time to Deliver, 2011 Leadership Summit December 12-13, 2011, Oregon Business Plan, page 3-4, 11, 22-23.

⁴ Policy Playbook, Time to Deliver, 2011 Leadership Summit December 12-13, 2011, Oregon Business Plan, page 3-4, 11, 22-23.

⁵ City of Eugene Comprehensive Lands Assessment (ECLA), pre-policy analysis, pp. B-81-82, B-115. ECONorthwest, June 2010; City of Springfield Commercial and Industrial Buildable Lands Inventory and Economic Opportunities Analysis (CIBL), Draft Report, p. v. ECONorthwest, September 2009 {00090898;1}

to locate here and for existing businesses that may want to expand, including traded sector companies.

In September 2011 Business Oregon (the Oregon Business Development Department) released a report for the period of June 2010 through September 2011.⁶ This report, "Recruitment Site Requirements," demonstrates Oregon's need for large sites. In the reporting period, there were 74 recruitment opportunities that specified lot-size requirements. Of these 74 opportunities, 25% of them specified a lot-size need over 25 acres. The average minimum lots sizes specified by "Recruitment Site Requirements" for both advanced manufacturing and wood products are well over 20 acres.

In 2012, Leaders in the Willamette Valley should develop a comprehensive regional industrial land strategy . . . Industrial land constraints are a key factor holding this region back from becoming the economic powerhouse it can and should be for the entire state of Oregon.

-Time to Deliver, 2011 Leadership Summit December 12-13, 2011, Oregon Business Plan, Oregon Business Council⁷

On February 26, 2010, the cities of Eugene and Springfield, together with Lane County, jointly approved a Regional Prosperity Economic Development Plan. The Plan reflects collaboration on regional economic goals and actions.⁸ The Plan includes the following two strategies:

- Providing basic business needs: this strategy includes meeting the basic infrastructure and siting needs of business in order to encourage development, expansion and job creation. It includes promoting and building on the region's transportation, distribution and logistical advantages.
- Strengthen key industries: this strategy includes identifying unique site and logistical needs of existing and emerging industries and pursuing opportunities to expand and recruit these businesses.

Basic business needs include siting needs, based on both locational factors and site characteristics. The locational factors include proximity to markets and educational institutions, and access to transportation and freight facilities, such as rail and major transportation routes.⁹ Site characteristics are the attributes of a site necessary for a particular industrial or other employment use. These include minimum acreage or site configuration (parcel shape, topography, visibility, energy infrastructure and proximity to a particular transportation facility, such as rail, or a major transportation route).¹⁰

⁶ Business Oregon, Recruitment Site Requirements, September 2011 (amended 11/23/11, G. Van Juffel.

⁷ Policy Playbook, Time to Deliver, 2011 Leadership Summit December 12-13, 2011, Oregon Business Plan, page 3-4, 11, 22-23.

⁸ Regional Prosperity Economic Development Plan; Eugene, Springfield, Lane County; Approved by the Joint Elected Officials on February 26, 2012.

⁹ See OAR 660-009-0005(4)

¹⁰ See OAR 660-009-0005(11)
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In early 2011, facing a still struggling economy, County leaders embarked on an update to the County Strategic Plan. During several work sessions involving the public and private sectors, they determined that goals would be SMART – specific, measurable, aggressive yet achievable, relevant, and timely.

Participants at these meetings noted that the rural, unincorporated community of Goshen offers a rare but achievable opportunity to contribute to significant and lasting regional economic revitalization, based on unique site characteristics. When the Board of County Commissioners adopted five new goals, one of them concerned Goshen:

By 2017, Lane County will transform the existing industrial land in Goshen to support increased levels of development resulting in jobs that pay no less than 150% of the median wage.

Lane County Board Order 11-12-7-6, December 7, 2011

While the goal is bold, it is grounded in reality. State and local governments are limited in what they can do to promote economic development. Only businesses can create jobs and wealth, but state and local governments can increase regional competitiveness by offering the most attractive environment they can for business.¹¹ Government can play a central role by providing suitable, buildable employment land, adequate infrastructure, and by removing regulatory barriers.

The rural, unincorporated community of Goshen can be a major part of the powerhouse economy envisioned by the Oregon Business Plan. Goshen has a rare combination of attributes that give it a distinct, competitive advantage for industrial development. With over 300 acres of largely contiguous industrial land, it has Interstate 5 and Highway 99 frontage and access to the north and south, as well as Highway 58 access to the east. Highway 58 is a designated freight route, which connects to Hwy 97 south to California. Goshen also has the Central Oregon & Pacific Railroad running north and south through the community, next to Highway 99. A main Bonneville Power Administration substation is less than a half mile away at the northern edge of the community. It has a healthy water supply and established water district, access to fiber optics infrastructure and a natural gas main line. Located just a few miles from the Eugene-Springfield metropolitan area, with the city of Creswell to the south, and several nearby unincorporated rural communities, there is good proximity to major labor markets. Lane Community College is approximately two miles distant and the University of Oregon in Eugene is within easy reach.

Given its economic potential, it is clear that the reason Goshen industrial sites were not redeveloped, even during the years of rapid economic growth prior to the recession, was the presence of regulatory barriers and inadequate sewer infrastructure. The primary objective of the proposed Goal 14 exception is to lift the “small scale” and rural

¹¹ Oregon Competitiveness: Creating a State Economic Strategy, March 28, 2012, p. 4. Prof. M.E. Porter, Harvard Business School.
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limitations of the industrial uses allowed in Goshen to permit better utilization of its unique characteristics.

The Oregon Business Plan lists ten items in its “Agenda for 2012 and Beyond, Job Creation Agenda.” Among them are “Make industrial land ready to support creation of high wage jobs.”¹² The County’s GREAT Plan is structured to attain this goal for Goshen. Work towards the goal has been under way for nearly two years.

Context: The Need to Remove Regulatory Barriers

As discussed in the Background section above, state land use laws limits new and expanded industrial uses in unincorporated communities to “small scale, low impact uses” and “new uses that will not exceed the capacity of water and sewer service available to the site on the effective date of this rule . . .” OAR 660-022-0030. Under OAR 660-022-0030(3)(f), it is possible to establish more intensive uses than would otherwise be allowed, but these are still limited to serving only the community, the surrounding rural area, or persons traveling through the area.¹³ These restrictions (and some others) explain why Goshen’s economic potential has gone unrealized for over twenty years.

By recognizing the importance of a regional approach, the Oregon Business Plan emphasizes the limitations imposed on industrial development by state land use law.

“Economies are regional in nature, yet in most regions our current land use system uses cities as the primary unit to determine industrial land needs. The population and growth projections of an individual city may have little to do with region-wide opportunities to site industrial facilities . . .”¹⁴

This refers to the fact that under Oregon’s land use system, cities must analyze their twenty year industrial (and other) land needs based upon *city*, not regional, population and growth projections. Oregon’s city-focused land use system could be one reason that the state is facing a shortage of developable industrial sites.

While Lane County’s GREAT Plan for Goshen does not address this systemic, statewide problem, it offers a way to address the regulatory barrier involving a key industrial area in the southern Willamette Valley. By completing the Goal 14 reasons exception process, Lane County will end the application of rules limiting industrial development in Goshen.

¹² Time to Deliver, 2011 Leadership Summit December 12-13, 2011, Oregon Business Plan, page 22.

¹³ *Oregon Shores Cons Coalition v. Tillamook County*, See 48 Or LUBA 423 (2005)

¹⁴ Time to Deliver, 2011 Leadership Summit December 12-13, 2011, Oregon Business Plan, page 22.
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Since 2008, Lane County has lost more than 16,000 jobs.¹⁵ The U.S. economy is in the midst of its deepest recession since World War II, and Oregon's unemployment rate continues to rank high, 12th in the nation.¹⁶ Lane County's and Oregon's seasonally adjusted unemployment rates in November 2012 were 8.3% and 8.4%. Lane County's per capita income is 8% lower than that of the state as a whole, and 17% below that of the nation. Lane County ranks 16th among Oregon's 36 counties in per capita income. According to a March 2012 report, Oregon scored 45th among the fifty states in job creation.¹⁷ Although the economy is slowly improving after the Great Recession that began in 2008, some state economists are calling it a "jobless" recovery. Job growth is sluggish, even as the production of goods and services begins to increase.¹⁸

The Great Recession decimated the RV manufacturing industry in Oregon, with Lane County hardest hit by the job losses because 53% of state RV manufacturing jobs were in Lane County when the industry was at its peak in March 2005. According to the Lane County Labor Trends, Workforce and Economic Research Division, Oregon Employment Department (www.qualityinfo.org):

"For the next three years following the peak, the industry was relatively stable, staying between 6,000 and 7,000 jobs. During the following severe national recession that lasted from late 2007 to late 2009, RV manufacturing was hit hard as credit dried up, investment returns declined, and jobs were lost. The result was a drop in demand for many products including RVs. RV manufacturing employment in Oregon dropped to 1,610 by April 2009, a loss of 79 percent from its peak."

These losses are reflected in the overall loss of jobs in the transportation equipment manufacturing sector in Lane County, where the average employment dropped from 3,005 jobs in 2008 to 826 jobs in 2011.¹⁹

Job losses at Lane County's once largest RV manufacturer, Monaco Coach, continue today. After hiring back 400 of 2,000 laid-off workers in August 2009, Navistar International laid off 450 workers at its Monaco RV manufacturing plant in Lane County during the second half of 2011. It then announced in March 2012 that it would cease production in Lane County altogether, which resulted in an additional loss of 255 jobs.²⁰

Long Term Poverty

¹⁵ Lane County Labor Trends, July 2008 and July 2012 Publication Reports, www.qualityinfo.org, Oregon Employment Department.

¹⁶ The Eugene Register-Guard, July 18, 2012

¹⁷ Oregon Competitiveness: Creating a State Economic Strategy, March 28, 2012, p. 29. Prof. M.E. Porter, Harvard Business School.

¹⁸ City of Eugene Comprehensive Lands Assessment (ECLA), pre-policy analysis, p. B-22. ECONorthwest, June 2010.

¹⁹ Oregon Labor Market Information System, Recreational Vehicle Manufacturing Workers – Where are They Now?, pg. 4 of 5, published June 15, 2012, by Brian Rooney.

www.qualityinfo.org/olmisj/ArticleReader?itemid=00008243

²⁰ Oregon Employment Department, Workforce Analysis, Lane County Labor Trends, March 2012. {00090898;1}

TABLE 1: All Ages in Poverty for Lane County and Oregon (Source: U.S. Census Bureau)		
	1990 (1989)	2010
Lane County	15.0%	19.1%
Oregon	12.5%	15.8%

Long-Term Job Deterioration

TABLE 2: Lane County Unemployment Rate (Source: U.S. Census Bureau)		
	1990	2010
Lane County	7.1%	11.0%

There is a clearly identified lack of large shovel-ready industrial sites in and around the Eugene-Springfield Metro area. Prior to the current economic downturn, Lane County was unable to accommodate businesses searching for industrial areas upon which to build 50,000 square foot and larger buildings on sites that included 20+ acres. Several of those businesses eventually located in other areas of the state or out of state.

Project Benefits

This project offers a real hope of revitalizing the county's economy by creating new jobs to offset some of the recently lost jobs. The GREAT Plan's goal is to create jobs that pay no less than 150% of the median worker wage. It is estimated that between 2,000 and 3,000 industrial jobs will be created in Goshen, based on an average job density of roughly 10 jobs per acre at full build-out. This estimate relies on an employment density of 16 employees per net acre (EPA) in the light industrial zone and 8 EPA (net) in the heavy industrial zone. These ranges are derived from an evaluation of comparable industrial areas in the City of Eugene, as assessed in the Eugene Comprehensive Lands Assessment (ECLA) pre-policy analysis document, dated June 2012. In the ECLA, Eugene's heavy industrial job density was estimated at 8 employees per net acre, or 5 employees per gross acre. Light industrial zoned property was estimated at 16 employees per net acre.²¹

Lane County workers, many of whom lost higher wage jobs in the RV manufacturing industry,²² and who now are unemployed or earning far less than before, stand to benefit from the GREAT Plan. Reaching the job creation goal will improve the County's standard of living, increase property tax revenues and contribute to the regional and statewide economy.

As the Oregon Business Plan states:

²¹ City of Eugene Comprehensive Lands Assessment (ECLA), pre-policy analysis, pp. B-99 & G-12. ECONorthwest, June 2010

²² Oregon Labor Market Information System, Recreational Vehicle Manufacturing Workers – Where are They Now?, published June 15, 2012, by Brian Rooney. www.qualityinfo.org/olmisi/ArticleReader?itemid=00008243{00090898;1}

“If we want to exploit our advantage as a good place for international trade and manufacturing, we must address three key issues: land supply, regulatory/permitting barriers, and infrastructure.”

States compete for market share by creating an attractive environment for business. This is achieved through common actions, including infrastructure investments in basic services like water and sewer treatment. If land use regulations prevent the marketing of shovel-ready sites, they will impede business. They should be applied in a way that permits development where it is appropriate. Rezoning Goshen will remove some of the obstacles to doing business.

New research shows that strong industrial clusters drive regional performance and Oregon’s economy. Traded sector clusters supply 30% of all jobs, while local clusters supply 70% of jobs.²³

A Larger Strategy

The GREAT Plan is an identified priority in Lane County’s adopted Strategic Plan 2012-2017, which shows the level of local commitment to its success. The County’s adopted Strategic Plan’s #2 Priority Economic Development Goal is:

By 2017, Lane County will transform the existing industrial land in Goshen to support increased levels of development resulting in jobs that pay no less than 150% of the median wage.²⁴

Collaboration and the active involvement of numerous partners has been and will continue to be crucial to achieving this goal, including, but not limited to, Goshen property owners, Lane County’s Land Management Division, Community and Economic Development Department, and Intergovernmental Relations Program; the state Departments of Land Conservation and Development, and of Environmental Quality; Lane Metro Partnership; the City of Springfield; the City of Eugene, Lane Livability Consortium, Business Oregon and the Governor’s Regional Solutions Team.

Leadership from Lane County, Eugene and Springfield have met and discussed coordination and partnering on the GREAT plan, and these efforts will continue.

The Cities of Eugene and Springfield, and Lane County jointly approved the Regional Prosperity Economic Development Plan in February 2010.²⁵ The Plan reflects

²³ Oregon Competitiveness: Creating a State Economic Strategy, March 28, 2012. Prof. M.E. Porter, Harvard Business School, pp. 17, 20, 30

²⁴ Board of County Commissioners of Lane County, Oregon, Resolution/Order 11-12-7-6, dated December 7, 2011.

²⁵ Regional Prosperity Economic Development Plan; Eugene, Springfield, Lane County; Approved by the Joint Elected Officials on February 26, 2012.

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collaboration on regional economic goals and actions. The Plan includes the following two strategies:

- Addressing basic business needs: this strategy includes meeting the basic infrastructure and siting needs of business in order to encourage development, expansion and job creation. It includes promoting and building on the region's transportation, distribution and logistical advantages.
- Strengthen key industries: this strategy includes identifying unique site and logistical needs of existing and emerging industries and pursuing opportunities to expand and recruit these businesses.

The GREAT plan is working toward achieving these coordinated regional goals.

The City of Eugene is undertaking a comprehensive evaluation of their 20-year land need for residential, commercial, and industrial land supplies. This Envision Eugene project includes Seven Pillars, or major objectives, that have been put in place to ensure that Eugene's growth will be in line with community values. The first Pillar for this effort is "Provide ample economic opportunities for all community members." One of the specific strategies under this pillar is to "Support Lane County's efforts in establishing an employment center in Goshen."²⁶

Lane County's ultimate goal is to create at least 2,000-3,000 jobs in Goshen that pay no less than 150% of the median wage. This is based upon an assumed industrial/manufacturing job density of an average of roughly 10 jobs per acre, and the total industrial acres in Goshen of 316.51 acres. Lane County is pro-actively readying those lands for redevelopment by 2017. While Lane County and partner agencies will take action to ready large tracts of the relatively flat, industrial lands in Goshen for redevelopment, the jobs must ultimately be created by private sector partners. The GREAT Strategy and Action Plan involves the following seven major steps:

1. Goal 14 Exception

This component is the subject of this application and involves addressing the existing limitations on the rural nature, scale, and types of industrial uses now allowed in Goshen, required under state land use law to maintain individual, on-site septic systems. The outcome, expected to be complete by March 2013, will be a change from restrictive, rural land use regulation to adoption of a more flexible, urban level of industrial zoning in Goshen. This will allow for urban levels of industrial and limited, primary industrial use related, secondary, small-scale commercial development with larger building footprints, and industry with modern sewer system infrastructure needs.

2. Regionally Significant Industrial Area (RSIA) Designation

With the passage of SB 766 (now ORS 197.723) in 2011, the Oregon Legislative Assembly took a major step to overcome the barriers to industrial development

²⁶ Envision Eugene, A community Vision for 2032; March 14, 2012. {00090898;1}

posed by existing land use regulations. The bill created the Economic Recovery Review Council (ERRC) to administer two distinct programs. The council is made up of agency directors from five state agencies: Business Oregon, Environmental Quality, Land Conservation and Development, State Lands and Transportation. The council also must include a representative from an affected local government if requested.

One of the two programs is the designation of Regionally Significant Industrial Areas (RSIA), defined by ORS 197.722(2) as (1) containing vacant sites suitable for the location or expansion of industrial uses, (2) having site characteristics that give the area "significant competitive advantages that are difficult or impossible to replicate in the region," and (3) having superior access to transportation and freight infrastructure and being located close to major labor markets.

After meeting for several months with the Governor's Regional Solutions Team and at the urging of the Governor's office, Lane County submitted its nomination of Goshen to be one of these areas. The ERRC designated Goshen as a RSIA on September 28, 2012. As a result of designation, a new or expanded industrial use in Goshen is eligible for expedited industrial land use permitting under ORS 197.724, so long as the new or expanded use does not require a change to the acknowledged comprehensive plan or land use regulations. Furthermore, under ORS 197.723(8), the Oregon Infrastructure Finance Authority and the Oregon Transportation Commission may consider the designation of an area as a regionally significant industrial area in prioritizing funding for transportation and other public infrastructure.

The passage of SB 766 indicates the strong desire on the part of the governor and the legislature to promote industrial development at carefully chosen locations throughout the state. The designation of Goshen as a RSIA is a clear policy choice at the highest levels of state government to permit development that is not possible under OAR 660-022-0030, which implements Goal 14. The term "regionally significant industrial area" clearly means an area that is not limited by OAR 660-022-0010(7) to uses that serve only "the community, the surrounding rural area, or . . . persons traveling through the area." In order to make possible the industrial development and job creation that ORS 197.722 to ORS 197.728 contemplate, an exception to Goal 14 is essential. The necessary comprehensive plan and zoning amendments must be adopted before the development contemplated by the RSIA designation can begin.

Lane County continues to work on grant proposals to fund a feasibility study that addresses sewer needs, so that Goshen will be prepared to accept state (or other) infrastructure financing. The feasibility study will also provide information about the level of industrial development possible in Goshen to businesses that are contemplating investment there.

3. Enterprise Zone Expansion

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Given the built-in tax advantage that low tax rates give Goshen over Eugene and Springfield, Goshen may not need an enterprise zone to entice business to locate there. However, Lane County is evaluating the potential to expand or create an Enterprise Zone or Urban Renewal District in the future, if necessary to facilitate desired economic development. In October 2014, both the City of Springfield and Lane County took action to expand the Springfield Enterprise Zone so that it would include the industrial land in the Goshen community. The Board of Commissioners took action by Order No. 14-10-27-01, adopted October 27, 2014.

4. Infrastructure Planning/Extensions – sewer and transportation

A sewer feasibility study is anticipated as part of the “Infrastructure Planning/Extensions (Sewer & Transportation)” activity in the GREAT strategy and Plan. The feasibility study will examine existing soil, topographic, and other conditions, and carefully weigh the pros and cons of alternative sewage treatment solutions. A sewer feasibility study can help to identify what level of industrial development is possible in the study area. The recently completed Goshen Wastewater Feasibility Study (January 28, 2015) establishes three feasible wastewater discharge and treatment alternatives that are capable of being implemented if on-existing or proposed site system are not adequate.

Goshen’s transportation infrastructure is one of its biggest assets. It has Interstate 5 and Highway 99 access to the north and south as well as Highway 58 access to the east, a designated freight route providing access to Hwy 97 south to California, with Central Oregon & Pacific Railroad running north and south through the community next to Highway 99. Needed improvements, such as safety and/or capacity improvements to Highway 99, will be identified and funding pursued through the Statewide Transportation Improvement Program and other avenues as applicable.

5. Phase 1 Assessments – brownfield and wetland delineations

Brownfield assessments will inventory, characterize, assess, and conduct planning and community involvement related to the Goshen industrial sites, to determine whether and to what degree any sites are contaminated by hazardous substances, pollutants, or contaminants. Performing a “Phase 1 Environmental Assessment” is a significant milestone on the path to “shovel readiness.”

Wetland delineations will inventory regulated wetlands. The National Wetland Inventory shows some wetlands on the Goshen industrial properties in the study area and provides sufficient preliminary information. A site specific inventory may be required to increase investment certainty and identify needed mitigation options.

6. Property visioning

Some property visioning will occur as part of the industrial property owner outreach process.

7. Shovel-ready status

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Business Oregon has a program that is recognized as one of the most comprehensive shovel-ready programs in the country. It is a rigorous program that is trusted by the market and has been a factor in many of the state's largest employment successes. As a step toward reaching the Industrial Site Certification, the state has implemented the Decision Ready Site designation program. This designation tool is a fast track tool that allows site owners and communities to quickly assess and achieve readiness of their industrial sites by adhering to the program's primary tenants of certification. The decision ready designation offers greater certainty and therefore reduced risk for potential employers or developers, while also helping communities and the state make policy and investment decisions.

The County has met and will continue to meet and coordinate with the Governor's Regional Solutions Team, which includes the regional representative from Business Oregon, as well as Michael Williams, Industrial Lands Specialist with Business Oregon. Their goal is to obtain the Decision Ready Site designation and ultimately the Industrial Site Certification for the industrial lands in Goshen. Once the Goal 14 exception is in place, the County will also work with property owners and partner agencies to obtain the designation and certification.

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Proposal Summary

The County's Goal 14 exception proposal is one of the first steps toward realizing the BCC's Strategic Plan Goal of transforming Goshen. The proposal includes the following elements.

- A. A Goal 14 reasons exception to allow urban levels of industrial and limited, primary industrial use related, secondary, small-scale commercial use on rural land at levels not otherwise authorized by Goal 14 and the implementing administrative rule (Goal 14 Rules) in OAR 660.
- B. An amendment to the text of the RCP to establish policy language in support of the urban level of development in Goshen. Only minor RCP text changes are necessary to support the proposed amendment. Those changes are shown in the attached Exhibit A.
- C. Amendments to the Lane Code (LC) Chapter 16 to establish new zoning code provisions to regulate new urban-level development in Goshen. The proposed new code language is attached as Exhibit B.
- D. Zoning map amendments to reflect the new proposed zones for the Goshen Industrial land. The proposed zoning map changes are shown on Exhibit C-1.

The proposal also includes findings of consistency with Goal 12 (Transportation) and OAR 660-012-0060, the Transportation Planning Rule (TPR), and OAR 660-022-0030(7).

The findings in this report support the proposed exception and associated amendments above. The findings include references to attached materials and documents in the record that relate to these findings.

State law and the Lane County code require that the Lane County Planning Commission (LCPC) hold a public hearing on this proposal, followed by a recommendation for adoption (or adoption with modifications) to the BCC. The BCC is required to hold a second public hearing and adopt an ordinance to adopt the proposal and related amendments. Once adopted by the County, the BCC's action will be forwarded to the State of Oregon Department of Land Conservation and Development (DLCD).

Background Studies and Source Documents

The findings set forth in Sections III through IX of this report are based on and supported by a number of background studies, reference materials, and source documents that are incorporated by reference and accessible as part of the record.

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These studies include:

1. The City of Eugene Comprehensive Lands Assessment (ECLA), pre-policy analysis, dated June 2010, prepared by ECONorthwest;
2. The City of Springfield Commercial and Industrial Buildable Lands Inventory and Economic Opportunities Analysis (CIBL), draft report dated September 2009, prepared by ECONorthwest; and
3. The Regional Prosperity Economic Development Plan, Eugene, Springfield, Lane County, approved by the Joint Elected Officials on February 26, 2010.
4. The Lane County Strategic Plan.
5. "Time to Deliver, Policy Playbook" from the 2011 Leadership Summit, 2011 Oregon Business Plan; Oregon Competitiveness: Creating a State Economic Strategy, 2012 Harvard Business School;
6. Oregon Labor Market Information System for Lane County, Oregon Employment Department; Lane County Labor Trends, Publication Reports, Oregon Employment Department; and the U.S. Census Bureau, 2010 American Community Survey.

SECTION III Overview of Planning Process

The most successful planning initiatives are not those which are merely vetted by the community they impact. Nor are they necessarily projects that enjoy a high level of support from affected interests. Rather, truly successful planning initiatives evolve organically from an engaged and empowered community.

The potential of Goshen has been recognized in the region since the early settlers of the area in the mid-1800s. In fact, the significance of the location of the Goshen area as a prime area for commerce based on the numerous location advantages, dates back to when Goshen was first selected as the location for a stage coach stop. Since that time, Goshen continued to develop as a significant location in the southern Willamette Valley as evidenced by the decisions to locate the Oregon Coastal Military Road (modern day Highway 99), the railroad (existing CORP/Rail America line), a post office, and lumber mills in Goshen.

More recently, the idea to explore options for expanding uses in Goshen dates back to 2009. For years the County has diligently engaged the community in discussions about the future of the community. The County takes seriously the commitment to Oregon Statewide Planning Goal 1 for Citizen Involvement, to ensure that citizens have the opportunity to be involved in all phases of the planning process. As described below, the County has engaged in significant dialogue with the community and other potentially affected parties who are interested in or may be impacted by the project. The County intends to continue facilitating this robust dialogue throughout this project's implementation, so that the continued industrial development of Goshen remains consistent with the aspirations and values of the community, the County, and the State.

In 2011 the County conducted three open house events in the Goshen community, in order to gather input from the citizens of Goshen and the surrounding area on the general project concept. This step was undertaken to involve the community at the outset of the project, to ascertain the level of acceptance by the community of the concept, and gather ideas and desired outcomes for inclusion in the drafting of the initial plans as they were developed.

The County has discussed the project with key stakeholders, including the Lane County Board of Commissioners, the Lane County Planning Commission, the City of Eugene, the City of Springfield, the City of Creswell, Land Watch Lane County, Goal 1 Coalition, large industrial land owners in Goshen, DLCD staff, the Lane Metro Partnership and the Oregon Economic & Community Development Department.

Apart from the guidance provided by the BCC's direction to pursue an increased level of employment uses to develop in Goshen, staff did not have preconceived plans or ideas about how the GREAT plan would take shape. The community meetings were intended to encourage a "grass roots" effort, wherein the County engaged the community to help form the plan and encouraged the community to become invested in it.

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After the initial public open house in April 2011, staff took the information and input provided by the public and developed some concepts that would allow an increased level of employment uses to develop within the community. The second open house in June 2011 was a report back to the community to present the initial concepts and ideas, based on the feedback the County had received at the first open house. Staff sought detailed feedback with more specific results to help refine the ideas, including what specific uses should or should not be allowed, how mitigation measures could be put in place to address concerns, and ways of enhancing the existing community. At the third open house in November of 2011, there was a presentation of a draft code for consideration and an opportunity for community members to review the draft code language, ask questions, and provide comments.

To begin the official public hearings process, the County sent notice of the proposed amendments and exception to DLCD. The County has conducted a public hearings process with the Lane County Planning Commission and the Board of County Commissioners.

Proposed Exception Area

The boundary of the area proposed for the amendments and the Goal 14 exception, which would allow for urban levels of industrial and limited, related small-scale commercial development, follows the existing boundary of the Rural Industrial designated lands within the unincorporated community of Goshen, west of I-5. A map is attached as Exhibit D-1 to show the boundary. Exhibit D-2 lists the properties proposed for the exception, amendments, and zone changes.

The entire existing Rural Industrial (RI) zoned area in Goshen that is being proposed to be amended is 316.54 acres. (The two RI-zoned parcels on the east side of I-5 are not proposed for change.) This breaks down as follows. The area west of Hwy 99 is approximately 233 acres. The area east of Hwy 99 is approximately 83 acres. The two mill sites (north of Hampton Road and west of Hwy 99) are approximately 188 acres, with the north mill site (six tax lots) being approximately 73 acres, and the southern mill site (one tax lot) being approximately 115 acres. Note: there are three tax lots zoned industrial located north – northwest of Hampton Road, west of Hwy 99, which are not considered part of the southern mill site. The “triangular” area south of Hampton Road, west of Hwy 99 is approximately 38 acres.

The County has identified the following described area as the “surrounding area” or the potential impact area: those properties west and southwest of the Interstate 5 freeway to the east; south of and including the USA and City of Eugene owned property to the north and northwest; east of the east line and the northern and southern extension of the east line of the RR5-NRES zoned property to the west; and north of Dillard Road to the south. A map of the surrounding area/potential impact area is attached as Exhibit E.

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The findings that follow begin with the proposed Goal 14 exception and the Transportation Planning Rule. They then address amendments to the County's comprehensive plan, plan map, zoning ordinance and zoning map.

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SECTION IV

Goal 2, Exception Process

OAR 660-004-0000

Purpose

(1) The purpose of this division is to interpret the requirements of Goal 2 and ORS 197.732 regarding exceptions. This division explains the three types of exceptions set forth in Goal 2 “Land Use Planning, Part II, Exceptions.” Rules in other divisions of OAR 660 provide substantive standards for some specific types of goal exceptions. Where this is the case, the specific substantive standards in the other divisions control over the more general standards of this division. However, the definitions, notice, and planning and zoning requirements of this division apply to all types of exceptions. The types of exceptions that are subject to specific standards in other divisions are:

- (a) Standards for a demonstration of reasons for sanitary sewer service to rural lands are provided in OAR 660-011-0060(9);**
- (b) Standards for a demonstration of reasons for urban transportation improvements on rural land are provided in OAR 660-012-0070;**
- (c) Standards to determine irrevocably committed exceptions pertaining to urban development on rural land are provided in OAR 660-014-0030, and standards for demonstration of reasons for urban development on rural land are provided in OAR 660-014-0040.**

FINDINGS: The proposed reasons exception to Goal 14 is being sought under the provisions in OAR 660-004-0018(4). The provisions of this section are discussed below.

The standards required to be addressed for the proposed reasons exception to Goal 14, as specified in OAR 660-004-0018(4), to allow urban levels of industrial development on rural land are provided for and discussed below in section OAR 660-014-0040 as specified in (c) above.

(2) An exception is a decision to exclude certain land from the requirements of one or more applicable statewide goals in accordance with the process specified in Goal 2, Part II, Exceptions. The documentation for an exception must be set forth in a local government’s comprehensive plan. Such documentation must support a conclusion that the standards for an exception have been met. The conclusion shall be based on findings of fact supported by substantial evidence in the record of the local proceeding and by a statement of reasons that explains why the proposed use not allowed by the applicable goal, or a use authorized by a statewide planning goal that cannot comply with the approval standards for that type of use, should be provided for. The exceptions process is not to be used to indicate that a jurisdiction disagrees with a goal.

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FINDINGS: The RCP specifies in Goal 2, Policy 9 that exceptions to LCDC Goals shall be in accordance with OAR 660-004-0000 (the Goal 2 Exception Process) and shall only be taken at times of plan adoption or amendment. The County is proposing the contemplated changes as part of an amendment to the RCP.

The use proposed to be allowed under this exception is urban levels of industrial and limited, primary industrial use related, secondary, small-scale commercial development on rural land at levels not otherwise authorized by Goal 14 and the implementing administrative rule (Goal 14 Rules) in OAR 660. The proposed reasons exception is to Goal 14, Urbanization, which is the applicable Goal as contemplated by this criterion. This Goal is contained in OAR 660-015-0000(14). This Goal is further implemented and clarified through OAR 660-014-0000, and interpretation of this Goal is provided in OAR 660-022-0000. This Goal, as implemented through the above rules, allows new urban development on undeveloped rural lands through an exception, under OAR 660-014-0040, when a County shows compliance with OAR 660-014-0040(2) & (3). As allowed under this rule, the County is proposing to allow new urban levels of industrial and limited, primary industrial use related, secondary, small-scale commercial development on undeveloped rural land in the unincorporated community of Goshen.

More specifically, the proposed use is to allow new urban levels of rail-dependent and rail-related industrial and limited, primary industrial use related, secondary, small-scale commercial uses exceeding the rural community limitations on serving only the community, the surrounding rural area, or to those persons traveling through the area; the "small scale" 40,000 square foot size limitation as specified in the Unincorporated Community Rule of OAR 660-022-0030; and possibly exceeding the limitation of current water and sewer service capacity.

The policies and the essential characteristics of the proposed exception area that justify the reasons exception include:

- Designation as a Regionally Significant Industrial Area (RSIA) by the State of Oregon under ORS 197.723.
- Existing Industrial zoning and Comprehensive Plan designation.
- Existing impacts from industrial development (Industrial Character).
- Presence of an existing rail line that serves the community.
- Existing rail-spur-served industrial properties.
- Existing Highway interchange providing access to I-5 and Hwy 58.
- Highway 99, which runs through the community.
- Community water system in place.
- Natural Gas main line running through the community.

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- Location within the Emerald People's Utility District (EPUD) service area, providing electrical power.
- Access to fiber optic infrastructure.
- Close proximity to the second largest metropolitan area in the state.
- Close proximity to the University of Oregon, Lane Community College, and Willamette Christian University.
- Community served by Lane Transit District (LTD).
- County identified as "distressed" by Business Oregon.²⁷

Without an exception, Goal 14 does not allow urban levels of industrial development. To achieve the objectives of the RSIA designation, a Goal 14 exception is required. The reasons that explain why the proposed use not allowed by the goal, without a Goal 14 exception, should be allowed are stated below in Section V, under ORS 197.732. These findings are incorporated by reference herein.

The proposed urban level of industrial uses exceeds the limits in OAR 660-022-0030(3), which applies to unincorporated communities. This rule permits a county to authorize:

- (e) *New uses that will not exceed the capacity of water and sewer service available to the site on the effective date of this rule, or, if such services are not available to the site, the capacity of the site itself to provide water and absorb sewage;*
- (f) *New uses more intensive than those allowed under subsection (a) through (e) of this section, provided an analysis set forth in the comprehensive plan demonstrates, and land use regulations ensure:*
 - (A) *That such uses are necessary to provide employment that does not exceed the total projected work force within the community and the surrounding rural area;*
 - (B) *That such uses would not rely upon a work force employed by uses within urban growth boundaries; and*
 - (C) *That the determination of the work force of the community and surrounding rural area considers the total industrial and commercial employment in the community and is coordinated with employment projections for nearby urban growth boundaries.;*
- (g) *Industrial uses, including accessory uses subordinate to industrial development, as provided under either paragraph (A) or (B) of this subsection:*
 - (A) *Industrial developments sited on an abandoned or diminished industrial mill site, as defined in ORS 197.719 that was engaged in the processing or*

²⁷ *Distressed Areas in Oregon*. Produced monthly by Business Oregon based on current data from the Oregon Employment Department. Posted September 27, 2012. <http://www.oregon4biz.com/Publications/Oregon-Economic-Data/Distressed-Areas-in-Oregon/{00090898;1}>

manufacturing of wood products, provided the uses will be located only on the portion of the mill site that is zoned for industrial uses.

The County finds, based on the following findings, that the proposed use cannot comply with the rule.

OAR 660-022-0030(e) - New uses that will not exceed the capacity of water and sewer service available

The proposed use is for urban levels of industrial development on rural land. The existing industrially zoned lands are served by an existing community water system and individual onsite septic systems. The proposed urban level of industrial and limited, primary industrial use related, secondary, small-scale commercial uses may will exceed the capacity of the existing water and sewer service available. Therefore, the limitations proposed by this standard cannot be met.

OAR 660-022-0030(f) - New uses more intensive than those allowed (workforce provision)

In developing the GREAT plan, County staff performed an evaluation of OAR 660-022-0030(f), the workforce provision. The County finds that utilizing this provision would not accomplish the goals of the GREAT plan to allow urban levels of industrial development. The primary reason this provision does not work for the GREAT plan and the urban levels of industrial use proposed is that the more intensive uses contemplated under this standard are within the context of a Rural Unincorporated Community and would, therefore, still have to comply with the "Rural Community" definition contained in OAR 660-022-0010(7). Under this provision the more intensive uses could only provide industrial uses that serve the community, the surrounding rural area, or persons traveling through the area. This is inconsistent with the designation of Goshen as a Regionally Significant Industrial Area, allowing urban levels of industrial development that will provide jobs, goods, and services to areas outside the surrounding rural area. OAR 660-022-0010(7) does not allow the urban levels of industrial uses to be developed as proposed.

Regardless of the above argument, the County has also evaluated the information that 1000 Friends of Oregon has submitted into the record for the Goal 14 exception to make the case that the workforce provision contained in OAR 660-022-0030(f) can accomplish everything the county desires. Its September 26, 2012 submittal includes a five-page letter, together with 45 pages of exhibits. The County has thoroughly examined the proposed testimony and finds that it does not justify the urban level of development sought by the Goal 14 exception.

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The argument of 1000 Friends is based on imprecise data. The 1000 Friends submission includes two exhibits, B and E, which the County examined. These exhibits were produced through the use of a complex spreadsheet, included as an exhibit, which 1000 Friends delivered to the County. Using the same source data and spreadsheet for calculating the numbers proposed by 1000 Friends, the County finds that instead of the 4,014 expected increase in rural jobs by 2032, there will only be an increase of 2,059 jobs.

Following the same logic used in the proposal and using the updated job-creation number of 2,059, the County also calculated that 60% of these jobs could be assumed to be industrial (see Exhibit F submitted with the 1000 Friends proposal). In its own calculations, the County used the actual number from Exhibit F, which is 59.7%. Using either number, the number of industrial jobs expected is considerably less than the number calculated by 1000 Friends. If 59.7% is used, there will be 1,229 jobs; if 60% is used, there will be 1,235 jobs. Subtracting the 675 industrial jobs that 1000 Friends contends can be located on other rural industrial lands in the study area (see Exhibit G submitted by 1000 Friends), 554 new industrial jobs can be expected in Goshen.

The 2,059 job number calculated by the County, as compared to the 4,014 expected rural jobs proposed by 1000 Friends, was calculated utilizing three slightly different numbers in the 1000 Friends spreadsheet. The first of these is the forecasted 2010-2020 average annual growth rate (AARG) for Lane County, as provided in the Oregon Employment Department (OED). This forecast is provided on page 2 of Exhibit E of the 1000 Friends submittal. As calculated on the bottom of that forecast page provided by 1000 Friends, the AARG is 1.7%. However in checking the calculation, the County finds 1.66% to be more accurate. The County uses this 1.66% number rather than the 1.7% rounded number in cell E7 of the spreadsheet. This small change results in a 950 job difference in cell G9 of the spreadsheet.

The second difference in number used is in regard to the projected job growth for Eugene. Using the Envision Eugene numbers for job growth out to 2031, the job number is projected for one additional year, to 2032, in cell B25 of the spreadsheet. On pages 8-9 of Exhibit B submitted by 1000 Friends (pp. 4-21 and 4-22 of the Envision Eugene Land for Industrial Jobs technical summary), the job growth rate is discussed. The job growth rate of 1.0% is used for the years after 2023. This is slightly higher than Eugene's projected 0.9% population growth rate. In the proposal by 1000 Friends, a 0.9% job growth rate was used to arrive at the 2032 job projection number rather than 1.0%. When the one-year extended rate is changed from 0.9 to 1.0%, the job number changes from 148,930 jobs (using 0.9%), to 149,078 jobs (using 1.0%). This results in a difference of 148 jobs.

The third number that is looked at is the variable 2020-2032 study area job growth number. The value of 1.15% is used in cell L1 in the spreadsheet

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provided by 1000 Friends. This number is based on an overall pre-recession job growth rate of 1.4%, based on the temporary high forecasted job growth rate of 1.7% (as discussed previously the County utilizes 1.66% as calculated from the OED data). The 1.4% overall job growth number is calculated from the OED 2006-2016 pre-recession job forecast data (see page 1 Exhibit E of 1000 Friends proposal). This number calculates out to 1.39% based on this data. Using the 1.39 and 1.66% calculated numbers; the County calculated 1.12% as the 2020-2032 study area job growth number in order to achieve an overall 1.4% (1.39%) job growth number for 2010-2030. Using this 1.12% instead of 1.15% in cell L1, the result is 860 jobs less in cell G10.

With the changes in these three numbers, the result is a total difference in 1955 jobs as specified in cell G10 of the spreadsheet. Even though these are minor shifts and rounding changes in these numbers, the County believes it is evident that the number of resulting jobs that can be utilized using this provision does not justify the level of urban levels of industrial development as contemplated by the GREAT plan as proposed in the Goal 14 exception.

	1000 Friends proposal	County Revision	Difference
# of Rural Jobs (cell G10)	4014	2059	1955
60% Ind. Jobs (cell G11)	2408	1236	1172
Less 675 Ind. Jobs on other rural lands	-675	-675	--
Total jobs needed in Goshen	1733	561	1172

The County understands that many arguments could be made about the data used for these calculations, and that more or fewer jobs could potentially be justified through other minor changes in the numbers. However, the key point is that the vision for Goshen is lost in utilizing the above referenced provisions. The goal to preserve existing large lot rail served industrial land that is in close proximity to I-5 as well as Highways 58 and 99, that also have a resource of industrial land for smaller supportive industrial uses in close proximity in the same community is an opportunity that cannot be realized through utilization of these provisions. The above provision does not require limiting the uses, density, services, and activities to only those that are justified, as is required with the proposed Goal 14 exception. The qualities or reasons that make Goshen unique and justifiable under the Goal 14 exception are qualities that could be lost through utilization of the workforce provision. As an example there would be no need to create a minimum lot size through utilization of the workforce provision, as is proposed with the Goal 14 exception to protect the existing large sites,

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since the employment that could arguably be justified under the workforce provision would not necessitate large sites.

Similarly, if the workforce argument were feasible, the provisions could be utilized on other sites or properties throughout the County. This would negate recognition of any of the unique site characteristics or strategic locational advantages that make Goshen desirable for more intense development to begin with.

OAR 660-022-0030(g)(A) - Abandoned or diminished industrial mill site provisions

The subject properties do not qualify as abandoned or diminished industrial mill sites.

ORS 197.719 defines abandon or diminished mill site as a mill, plant or other facility engaged in the processing of manufacturing of wood products, including sawmills and facilities for the production of plywood, veneer, hardboard, panel products, pulp and paper, that:

- (a) Is located outside of urban growth boundaries;*
- (b) Was closed after January 1, 1980, or has been operating at less than 25 percent of capacity since January 1, 2003; and*
- (c) Contains or contained permanent buildings used in the projection of manufacturing wood products.*

The subject properties are located outside of urban growth boundaries. However, the sites that have a mill, plant or other facility engaged in processing of manufactured wood products are not closed, and have not been operating at less than 25 percent of capacity since January 1, 2003. As part of the record, the County has received a letter from the largest mill site property owner, Goshen Forest Products, LLC, stating that they are currently operating, and that they have not been operating at less than 25% of capacity since January 1, 2003. Similarly, the Cone Lumber Company site is currently operation. In discussions with representatives from this facility, it is apparent that they too would not be operating if they were less than 25% of their capacity.

(3) The intent of the exceptions process is to permit necessary flexibility in the application of the Statewide Planning Goals. The procedural and substantive objectives of the exceptions process are to:

- (a) Assure that citizens and governmental units have an opportunity to participate in resolving plan conflicts while the exception is being developed and reviewed; and**
- (b) Assure that findings of fact and a statement of reasons supported by substantial evidence justify an exception to a statewide goal.**

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FINDINGS: Lane County is seeking to utilize the exceptions process to allow flexibility in the application of Goal 14, Urbanization, and specifically the Rural Community Rule implementing Goal 14 that is embodied in ORS 660-022-0030.

This process has and will continue to provide for citizen and government participation to resolve any plan conflicts; and as presented in this proposal, assures that the proposed findings of fact and statements of reason are supported by substantial evidence.

- (4) When taking an exception, a local government may rely on information and documentation prepared by other groups or agencies for the purpose of the exception or for other purposes, as substantial evidence to support its findings of fact. Such information must be either included or properly incorporated by reference into the record of the local exceptions proceeding. Information included by reference must be made available to interested persons for their review prior to the last evidentiary hearing on the exception.**

FINDINGS: Lane County is seeking a Goal 14 exception to allow urban levels of industrial development on rural land. Specifically the County is proposing to allow urban industrial and limited, primary industrial use related, secondary, small-scale commercial development on 316.51 acres of existing industrial designated land in the Unincorporated Community of Goshen. The standards for demonstration of reasons to allow urban levels of industrial and limited, primary industrial use related, secondary, small-scale commercial development on rural land as specified in (1)(c) above are contained in OAR 660-014-0040 and are addressed below.

The County is relying on substantial evidence that has been prepared by other groups or agencies to support the findings of facts and reasons demonstrating justification for the requested exception. The substantial evidence includes:

1. The City of Eugene Comprehensive Lands Assessment (ECLA), pre-policy analysis, dated June 2010, prepared by ECONorthwest;
2. The City of Springfield Commercial and Industrial Buildable Lands Inventory and Economic Opportunities Analysis (CIBL), draft report dated September 2009, prepared by ECONorthwest; and
3. The Regional Prosperity Economic Development Plan, Eugene, Springfield, Lane County, approved by the Joint Elected Officials on February 26, 2010.
4. The Lane County Strategic Plan.
5. "Time to Deliver, Policy Playbook" from the 2011 Leadership Summit, 2011 Oregon Business Plan; Oregon Competitiveness: Creating a State Economic Strategy, 2012 Harvard Business School;
6. Oregon Labor Market Information System for Lane County, Oregon Employment Department; Lane County Labor Trends, Publication

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Reports, Oregon Employment Department; and the U.S. Census Bureau, 2010 American Community Survey.

These documents are incorporated into the record by reference herein. Both of the ECLA and CIBL documents include an Economic Opportunities Analysis (EOA) that include regional information²⁸, an inventory of buildable Industrial/Employment land, and the documented need for additional Industrial/Employment lands in the region.

²⁸ City of Eugene Comprehensive Lands Assessment (ECLA), pre-policy analysis,. ECONorthwest, June 2010 Appendix B – Economic Opportunities Analysis

p. B-19, A regional economic system is complex and is difficult to model, much less to predict without the benefits of models, on the basis of intuition alone. Nonetheless, that is how the large majority of economic development policies get adopted. In light of that reality, the purpose of this section and the following figures is to provide a framework for thinking about causes and effects that will make the intuitions more informed.

p. B-22, Eugene exists as part of the larger economy of the southern Willamette Valley and is strongly influenced by regional economic conditions. For many factors, such as labor, Eugene does not differ significantly from the broader region. For other factors, such as income, it does. Thus, Eugene benefits from being a part of the larger regional economy and plays a specific role in the regional economy.

p. B-53, Some industries in the region's employment base have volatile employment cycles. These industries typically have boom and bust cycles, which result in cycles of hiring and layoffs. The lumber and wood products industry is tied to national housing market cycles, with decreased productivity and employment in slow housing markets. The RV manufacturing industry is tied to broader national economic trends and energy price changes. Finally, the region's high-tech companies are subject to market trends in the high-tech industry, including changes in production methods and consumer purchasing patterns.

p. B-87, Eugene does not have an existing employment forecast. OAR 660-024-0040 (8) (a) (A) allows the City to determine employment land needs based on "The county or regional job growth rate provided in the most recent forecast published by the Oregon Employment Department." Eugene is part of Region 5, which includes all of Lane County. Table B-14 shows the Oregon Employment Department's forecast for employment growth by industry for Lane County over the 2006 to 2016 period.

City of Springfield Commercial and Industrial Buildable Lands Inventory and Economic Opportunities Analysis, ECONorthwest, Draft Report, September 2009.

p. 29. For many factors, such as labor, Springfield does not differ significantly from the broader region. For other factors, such as income, it does. Thus, Springfield benefits from being a part of the larger regional economy and plays a specific role in the regional economy.

p. 37, One way to determine opportunities for economic development is to determine the sectors with the greatest expected growth in the region (based on the Oregon Employment Department's forecast for employment growth in Lane County between 2006 and 2016) and the greatest concentration of existing employment in the community (based on a comparison of employment data in Springfield and the State in 2006).

p. 45, economic opportunities in Springfield are a function of regional historical trends and future economic shifts

p. 46, Historical employment trends show a substantial shift in the Region's economy that mirrored shifts in the State and national economies, specifically the substantial growth in Services and decline of Manufacturing.

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OAR 660-004-0010

Application of the Goal 2 Exception Process to Certain Goals

(1) The exceptions process is not applicable to Statewide Goal 1 “Citizen Involvement” and Goal 2 “Land Use Planning.” The exceptions process is generally applicable to all or part of those statewide goals that prescribe or restrict certain uses of resource land, restrict urban uses on rural land, or limit the provision of certain public facilities and services. These statewide goals include but are not limited to:

(d) Goal 14 “Urbanization” as provided for in the applicable paragraph (I)(c)(A), (B), (C) or (D) of this rule:

(D) For an exception to Goal 14 to allow urban development on rural lands, a local government must follow the applicable requirements of OAR 660-014-0030 or 660-014-0040, in conjunction with applicable requirements of this division;

FINDINGS: Lane County is proposing an exception to Goal 14 to allow urban levels of industrial and limited, primary industrial use related, secondary, small-scale commercial development on rural lands. The applicable sections of OAR 660-014-0040 are addressed below. Additionally, the applicable requirements of this division are addressed throughout these findings where required.

OAR 660-004-0018

Planning and Zoning for Exception Areas

(1) Purpose. This rule explains the requirements for adoption of plan and zone designations for exceptions. Exceptions to one goal or a portion of one goal do not relieve a jurisdiction from remaining goal requirements and do not authorize uses, densities, public facilities and services, or activities other than those recognized or justified by the applicable exception. Physically developed or irrevocably committed exceptions under OAR 660-004-0025 and 660-004-0028 and 660-014-0030 are intended to recognize and allow continuation of existing types of development in the exception area. Adoption of plan and zoning provisions that would allow changes in existing types of uses, densities, or services requires the application of the standards outlined in this rule.

(2) For “physically developed” and “irrevocably committed” exceptions to goals, residential plan and zone designations shall authorize a single numeric minimum lot size and all plan and zone designations shall limit uses, density, and public facilities and services to those: ...

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- (3) Uses, density, and public facilities and services not meeting section (2) of this rule may be approved on rural land only under provisions for a reasons exception as outlined in section (4) of this rule and applicable requirements of OAR 660-004-0020 through 660-004-0022, 660-011-0060 with regard to sewer service on rural lands, OAR 660-012-0070 with regard to transportation improvements on rural land, or OAR 660-014-0030 or 660-014-0040 with regard to urban development on rural land. (Emphasis added)**

FINDINGS: The proposed use for urban levels of industrial development on rural land requires a reasons exception by rule; therefore, it does not meet section (2) of this section, for “physically developed” or “irrevocably committed” lands. As specified in (3) above, the exception is being proposed as a reasons exception under the applicable provisions of OAR 660-014-0040 for urban levels of industrial and limited, primary industrial use related, secondary, small-scale commercial development on rural land (Goal 14 exception). Additionally, the provision under section (4) of this rule is addressed below. Any applicable sections of OAR 660-004-0022 are addressed as required through application of the provision of 660-014-0040.

(4) “Reasons” Exceptions:

- (a) When a local government takes an exception under the “Reasons” section of ORS 197.732(1)(c) and OAR 660-004-0020 through 660-004-0022, plan and zone designations must limit the uses, density, public facilities and services, and activities to only those that are justified in the exception.**

FINDINGS: In accordance with this provision, the proposed reasons exception to Goal 14 is being taken under ORS 197.732(2)²⁹ and OAR 660-004-0022 as addressed below. The proposed zoning designations will limit the uses, density, and activities as justified in the proposed exception. These limitations are discussed below in more detail.

- (b) When a local government changes the types or intensities of uses or public facilities and services within an area approved as a “Reasons” exception, a new “Reasons” exception is required.**

FINDINGS: The County is not proposing a change to an area approved as a reasons exception. The unincorporated community of Goshen was originally approved as a developed and committed exception area to Statewide Planning goals 3 and 4, not as a reasons exception to Goal 14. Therefore, this criterion is not applicable.

²⁹ The ORS reference of 197.732(1)(c) in this standard does not exist. The reference could more broadly be referring to ORS 197.732(1), or more specifically to 197.732(1)(b)(C). Most likely it is referring to 197.732(2)(c). Regardless, the County has addressed all of the applicable statutory sections. {00090898;1}

(c) When a local government includes land within an unincorporated community for which an exception under the “Reasons” section of ORS 197.732(1)(c) and OAR 660-004-0020 through 660-004-0022 was previously adopted, plan and zone designations must limit the uses, density, public facilities, and activities to only those that were justified in the exception or OAR 660-022-0030, whichever is more stringent.

FINDINGS: The County is not proposing to include land within an unincorporated community for which an exception was previously taken. Therefore, this criterion is not applicable.

OAR 660-004-0020

Goal 2, Part II(c), Exception Requirements

(1) If a jurisdiction determines there are reasons consistent with OAR 660-004-0022 to use resource lands for uses not allowed by the applicable Goal or to allow public facilities or services not allowed by the applicable Goal, the justification shall be set forth in the comprehensive plan as an exception. As provided in OAR 660-004-0000(1), rules in other divisions may also apply.

FINDINGS: The County is not proposing to use resource lands for uses not allowed by the applicable Goal. The property subject to this proposal is all zoned Rural Industrial and designated Industrial on the Lane County RCP. Therefore the provisions of OAR 660-004-0020 are not applicable.

OAR 660-004-0022

Goal 2, Part II(c), Exception Requirements

Reasons Necessary to Justify an Exception under Goal 2, Part II(c)

An exception under Goal 2, Part II(c) may be taken for any use not allowed by the applicable goal(s) or for a use authorized by a statewide planning goal that cannot comply with the approval standards for that type of use. The types of reasons that may or may not be used to justify certain types of uses not allowed on resource lands are set forth in the following sections of this rule...

...Reasons that may justify the establishment of new urban development on undeveloped rural land are provided in OAR 660-014-0040.

FINDINGS: The proposed reasons exception justifies the establishment of new urban levels of industrial and limited, primary industrial use related, secondary, small-scale commercial development on rural land. The applicable parts of these sections as applied through the Goal 14 exceptions process (OAR 660-014-

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0040) are addressed below. Goal 14 authorizes the proposed exception. Goal 14 states in applicable part that “In unincorporated communities outside urban growth boundaries counties may approve uses... **more intensive than allowed on rural lands** by Goal... 14, **either** by exception to those goals, **or** as provided by commission rules...” (Emphasis added). It is clear from this language that the option to use the Goal 14 exception process is up to the County.

Additionally, that County finds that it is significant that the Goal 14 exception process is listed first in this language. The only uses specifically authorized by Goal 14 other than those allowed by the exception process or through application of commission rules as referenced above (which are at the option of the County), is the industrial development on industrial lands outside of urban growth boundaries authorized by ORS 197.713 and 197.714, as implemented by additional Goal 14 related administrative rules.

As discussed above, the County finds that the proposed use is not authorized by a statewide planning goal except through an exception. Additionally the County finds that based on the Goal language the Goal provides the County the option to choose if an exception will be sought or commission rules will be utilized. The proposed use of new urban levels of industrial and limited, primary industrial use related, secondary, small-scale commercial development on undeveloped rural lands is specifically authorized in OAR 660-014-0040.

(1) For uses not specifically provided for in this division, or in OAR 660-011-0060, 660-012-0070, 660-014-0030 or 660-014-0040, the reasons shall justify why the state policy embodied in the applicable goals should not apply. Such reasons include but are not limited to the following:

FINDINGS: The proposed use is specifically provided for in this division as stated above. Therefore, this standard is not applicable. The proposed use is evaluated under OAR 660-014-0040.

(3) Rural Industrial Development: For the siting of industrial development on resource land outside an urban growth boundary, appropriate reasons and facts may include, but are not limited to, the following:

FINDINGS: The proposed exception is not to site industrial development on resource land. The exception proposes to allow new urban levels of industrial development on existing non-resource/exception land. Therefore, this criterion is not applicable.

SECTION V

Findings – Goal 14 Exception, REASONS

ORS 197.732

Goal exceptions; criteria; rules; review

(1) As used in this section:

- (a) “Compatible” is not intended as an absolute term meaning no interference or adverse impacts of any type with adjacent uses.**
- (b) “Exception” means a comprehensive plan provision, including an amendment to an acknowledged comprehensive plan, that:**
 - (A) Is applicable to specific properties or situations and does not establish a planning or zoning policy of general applicability;**
 - (B) Does not comply with some or all goal requirements applicable to the subject properties or situations; and**
 - (C) Complies with standards under subsection (2) of this section.**

(2) A local government may adopt an exception to a goal if:

- (c) The following standards are met:**
 - (A) Reasons justify why the state policy embodied in the applicable goals should not apply;**
 - (B) Areas that do not require a new exception cannot reasonably accommodate the use;**
 - (C) The long term environmental, economic, social and energy consequences resulting from the use at the proposed site with measures designed to reduce adverse impacts are not significantly more adverse than would typically result from the same proposal being located in areas requiring a goal exception other than the proposed site; and**
 - (D) The proposed uses are compatible with other adjacent uses or will be so rendered through measures designed to reduce adverse impacts.**

FINDINGS: The applicable Goal, Goal 14, specifically allows, under the unincorporated community heading of the rule, counties to approve uses more intensive than those uses allowed on rural lands by Goal 11 and 14, by an exception. The language specifies that the county may approve the uses either by exception or as provided by commission rules. The Goal language does not give preference to which option the County may or must choose. For the reasons described in previous findings, the provisions of the Goal 14 Rules that do allow for more intensive uses focus on the community and surrounding rural areas. Those provisions do not allow the full extent of urban levels of industrial and limited, primary industrial use related, secondary, small-scale commercial development as contemplated by the County proposal.

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The above standards are more specifically addressed in findings and reasons provided below under OAR 660-014-0040. Those findings and reasons are incorporated by reference herein. Based on these findings and reasons the County concludes that the standards of this section have been met.

(3) The commission shall adopt rules establishing:

- (a) That an exception may be adopted to allow a use authorized by a statewide planning goal that cannot comply with the approval standards for that type of use;**

FINDINGS: The rules adopted by “the commission” (the Land Conservation and Development Commission – LCDC) in relation to this provision are contained in OAR 660-022-0000 and 660-014-0000. These rules are addressed elsewhere in these findings and are incorporated herein by reference. Those findings demonstrate that the proposed exception is authorized.

ORS 197.719(6)(a)

- (b) Under what circumstances particular reasons may or may not be used to justify an exception under subsection (2)(c)(A) of this section; and**
(c) Which uses allowed by the applicable goal must be found impracticable under subsection (2) of this section.

FINDINGS: The Commission (Land Conservation and Development Commission – LCDC) has adopted rules under (b) above that authorize urban levels of industrial development on rural land. These rules are contained in OAR 660, Division 14. The County finds that not all of the above provisions can apply simultaneously, since the commission has adopted rules to specifically allow urban development on rural land and therefore this use has not been found to be impracticable, only (b) above is applicable.

The applicable rules are addressed below. The rules relied upon for this proposal, to allow urban levels of industrial development on undeveloped rural lands, are contained in OAR 660-014-0040. Given that the County is proposing to utilize provision (b) above, the County is not also required to address (a) and/or (c). Even so, the County provides findings above that demonstrate that the proposed use cannot be allowed through utilization of other existing rule provisions.

(4) A local government approving or denying a proposed exception shall set forth findings of fact and a statement of reasons that demonstrate that the standards of subsection (2) of this section have or have not been met.

FINDINGS: The County, throughout this document, provides the necessary findings and reasons that demonstrate that subsection (2) of this section have been met, supported by substantial evidence in the record.

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- (5) Each notice of a public hearing on a proposed exception shall specifically note that a goal exception is proposed and shall summarize the issues in an understandable manner.

FINDINGS: The County has provided the required notice in conformance with this standard as evidenced in the record.

OAR 660-014-0040

Establishment of New Urban Development on Undeveloped Rural Lands

- (1) As used in this rule, “undeveloped rural land” includes all land outside of acknowledged urban growth boundaries except for rural areas committed to urban development. This definition includes all resource and nonresource lands outside of urban growth boundaries. It also includes those lands subject to built and committed exceptions to Goals 3 or 4 but not developed at urban density or committed to urban level development.

FINDINGS: The proposed exception is to allow new urban levels of industrial and limited, primary industrial use related, secondary, small-scale commercial development on undeveloped rural land. In this case the undeveloped rural land is existing exception/non-resource land (zoned and designated for industrial use) located in the unincorporated community of Goshen, outside of any Urban Growth Boundary.

- (2) A county can justify an exception to Goal 14 to allow establishment of new urban development on undeveloped rural land. Reasons that can justify why the policies in Goals 3, 4, 11 and 14 should not apply can include but are not limited to findings that an urban population and urban levels of facilities and services are necessary to support an economic activity that is dependent upon an adjacent or nearby natural resource.

Reasons that justify the Goal 14 exception:

FINDINGS: This rule language does not impose any express constraints on the universe of reasons that may be relied on to justify an exception to allow urban levels of industrial and limited, primary industrial use related, secondary, small-scale commercial development on undeveloped rural land. It specifically states that:

“A county can justify an exception to Goal 14 to allow establishment of urban development on undeveloped rural land.” (Emphasis added)

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It is clear that the rule does not intend to make proximity to a nearby natural resource an exclusive test for justifying an exception under this rule. There are several reasons that can justify an exception in this case.

Economic activity in Goshen, and in the region as a whole, is dependent on the specified land in Goshen because of its unique characteristics: non-resource industrially zoned and designated land; strategically located near an urban population center and employee base (Eugene/Springfield metro area); and is adjacent to significant transportation and utility infrastructure. Under certain employment projections, and taking into consideration the ability of surrounding urban areas to accommodate industrial jobs, Lane County arguably has a shortage of vacant industrial lands. The way Lane County proposes to address this shortage is to allow urban levels of industrial and limited, primary industrial use related, secondary, small-scale commercial uses in Goshen, the county's largest rural industrial area. Those specific uses are reflected in the new zones that replaced the previous Rural Industrial zoning for the Goshen unincorporated community with the General Industrial (GI) and Light Industrial (LI) zones codified at Lane Code 16.280. The GI and LI zones generally allow only industrial uses, but do allow a small variety of commercial uses, subject to special permits or standards. Specifically, both the GI and LI zones allow "Corporate Office/Headquarters" subject to special standards. In addition, both zones allow "small-scale personal and professional services (e.g. child care, fitness center, coffee shop/deli, dry cleaners, barber shops and salons, copy center, banks, and financial institutions, and similar uses)," subject to a 2500 square feet or one percent gross floor area restriction, and other special standards. Finally, the LI zone allows "contractor storage," "equipment rental and repair services," "heavy equipment sales," and a "mini-storage warehouse," subject to special use permit standards. LC 16.280(8), Table 8-1. All of those uses are part of the exception to Goals 14 to allow new urban levels of development in the Goshen unincorporated community. When compared to the range of commercial uses allowed in the more general Rural Industrial zone applied to the Goshen area and already justified with the Goal 3 and 4 exceptions taken previously for that area, the new GI and LI zone uses do not require much additional justification under a Goal 14 reasons exception.

The county economy will benefit from allowing urban levels of industrial and limited, related small-scale commercial development on the existing exception land rather than having new resource land utilized for employment uses. In this case the County is not proposing to allow urban levels of industrial development on resource land rather the County is proposing to allow urban levels of industrial and limited, related small-scale commercial development on rural non-resource/exception land. The County needs economic development and this proposal would not create a loss in productive resource land while opening significant opportunities for additional employment growth and expansion and diversification of the County's traditional resource dependent economy, which has tended to fluctuate with time and agricultural markets.

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There is a clear and significant comparative advantage which would benefit the county, regional and state economies by allowing urban levels of industrial development on the existing industrial designated land. The following advantages would be associated with developing the existing industrial lands in Goshen with urban levels of industrial and limited, related small-scale commercial use: reducing the amount of resource land including prime farmland and Goal 5 Natural Resource lands such as wetlands and riparian areas in the region, which may be converted to employment uses; reducing the number and length of vehicle trips on the state, county, and local roadway systems for serving additional employment lands due to the area's close proximity to major transportation networks; providing an increased tax base to the county for revenue; and finally, providing industrial businesses with a comparative advantage of a significantly lower tax rate.³⁰

The proposed exception furthers Goal 9 of the Oregon Statewide Planning Program. Goal 9 is to provide adequate opportunities throughout the state, not just within urban growth boundaries, for a variety of economic activities. Additionally as discussed above, the proposed Goal 14 exception advances the adopted Lane County Comprehensive Plan Goal 9 goals including the County's primary responsibility in economic development to ensure the necessary land area is available. Those findings are incorporated by reference herein.

1. Rail dependent and/or related urban industrial and limited, primary industrial use related, secondary, small-scale commercial uses on large sites

The County finds that reasons that justify the exception include:

- The proposed exception area is designated as a Regionally Significant Industrial Area (RSIA) by the State of Oregon under ORS 197.723.
- Existing Industrial zoning and Comprehensive Plan designation.
- Existing impacts from industrial development (Industrial Character).
- Presence of existing rail line that serves the community.
- Existing rail spur served industrial properties.
- Existing Highway interchange providing access to I-5 and Hwy 58.
- Highway 99 runs through the community.
- Community water system in place.
- Natural Gas main line running through the community.
- Location within the EPUD service area, providing electrical power.

³⁰ Part of the reason for the lower tax rate is due to not being subject to city taxing districts verses lower county taxing districts. However, in comparison to another rural industrial zoned property, the Goshen area industrial zoned land is still significantly lower. The comparisons done shows the Goshen tax rates at generally \$9.8681/1000, compared to \$15.3639/1000 for rural unincorporated industrial land north of Coburg, and \$16.7541/1000 for industrial land within the City of Eugene, in west Eugene.
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- Access to fiber optic infrastructure.
- Close proximity to second largest metropolitan area in the state.
- Close proximity to University of Oregon, Lane Community College, and Willamette Christian University.
- Community served by Lane Transit District (LTD).
- Lane County is identified as “distressed” according to Business Oregon.³¹

The cumulative effects of these reasons and site characteristics are immeasurable and create not only regionally significant and prime industrial land that is impossible to replicate within the region, but also that is unique within the state. It is these factors, together with Lane County’s need and desire to improve and diversity its economy that warrant the proposed exception to allow the urban level of development on the existing Industrial zoned lands as reflected in the GI and LI zones applied to the existing industrial zoned property in Goshen.

2. Rail related urban industrial and limited, primary industrial use related, secondary, small-scale commercial uses to support the rail dependent/related urban industrial and limited, primary industrial use related, secondary, small-scale commercial uses on large sites

FINDINGS: In order to succeed, the urban levels of rail dependent/related industrial users on the large sites that are reliant on, or could utilize the existing rail in Goshen, also need supporting industrial and limited, primary industrial use related, secondary, small-scale commercial uses.

It is for most of the same reasons that justify why the rail related and/or dependent urban industrial and limited, primary industrial use related, secondary, small-scale commercial uses on large sites, set forth above and incorporated here by this reference, that also justify why the associated rail supportive urban industrial and limited, primary industrial use related, secondary, small-scale commercial uses should be allowed on the smaller sites to support the rail dependent urban industrial and limited, primary industrial use related, secondary, small-scale commercial uses on large sites. These reasons include:

- The proposed exception area is designated as a Regionally Significant Industrial Area (RSIA) by the State of Oregon under ORS 197.723.
- Existing Industrial zoning and Comprehensive Plan designation.
- Existing impacts from industrial development (Industrial Character).
- Presence of existing rail line that serves the community.
- Existing Highway interchange providing access to I-5 and Hwy 58.
- Highway 99 runs through the community.

³¹ *Distressed Areas in Oregon.* Produced monthly by Business Oregon based on current data from the Oregon Employment Department. Posted September 27, 2012. <http://www.oregon4biz.com/Publications/Oregon-Economic-Data/Distressed-Areas-in-Oregon/{00090898;1}>

- Community water system in place.
- Natural Gas main line running through the community.
- Location within the EPUD service area, providing electrical power.
- Access to fiber optic infrastructure.
- Close proximity to second largest metropolitan area in the state.
- Close proximity to University of Oregon, Lane Community College, and Willamette Christian University.
- Community served by Lane Transit District (LTD).
- Lane County is identified as “distressed” according to Business Oregon.³²

These supporting industrial and limited, primary industrial use related, secondary, small-scale commercial uses on nearby smaller sites are necessary to serve the larger rail dependent or related uses in order to reduce vehicle trip numbers and length (VMT - vehicle miles traveled), making it more economical for companies to conduct business in Goshen. An anecdotal example of this type of dynamic is when the Sony Corporation located in Springfield, many spin off industries located in close proximity. These spin off industries included a box manufacturing company to provide necessary materials for the Sony Corporations operations.

To determine if urban levels of rail related industrial and limited, primary industrial use related, secondary, small-scale commercial uses associated with the urban level of rail dependent industrial uses/sites should be allowed to located within the community of Goshen it is important to identify the benefit from being located in close physically proximity to the urban levels of rail dependent and/or rail supportive industrial use on the larger sites. Additionally it is important to identify the practicality of the rail related uses being located near the rail dependent uses: would the absence of the rail related use cause significant adverse impact to the development or to the larger community/region.

For some of the related uses, a location at or near the rail dependent uses is necessary. For other such uses, a location at or near the rail dependent uses may not be necessary but may be practicable, desirable, and important for other reasons. For these uses the question was asked: “Does a location outside of the community create an inconvenience or adverse impacts so significant that it warrants the location in the community?” Still other uses do not require a location within the community and should instead be located inside an urban growth boundary or on other rural industrial land.

Providing land for related industrial and limited, primary industrial use related, secondary, small-scale commercial businesses will help attract companies that can complement the rail dependent uses. Uses of this nature may not be

³² *Distressed Areas in Oregon*. Produced monthly by Business Oregon based on current data from the Oregon Employment Department. Posted September 27, 2012. <http://www.oregon4biz.com/Publications/Oregon-Economic-Data/Distressed-Areas-in-Oregon/{00090898;1}>

feasible until the larger rail dependent uses are successfully operating. It would benefit the larger region, community and the uses by locating in close proximity to the rail dependent uses by reducing trips and shipping cost, as well as other efficiencies.

Proximity to competitors, a skilled workforce, specialized suppliers, and a shared base of sophisticated knowledge about their industry are reasons that are critical for allowing the supportive rail related uses.

~~If the above reasons for either or both categories of use are not satisfactory, the County finds that the proposed urban levels of industrial development on undeveloped rural land is necessary to support an economic activity that is greatly dependent on the "natural resource" of the existing industrial land for the reasons discussed above including the strategic logistical characteristics. However implausible some may feel the inclusion of the existing industrial land being considered as a natural resource is, or strained the credibility of the rule becomes, the County finds that the existing industrial land fits the definition of natural resource as contemplated in this rule provision and therefore qualifies for this "reason" under this standard.~~

~~The County finds that the term "natural resource" is defined in the back of the "Oregon's Statewide Planning Goals & Guidelines" booklet as found on the DLCD website. The provided definition states: "NATURAL RESOURCES. Air, land and water and the elements thereof which are valued for their existing and potential usefulness to man."³³ Based on this definition, the County finds that the existing industrial designated property in Goshen fits the definition of a natural resource of land. This land is useful to man (within the Community of Goshen, the larger Region Eugene/Springfield Metro area, Lane County as a whole, and the broader State of Oregon) and further has an increased potential usefulness by allowing an increased level of industrial development to create jobs. The industrial land is valued for its unique characteristics giving it an existing and potential usefulness to man in creating increased economic activity including providing new jobs to citizens living in the area.~~

A Goal 11 exception is not necessary or contemplated with this proposal. The County currently is not proposing to extend sewer to the Community of Goshen with this application. However, if and/or when a sewer extension to the Community of Goshen is contemplated, the County finds that the extension of the sewer would not require a Goal 11 exception as allowed in OAR 660-011-0060(3), which permits extension of sewer from inside a UGB to serve lands inside a nearby unincorporated community. This issue will be addressed at a later time when and if such extension is further contemplated.

³³ -The term "natural resource" is also defined in OAR 625-410-0010(6). Here it states: "*Natural resources*" means land, fish, wildlife, biota, air or water.
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The County finds that a new Goal 3 or 4 reasons exception is also not required due to the original developed and committed exception to Goals 3 or 4 which was applied to the land on the basis of its preexisting industrial development.

(3) To approve an exception under section (2) of this rule, a county must also show:

(a) That Goal 2, Part II (c)(1) and (c)(2) are met by showing that the proposed urban development cannot be reasonably accommodated in or through expansion of existing urban growth boundaries or by intensification of development in existing rural communities;

FINDINGS: The proposed urban levels of industrial and limited, primary industrial use related, secondary, small-scale commercial development is being sought to allow intensification of development on existing industrially zoned and designated land within a rural community in conformance with this criterion. The proposed urban levels of industrial and limited, primary industrial use related, secondary, small-scale commercial development cannot be reasonably accommodated in an existing UGB in the region (Eugene or Springfield) as evidenced by the results of the ECLA and CIBL reports. These reports find that neither of the City jurisdictions have adequate industrial land capacity within their existing UGB's to meet their or the regions employment needs. Specifically identified is a need for large lot industrial sites. Additionally, the County finds that there is a need for large lot industrial sites that are strategically located in close proximity to the Interstate freeway system as well as near to and/or served by a rail line. Together with the need for large sites as discussed in the findings above, siting supportive urban levels of industrial and limited, primary industrial use related, secondary, small-scale commercial development in close proximity to the large rail served sites is a significant competitive advantage that cannot be provided on sites inside a UGB.

Due to the significant comparative advantages of the Goshen area, specifically the superior access to highway and rail, the proposed urban level of industrial and limited, primary industrial use related, secondary, small-scale commercial development cannot be reasonably accommodated in or through expansion of an existing urban growth boundary.

The County finds that it is not reasonable to accommodate the proposed urban industrial and limited, primary industrial use related, secondary, small-scale commercial development through an expansion of an existing UGB in the region. There are no sites that have been identified by either city jurisdiction that could provide for superior highway and rail access. These findings are further supported when considering the significant comparative advantages of the Goshen community as discussed above.

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Additionally, as contemplated under this criterion, Goal 2, Part II (c)(1) and (c)(2) states:

A local government may adopt an exception to a goal when:

(c) The following standards are met:

(1) Reasons justify why the state policy embodied in the applicable goals should not apply.

FINDINGS: The facts and assumptions used as the basis for the proposed exception include that the existing industrial zoned land within the unincorporated community of Goshen totals 316.51 acres. The entirety of the existing industrial zoned lands (except the two Rural Industrial zoned parcel within the community boundary that is located on the east side of the I-5 freeway) within Goshen is proposed for the Goal exception.

The proposed urban industrial and limited, primary industrial use related, secondary, small-scale commercial development does not require location on resource land. The County is proposing to utilize existing exception land in a rural community and to allow urban levels of industrial and limited, primary industrial use related, secondary, small-scale commercial development on the existing exception land.

The proposed use cannot be reasonably accommodated through expansion of existing urban growth boundaries for a number of reasons. First, there is no urban growth boundary around the unincorporated community of Goshen. In addition, the existing urban growth boundaries of the cities of Eugene and Springfield have both separately been determined to not contain adequate industrial land capacity within their existing UGB's to meet the needs of large scale industries.³⁴

In a memo to Governor John Kitzhaber from the Oregon Business Plan Steering Committee dated January 10, 2011, it is stated that:

“three main problems prevent Oregon from having an adequate supply of shovel ready industrial sites to support large employers with high wage jobs”. The number one listed reason is: “Oregon’s land use laws make it very difficult to get enough land, and to make that land ready for employment uses. Oregon cities face years of expensive processes and appeals to make relatively modest amounts of land available for employment.”

³⁴ See Eugene Comprehensive Lands Assessment (ECLA) June 2010, and the City of Springfield Commercial and Industrial Buildable Lands Inventory and Economic Opportunities Analysis (CIBL) September 2009. {00090898;1}

To alleviate these problems the Governor recommended that changes in policy, practice and attitude in order to increase: the supply of shovel-ready, large-lot, industrially zone land; infrastructure funding; and the speed of the permitting process.

Goal 9 of the Oregon Land Use Program, contained in OAR 660-009-0000 defines "Prime Industrial Land" (OAR 660-009-0005(8)) as *"land suited for traded-sector industries as well as other industrial uses providing support to traded-sector industries. Prime industrial lands possess site characteristics that are difficult or impossible to replicate in the planning area or region. Prime industrial lands have necessary access to transportation and freight infrastructure, including, but not limited to, rail, marine ports and airports, multimodal freight or transshipment facilities, and major transportation routes. Traded-sector has the meaning provided in ORS 285B.280."*

The term "Traded sector" is defined in ORS 285B.280 as *"...industries in which member firms sell their goods or services into markets for which national or international competition exists."*

Manufacturing is a traded sector industry, which brings revenue into Oregon and Lane County from outside the State. The following manufacturing industries accounted for two-thirds (\$19.4 billion) of revenue from exports in Oregon in 2008: Computer & Electronic Production, Machinery Manufacturers, and Transportation Equipment. These industries are all present in Lane County, accounting for 40% of manufacturing employment in the County.³⁵

Employment in traded-sectors in the region is concentrated in Government (including the University of Oregon), Health Care, Manufacturing and Professional Services. Opportunities for growth of traded-sector employment include: manufacturing of "green" products, specialty food processing; high tech; traded-sector services; and forest products.

The County finds that the region as contemplated here includes all of Lane County. The existing Rural Industrial land in Goshen is prime industrial land that is suited for traded-sector industries. This land is difficult or impossible to replicate in the region. The state policy embodied in the applicable goals should not apply due to the existing industrially designated lands within the Community of Goshen having significant comparative advantages which make it impossible to replicate in the region.

These advantages include:

- existing industrial/non-resource designation;
- large parcels;

³⁵ Eugene Comprehensive Lands Assessment (ECLA) June 2010, page B-60.
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- proximity of supporting smaller parcels to the large parcels;
- adjacency, close proximity, and direct access to the State Highway system including I-5, Highway 58, and Highway 99;
- adjacency and access to rail;
- service by transit via Lane Transit District;
- proximity to the urban population centers of Eugene and Springfield for providing an educated and/or skilled workforce;
- proximity to and the presence of the University of Oregon and Lane Community College;
- access to natural resources;
- proximity and access to utility infrastructure including natural gas, electrical power, and water;
- limited natural resource conflicts (wetlands, floodplain, riparian, etc.); and
- relatively level topography (no steep slopes).

The reasons also include the benefit to the county economy by creating an environment to stimulate job growth. Additionally, there would be no loss to productive resource lands due to the land already having a non-resource designation.

It is for all of these reasons that the state policy embodied within Goal 14 (Rural Unincorporated Community Rule), limiting the development on the subject Rural Industrial lands, should not apply to the properties in Goshen as requested in this proposal.

(2) Areas that do not require a new exception cannot reasonably accommodate the use.

FINDINGS: A map is included as Exhibit D-1 that shows the area proposed for the exception (Goshen). An additional map, Exhibit D-3 shows “other areas” that would not require a new exception. There are two such areas identified by the County that would not require an exception (the American Flakeboard site in west Eugene and the Coburg site-see map). These two properties are discussed in more detail below. However, the County has not considered either site as equally available for urban levels of industrial and limited, primary industrial use related, secondary, small-scale commercial development because of the significant comparative advantages presented by the Goshen property.

A recent academic project by Masters students at Portland State University (PSU) studied Lane County for determining Regionally Significant Industrial Areas (RSIA) as provided for in ORS 197.723.³⁶ Based on the specific factors for

³⁶ Lane County, Oregon, An Analysis of Regionally Significant Industrial Areas (RSIA), Ryan Farncomb, Wonkang Lee, and Beth Otto, March 19th, 2012, USP 531: GIS for Planners, report and associated PowerPoint presentation in record.
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determining a RSIA contained in ORS 197.723, the Community of Goshen's existing Industrial designated land was included in the recommendation for designating as a RSIA by the group, second only to a redevelopment site (American Flakeboard) in west Eugene of approximately 60 acres.

American Flakeboard wood product mill

The other site identified in the PSU study, owned by American Flakeboard wood product mill (TRS 17-04-28-00 00400), does not meet the essential characteristics below. The primary limitation of the American Flakeboard mill site is its distance from the major state freight routes of I-5 and Highway 58, as well as its potential environmental sensitivity issues.

Coburg site

The Coburg site identified by the County is comprised of existing industrial land located along I-5. These properties are already developed with a motor home/motor coach manufacturing facility and other industrial uses. The existing developed nature of this property contributes to it not being a site for consideration in this evaluation. Additionally, this property is not proximate to or does not have access to rail facilities.

The American Flakeboard and Coburg sites are not viable alternatives, and regardless the County does not have jurisdiction to seek an exception on these sites. Any other potential area that could reasonably accommodate the proposed use would also require a new exception. Generally, other areas that would also require an exception include resource lands outside of the existing Urban Growth Boundaries of the cities of Eugene and Springfield.

There are no resource lands in the vicinity that are irrevocably committed to non-resource uses. In conformance with the above standard, the proposed use can be reasonably accommodated by increasing the density of uses on committed lands. This is exactly what is being proposed by the County with this application. Increasing density of uses on committed lands in an existing unincorporated community to avoid having resource lands converted.

In conducting a broad review of alternative areas the County identified characteristics needed to offer a significant comparative advantage, in order to promote economic development, to determine similar types of areas that could reasonably accommodate the proposed uses. The essential characteristics identified for the anticipated industrial and limited, primary industrial use related, secondary, small-scale commercial uses include:

- Existing industrial/non-resource zoned land.
- Can provide significant additional employment
 - Minimum redevelopable acreage size of 50-100+ acres.

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- Has superior access to transportation and freight infrastructure
 - Close proximity (within 1 mile) and access to major transportation route, including I-5.
 - Access to (within ¼ mile) Rail.
- Located in close proximity to major labor markets
 - Close proximity (within 5 miles) of the Eugene/Springfield metro area.
- Has site characteristics that are difficult or impossible to replicate in the region
 - Serviced by transit via Lane Transit District;
 - Close proximity (within 5 miles) of higher education facilities (University of Oregon and Lane Community College).
 - Direct access (within ¼ mile) to electricity.
 - Direct access (within ¼ mile) to a natural gas pipeline.
 - Limited natural resource conflicts (wetlands, floodplain, etc).
 - Relatively level topography (no steep slopes).

These characteristics are justified as necessary to define prime industrial land and a Regionally Significant Industrial Area. Prime industrial land is difficult or impossible to replicate in the planning region due to essential characteristics including access to transportation, freight infrastructure, major transportation routes etc. The more specific essential characteristics identified above build on the necessary components of prime industrial land and help identify those lands with superior access to transportation infrastructure and significant comparative advantages including location and access to utility infrastructure.

In making this broad evaluation the County has defined the term “the vicinity” for use in evaluating similar types of areas. Other areas in “the vicinity” of, or in the same region as, the community of Goshen include the areas within or tangential to the Central Lane Metropolitan Planning Organization (MPO) planning area. The MPO planning area covers the area within the urban growth boundaries of Eugene, Springfield, and Coburg, and a small area of rural Lane County adjacent to these urban areas. The MPO boundary extends down to Goshen, however it does not include the entire community of Goshen. Regardless, given that Goshen is tangential to the MPO and due to the unique characteristics and proximity of the entire community of Goshen to the rest of the MPO area, the County finds it reasonable to include the entire community of Goshen and to identify “the vicinity” as the MPO.

The proposed new urban level of industrial and limited, primary industrial use related, secondary, small-scale commercial use cannot be reasonably accommodated on non-resource land that would not require an exception. Primarily the significant comparative advantages including access, rail, infrastructure etc. make Goshen prime industrial land that cannot be replicated in the region. Additionally, any other non-resource designated land in the vicinity would have a similar limitation on allowing urban levels of development. Therefore, an exception would be required on any other non-resource land.

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The proposed use cannot be reasonably accommodated inside an urban growth boundary. Both of the cities of Eugene and Springfield have found that they do not have a sufficient supply of industrial land within their UGB's to meet their projected needs. Any new areas for industrial growth considered by the cities will require expansion of their respective UGB's onto resource land. Specifically in regard to this proposal, none of the potential expansion areas for employment land being studied in Eugene or Springfield are proposed to have access to rail, as well as being large properties in close proximity to I-5.

The proposed use can be reasonably accommodated without the provision of a proposed public facility or service. No, public facilities are required to reasonably accommodate the use(s), to get the level of development needed to justify upzoning. There is an existing water system in the Community of Goshen operated by Willamette Water Company. This existing water system has the capacity to serve the additional growth anticipated in Goshen as demonstrated by a letter in the record from Willamette Water Company. There is no existing community or municipal waste water system in Goshen. However, the County finds that the existing industrial uses have operated for decades on individual waste water treatment systems. In some cases such as on the mill sites, hundreds of employees worked at these locations at different times. The County finds that water and sewer can reasonably be accommodated through the existing water system and individual wastewater treatment systems. There are many examples of large facilities operating without connection to a municipal wastewater system. Three local examples include the Lane Community College facility, the new Eugene Water and Electric Board (EWEB) facility in west Eugene, and the large industrial development in the City of Coburg that previously housed the Monaco Coach manufacturing facility.

However, the County also recognizes that for ultimate build out of all of the industrial lands in Goshen at an urban level, a sewer treatment system will be needed. As discussed above, the County is pursuing this through grant opportunities to study the feasibility of developing such a system.

Based on the above essential factors, the County has determined that there are no other areas in the vicinity of Goshen that could reasonably accommodate the proposed new urban level of industrial and limited, primary industrial use related, secondary, small-scale commercial development. The proposed use will provide market choice in the region/vicinity (MPO) for industrial land in terms of range of site sizes and location.

(b) That Goal 2, Part II (c)(3) is met by showing that the long-term environmental, economic, social and energy consequences resulting from urban development at the proposed site with measures designed to reduce adverse impacts are not significantly more adverse than would typically

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result from the same proposal being located on other undeveloped rural lands, considering:

(A) Whether the amount of land included within the boundaries of the proposed urban development is appropriate, and

FINDINGS: The boundary of the proposed urban levels of industrial development follows the existing boundary of the industrial designated lands within the unincorporated community of Goshen, west of I-5. Attached as Exhibit D-1, is a map showing the proposed exception boundary. This includes following the boundary of the community boundary itself along the majority of the perimeter of the existing industrial designated land. The amount of industrial designated land within the existing community boundary is finite, at 316.51 acres, and is based on the historical and pre-existing uses that were present when the community boundary was established and formally recognized. The amount of land within the boundary is appropriate given the long standing pattern of development in relation to the surrounding properties and area.

(B) Whether urban development is limited by the air, water, energy and land resources at or available to the proposed site, and whether urban development at the proposed site will adversely affect the air, water, energy and land resources of the surrounding area.

FINDINGS: The standards in (A) and (B) above and the findings that address these standards are primarily focused on the environmental and energy consequences (air, water, energy, and land resources) resulting from the proposed use. However (b) above also contemplates economic and social consequences from the proposed urban levels of industrial development. These consequences are addressed below.

The contemplated "ESEE consequences" under (b) above include the positive and negative consequences that could result from allowing or prohibiting the proposed use. The common context for analyzing alternatives of allowing or prohibiting the proposed use is the existing allowed uses on the subject site and surrounding area (the status quo-discussed below).

The County finds that the potential conflicting uses to the surrounding rural residential uses, and farm uses in the area are the proposed urban level industrial and limited, primary industrial use related, secondary, small-scale commercial uses as specified in the draft Goshen Industrial zones code (included as Exhibit B). This code includes provisions for reducing the potential adverse impacts from the exception area. These provisions include buffering, setbacks, height transitions, landscaping, lighting standards, noise provisions, etc. The code also contemplates review by other agencies responsible for assuring impacts are appropriately address, including wetlands delineated on the site or surrounding areas that might be affected by a proposed development. The

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record in the previous proceeding included mapping of wetlands in areas of Goshen according to the U.S. Fish and Wildlife Service National Wetlands Inventory. That record and related information on the process for review of potential impacts on wetland provide sufficient evidence of wetlands on the site and in the surrounding area. In addition to the specific measures included in the new GI and LI zones to address adverse impacts of urban development, any new urban industrial development that will potentially affect wetlands will trigger review by the Oregon Department of State Lands (DSL) and that review will adequately address any concerns that might arise about adverse impacts on wetlands on the site or surrounding lands. That review would also assure any long-term environmental consequences of developing in or near wetlands are unlikely to be significantly more adverse in the Goshen area, the site of the development or any surrounding lands than typical environmental consequences of such development on other rural lands.

For the purposes of this criterion the County has identified the following described area as the “surrounding area” or the potential impact area to include those properties west and southwest of the I-5 freeway to the east; south of and including the USA and City of Eugene owned property to the north and northwest; east of the east line and the northern and southern extension of the east line of the RR5-NRES zoned property to the west; and north of Dillard Road to the south. A map of the surrounding area/potential impact area is attached as Exhibit E.

Areas of other undeveloped rural land that might be considered for urban level development that could be considered for an exception include:

1. Other resource areas including farm and forest lands. For example, the Cities of Eugene and Springfield are currently considering UGB expansion options for additional employment land needs that cannot be met within their respective existing UGB's. The areas being considered for expansion for new urban level industrial development include primarily farm land.
2. Other exception areas include rural industrial, rural commercial, and rural residential. These areas may or may not be within an unincorporated community. There are many exception lands outside of unincorporated communities throughout the County. The more likely exception areas to be contemplated for urban levels of development would be located within an unincorporated community, similar to Goshen. There are two other unincorporated communities close to the Eugene/Springfield Metropolitan area, Pleasant Hill and Jasper, which could be considered for new urban level of development. Pleasant Hill does not contain any Rural Industrial land, and contains one node of Rural Commercial land. The rest of the community is Rural Residential. The community of Jasper contains Rural Industrial land. However, the existing/historic industrial use on those lands is considerably smaller than that of Goshen.

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Urban levels of industrial and limited, primary industrial use related, secondary, small-scale commercial development as proposed for Goshen on other undeveloped rural lands would have more adverse impact than would the proposed urban level development in Goshen due to the unique set of status quo conditions that exist in Goshen; conditions that are not present in other areas that could be considered.

The existing development pattern (the status quo) includes long established/historical lumber mill sites together with other associated industrial and commercial uses. One of the existing mills has been located in the community since the 1920's. The existence of the mills and other associated industrial uses in the area has had long established impacts to the community. These impacts include noise, traffic, lights, air emissions, etc.

In addition to the impacts from the existing mills, the area has existing impacts from the I-5 freeway, Hwy 99, Hwy 58, and the rail road. These facilities produce noise, light, air impacts, and some vibrations. The existence of the major transportation route through this community has been in existence since the Oregon Coastal Military Road (modern day Hwy 99) was established in the 1860's. The rail road has run through the community since the 1870's. The I-5 facility was built through the community in the 1950's. Another existing impact on the area today is the existence of the U.S. Department of Energy (DOE) Alvey Substation that is owned and operated by the Bonneville Power Administration (BPA). The infrastructure associated with this facility is large and visually impressive in the surrounding landscape.

Considering the existing uses allowed on the industrial designated land in Goshen today (the status quo) as compared to the uses allowed under the new proposed zoning code, including provisions to mitigate impacts and other state or federal agency review of proposed developments impacting wetlands, there will not be an adverse impact on the surrounding areas or any of the sites in the Goshen area subject to the Goal 14 exception. And, eEven though similar provisions could be instituted for new urban levels of industrial development on other exception lands, given the nature of the existing combination of impacts that are unique in Community of Goshen today, the impacts to air, water, energy and land resources and the long-term environmental, economic, social and energy consequences resulting from urban development at the Goshen site will be less compared to other exception areas and not significantly more adverse than would typically result from the same proposal being located on other undeveloped rural lands.

Whether urban development is limited by the air, water, energy and land resources at or available to the proposed site.

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Exhibit D-1 shows the area proposed for the exception, the proposed site. The proposed urban levels of industrial and limited, primary industrial use related, secondary, small-scale commercial development that will be allowed through this exception, as specified in the draft Goshen Industrial zones code, will not be limited by the available air, water, energy, and land resources.

Air Resources

The air resource available to the proposed site is not limited, but any new urban levels of industrial and limited, primary industrial use related, secondary, small-scale commercial development will have to comply with the existing air quality regulations.

Water Resources

Water resources are available to the proposed site via an existing community water system as defined in OAR 660-022-0010(3). This system can reasonably supply the necessary water to meet any increased need based on the proposed industrial uses as evidenced by the letter from the Willamette Water Company, who operates the existing community water system.

Energy Resources

Energy resources at the proposed site are provided through the existing infrastructure. Even though there is the existing DOE/BPA Alvey electrical substation in the immediate vicinity, the BPA is an energy producer that sells energy to utility providers for resale to their customers. Emerald People's Utility District (EPUD) is the electrical utility provider to the community of Goshen. According to EPUD, there is capacity of at least 1 aMW (average Mega Watt) of power. As of October 2011, EPUD's BPA allocation was capped at 53.2 aMW per year. They currently have about 2 aMW of headroom before all their allocation is used. Additional load could potentially have to pay market rates. BPA restricts access to their Tier 1 energy to loads below 10 aMW. Industries that use large loads, 10-50 aMW, would need to work with the utility to secure a long term contract.

Given the above findings, the County concludes that there is not a limited resource of electrical energy available to the site.

Additionally, the main Willamette Valley NW Natural Gas line is located in Goshen. An available pressure determination is assessed on a case-by-case basis with the NW Gas Company for possible service.

There are no known energy resources generated on the site itself.

Land Resources

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The land resources in Goshen are limited by the confined unincorporated community boundary. The existing industrial designated land of the proposed site is finite and limited to 316.51 acres. The proposed code for the Goshen Industrial zones limits the types of uses and level of development to those that will not exceed the carrying capacity of the soil or existing water supply resources. This limitation will allow development that can provide for the sanitary sewer disposal through an onsite system or through the creation or extension of a community system. The recently completed Goshen Wastewater Feasibility Study (January 28, 2015) establishes three feasible wastewater discharge and treatment alternatives that are capable of being implemented in a timely manner.

Based on these findings, the County concludes that the proposed urban levels of industrial and limited, primary industrial use related, secondary, small-scale commercial development are not limited by the air, water, or energy resources at or available to the proposed site. The County finds that the land resource is limited by the existing community boundary and will serve to restrict the urban levels of industrial and limited, primary industrial use related, secondary, small-scale commercial development from spreading onto lands not contemplated by this exception.

Whether urban development at the proposed site will adversely affect the air, water, energy and land resources of the surrounding area.

Exhibit E shows the area surrounding area as defined above. The proposed urban level of development will have negligible if any adverse impacts on the air, water, energy and resources of the surrounding area.

Impacts to Air Resources

The air resources of the surrounding area will not be adversely affected by the proposed urban levels of industrial and limited, primary industrial use related, secondary, small-scale commercial development, as distinct from the status quo. The existing air resource is impacted by the existing uses in and around the community as described above. These existing uses include the high level of traffic utilizing the I-5 corridor, rail road traffic, existing industrial uses, etc. The allowances in the proposed code for the urban levels of industrial and limited, primary industrial use related, secondary, small-scale commercial development will not appreciably increase impacts to the air resource. Any new urban use that includes air emissions will be regulated by the same standards that are in place for new uses that would be allowed today under the existing zoning.

Impacts to Water Resources

Impacts to water resources from surface water runoff from the new urban levels of industrial and limited, primary industrial use related, secondary, small-scale

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commercial development will be required to be managed on site through provisions applied through the new proposed code. This will be a marked improvement from the status quo, which do not include any local regulations that regulated onsite stormwater management. This increased level of protection will reduce the potential for impacts to the water resources in the surrounding area.

The surrounding area outside of the community of Goshen is not served by the existing community water system. The surrounding area outside of Goshen is served primarily by individual wells. Since the proposed new development within Goshen will be served by the existing community water system, there will not be an impact to the wells in the surrounding area.

To the extent impacts to water resources include related wetlands, the findings described in analysis of OAR 660-014-0040(3)(b)(B) above addressing impacts to wetlands are incorporated here by this reference to conclude any proposed new development will not significantly adversely impact those resources in the surrounding area any more than the status quo.

Impacts to Energy Resources

As discussed above the energy resources at the proposed site is provided through existing infrastructure from EPUD. The majority of the surrounding area is also served by EPUD. Based on the limited growth potential in the surrounding area outside of the community of Goshen, it is reasonable to conclude that there will not be any significant additional demand for electrical energy in the surrounding area. Even with the development of urban level of uses in Goshen, the electrical demand will continue to be met for the surrounding area. Given the above findings, the County concludes that there is not a limited resource of electrical energy available to the site.

Additionally, the main Willamette Valley NW Natural Gas line is located in Goshen. An available pressure determination is assessed on a case-by-case basis with the NW Gas Company for possible service.

There are no known energy resources generated in the surrounding area.

Impacts to Land Resources

Land resources in the surrounding area are limited in quantity and use. The majority of the land in the surrounding area outside of the community of Goshen is zoned for Exclusive Farm Use (EFU) and Forestry (F). Other zoning designations include Rural Residential (RR), Public Facilities (PF), and Marginal Lands (ML). The use of the land in the surrounding area closely matches the zoning designations. The proposed urban levels of industrial and limited, primary industrial use related, secondary, small-scale commercial development do not remove any resource land (EFU, F, or ML) from productive resource use.

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Additionally, as discussed in detail throughout this report any new or additional adverse impacts from the proposed urban use will be mitigated through code provisions designed to create better compatibility between uses compared to the status quo. To the extent impacts to land resources include related wetlands, the findings described in analysis of OAR 660-014-0040(3)(b)(B) above addressing impacts to wetlands are incorporated here by this reference to conclude any proposed new development will not significantly adversely impact those resources in the surrounding area any more than the status quo.

Economic consequences: Allowing the subject site to be developed with urban level of development will have both positive short term and long term economic impacts. Approval will allow construction of new development that will create construction activity during the build out. This construction activity will provide for economic stimulus to the community and jobs. Long term - allowing the urban level of industrial and limited, primary industrial use related, secondary, small-scale commercial development will increase property value, add long term jobs, stimulate the community, and have attendant impacts on tax revenues. Additional positive long term economic impacts include reduced infrastructure costs associated with being adjacent to the I-5 corridor, as well as utilizing an area that has an existing municipal water system. The proposed use will also allow for a reduction of vehicle miles traveled from outlying communities such as Creswell, Cottage Grove, Oakridge, and Pleasant Hill to the employment lands, as well as due to the close proximity to the metropolitan area of Eugene-Springfield. This will have the positive impact of providing the opportunity to reduce the amount of income spend on travel costs.

Additional infrastructure and facilities are in place including the existence of the Goshen Fire Department, the domestic water infrastructure serving Goshen, road, gas line, etc. Utilizing an area already served with these facilities will minimize the expense of providing/extending these facilities to other new employment areas, thereby realizing a positive economic consequence.

Prohibiting the urban level of industrial and limited, primary industrial use related, secondary, small-scale commercial development could have negative economic consequences, as distinct from the status quo. There is the potential for there to be further decline in the forest products industry which has been the primary use of the industrial land in the community. Having an increased decline in this key industry without providing for reuse of the properties for a different industry will likely further decline the economic conditions in the community and County. Another potential negative impact from prohibiting the urban levels of industrial and limited, primary industrial use related, secondary, small-scale commercial development could be that trip lengths for similar alternative development will be longer from the primary freight routes, thereby increasing costs to industry.

Social consequences: Allowing the urban level of industrial and limited, primary industrial use related, secondary, small-scale commercial development on the

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subject site will provide for a wider spectrum of uses that fit with the ever changing economy. The state recognizes five key industries in which we hold global competitive advantages. These five industries include:

1. Advanced Manufacturing including everything from high-tech and health care to steel fabrication and trucking. This sector includes food processing which has been a key component to the regions manufacturing employment base.
2. Clean Technology which includes everything from research and development to manufacturing of renewable energy;
3. Forestry and Wood products. While this industry has been in decline, Oregon is the largest lumber producer in the U.S. And even though Goshen's existing industrial lands are focused on this industry, opening up the opportunity for other industry sectors to establish in Goshen will provide flexibility in a dynamic economy.
4. High Technology includes the semiconductor, Bioscience, and Software/IT disciplines.
5. Outdoor Gear and Apparel.

Additionally, the Regional Prosperity Economic Development Plan for Eugene, Springfield, and Lane County identifies that job creation growth will be from existing businesses that focus on the regions traditional strengths. These industries include Transportation/Manufacturing, Wood Manufacturing, Health Care, and Construction. The plan also identifies emerging opportunities within our regional economy for job growth in the Clean Tech/Renewable Energy, Health/Wellness, Advanced Manufacturing (technologically rich, innovative manufacturing), Software, and Biomedical industries.

Lane County exists as part of the larger economy of Oregon and the southern Willamette Valley and is strongly influenced by regional economic conditions. For many factors, such as labor, Lane County does not differ significantly from the state as a whole. For other factors, such as income, it does. Thus, Lane County benefits from being a part of the larger regional economy and plays a specific role in the regional economy.

As Oregon has transitioned away from natural resource-based industries, the composition of Oregon's employment has shifted from natural resource-based manufacturing and other industries to service industries. The share of Oregon's total employment in service industries increased from its 1970s average of nearly 20% to about 45% in 2008 while employment in Manufacturing declined from an average of 18% in the 1970s to an average of 12% in 2008.

While the transition from Lumber and Wood Products manufacturing to high-tech manufacturing has increased the diversity of employment within Oregon, it has not significantly improved Oregon's diversity relative to the national economy. Oregon's relative diversity has historically ranked low among states. Oregon

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ranked 35th in diversity (1st = most diversified) based on Gross State Product data for 1963–1986, and 32nd based on data for the 1977– 1996 period.³⁷ A recent analysis, based on 2007 data, ranked Oregon 31st.³⁸ These rankings suggest that Oregon is still heavily dependent on a limited number of industries. Relatively low economic diversity increases the risk of economic volatility as measured by changes in output or employment.³⁹

The changing composition of employment has not affected all regions of Oregon evenly. Growth in high-tech and services employment has been concentrated in urban areas of the Willamette Valley and Southern Oregon, particularly in Washington, Benton, and Josephine Counties. The brunt of the decline in Lumber & Wood Products employment was felt in rural Oregon, where these jobs represented a larger share of total employment and an even larger share of high-paying jobs than in urban areas.

Lane County has an opportunity to expand our economic base in many key industries. However, in order to expand in key industries we must prepare for the industries. Part of the social impact from allowing the urban level of development is being ready and adaptable to changes in industry. This readiness and flexibility will result in creating and providing jobs to members of the community as a whole.

The level of education in a community may determine a community's economic success in the future, with higher rates of education being related to higher rates of income, growth of well paying jobs, and other social benefits such as lower crime and higher property values. Opportunities for workforce training and post-secondary education for residents in Lane County and especially those residents near the Eugene-Springfield area include: the University of Oregon, Lane Community College, Pacific University, and Northwest Christian College.

Even though the Eugene-Springfield metro area has great access to post-secondary education, the percentage of the population over 25 years of age that has a bachelor's degree or higher is still lower than that of the State of Oregon and National levels.⁴⁰ The lack of jobs in the region could contribute to the regions struggle to retain the highly educated workforce coming out of the local college system.

Providing more opportunity for urban level industries to locate in the region will have an added social benefit of retaining the highly educated and/or skilled labor force that is educated within the community.

³⁷ LeBre, Jon. 1999. "Diversification and the Oregon Economy: An Update." *Oregon Labor Trends*. February.

³⁸ CFED, 2007, The Development Report Card for the States, <http://www.cfed.org>.

³⁹ Eugene Comprehensive Lands Assessment (ECLA) June 2010, page B-35.

⁴⁰ 2010 American Fact Finder, population 25 years and over, percent with bachelors degree or higher, US is 28.2%, Oregon is 28.8%, Lane County is 27.9%, Eugene-Springfield metro area is 27.9%, City of Eugene is 41.6%.
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Allowing the proposed use will provide another positive social consequence by not creating new industrial impacts in areas that are zoned as farm and/or forest resource land. Goshen has a long history as an industrial home to uses that generate many impacts including traffic (numbers of log trucks during the 70's and 80's), noise, light, smell, dust, etc. Allowing the proposed uses will have both a positive impact in terms of providing opportunity to reduce the impacts from uses that are currently permissible in the area, through implementation of new code provisions, and by reducing the need to allow new impacts in areas that have not already been developed for industrial uses.

The positive social consequences from approving the request will be numerous and systemic, as discussed above. The social consequences from denying the request as compared to the status quo could have no impact, but would, when compared with the potential positive impacts, be more likely to have negative impacts by not providing opportunities for job creation in the region.

Based on the above findings, the County concludes that the long-term environmental, economic, social and energy consequences resulting from urban levels of industrial and limited, primary industrial use related, secondary, small-scale commercial development at the proposed site with the proposed measures designed to reduce adverse impacts are not significantly more adverse than would typically result from the same proposal being located on other undeveloped rural lands.

(c) That Goal 2, Part II (c)(4) is met by showing that the proposed urban uses are compatible with adjacent uses or will be so rendered through measures designed to reduce adverse impacts considering:

(A) Whether urban development at the proposed site detracts from the ability of existing cities and service districts to provide services; and

FINDINGS: The proposed urban level of industrial and limited, primary industrial use related, secondary, small-scale commercial development on the existing industrial lands will be implemented through a new code section in the Lane Code Chapter 16 created specifically for the unique characteristics of this area. This new code includes many provisions to provide compatibility with the adjacent land uses. These measures include: buffering, setbacks, height transitions, landscaping, lighting standards, noise provisions, etc. Compliance with these measures will be evaluated for each new development within the proposed area at the time of development.

The proposed urban levels of industrial and limited, primary industrial use related, secondary, small-scale commercial development will not detract from the ability of existing cities and service districts to provide services. The community of Goshen is near the cities of Eugene and Springfield. These cities are served

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with urban level of services through a variety of service providers. These urban service providers will not be negatively impacted by this proposal to the extent that it would detract from the cities abilities to provide services.

The community of Goshen is served with a community water system provide by Willamette Water Company. This service will not be negatively impacted. The Willamette Water Company has submitted a letter in the record indicating that they can reasonably provide service to meet increased needs based on the proposal.

(B) Whether the potential for continued resource management of land at present levels surrounding and nearby the site proposed for urban development is assured.

FINDINGS: Similarly to the findings above under “surrounding area”, the County finds that for review under this criterion “land surrounding and nearby the site” includes the same “surrounding area” as described above and as shown on the map included as Exhibit E.

The present level of resource management on land surrounding and nearby the proposed urban levels of industrial development area is relatively low. The surrounding properties to the south, east, and west of the proposed urban levels of industrial development area is primarily existing Exclusive Farm Use (EFU) zoned properties as well as some Rural Residentially (RR) zoned properties. The surrounding property to the north of the proposed urban levels of industrial development area is Rural Industrial (RI) and Rural Public Facility (RPF) zoned properties. Other nearby properties include a mix of Forest, Rural Industrial, and EFU zoned properties.

The majority of the surrounding EFU properties do not appear to be actively managed for agricultural purposes or resource use. These lands appear to be either vacant or developed with rural residential uses. Some of the rural residential uses may contain small hobby farm type operations such as raising horses or other animals, and/or raising of crops such as nursery stock, etc. The exception is the largest surrounding EFU zoned property to the south across Hampton Road where there is an approximately 141 acre property that appears to be managed for pasture/hay production. Other nearby EFU zoned properties also appear to be managed for pasture/hay production type uses.

The County finds that assurances for the continued resource management of land at present levels surrounding and nearby the site are in place. The surrounding area is outside of any Urban Growth Boundary. The existing unincorporated community boundary is defined and well established. The presence of existing industrial zoning and historic industrial uses has been in place and coexisted with the surrounding resource uses for decades. Additionally, as discussed above and throughout this report, the compatibility

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provisions proposed in the new code for Goshen will help assure that conflicts will not prevent continued resource management of land at present levels surrounding and nearby the site.

(d) That an appropriate level of public facilities and services are likely to be provided in a timely and efficient manner; and

FINDINGS: The community is currently served with a community water system by Willamette Water Company. A letter in the record from Willamette Water Company indicates that they can reasonably serve the increased need based on the proposal.

Sanitary sewage disposal in the community is currently provided by individual on-site systems. The proposed code provisions for the Goshen industrial zones requires proposed uses and development to not exceed the carrying capacity of the soil or existing water supply resources. To address this requirement, factual information will be required to be provided about any existing or proposed sewer or water systems for the site and the site's ability to provide on-site sewage disposal and water supply if a community water or sewer system is not available.

In addition, the recently completed Goshen Wastewater Feasibility Study (January 28, 2015) provides a sufficient evaluation of the feasibility of providing community wastewater alternatives, if necessary to support the urban levels of development at full build out as authorized by this Goal 14 exception. That study also establishes three feasible wastewater discharge and treatment alternatives that are capable of being implemented in a timely manner. Based on that study, the Board concludes an appropriate level of wastewater public facilities and services are likely to be provided in a timely and efficient manner, should the existing or proposed on-site treatment of sewage not be possible.

In conversations that the County has had with the Goshen Rural Fire Protection District, the district has indicated that they are able to provide fire protection service to meet the needs of the community based on the proposal.

(e) That establishment of an urban growth boundary for a newly incorporated city or establishment of new urban development on undeveloped rural land is coordinated with comprehensive plans of affected jurisdictions and consistent with plans that control the area proposed for new urban development.

FINDINGS: This proposal does not consider or impact the establishment of an urban growth boundary for a newly incorporated city, therefore the first portion of this criterion is not applicable.

The comprehensive plan that controls the area proposed for the exception (the existing Industrial zoned property within the unincorporated community of

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Goshen) that will allow new urban levels of industrial and limited, primary industrial use related, secondary, small-scale commercial development is the Lane County Rural Comprehensive Plan (RCP). The area proposed for the new urban levels of industrial and limited, primary industrial use related, secondary, small-scale commercial development is not located within the Eugene-Springfield Metropolitan area General Plan (Metro Plan). Therefore, the City of Eugene and/or City of Springfield are not affected jurisdictions. Regardless, Lane County has coordinated with those jurisdictions on the proposed zone change and finds that the proposal is consistent with the plans for Eugene and Springfield.

Coordination of the new urban levels of industrial and limited, primary industrial use related, secondary, small-scale commercial development proposed for the undeveloped rural land in Goshen has been done through the City of Eugene "Envision Eugene" (EE) process. The EE process has established a strategy to work with Lane County to determine the feasibility of establishing an employment center in Goshen. The City of Eugene, Envision Eugene draft proposal includes seven pillars. The first of these seven pillars is to "Provide ample economic opportunities for all community members." As one of the six strategies under this pillar, the City states "Support the development or redevelopment of industrial sites that are and will remain outside the UGB as part of a regional strategy." Discussion under this strategy states: "Work with Lane County and the City of Springfield to determine the feasibility of establishing an employment center in Goshen."

Additionally, the County has been working with the City of Springfield on their Commercial and Industrial Buildable Lands Inventory and Economic Opportunities Analysis (CIBL) process. This coordination has taken place both on the staff level and Joint Elected Officials level. This ongoing coordination is also demonstrated by the jointly approved Regional Prosperity Economic Development Plan for Eugene, Springfield, and Lane County.

SECTION VI

Findings – Unincorporated Communities Rule

OAR 660-022-0000

Purpose

(1) The purpose of this division is to establish a statewide policy for the planning and zoning of unincorporated communities that recognizes the importance of communities in rural Oregon. It is intended to expedite the planning process for counties by reducing their need to take exceptions to statewide planning goals when planning and zoning unincorporated communities.

(2) This division interprets Goals 11 and 14 concerning urban and rural development outside urban growth boundaries and applies only to unincorporated communities defined in OAR 660-022-0010.

OAR 660-022-0010

Definitions

For purposes of this division, the definitions contained in ORS 197.015 and the statewide planning goals (OAR Chapter 660, Division 15) apply. In addition, the following definitions apply:

- (1) “Commercial Use” means the use of land primarily for the retail sale of products or services, including offices. It does not include factories, warehouses, freight terminals, or wholesale distribution centers.
- (2) “Community Sewer System” means a sewage disposal system which has service connections to at least 15 permanent dwelling units, including manufactured homes, within the unincorporated community.
- (3) “Community Water System” means a system that distributes potable water through pipes to at least 15 permanent dwelling units, including manufactured homes within the unincorporated community.
- (4) “Industrial Use” means the use of land primarily for the manufacture, processing, storage, or wholesale distribution of products, goods, or materials. It does not include commercial uses.
- (5) “Permanent residential dwellings” includes manufactured homes, but does not include dwellings primarily intended for a caretaker of an industrial use, commercial use, recreational vehicle park or campground.
- (6) “Resort Community” is an unincorporated community that was established primarily for and continues to be used primarily for recreation or resort purposes: and
 - (a) Includes residential and commercial uses; and
 - (b) Provides for both temporary and permanent residential occupancy, including overnight lodging and accommodations.
- (7) “Rural Community” is an unincorporated community which consists primarily of permanent residential dwellings but also has at least two other land uses that provide commercial, industrial, or public uses (including but not limited to

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schools, churches, grange halls, post offices) to the community, the surrounding rural area, or to persons traveling through the area.

(8) "Rural Service Center" is an unincorporated community consisting primarily of commercial or industrial uses providing goods and services to the surrounding rural area or to persons traveling through the area, but which also includes some permanent residential dwellings.

(9) "Urban Unincorporated Community" is an unincorporated community which has the following characteristics:

(a) Include at least 150 permanent residential dwellings units;

(b) Contains a mixture of land uses, including three or more public, commercial or industrial land uses;

(c) Includes areas served by a community sewer system; and

(d) Includes areas served by a community water system.

(10) "Unincorporated Community" means a settlement with all of the following characteristics:

(a) It is made up primarily of lands subject to an exception to Statewide Planning Goal 3, Goal 4 or both;

(b) It was either identified in a county's acknowledged comprehensive plan as a "rural community", "service center", "rural center", "resort community", or similar term before this division was adopted (October 28, 1994), or it is listed in the Department of Land Conservation and Development's January 30, 1997 "Survey of Oregon's Unincorporated Communities";

(c) It lies outside the urban growth boundary of any city;

(d) It is not incorporated as a city; and

(e) It met the definition of one of the four types of unincorporated communities in sections (6) through (9) of this rule, and included the uses described in those definitions, prior to the adoption of this division (October 28, 1994).

FINDINGS: The Unincorporated Community of Goshen is identified in the Lane County acknowledged RCP as a "Rural Community". The community lies outside of any UGB area and is not an incorporated city itself. Additionally Goshen is identified on the Department of Land Conservation and Development's January 30, 1997 "Survey of Oregon's Unincorporated Communities". Goshen met the definition for unincorporated community prior to October 28, 1994 and was justified as such through the RCP acknowledgement process.

OAR 660-022-0030

Planning and Zoning of Unincorporated Communities

(1) For rural communities, resort communities and urban unincorporated communities, counties shall adopt individual plan and zone designations reflecting the projected use for each property (e.g., residential, commercial, industrial, public) for all land in each community. Changes in plan or zone designation shall follow the requirements to the applicable post-acknowledgment provisions of ORS 197.610 through 197.625.

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- (2) County plans and land use regulations may authorize any residential use and density in unincorporated communities, subject to the requirements of this division.
- (3) County plans and land use regulations may authorize only the following new or expanded industrial uses in unincorporated communities:
- (a) Uses authorized under Goals 3 and 4;
 - (b) Expansion of a use existing on the date of this rule;
 - (c) Small-scale, low impact uses;
 - (d) Uses that require proximity to rural resource, as defined in OAR 660-004-0022(3)(a);
 - (e) New uses that will not exceed the capacity of water and sewer service available to the site on the effective date of this rule, or, if such services are not available to the site, the capacity of the site itself to provide water and absorb sewage;
 - (f) New uses more intensive than those allowed under subsection (a) through (e) of this section, provided an analysis set forth in the comprehensive plan demonstrates, and land use regulations ensure:
 - (A) That such uses are necessary to provide employment that does not exceed the total projected work force within the community and the surrounding rural area;
 - (B) That such uses would not rely upon a work force employed by uses within urban growth boundaries; and
 - (C) That the determination of the work force of the community and surrounding rural area considers the total industrial and commercial employment in the community and is coordinated with employment projections for nearby urban growth boundaries.;
 - (g) Industrial uses, including accessory uses subordinate to industrial development, as provided under either paragraph (A) or (B) of this subsection:
 - (A) Industrial developments sited on an abandoned or diminished industrial mill site, as defined in ORS 197.719 that was engaged in the processing or manufacturing of wood products, provided the uses will be located only on the portion of the mill site that is zoned for industrial uses; or
 - (B) Industrial development, and accessory uses subordinate to the industrial development, in buildings of any size and type, in an area planned and zoned for industrial use on January 1, 2004, subject to the territorial limits and other requirements of ORS 197.713 and 197.714.
- (4) County plans and land use regulations may authorize only the following new commercial uses in unincorporated communities:
- (a) Uses authorized under Goals 3 and 4;
 - (b) Small-scale, low impact uses;

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- (c) Uses intended to serve the community and surrounding rural area or the travel needs of people passing through the area.
- (5) County plans and land use regulations may authorize hotels and motels in unincorporated communities only if served by a community sewer system and only as provided in subsections (a) through (c) of this section:
- (a) Any number of new motel and hotel units may be allowed in resort communities;
 - (b) New motels and hotels up to 35 units may be allowed in an urban unincorporated community, rural service center, or rural community if the unincorporated community is at least 10 miles from the urban growth boundary of any city adjacent to Interstate Highway 5, regardless of its proximity to any other UGB;
 - (c) New motels and hotels up to 100 units may be allowed in any urban unincorporated community that is at least 10 mile from any urban growth boundary.
- (6) County plans and land use regulations shall ensure that new or expanded uses authorized within unincorporated communities do not adversely affect agricultural or forestry uses.
- (7) County plans and land use regulations shall allow only those uses which are consistent with the identified function, capacity and level of service of transportation facilities serving the community, pursuant to OAR 660-012-0060(1)(a) through (c).
- (8) Zoning applied to lands within unincorporated communities shall ensure that the cumulative development:
- (A) Will not result in public health hazards or adverse environmental impacts that violate state or federal water quality regulations; and
 - (B) Will not exceed the carrying capacity of the soil or of existing water supply resources and sewer services.
- (9) County plans and land use regulations for lands within unincorporated communities shall be consistent with acknowledged metropolitan regional goals and objectives, applicable regional functional plans and regional framework plan components of metropolitan service districts.
- (10) For purposes of subsection (b) of section (4) of this rule, a small-scale, low impact commercial use is one which takes place in an urban unincorporated community in a building or building not exceeding 8,000 square feet of floor space, or in any other type of unincorporated

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community in a building or buildings not exceeding 4, 000 square feet of floor space.

- (11) For purposes of subsection (c) of section (3) of this rule, a small-scale, low impact industrial use is one which takes place in an urban unincorporated community in a building or buildings not exceeding 60,000 square feet of floor space, or in any other type of unincorporated community in a building or buildings not exceeding 40,000 square feet of floor space.

FINDINGS: The proposed exception is specifically to allow exceptions from the provision of this section of the OAR which regulates development in the unincorporated community of Goshen. The limitations on small scale, low impact use, on new uses that will not exceed the capacity of water and sewer service available to the site on the effective date of this rule, uses intended to serve the community and surrounding rural area or the travel needs of people passing through the area, etc. are the types of provisions under this rule that are proposed to be removed from being applied to the Industrial lands in Goshen. The reasons in these findings demonstrate why the proposed exception should be allowed. Findings above, incorporated by reference herein, demonstrate that the existing provisions cannot provide for the proposed urban level of industrial and limited, primary industrial use related, secondary, small-scale commercial development as contemplated by the proposal. The analysis provided by 1000 Friends of Oregon that attempts to demonstrate the OAR 660-022-0030(f) can accomplish everything that the county seeks to do, does not consider the limitation of only serving the community, the surrounding rural area, or persons traveling through the area. Given these limitations, the proposed urban level of industrial and limited, primary industrial use related, secondary, small-scale commercial development cannot be allowed by the cited provision.

**OAR 660-022-0050
Community Public Facility Plans**

- (1) In coordination with special districts, counties shall adopt public facility plans meeting the requirements of OAR 660, division 11, and include them in the comprehensive plan for unincorporated communities over 2,500 in population. A community public facility plan addressing sewer and water is required if the unincorporated community is designated as an urban unincorporated community under OAR 660-022-0010 and 660-022-0020. For all communities, a sewer and water community public facility plan is required if:
- (a) Existing sewer or water facilities are insufficient for current needs, or are projected to become insufficient due to physical conditions, financial circumstances or changing state or federal standards; or
 - (b) The plan for the unincorporated community provides for an amount, type or density of additional growth or infill that cannot be adequately served

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with individual water or sanitary systems or by existing community facilities and services; or

FINDINGS: The existing plan for the Goshen Community, the RCP, provides for an amount, type and density of growth that can only be served by individual water or sanitary systems, or by existing community facilities and services. This existing plan policy in the RCP, Goal 11, policy 1 states that: *“Lane County shall provide an orderly and efficient arrangement for the provision of public facilities, services and utilities. Designation of land into any given use category either initially or by subsequent plan amendment, shall be consistent with the minimum level of services established for that category.”* The minimum level of service established in the plan under policy 6 of Goal 11 is: *“Service Level: Schools, on-site sewage disposal, individual water supply system, electrical service, telephone service, rural level fire and police protection, reasonable access to solid waste disposal facility.”*

Additionally, the proposed code standards for implementation of the zoning in Goshen require that *“The proposed use shall not result in public health hazards or adverse environmental impacts that violate state or federal water quality regulations.”* And that *“The proposed use and development shall not exceed the carrying capacity of the soil or existing water supply resources. To address this requirement, factual information shall be provided about any existing or proposed sewer or water systems for the site and the site's ability to provide on-site sewage disposal and water supply if a community water or sewer system is not available.”* These provisions ensure that the existing sewer or water facilities are sufficient for current needs, and that additional growth or infill can be adequately served with individual water or sanitary systems or by existing community facilities and services. In addition, the recently completed Goshen Wastewater Feasibility Study (January 28, 2015) establishes three feasible wastewater discharge and treatment alternatives that are capable of being implemented if on-existing or proposed site system are not adequate.

Based on these findings, and previous findings discussing the level of service above, incorporated by reference herein, staff concludes that these criteria are satisfied.

- (c) The community relies on groundwater and is within a groundwater limited or groundwater critical area as identified by the Oregon Department of Water Resources; or**
- (d) Land in the community has been declared a health hazard or has a history of failing septic systems or wells.**

FINDINGS: The community of Goshen is not within a groundwater limited or groundwater critical area. Additionally, land in the community has not been declared a health hazard. Therefore, these criteria are not applicable.

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Coordination and Citizen Involvement

- (1) Counties shall ensure that residents of unincorporated communities have adequate opportunities to participate in all phases of the planning process. Counties shall provide such opportunities in accordance with their acknowledged citizen involvement programs.
- (2) When a county proposes to designate an unincorporated community or to amend plan provisions or land use regulations that apply to such a community, the county shall specify the following:
 - (a) How residents of the community and surrounding area will be informed about the proposal;
 - (b) How far in advance of the final decision residents of the community and the surrounding area will be informed about the proposal;
 - (c) Which citizen advisory committees will be notified of the proposal.
- (3) The information on these three points shall be included in the appropriate plan amendment proposals or periodic review work task.
- (4) When a county proposes to designate an urban unincorporated community, the county shall adopt a citizen involvement program for that community in accordance with the provisions of Goal 1, Citizen Involvement.
- (5) Proposals to designate, plan, or zone unincorporated communities shall be coordinated with all special districts, metropolitan service districts, and cities likely to be affected by such actions. For any unincorporated community, such coordination shall include a minimum of 45-day mailed notice to all cities and special districts (including metropolitan service districts) located within the distance described in OAR 660-022-0040(2).

FINDINGS: Coordination of the new urban levels of industrial and limited, primary industrial use related, secondary, small-scale commercial development proposed for the undeveloped rural land in Goshen has been done through the City of Eugene "Envision Eugene" (EE) process. The EE process has established a strategy to work with Lane County to determine the feasibility of establishing an employment center in Goshen. The City of Eugene, Envision Eugene draft proposal includes seven pillars. The first of these seven pillars is to "Provide ample economic opportunities for all community members." As one of the six strategies under this pillar, the City states "Support the development or redevelopment of industrial sites that are and will remain outside the UGB as part of a regional strategy." Discussion under this strategy states: "Work with Lane County and the City of Springfield to determine the feasibility of establishing an employment center in Goshen."

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Additionally, the County has been working with the City of Springfield on their Commercial and Industrial Buildable Lands Inventory and Economic Opportunities Analysis (CIBL) process. This coordination has taken place both on the staff level and Joint Elected Officials level. This ongoing coordination is also demonstrated by the jointly approved Regional Prosperity Economic Development Plan for Eugene, Springfield, and Lane County.

OAR 660-022-0070

Applicability

For each unincorporated community in the county, by January 1, 1998, or a date specified in a periodic review work program, all counties shall:

- (1) Plan for unincorporated communities under the requirements of this division; or**
- (2) Demonstrate that all uses authorized by acknowledged comprehensive plans and land use regulations for unincorporated communities are rural, in compliance with statewide planning Goals 11 and 14; or**
- (3) Amend acknowledged comprehensive plans and land use regulations to limit uses to those which are rural in compliance with statewide planning Goals 11 and 14; or**
- (4) Adopt exceptions to statewide planning Goal 14, and Goal 11 if necessary, to allow urban uses on rural land.**

FINDINGS: The unincorporated community of Goshen was adopted as part of the County RCP in 1984. As provided in subsection (4) of this rule, the County is now applying for an exception to Goal 14 to allow urban uses on the rural industrial land in Goshen.

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SECTION VII Findings - Statewide Planning Goals

Goal 1 – Citizen Involvement: To develop a citizen involvement program that insures the opportunity for citizens to be involved in all phases of the planning process.

FINDINGS: The County takes seriously the commitment to the Oregon Statewide Planning Goal 1 for Citizen Involvement, to insure that citizens have the opportunity to be involved in all phases of the planning process. As described throughout this findings document, the County has engaged in significant dialogue with the community and other potentially affected parties that are interested in or may be impacted by the project. The County intends to continue facilitating this robust dialogue throughout this project's implementation so that the trajectory of Goshen's industrial core remains on a track that is consistent with the aspirations and values of the community, the County, and the State.

Goal 1 is a process goal. This proposal complies with Goal 1 because it will be processed as a legislative application through the county's acknowledged public process for plan amendments and zone changes. This process includes public hearings before the Planning Commission and the County Board. In addition, the process for review of additional findings and justification for the Goal 14 exception that address issues remanded by LUBA includes review by the Board of Commissioners at public meetings with a public hearing

Goal 2 – Land Use Planning: To establish a land use planning process and policy framework as a basis for all decisions and actions related to use of land and to assure an adequate factual base for such decisions and actions.

FINDINGS: Part I of Goal 2 requires local governments to establish processes and policies for land use decisions. That process is in place. Part II of Goal 2 authorizes exceptions to the goals – land use decisions that are not in compliance with the goals under certain circumstances. Statutes also describe when exceptions are authorized. Detailed findings are made above and incorporated by reference herein addressing the applicable provisions of Goal 2.

Goal 3 – Agricultural Lands: To preserve and maintain agricultural lands. Agricultural lands shall be preserved and maintained for farm use, consistent with existing and future needs for agricultural products, forest and open space and with the state's agricultural land use policy expressed in ORS 215.243 and 215.700.

FINDINGS: No Goal 3 resource lands are included in this proposal. Therefore, this Goal is not applicable and the proposed amendments will not affect the RCP compliance with this Goal.

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Goal 4 – Forest Land: To conserve forest lands by maintaining the forest land base and to protect the state's forest economy by making possible economically efficient forest practices that assure the continuous growing and harvesting of forest tree species as the leading use on forest land consistent with sound management of soil, air, water, and fish and wildlife resources and to provide for recreational opportunities and agriculture.

FINDINGS: No Goal 4 resource lands are included in this proposal. Therefore, this Goal is not applicable and the proposed amendments will not affect the RCP compliance with this Goal.

Goal 5 – Open Spaces, Scenic and Historic and Natural Resources: To conserve open space and protect natural and scenic resources.

FINDINGS: No sensitive wildlife habitat area or any other Goal 5 resources have been inventoried or identified on the subject property. A portion of the community of Goshen is mapped as a Peripheral Big Game Range habitat area. However, as specified in the RCP, Goal 5, Policy 10, *"Lands with an acknowledge exception as "built upon or committed" will be treated as Impacted Big Game Range, as identified in the 1982 Lane County Working Paper on Flora and Fauna and as revised and updated in 1983."* Both the 1982 and 1983 working papers support this policy for Goshen. The entire community of Goshen is acknowledged as a built and committed exception area. Therefore the entire community is treated as an Impacted Big Game Range area. Based on these findings, there are no conflicts from the proposed use with the Goal 5 resource.

There are no other inventoried or mapped Goal 5 resources on the subject properties. The proposed amendments will not affect the RCP compliance with this Goal.

Goal 6 – Air, Water and Land Resource Quality: To maintain and improve the quality of the air, water and land resources of the state.

All waste and process discharges from future development, when combined with such discharges from existing developments shall not threaten to violate, or violate applicable state or federal environmental quality statutes, rules and standards. With respect to the air, water and land resources of the applicable air sheds and river basins described or included in state environmental quality statutes, rules, standards and implementation plans, such discharges shall not (1) exceed the carrying capacity of such resources, considering long range needs; (2) degrade such resources; or (3) threaten the availability of such resources.

FINDINGS: Goal 6 protects the quality of land, air and water resources. The focus is on discharges from future development in combination with discharges from existing development. State and federal environmental standards are the benchmark for protection. Where there are state or federal standards for quality in air sheds or river

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basins, then the carrying capacity, nondegradation, and continued availability of the resources are standards.

A precondition to any urban level of industrial use allowed under the proposed zoning will be that any new urban level of use or development not exceed the carrying capacity of the soil or existing water supply resources. To address this requirement, factual information will be required to be provided about any existing or proposed sewer or water systems for the site and the site's ability to provide on-site sewage disposal and water supply if a community water or sewer system is not available. In addition, the recently completed Goshen Wastewater Feasibility Study (January 28, 2015) establishes three feasible wastewater discharge and treatment alternatives that are capable of being implemented if on-existing or proposed site system are not adequate. The proposed amendments will not affect the RCP compliance with this Goal.

Goal 7 – Areas Subject to Natural Disasters or Hazards: To protect life and property from natural disasters and hazards.

Developments subject to damage or that could result in loss of life shall not be planned nor located in known areas of natural disasters and hazards without appropriate safeguards. Plans shall be based on an inventory of known areas of natural disaster and hazards.

FINDINGS: The phrase “*areas of natural disasters and hazards*” means “*areas that are subject to natural events that are known to result in death or endanger the works of man, such as stream flooding, ocean flooding, ground water, erosion and deposition, landslides, earthquakes, weak foundation soils and other hazards unique to local or regional areas.*”⁴¹ There are no such areas known on the subject property. Therefore, this Goal is not applicable and the proposed amendments will not affect the RCP compliance with this Goal.

Goal 8 – Recreational Needs: To satisfy the recreational needs of the citizens of the state and visitors and, where appropriate, to provide for the siting of necessary recreational facilities including destination resorts.

FINDINGS: The overriding purpose of Goal 8 is to address all recreational needs, but its primary focus is on siting and developing destination resorts, defined in Goal 8 as “self-contained development[s] providing visitor-oriented accommodations and developed recreational facilities in a setting with high natural amenities.”

Goal 8 is not directly applicable to this proposal and the proposed amendments will not affect the RCP compliance with this Goal. No destination resort is proposed. Furthermore, the subject property is not used for public recreational purposes and is not designated on any county plan as intended for that purpose in the long run.

⁴¹ OAR 660-15-000
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Goal 9 – Economy of the State: To provide adequate opportunities throughout the state for a variety of economic activities vital to the health, welfare, and prosperity of Oregon’s citizens.

FINDINGS: As discussed throughout this report, the proposed amendments are intended to provide adequate opportunities for a variety of economic activities in the Goshen community and the larger Lane County region which are vital to the health, welfare, and prosperity of Oregon’s citizens. Those findings above are incorporated by reference herein. The proposed amendments are in conformance with Goal 9 and are directly intended to advance this Goal.

Goal 11 – Public Facilities and Services: To plan and develop a timely, orderly and efficient arrangement of public facilities and services to serve as a framework for urban and rural development.

Urban and rural development shall be guided and supported by types and levels of urban and rural public facilities and services appropriate for, but limited to, the needs and requirements of the urban, urbanizable, and rural areas to be served. A provision for key facilities shall be included in each plan. Cities or counties shall develop and adopt a public facility plan for areas within an urban growth boundary containing a population greater than 2,500 persons. To meet current and long-range needs, a provision for solid waste disposal sites, including sites for inert waste, shall be included in each plan. In accordance with ORS 197.180 and Goal 2, state agencies that provide funding for transportation, water supply, sewage and solid waste facilities shall identify in their coordination programs how they will coordinate that funding with other state agencies and with the public facility plans of cities and counties.

FINDINGS: Goal 11 addresses facilities and services in urban and rural areas. The subject property is “rural” land and will remain rural after this approval, in all respects except as allowed by the amendments.

“Public facilities and services” is defined in the Statewide Planning Goals to include: “[p]rojects, activities and facilities which the planning agency determines to be necessary for the public health, safety and welfare.” The Goal 11 Rule defines a “public facility.” “A public facility includes water, sewer, and transportation facilities, but does not include buildings, structures or equipment incidental to the direct operation of those facilities.” OAR 660-11- 005(5).

The existing plan for the Goshen Community, the RCP, provides for an amount, type and density of growth that can only be served by individual water or sanitary systems, or by existing community facilities and services. This existing plan policy in the RCP, Goal 11, Policy 1 states that: “*Lane County shall provide an orderly and efficient arrangement for the provision of public facilities, services and utilities. Designation of land into any given use category either initially or by subsequent plan amendment, shall be consistent with the minimum level of services established for that category.*” The minimum level of

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service established in the plan under policy 6 of Goal 11 is: “Service Level: Schools, on-site sewage disposal, individual water supply system, electrical service, telephone service, rural level fire and police protection, reasonable access to solid waste disposal facility.”

Additionally, the proposed code standards for implementation of the zoning in Goshen require that “*The proposed use shall not result in public health hazards or adverse environmental impacts that violate state or federal water quality regulations.*” And that “*The proposed use and development shall not exceed the carrying capacity of the soil or existing water supply resources. To address this requirement, factual information shall be provided about any existing or proposed sewer or water systems for the site and the site's ability to provide on-site sewage disposal and water supply if a community water or sewer system is not available.*” These provisions ensure that the existing sewer or water facilities are sufficient for current needs, and that additional growth or infill can be adequately served with individual water or sanitary systems or by existing community facilities and services. In addition, the recently completed Goshen Wastewater Feasibility Study (January 28, 2015) establishes three feasible wastewater discharge and treatment alternatives that are capable of being implemented if on-existing ore proposed site system are not adequate.

The services now available to the subject property include:

Table: Existing Public Facilities	
<u>Service</u>	<u>Provider</u>
Fire	Goshen RFPD
Police	Lane County Sheriff and State Police
Schools	Springfield School District 19
Access	Interstate 5, State highways 99 and 58, Hampton Road.
Transit	Lane Transit District (LTD) route 92
Electric	EPUD – Emerald People’s Utility District and Pacific Power
Gas	NW Natural Gas
Telephone and Internet	Comcast
Solid Waste	Private
Sewer	On-site Septic Systems
Water	Community water system operated by Willamette Water Company and Individual wells

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Goal 12 – Transportation: To provide and encourage a safe, convenient and economic transportation system.

FINDINGS: Detailed findings in demonstrating compliance with Goal 12 are included below. Those findings are incorporated by reference herein.

Goal 13 -- Energy Conservation: To conserve energy.

Land and uses developed on the land shall be managed and controlled so as to maximize the conservation of all forms of energy, based on sound economic principles.

FINDINGS: The County has evaluated the energy consequences above in detailed findings. Those findings demonstrate conformance with Goal 13 and are incorporated by reference herein.

Goal 14 – Urbanization: To provide for an orderly and efficient transition from rural to urban land use.

FINDINGS: The County is proposing amendments that include an exception to Goal 14. Detailed findings are made above and incorporated by reference herein that demonstrates compliance with Goal 14.

Goals 15 to 19 – Willamette Greenway and Coastal Goals

FINDINGS: These five goals are not applicable as they deal with resources that are not present on the subject property and the proposed amendments will not affect the RCP compliance with these Goals.

SECTION VIII Findings - Transportation Planning Rule (TPR)

OAR 660-012-0060

Plan and Land Use Regulation Amendments

(1) If an amendment to a functional plan, an acknowledged comprehensive plan, or a land use regulation (including a zoning map) would significantly affect an existing or planned transportation facility, then the local government must put in place measures as provided in section (2) of this rule, unless the amendment is allowed under section (3), (9) or (10) of this rule...

Analysis of Section (1)

FINDINGS: In working with the State (DLCD and ODOT) in regard to this proposal, it became clear that both agencies believe based on the analysis provided that the proposal demonstrates that there will not be any significant affect as allowed under Section (1).

The information below includes a review of the acknowledged Lane County Transportation System Plan adopted in 2004 and quantifies the reasonable worst case trip generation scenario under the existing and proposed zoning.

The Unincorporated Community of Goshen

The Unincorporated Community of Goshen is located approximately two miles from the Eugene-Springfield Urban Growth Boundary at the interchange of I-5 and Highway 58. The community is primarily served by Highway 99, a state facility that traverses the area. A railroad line runs parallel to Highway 99 and also serves the existing industrial area. The location of the transportation facilities together with the historical use has influenced the land use patterns in this area. The following table summarizes the existing land use zones in the community.

Table 1: Existing land use pattern

Zone	Parcel Numbers				Total Zoned Area
	<1.0 acre (small)	1-5 acres (Moderate)	5-15 acres (Large)	>15 acres (very large)	
RI	7	13	8	3	325.90
RC	7	5	--	--	17.57
RR1	16	7	--	--	26.32
RR2	22	7	--	--	27.16
RR5	--	9	--	--	36.27
RPF	2	1	--	--	10.28
Total Goshen Community area land					443.50

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Table 1 shows that the majority of lands (76%) within the community of Goshen are zoned Rural industrial (RI). The primary objective of the Goshen project is to expand the size of allowed land uses for the existing RI zoned industrial lands west of I-5 within the community of Goshen, 316.51⁴² acres.

The County TSP

Lane County has an acknowledged TSP, adopted in 2004. Through the TSP adoption process, trip generation for individual County roads and their improvement needs were examined. The adopted TSP indicates that extensive consideration was given to the potential for trips from developed and committed areas including Goshen (analysis included the existing exception areas including the 35 unincorporated communities). On pages 60-61 of the TSP, it is noted that the TSP update work *“involved re-examining the data for each developed and committed area as to zoning, the number of built upon and vacant parcels, estimating the number of parcels that could be re-divided, and estimating the number of parcels that could be rezoned to higher density.”* Later it states that *“based upon building permit activity, it was estimated that approximately 300 additional parcels had been developed since the 1996 analysis, resulting in approximately 1,500 vacant parcels remaining in developed and committed areas that could be developed outside of urban growth boundaries.”* Additionally it is noted that, *“while a more extensive time consuming analysis could be done for a small number of areas, it would not be expected to result in significant changes in the estimates for purposes of this analysis...”*

As indicated above, the TSP includes consideration of the land use trends and scenarios for the existing Industrial zoned lands in Goshen. With the specific attention given to unincorporated communities, the TSP does not identify any traffic issues nor needed improvements in the Goshen area.

Trip Generation Manual Review

The Rural Industrial designation in the Unincorporated Community of Goshen exists primarily as a result of the timber related industries long established in this community. While some properties are still operating with timber related uses, other properties have evolved to different allowed industrial uses. During the previous decades of vibrant timber harvesting activity in Lane County and surrounding area, the Goshen Community hosted several timber related companies and activities. In a statewide effort to permit continued industrial use of these types of rural industrial properties the Oregon Legislature adopted a Statute, ORS 197.719(3), which allows “any level of industrial use” on abandoned or diminished mill sites. This provision is codified in Lane Code Chapter 16.292(o) as listed below, and is applicable to the RI zone in Goshen (emphasis added).

⁴² The total RI zoned land in Goshen is roughly 325.90 acres. There are two tax lots east of I-5 that are zoned RI that are not included in the proposal. These two tax lots are 9.39 acres in size. This leaves the remaining acreage west of I-5 as 316.51 acres.
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As a basis for estimating the level of traffic included in the adopted TSP, the trip generation rates for various land uses allowed in the Rural Industrial zone are reviewed below. The ITE Trip Generation Manual 8th Edition is used and several categories of land use trip generation are included that are relevant for the existing and proposed zoning. These specific categories are briefly described in the endnote section¹.

Table 2: Lane Code permitted uses

Lane Code	Code Description	Examples	ITE Code	Trip Rate	
				AM	PM
16.292(3)(a)	1. Primary processing of forest or farm products	Quarry, Logging	140	9.30/acre	9.21/acre
16.292(3)(b)	2. Small-scale, low impact manufacturing, assembling, processing, and packaging storage, wholesale distribution, testing repairing (up to 40,000 sq ft)	Small businesses	130	8.29/acre	8.67/acre
		Finished Goods	120	6.41/acre	4.22/acre
		Warehouse	150	8.34/acre	8.77/acre
16.292(3)(d)	3. Lumber Yards	Lumber Store	812	4.16/1000	5.56/1000*
16.292(3)(c)	4. Forest or farm equipment storage yards, sales, rentals or repair	Small scale	X	X	X
16.292(3)(e)	5. Associated sale and administrative offices	Included in 1 or 2	X	X	X
16.292(3)(o)	6. Any level of industrial uses on abandon or diminished mill sites.	Mill, plant etc.	140	9.30/acre	9.21/acre

The trip rates shown above are mostly based on an acreage parameter. For a planning level analysis like this, an acreage parameter⁴³ is appropriate for trip estimation. Where an acreage parameter is not available, a floor area parameter is used with an assumed built-up area⁴⁴. For simplicity, the most intense trip rate (**in bold**) is used regardless of type of parameter.

Under the current RI zoning, there is no minimum property size requirement. In theory, the property can be as small as 1 acre, or less. However, since property size plays a significant role in land use choice, it is imperative to examine various property sizes and land use possibilities allowed under the existing zoning to arrive at a reasonable worst case scenario. Five such scenarios of property sizes and land uses are reviewed below. Ultimately, the County is utilizing Scenario 4 as detailed below.

⁴³ Employees and Gross Floor Area are other possible parameters. Since these parameters are typically not available until development stage, acreage parameter is used where possible.

⁴⁴ For the Lumber yard trip rate, that rate is per 1000 square feet of Gross Floor Area. The assumed built-up area is 30,000 sq. ft., of structure, in conformance with ITE code 812, on a 10 acre property, {00090898;1}

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Scenario 1: Various existing property sizes (1 to 114-acre)

Size	Area	Potential Land Use (as indexed in the above table 2)						Worst case
	Land use ⁴⁵ Trip Rate	(1)	(2)	(3)	(4)	(5)	(6)	
		9.3	8.77	5.56/1000*	--	--	9.3	
Small	5.51	X ⁴⁶	48	X	X	X	X	48
Moderate	40.00	X	351	X	X	X	372	372
Large	71.00	567	535	167⁴⁷	X	X	567	734
Very Large	200.00	1860	X	X	X	X	1860	1860
Total	316.51	Total trips						3014

Scenario 2: Minimum property size scenario (<1 acre)

Size	Area	Potential Land Use (as indexed in the above table 2)						Worst case
	Land use Trip Rate	(1)	(2)	(3)	(4)	(5)	(6)	
		9.3	8.77	5.56/1000*	--	--	9.3	
Small	316.51	X	2776	X	X	X	X	2776
Total	316.51	Total trips						2776

Scenario 3: Moderate sized properties (1-5 acre)

Size	Area	Potential Land Use (as indexed in the above table 2)						Worst case
	Land use Trip Rate	(1)	(2)	(3)	(4)	(5)	(6)	
		9.3	8.77	5.56/1000*	--	--	9.3	
Moderate	316.51	X	2776	X	X	X	2944	2944
Total	316.51	Total trips						2944

Scenario 4: Large property size (5-15 acres)

Size	Area	Potential Land Use (as indexed in the above table)						Worst case
	Land use Trip Rate	(1)	(2)	(3)	(4)	(5)	(6)	
		9.3	8.77	5.56/1000*	--	--	9.3	
Large	316.51	2851	2688	167	X	X	2851	3018
Total	316.51	Total trips						3018

Scenario 5: Very large property size (>15 acres)

Size	Area	Potential Land Use (as indexed in the above table)						Worst case
	Land use Trip Rate	(1)	(2)	(3)	(4)	(5)	(6)	
		9.3	8.77	5.56/1000*	--	--	9.3	
Very Large	316.51	2944	2776	X	X	X	2944	2944

⁴⁵ Index used: 1. Quarry, logging, forest or farm related; 2. Small business, finished goods, warehouse; 3. Lumber yards; 4. Small scale forest related sales rentals; 5. Associated sale and administrative offices; 6. Mill, Plants

⁴⁶ An X indicates an unlikely land use, either unsuitable due to property size or business requirements.

⁴⁷ The lumber yard trips are assumed to only be developed on 10 out of the 71 acres in the Large property size category. This rate is added to the highest rate from the other categories, based on the remaining 61 acres to determine the reasonable worst case.

*For the Lumber yard trip rate, that rate is based on 1000 square feet of Gross Floor Area. The assumed built-up area is 30,000 sq. ft. of structure, in conformance with ITE code 812, on a 10 acre site.

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Total	316.51	Total trips	2944
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The above trip comparisons for various property sizes and land uses indicate that the Goshen Rural Industrial zoned lands, if used as currently allowed per Lane Code, could generate up to **3,018** trips during the peak hour as a reasonable worst case scenario.

Proposed Zone Change

The primary purpose of the proposed change in zoning is to promote regional economic growth and to accommodate primarily larger industrial land uses focusing on manufacturing, and accessory industrial service uses to serve the needs of these primary uses. The zones are intended to buffer incompatible industrial developments from other zones, while providing a quality environment for businesses and employees.

Two new zones are proposed, specifically a General Industrial (GI) zone and a Light Industrial (LI) zone. There are 316.51 acres of the existing Rural Industrial lands are proposed to be rezoned. The envisioned General Industrial zone will contain a number of urban levels of industrial uses. They are anticipated to be characterized by primarily manufacturing uses. The Light Industrial zone is very similar to the existing Rural Industrial zoning with some variations, including allowing urban levels of industrial development/use. It is intended to provide for primarily industrial service uses.

It is assumed that properties on the east side of Highway 99 (where existing property sizes are generally smaller and total 83.07 acres) will be light industrial uses. The existing larger properties on the west of Highway 99 (totaling 233.44 acres) are proposed for General Industrial development where the minimum property size is proposed to be 35 acres. The worst case trip analysis for the proposed zoning is based on the 233 acres being divided into 6 properties of 35 acres, or a combination of properties around 35 acres in size. The following are possible land uses for the west side parcels under the General Industrial zone.

For the General Industrial zone two scenarios are analyzed.

Scenario 6: General Industrial zone development

Land Use	Land Area	Max # of properties	ITE Code	Trip Rate	Peak Hour trips
Industrial Services	233.44 ac.	6	110	8.77/ac.	2047
Manufacturing	233.44 ac.	6	140	9.3/ac.	2166
Special District facility	233.44 ac.	--	--	--	--
Maximum possible trips in this scenario					2,166

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Scenario 7: Mixed General Industrial zone development

Land Use	Land Area	Max. # of properties	ITE Code	Trip Rate	Peak Hour trips
Industrial Service	93.44 ac.	3	110	8.77/ac.	819
Manufacturing	140.0 ac.	4	140	9.3/ac.	1302
Maximum possible trips in this scenario					2,121

The following table lists land uses for the east side parcels under the Industrial Light zone. One scenario is analyzed.

Scenario 8: Industrial Light zone

Land Use	Land Area	Max. # of properties	ITE Code	Trip Rate	Peak Hour trips
Industrial Service	83.07 ac.	83	110	8.77/ac.	729
Maximum possible trips in this scenario					729

Utilizing Scenario 6 for the proposed General Industrial zoned property, together with Scenario 8 for the proposed Light Industrial zoned property, the maximum number of trips anticipated from the two new zones is **2,895** trips; the sum of 2,166 trips in the General Industrial zone and 729 trips in Light Industrial zone.

Conclusion

The above analysis demonstrates that the existing Rural Industrial zone could produce about **3,018** trips as a reasonable worst case scenario. The proposed zoning has the potential to generate **2,895** trips as a reasonable worst case scenario. The proposed change in zoning generates a reduced intensity of traffic as contemplated by the adopted County TSP, and is therefore consistent with the TSP.

This analysis is not meant to produce exact trips or review the adequacy of the existing facilities, but merely an effort to quantify traffic volume based on existing allowable land uses.

In conclusion, Lane Code can allow up to 2,983 trips from the industrial zoned lands within the Unincorporated Community of Goshen while remaining consistent with the current TSP. The requirement Section (1) to not create a significant affect in the newly amended TPR is satisfied.

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ALTERNATIVE FINDINGS:

In the alternative, in addition to conformance with Section (1) above, the County finds conformance with the provision allowed in Section (9) as discussed below.

The TPR, OAR 660-012-0060, requires for an amendment to a comprehensive plan or land use regulation (including a zoning map) a determination to be made if there will be a significant affect to an existing or planned transportation facility “*unless the amendment is allowed under section (3), (9) or (10) of this rule.*” Specifically, the County will address section (9) of the TPR below and demonstrate that the proposed amendments are allowed according to this section, and therefore do not have a significant affect.

Section (9) of the TPR states:

- (9) Notwithstanding section (1) of this rule, a local government may find that an amendment to a zoning map does not significantly affect an existing or planned transportation facility if all of the following requirements are met.**
- (a) The proposed zoning is consistent with the existing comprehensive plan map designation and the amendment does not change the comprehensive plan map;**
 - (b) The local government has an acknowledged TSP and the proposed zoning is consistent with the TSP; and**
 - (c) The area subject to the zoning map amendment was not exempted from this rule at the time of an urban growth boundary amendment as permitted in OAR 660-024-0020(1)(d), or the area was exempted from this rule but the local government has a subsequently acknowledged TSP amendment that accounted for urbanization of the area.**

It is important to note here that in utilizing section (9) of the TPR, the test required to be met is a consistency test. If this consistency is found, then the significant affect test is met, without the need for any further analysis.

Before addressing the specific requirements of this section, a brief review of the development of section (9) is provided because this is a brand new section of the rule, effective January 1, 2012 that has not yet been applied.

BACKGROUND

The County has tracked the adoption of the new TPR regulations. As part of the adoption process, the State of Oregon Department of Land Conservation and Development (DLCD) provided a memo to the Land Conservation and Development Commission (LCDC) dated November 30, 2011. This memo provides the following background:

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"In the second half of 2010, the commission heard concerns that the combination of TPR 0060 and highway mobility standards contained in the Oregon Highway Plan (OHP) was having unintended consequences. At the same time, the Oregon Department of Transportation (ODOT) was working on rulemaking to implement House Bill 3379 (2009), which sought to **give local governments additional options for complying with the OHP when rezoning to accommodate economic development projects**. In recognition of the interrelated nature of the TPR and OHP, the commission appointed three members to serve on a joint-subcommittee with two commissioners from the OTC. **(Emphasis added)**

The joint-subcommittee held three meetings to gather information about the issues, including three hours of public testimony, and reviewed over 35 pieces of written testimony. From this testimony the joint-subcommittee concluded that the TPR and OHP lead to **unintended consequences** as local government try to balance multiple objectives. This was noted especially in two areas: **economic development** and compact urban development. The joint-subcommittee recommended **five highest priority issues** to be addressed in amendments to both the TPR and OHP, and recommended that the processes to address both be closely coordinated.

- | | |
|---|--|
| A. TPR Amendments | B. OHP Amendments |
| A1. <u>Exempt rezonings consistent with comprehensive plan map designations</u> | B1. Exempt proposals with small increase in traffic |
| A2. <u>Practical mitigation for economic development projects</u> | B2. Use average trip generation, not reasonable worst case |
| A3. Exempt upzonings in urban centers | B3. Streamline alternate mobility standard development |
| A4. Address traffic at time of urban growth boundary (UGB) expansion | B4. Corridor or area mobility standards |
| A5. Technical clarifications: transportation system plan (TSP) update and multiple planning periods | B5. Standardize a policy framework for considering measures other than volume to capacity ratios (v/c) |

(Emphasis Added)

The full recommendation is available online at:
<http://www.oregon.gov/LCD/docs/rulemaking/2009-11/TPR/Recommendation-Final.pdf>

The commission received the recommendation at its April 21, 2011 meeting and agreed to initiate rulemaking. The commission approved appointing the RAC to develop draft rule amendments. OTC received the recommendation at its April 20, 2011 meeting and agreed to initiate an amendment to the OHP.

At the same time, concerns about TPR 0060 and OHP were being presented in the Oregon Legislature. After LCDC and OTC accepted the recommendations from the joint-subcommittee, Senate Bill 795 was enacted. This bill directed LCDC and OTC to address the items listed in the recommendation, and to complete the amendments by January 1, 2012.

The RAC prepared proposed rule amendments that address items A1, A2 and A3 from the joint-subcommittee recommendation by adding three new sections to TPR 0060 and making several changes in existing sections.

The RAC discussed how transportation should be addressed in a UGB expansion (A4) and concluded that the existing rules are appropriate. Under current rules a city is required to complete general transportation analysis as part of evaluating alternative expansion areas, but may choose to defer detailed analysis of traffic congestion. The RAC determined that this flexibility was appropriate and no amendments were needed. The technical clarifications (A5) were not addressed due to the short time available and because they were a lower priority since they are not significant policy issues.

While the RAC was working on amendments to TPR 0060, ODOT was working to develop amendments to the OHP in response to the joint-subcommittee recommendation. ODOT reported regularly on the OHP work to the RAC, and RAC members provided feedback to ODOT. While the RAC was generally supportive of the work on the OHP, it did not participate in the details of drafting the OHP amendments and did not take formal action on the proposed amendments. OTC released a public review draft of the OHP amendments on September 21, and held a hearing November 16. DLCD staff testified in support. ODOT accepted written comments through November 21. A revised draft is anticipated in early December and the OTC will consider adoption of the amendments December 21."

As highlighted above, the issues of exempting rezones that are consistent with comprehensive plan map designations and for providing practical mitigation for economic development projects were high priorities for the adoption of the new TPR rules. The DLCD memo referenced above also detailed specific concerns in regard to various sections. In particular, the portion of the memo on section (9) lays out the intent of the new language. The memo states that the new language of section (9) responds to concerns raised by local governments for rezones when the proposal is consistent with the comprehensive plan map designation and the TSP.

The language for section (9) adopted by LCDC is the option that provides the most objective standards, (option 1A, with a minor exception of language added to (b) that is discussed below). Option 1A was intended to be a "bright line" test that does not require an evaluation of the specifics of an acknowledged TSP.

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The language is stated by DLCD staff in the memo to “*permit[s] a local government to approve a zone change if the new zone is consistent with the comprehensive plan map designation and that the local government has an acknowledged TSP, **even if the new zone allows more traffic-intensive uses.**” It **does not require any inquiry into the effects of the zone change or the content of the TSP.** This options (sic) was supported by many members of the RAC because it is very simple, relies on clear and objective criteria, and respects the status of an acknowledged plan map.” **(Emphasis added)***

A concern is expressed in the memo in the first full paragraph on page 7 that appears to be a concern of DLCD. It is stated that:

“...there are other circumstances where the acknowledged comprehensive plan and TSP would not be adequate grounds for a zone change, and thus the broad exemption of Option 1 could cause problems. Many local governments apply a variety of zones (with a range of transportation impacts) within a single comprehensive plan map designation. For example, an “Industrial” comprehensive map designation could be implemented by a heavy industrial zone (low traffic generation), a light industrial zone (more traffic), a business park zone (high traffic) or a hybrid industrial-commercial zone that allows large format retail (very high traffic). **Option 1 would allow rezoning between any of these zones without any transportation analysis, even when the traffic analysis in the TSP was based upon the lower level of traffic generation, and the rezoning would allow the highest level.**” **(Emphasis added)**

Again, the option adopted by LCDC is option 1A as it is laid out in the memo, with the minor exception of language added to (b) that is discussed below. It is clear from the language cited above, that section (9) does not require an inquiry into the content of the TSP, it respects the acknowledged plan map, and even allows a new zone that would allow a higher level of traffic.

Language was added to Option 1A in section (9)(b) by LCDC during the adoption process. In addition to the proposed option 1A language that stated “(b) The local government has an acknowledged TSP”, LCDC added “the proposed zoning is consistent with the TSP”. It is critical to note here that the language added is significantly different from the language that was proposed as part of option 2. The language of option 2 stated that “The proposed zoning is consistent with the TSP **assumptions about development of the area of the proposed amendment.**” **(Emphasis added)** The adopted section (9)(b) language does not include the more specific language detailing a requirement to demonstrate consistency with **the assumptions** of the TSP.

At the LCDC adoption hearing for the revised TPR rules, and in transcribing the deliberations from the hearing, Lane County finds that this proposal is consistent with the intent of the language in section 9. It is clear that the intent of LCDC was to allow local governments to determine consistency with their own TSP's. As stated by Commissioner Jenkins during the deliberations “...to be consistent with the TSP, local {00090898;1}

jurisdictions [should] be given the flexibility to develop findings to demonstrate how the proposed amendment would be consistent. I think by its nature it has to be consistent with the TSP. What does that mean? You know, is it 20%? I think you're right, you make a finding that it is consistent as a part of the decision making process and we don't define what that consistency is. We run the risk of someone else defining what it is for us, but I think as long as the local jurisdiction is making a finding that it is consistent with the TSP, then that's the policy that we want to advocate for in our process."

Additionally, Commissioner Macpherson stated at the hearing that "We explicitly state what has been previously an implicit assumption that there is a consistency requirement. But we haven't tried to define what it is, we have left that to future work, basically in findings that the local government adopts... We aren't going to try to chart the course any further."

DLCD staff Matt Crawl clarifies in the deliberations, that in determining consistency with the adopted TSP, if there is nothing that is specifically inconsistent, then it is deemed consistent. He stated that "I think most often when we say what does consistency mean, we end up defining it in the negative. Not inconsistent. If you could show something in the TSP that is inconsistent with the proposed zoning, then that's not consistent... So I would propose as an example of that, I did work for a small community for a long time. We had a TSP, but it wasn't based on any kind of travel model where we plugged into the computer to try to find out how many people. We just simply said whatever our traffic levels are today they will probably grow by about 1% per year. So if you came along with a rezoning, is that consistent with our TSP? Sure! There is nothing in there that's inconsistent. There is nothing in the TSP where we made a particular assumption about that property or projections."

Local governments have the necessary knowledge of their own comprehensive plans and transportation system plans. As part of a local government's comprehensive plan and TSP adoption, the TSP must be consistent with all elements of the comprehensive plan, including the plan map designations. Acknowledgement of a local government's comprehensive plan and TSP, having gone through a rigorous adoption and acknowledgement process, is the only proof needed for a local government to exercise its discretion and find that the proposed zone change is consistent with the comprehensive plan and TSP, therefore not having any significant affect on any transportation facility. Section (9) as adopted recognizes the legal status of an acknowledged comprehensive plan and acknowledged TSP. A requirement to reanalyze any assumptions or methodology of a TSP after it has been acknowledged when a zone change is proposed that is consistent with the comprehensive plan designation that was used as the basis for the TSP in not contemplated under the language in (9)(b). Additionally, it is clear that a TSP does not need to include a detailed traffic analysis for the specific area of the amendment to be consistent with the proposed zoning.

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Analysis of Section (9)

Section (9) provides for a local government to find that there is no significant affect for an amendment to a zoning map if certain requirements are met. The County has determined that based on the findings below, the proposed zoning map amendment does not significantly affect an existing or planned transportation facility in conformance with OAR 660-012-0060(9).

Section (9)(a) requires the County to demonstrate that:

1. The proposed zoning is consistent with the existing comprehensive plan map designation; and
2. The amendment does not change the comprehensive plan map.

The County's adopted and acknowledged Comprehensive Plan map designates the subject site as Industrial (I). The proposed zoning is General Industrial (GI), and Light Industrial (LI). These two new proposed zoning classifications are consistent with the existing Industrial comprehensive plan map designation.

The proposed amendment does not propose, or require a change to the existing comprehensive plan map. The proposed GI and LI zoning are consistent with the Industrial designation, therefore no change is necessary. The County concludes that subsection (9)(a) is satisfied.

Section (9)(b) requires the County to demonstrate that:

1. The local government has an acknowledged TSP; and
2. The proposed zoning is consistent with the TSP.

The County TSP was adopted by the Board of County Commissioners on May 5, 2004. The State of Oregon Department of Land Conservation and Development Acknowledged the TSP on June 1, 2004. The TSP was effective June 4, 2004.

At the time of adoption, and during preparation of the TSP, the subject properties were designated Industrial on the Comprehensive Plan map. As such, the TSP considered industrial development on the properties. Therefore, this criterion is satisfied.

Again, as stated above, as part of a local government's comprehensive plan and TSP adoption, the TSP must be consistent with all elements of the comprehensive plan, including the plan map designations. Acknowledgement of a local government's comprehensive plan and TSP, having gone through a rigorous adoption and acknowledgement process, is the only proof needed for a local government to exercise its discretion and find that the proposed zone change is consistent with the comprehensive plan and TSP, therefore not having any significant affect on any transportation facility.

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The County concludes based on the above findings that through adoption of the TSP the existing Industrial zoned lands in Goshen were included. With the detailed analysis included in the TSP specific to unincorporated communities, it is significant that the TSP does not identify any traffic issues and only identifies minor needed improvements for the Goshen area. If the build out of the existing Industrial land would have been found to cause impacts beyond what the existing transportation infrastructure could have accommodated, then additional significant improvements would have been identified.

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SECTION IX Findings – Plan Amendment Approval

LC 12.050 Method of Adoption and Amendment

- (1) The adoption of the comprehensive plan or an amendment to such plan shall be by an ordinance.**
- (2) The Board may amend or supplement the comprehensive plan upon a finding of:**
 - (a) an error in the plan; or**
 - (b) changed circumstances affecting or pertaining to the plan; or**
 - (c) a change in public policy; or**
 - (d) a change in public need based on a reevaluation of factors affecting the plan; provided, the amendment or supplement does not impair the purpose of the plan as established by LC 12.005 above.**

FINDINGS: The proposed amendments ~~are~~ will be adopted by ordinance. The amendments are based on a change in public policy and a change in public need. The policy change that forms the basis for the proposed amendments includes both the adoption of the Regional Prosperity Economic Development Plan, and more recently the Lane County Strategic Plan. Both of these documents detail policies for providing opportunity for increased levels of economic development in the region.

The change in public need is also documented in the above-referenced documents. There is a significant need to create the opportunity for more job creation in the region. The re-evaluation of many factors was taken into consideration in identifying this need including unemployment rates, income levels, etc. The proposed amendments do not impair the purpose of the plan which states:

“The Board shall adopt a comprehensive plan. The general purpose of the comprehensive plan is the guiding of the social, economic, and physical development of the County to best promote public health, safety, order, convenience, prosperity and general welfare.”

Specifically the proposed amendments are focused on guiding the economic and physical development of the County to promote prosperity and general welfare while not negatively impacting the public health and safety. The labor intensive nature of the uses is intended to create significant average job density as discussed throughout these findings above and will be implemented by appropriate code provisions regulating employment density.

LC 16.012 Zone Classifications

For the purpose of this chapter of Lane Code, the following zones are hereby established:

FINDINGS: The text of Lane Code 16.012 is ~~proposed to be amended~~ with this proposal by adding two new zoning districts, General Industrial (GI), and Light Industrial (LI).

LC 16.014 Plan Designation and Zoning Maps

- (1) Official plan designation and zone maps for Lane County shall consist of county-wide maps and detailed township and range-based maps. County-wide maps will indicate plan designation and zoning where an entire township and range is in a single plan designation or zone. Detailed maps shall be maintained for each township and range (i.e., township 18, south, range 05, west) that contains more than one plan or zone designation. The plan designation and zone boundaries depicted on the official maps may be modified in accordance with the procedures set forth in LC 16.015(1) – (3).
- (2) The official plan designation and zone maps shall be maintained by the Planning Director in the offices of the Land Management Division. A digital layer of the adopted plan and zone maps shall be maintained within the Lane County geographic information system. These digital layers shall be identical to the official adopted paper maps but whenever a discrepancy arises between the digital layers and the adopted paper maps, the paper maps shall be considered the authoritative source.
- (3) Official adopted maps will be 46 x 36 inches overall and in full color. The scale of official maps shall be 1":1000'. Working maps may be developed at a different size and scale.
- (4) Each adopted official map shall contain the following information:
 - (a) Map location reference (i.e. Township 18, South, Range 05, West).
 - (b) Location reference map inset.
 - (c) North arrow.
 - (d) Plan designation or zoning legend.
 - (e) Section legend.
 - (f) Scale.
 - (g) Title (Official Lane County Plan Map; or Official Lane County Zoning Map; or Official Lane County Coastal Zoning Map).
 - (h) Adoption/Revision tracking table containing: revision or adoption number, ordinance or order number, planning action number, effective date of map amendment and revision description.

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- (5) To the maximum extent feasible, plan designation and zone boundaries shall follow features recognizable or reproducible. Line preference shall be given to going from a known point to a known point (i.e., property corner, section corner, etc.). In the event a zone boundary does not or cannot conform to the above, angle points and intersection points of that boundary shall be annotated with the coordinates of the points or with the distance and bearing of the boundary.
- (6) Where uncertainty exists as to the boundaries of any zone shown upon the Zoning Map, the following rules shall apply:
- (a) Boundaries indicated as approximately following the centerlines of streets, highways or alleys shall be construed to follow such centerlines.
 - (b) Boundaries indicated as approximately following property lines shall be construed as following such property lines.
 - (c) Boundaries indicated as approximately following the city limits shall be construed as following such city limits.
 - (d) Boundaries indicated as following railroad lines and public utility easements and right of ways shall be construed to be midway between the main tracks or the utility easements or the right of way, whichever is applicable.
 - (e) Boundaries indicated as parallel to or extensions of features indicated in LC 16.014(6)(a) through (d) above shall be so construed.
 - (f) Boundaries indicated as following shorelines shall be construed as following the ordinary low waterline, except where the body of water is specifically zoned Natural Estuary (/NE-RCP), Conservation Estuary (/CE-RCP) or Development Estuary (/DE-RCP), in which case the boundary shall be construed as following the ordinary high waterline. In the event of a change of high or low waterline, the boundary will follow that line no matter how it shifts.
 - (g) Where zones are separated by a river, lake, reservoir or other body of water, the boundary between the zones shall be construed as being the centerline of such body of water. No matter how such centerline may shift, the boundary shall remain the centerline as shifted.
 - (h) Except as hereinafter noted, where a zone boundary divides an ownership of property, unless the same is indicated by dimensions, map coordinates or similar notation, the boundary shall be determined by the use of the scale appearing on the Official Zoning Map. In the case of the /SN-RCP, /PW-RCP, /NRC-RCP, /RD-RCP, /MD-RCP, /DMS-RCP and /BD-RCP Zones and the /NE-RCP, /CE-RCP and /DE-RCP Zones, the boundaries shall be determined through interpretation of the Coastal Resources Management Plan.
 - (i) Where physical features existing on the ground are at variance with those shown on the Zoning Map or in other circumstances not

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covered by LC 16.014(6)(a) through (h) above, the Planning Director shall interpret the zone boundaries.

- (j) **Treatment of Vacated Property.** Where a public street or alley is officially vacated, the Zone requirements applicable to the property to which the vacated area becomes a part shall apply to the vacated property.
- (k) **Where zoning boundaries follow the centerline of a public utility easement or railroad right of way that has been officially vacated or conveyed, the Zone requirements applicable to the property to which the vacated or conveyed area becomes a part shall apply to the vacated or conveyed area previously part of the easement or right of way. Adjustments of zone boundaries due to a conveyance described in LC 16.014(6)(k) shall occur only upon the initial conveyance. Future conveyances or property line adjustments shall not change the zone boundaries. (Revised by Ordinance No. 7-87, Effective 6.17.87; 5-08, 7.11.08)**

FINDINGS: Zoning designations for the unincorporated community of Goshen are depicted on the Official Zoning Map number 18-03. Revisions to Zone Map 18-03 to implement the proposed amendments are will be made in accordance with the requirements of LC 16.014.

LC 16.015 Amendments to the Lane County Plan Designation and Zoning Maps

- (1) **All amendments to the Lane County Zoning and Plan Maps shall be made by Ordinance, for legislative matters, and by Order or Ordinance, for quasi-judicial matters, of the Approval Authority as specified in this chapter of Lane Code.**
- (2) **The official adopted plan designation and zone maps shall be amended as follows:**
 - (a) **A working copy of the map to be amended shall be modified and annotated to describe the proposed amendments.**
 - (b) **Upon the effective date of the adopted amendments, the Planning Director will produce an official paper map. This map will reflect the adopted amendments and will contain the information required in LC 16.015(3). On the same date that the official paper map is created, the Planning Director will also update the corresponding map layer in the Lane County geographic information systems to reflect the amendment.**
 - (c) **The Planning Director will maintain an historical digital copy of all zone and plan maps amended pursuant to LC 16.015(1) on permanent media, such as a CD. Metadata for these maps shall be**

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annotated to include the date range that the maps were in effect and the Ordinance or Order number which rendered the maps obsolete.

(d) Outdated and amended paper maps shall be maintained in an historical map reference file in the Land Management Division.

(3) Each time a plan designation or zone map is revised or a new map is created, that action shall be indicated by placing the ordinance or order number, effective date, planning action number and revision description in the revision tracking table of the amended map as shown in the following example:

Revision	Ordinance or Order Number	Date Effective	Planning Action Number	Revision Description
1	Ord. #PA1246	7/11/2008	N/A	Map created (plot maps retired)
2	Ord. #PA1320	11/26/2010	pa10-5218	18-03-27-00-00301 rezoned F2 to ML

FINDINGS: The proposed zone change is being implemented by ordinance. Updates to the Lane County Geographic Information System (GIS) will be made to reflect these changes upon the effective date of this ordinance pursuant to LC16.015 and the tracking table on Official Zoning Map number 1803 will be updated to reflect this change.

LC 16.400(6)(h) Method of Adoption and Amendment

Lane Code 16.400(6)(h) pertains to the policy basis for the proposed plan amendment and the compliance of the proposal with the Rural Comprehensive Plan and Statewide Planning Goals.

(iii) The Board may amend or supplement the Rural Comprehensive Plan upon making the following findings:

(aa) For Major and Minor Amendments as defined in LC 16.400(8)(a) below, the Plan component or amendment meets all applicable requirements of local and state law, including Statewide Planning Goals and Oregon Administrative Rules.

FINDINGS: As defined below under LC 16.800(8), this re-adoption of proposal is considered a "Major Amendment" to the plan because it includes text amendments and a reasons exception to Statewide Planning Goal 14 that is not justified solely on the basis of the land's current state of development (already built upon) or commitment to a specific use (irrevocably committed). The relevant standards are addressed below.

(bb) For Major and Minor Amendments as defined in LC 16.400(8)(a) below, the Plan amendment or component is:

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(ii-ii) necessary to fulfill an identified public or community need for the intended result of the component or amendment; or

FINDINGS: The current plan designation was applied to the property in 1984. Since that time many changes have taken place in the Community and the region. The industrial uses now in Goshen have been in existence for decades, and some for close to a century. Much of the acreage is devoted to the wood products industry or complementary uses, which historically dominated Lane County's economy, and in fact was long the sole manufacturing industry of any size in the county. While the wood products industry remains the single largest component of county manufacturing, it has seen a 35% decline in employment between 2001 and 2010.⁴⁸ Today, many of the Goshen properties are under-used, vacant, or have businesses that are shut down. Through the adoption of the Strategic Plan goal to transform the existing industrial land in Goshen to support increased urban levels of industrial development, the BCC has identified a need in the community, to create more jobs and thereby increase the tax base of the County. This need is further established as discussed in detail above under Section II, Public Need, incorporated by reference herein. The intended result of the proposed exception and associated amendments is to provide for the increased level of urban industrial economic development to meet this identified need.

(iv-iv) necessary to provide for the implementation of adopted Plan policy or elements; or

FINDINGS: The adopted plan policies in the RCP support the proposed amendments. Specifically Goal 9 in the RCP has the following applicable policies.

1. *Within the framework of these policies, the County shall encourage the diversification and growth of the local economy. Primary efforts will be in the following areas:*
 - a. *Cooperation and participation with efforts and programs established by public agencies and private concerns to promote and enhance economic development throughout the County.*
 - b. *Recognition of the value of local resources such as timber and agricultural lands as the primary source of raw materials for the manufacturing and processing sectors of the economy.*
 - c. *Establishment of land use policies that provide a supportive environment for industrial and commercial activities.*

⁴⁸ Oregon Labor Market Information System for Lane County, www.qualityinfo.org, Oregon Employment Department
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2. *The County's primary responsibility in economic development shall be to ensure the necessary land area is available throughout the County and appropriate levels of service can be obtained, consistent with the needs of industry and commerce, the area and other County policy.*

4. *Commercial and service facilities in rural, unincorporated communities shall be supported commensurate with increases in rural population and where necessary to insure continued operation of industrial activity. Such facilities shall be located within rural communities unless justified by appropriate plan amendment and exception to Statewide Planning Goals.*

7. *New industrial development shall normally take place within adopted Urban Growth Boundaries, unless such development:*
 - c. *Will be located in an area either built upon or committed to nonresource use where necessary services can be provided;*
 - d. *The industrial activity is dependent on a unique site-specific resource;*
 - g. *Where a significant comparative advantage could be gained in locating in a rural area. Any development approved under this policy that requires a plan amendment shall be justified by an exception to applicable Statewide Planning Goals. (Emphasis added)*

The above cited policies demonstrate the commitment of the County to look out for the public interest by ensuring that economic activity is a primary goal. The ~~proposed~~ amendments will implement the above policies.

(v-v) otherwise deemed by the Board, for reasons briefly set forth in its decision, to be desirable, appropriate or proper.

FINDINGS: As stated throughout this report, and detailed below, the BCC has deemed the ~~proposed~~ amendments to be desirable, appropriate and proper. Those findings are incorporated by reference herein.

LC 16.400(8) Additional Amendment Procedures

(8) Additional Amendment Provisions. In addition to the general procedures set forth in LC 16.400(6) above, the following provisions shall apply to any amendment of Rural Comprehensive Plan components.

(a) Amendments to the Rural Comprehensive Plan shall be classified according to the following criteria:

(i) Minor Amendment. An amendment limited to the Plan Diagram only and, if requiring an exception to Statewide Planning Goals, justifies the exception solely on the basis that the resource land is already built upon or is irrevocably committed to other uses not allowed by an applicable goal.

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(ii) Major Amendment. Any amendment that is not classified as a minor amendment.

FINDINGS: The ~~proposed~~ plan amendments are classified as a Major Amendment. The ~~proposed~~ amendments include an exception to Statewide Planning Goals and include text amendments to the RCP.

(b) Amendment proposals, either minor or major, may be initiated by the County or by individual application. Individual applications shall be subject to a fee established by the Board and submitted pursuant to LC 14.050.

FINDINGS: This is a major amendment, initiated by the County.

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SECTION X

Findings – Zone Change

LC 16.004 Scope and Compliance

(4) Prior to the zoning or rezoning of land under this chapter, which will result in the potential for additional parcelization, subdivision or water demands or intensification of uses beyond normal single-family residential equivalent water usage, all requirements to affirmatively demonstrate adequacy of long-term water supply must be met as described in LC 13.050(13)(a)-(d).

FINDINGS: The requirements of LC 13.050(13)(a)-(d) provide for lots or parcels to be served by a community water system or individual water wells. Goshen is currently served by a community water system service by Willamette Water Company. A letter contained in the record dated August 8, 2011 from the Willamette Water Company states that the Willamette Water Company provides water services to the community and is able to provide service to meet the urban levels of industrial uses proposed. Therefore, staff finds that this criterion is satisfied due to the existing water system that is available and suitable for use by the properties proposed for the zone change.

(5) Prior to the zoning or rezoning of land under this chapter, for lands situated within the designated community areas listed below, an affirmative conclusion stating the reasoning and facts relied upon, must be made that densities allowed by the proposed rezoning are low enough to provide reasonable assurance that any existing sewage problems will not be further aggravated by development of the subject property:

(c) Goshen.

FINDINGS: There are no known existing sewage problems within the community of Goshen. Therefore, this criterion is not applicable.

It is the intent of the County, as a part of the larger GREAT plan strategy to conduct a sewer feasibility to determine what level of sewage treatment is necessary for ultimate build out of the industrial lands in Goshen at an urban level of density. This study is intended to evaluate potential options for providing sewer including on-site treatment, community system, or connection to a larger municipal system. The County finds that any new development under the amendments associated with the proposed exception would have to provide for adequate sewer treatment. The County believes that initially treatment could be provided through on-site treatment systems, possibly utilizing new advanced technologies for such on-site systems.

The intent of the County in this regard is demonstrated by the application for grants to fund this sewer feasibility study. The first grant the County applied for was in August of 2011. This grant was a technical assistance grant submitted to

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DLCD. The County did not receive this grant. The second and most recent grant application was submitted to the United States Department of Agriculture (USDA) on August 2, 2012. Both of these grants have proposed to fund a sewer feasibility study specifically for Goshen.

To the extent necessary to address this criteria, the recently completed Goshen Wastewater Feasibility Study (January 28, 2015) provides a sufficient evaluation of the feasibility of providing community wastewater alternatives, if necessary to support the urban levels of development at full build out as authorized by this Goal 14 exception. That study also establishes three feasible wastewater discharge and treatment alternatives that are capable of being implemented in a timely manner. Based on that study, the Board concludes an appropriate level of wastewater public facilities and services are likely to be provided in a timely and efficient manner, should the existing or proposed on-site treatment of sewage not be possible. This study also provides the basis to conclude there are reasonable assurances that sewage problems will not be aggravated by development of the Goshen community at urban level densities and uses.

LC 16.252 Procedures for Zoning, Rezoning and Amendments to Requirements

- (1) Purpose. As the Rural Comprehensive Plan for Lane County is implemented, changes in zone and other requirements of this chapter will be required. Such Amendments shall be made in accordance with the procedures of this section.**
- (2) Criteria. Zonings, rezonings and changes in the requirements of this chapter shall be enacted to achieve the general purpose of this chapter and shall not be contrary to the public interest. In addition, zonings and rezonings shall be consistent with the specific purposes of the zone classification proposed, applicable Rural Comprehensive Plan elements and components, and Statewide Planning Goals for any portion of Lane County which has not been acknowledged for compliance with the Statewide Planning Goals by the Land Conservation and Development Commission. Any zoning or rezoning may be effected by Ordinance or Order of the Board of County Commissioners or the Hearings Official in accordance with the procedures in this section.**

FINDINGS: The following is the general purpose of this chapter.

LC 16.003 Purpose

This chapter is designed to provide and coordinate regulations in Lane County governing the development and use of lands to implement the Lane County Rural Comprehensive Plan. To these ends, it is the purpose of this chapter to:

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- (1) Insure that the development of property within the County is commensurate with the character and physical limitations of the land and, in general, to promote and protect the public health, safety, convenience and welfare.
- (2) Protect and diversify the economy of the County.
- (3) Conserve the limited supply of prime industrial lands to provide sufficient space for existing industrial enterprises and future industrial growth.
- (4) Conserve farm and forest lands for the production of crops, livestock and timber products.
- (5) Encourage the provision of affordable housing in quantities sufficient to allow all citizens some reasonable choice in the selection of a place to live.
- (6) Conserve all forms of energy through sound economical use of land and land uses developed on the land.
- (7) Provide for the orderly and efficient transition from rural to urban land use.
- (8) Provide for the ultimate development and arrangement of efficient public services and facilities within the County.
- (9) Provide for and encourage a safe, convenient and economic transportation system within the County.
- (10) Protect the quality of the air, water and land resources of the County.
- (11) Protect life and property in areas subject to floods, landslides and other natural disasters and hazards.
- (12) Provide for the recreational needs of residents of Lane County and visitors to the County.
- (13) Conserve open space and protect historic, cultural, natural and scenic resources.
- (14) Protect, maintain, and where appropriate, develop and restore the estuaries, coastal shorelands, coastal beach and dune area and to conserve the nearshore ocean and continental shelf of Lane County.

FINDINGS: There are 14 purpose statements in LC 16.003. The County finds that specifically numbers 2, 3, and 4 above apply directly to this proposal. The proposed zone change is intended to protect and diversify the economy of the County by allowing a wider range and size of industrial uses on the existing industrial designated land in Goshen. As discussed below in this report the existing industrial designated land in Goshen is prime industrial land and therefore should be conserved for existing and future industrial expansion and growth. The proposed rezone will conserve the existing prime industrial land to provide sufficient space for expansion and future growth by more efficiently utilizing the existing land. Relating to conserving farm and forest lands for the production of crops, livestock and timber products the proposal to more efficiently utilize the existing prime industrial land could help limit the need to expand employment uses onto farm and forest land in the future for economic growth. This in turn could help to conserve these farm and forest lands for production of crops, livestock and timber products.

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In regard to the language that states "...rezonings shall be consistent with the specific purposes of the zone classification proposed," staff finds that the zone classification proposed is a new zone. The County ~~adopted~~ is proposing two new industrial zones, the General Industrial (GI) and Light Industrial (LI) zones. These zones will allow urban levels of industrial development. The purpose of these zones as ~~contained~~ proposed in the ~~adopted~~ draft code language that is a part of this application states:

The purpose of the Goshen Industrial zones are to promote economic growth and development that takes advantage of the significant comparative advantages of Goshen including presence of rail and highway access, while being in close proximate to the Eugene/Springfield metro area. The zones will accommodate industrial uses focusing on Manufacturing and production, Industrial service, Research and Development facilities, and accessory or supportive uses to serve the needs of these primary uses. The zones are intended to buffer incompatible industrial developments from other zones, while providing a quality environment for businesses and employees. This chapter of Lane Code guides the orderly development of industrial uses and is intended to:

- (a) Provide for efficient use of land and public services.*
- (b) Promote the area's transportation and other infrastructure, and logistical advantages.*
- (c) Encourage economic development, expansion, and creation of jobs in the area.*
- (d) Increase compatibility between uses and nearby commercial and residential or resource zones.*
- (e) Provide appropriate design standards to accommodate a range of industrial users.*
- (f) Utilize industrial zoned lands for urban levels of industrial development resulting in living wage jobs.*
- (g) Protect and diversify the economy of the County.*
- (h) Conserve the limited supply of prime industrial lands to provide sufficient space for existing industrial enterprises and future industrial growth.*

Two different zones are intended to provide land that is appropriate for the following uses based on size, location, and other characteristics.

General Industrial (GI): The purpose of this zone is to provide opportunities for industrial uses that create jobs that pay no less than 150% of the median wage, which are essential to the development of a balanced economic base in an industrial environment with a minimum conflict between industrial uses and non-industrial uses.

Light Industrial (LI): The purpose of this zone is to provide opportunities for light industrial uses on existing smaller properties.

The County concludes that the ~~proposed~~ rezone ~~is~~ will be consistent with the specific purposes of the ~~new~~ proposed GI and LI zone classifications as stated above.

Additionally, the County finds that statement numbers 1, 8, 9, and 10 of the purpose statement are applicable to the proposal.

In determining the public interest the County looks to the adopted Lane County Rural Comprehensive Plan. Goal 9 of the RCP, Economy of the State, contains the following existing policies contained within the plan support the ~~proposed~~ zone change.

1. Within the framework of these policies, the County shall encourage the diversification and growth of the local economy. Primary efforts will be in the following areas:
 - a. Cooperation and participation with efforts and programs established by public agencies and private concerns to promote and enhance economic development throughout the County.
 - b. Recognition of the value of local resources such as timber and agricultural lands as the primary source of raw materials for the manufacturing and processing sectors of the economy.
 - c. Establishment of land use policies that provide a supportive environment for industrial and commercial activities.
2. The County's primary responsibility in economic development shall be to ensure the necessary land area is available throughout the County and appropriate levels of service can be obtained, consistent with the needs of industry and commerce, the area and other County policy.
4. Commercial and service facilities in rural, unincorporated communities shall be supported commensurate with increases in rural population and where necessary to insure continued operation of industrial activity. Such facilities shall be located within rural communities unless justified by appropriate plan amendment and exception to Statewide Planning Goals.
7. New industrial development shall normally take place within adopted Urban Growth Boundaries, unless such development:
 - c. Will be located in an area either built upon or committed to nonresource use where necessary services can be provided;
 - d. The industrial activity is dependent on a unique site-specific resource;
 - g. Where a significant comparative advantage could be gained in locating in a rural area. Any development approved under this policy that requires a

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plan amendment shall be justified by an exception to applicable Statewide Planning Goals. (Emphasis added)

The above cited policies demonstrate the commitment of the County to look out for the public interest by ensuring that economic activity is a primary goal. The ~~proposed~~ zone change is in conformance with the above policies.

The Regional Prosperity Economic Development Plan approved by the Joint Elected Officials of Eugene, Springfield and Lane County on February 26, 2011 supports a vision to meet the pressing economic problems of today. This vision includes an ambitious goal to create 20,000 net new jobs by 2020 in the region in chosen economic opportunity areas. The economic opportunity areas that the region has a clear advantage for fostering new jobs in include Green Business, Clean Tech, Software, Health, and Advanced Manufacturing. One identified tactic in this plan for targeting these key industries is to assist businesses with site development or expansion by streamlining the permitting process. The proposed Goal 14 exception and related Goshen zone change is the first critical step to streamlining the permitting process by providing flexibility for development of this unique site. If an individual company would have to apply for a zone change and/or goal exception on their own, a property would likely never be considered for development in today's competitive economic development environment.

A key strategy in the plan is to meet the basic needs of that rely on or can benefit from the existing rail infrastructure in order to encourage development, expansion and job creation. This means taking actions to strengthen the links between land use planning, transportation, infrastructure investments and regional economic development goals. An identified tactic to realize this key strategy is to promote and build on the region's transportation, distribution and logistics advantages.

As part of the regional collaboration for economic development, the City of Eugene in their Envision Eugene, Seven Pillars document, recognizes the importance for meeting the economic needs today and in the future. One of the strategies is to support the development or redevelopment of industrial sites that are and will remain outside the Urban Growth Boundary (UGB). Specifically this strategy proposes to work with Lane County and the City of Springfield to determine the feasibility of establishing an employment center in Goshen.

The public interest is served by the ~~proposed~~ zone change as evidenced through the goals of the Board of County Commissioners in their recently adopted Strategic Plan. The core elements of the mission and vision statements in the Strategic Plan reflect strong consensus among the Commissioners to create a prosperous community. Specifically this plan outlines the Economic Development goal to "...transform the existing industrial land in Goshen to support increased level of development resulting in jobs that pay no less than 150% of the median wage."

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This goal states that the lack of buildable land is a barrier for traded-sector companies that want to locate in Lane County, particularly those companies that require a large footprint. This barrier and lack of land is documented in the Oregon Business Plan which states:

“Oregon again finds itself short of industrial lands that can be developed in a timely manner, which is costing us jobs, incomes, and tax revenues in communities across the state. If we want to exploit our advantage as a good place for international trade and manufacturing, we must address three key issues: land supply, regulatory/permitting barriers, and infrastructure.” And that **“...Industrial land constraints are a key factor holding this region back from becoming the economic powerhouse it can and should be for the entire state of Oregon.”**⁴⁹

While Eugene and Springfield both have industrial sites available, the cities cannot offer sites similar in size to the two large sites available in Goshen, with surrounding supporting industrial sites, that are all in close proximity to I-5 and other major transportation corridors, and have rail access. No other industrial sites in the region exist with similar characteristics. Industries seeking a larger footprint need large, flat sites, which are in short supply in or near Lane County's metropolitan area, as demonstrated by Eugene and Springfield's inventory work (Eugene has one, 195-acre site; however it is currently used for wastewater reclamation and about 75% of the site is wetlands).⁵⁰ (Springfield has one large site, the Jasper-Natron site. This site was not included in their inventory as having the ability to meet the short-term land supply due to presence of wetlands, and distance from water and sewer trunk lines. The CIBL report identifies the need for three sites over 50 acres in size.)⁵¹ Lack of suitable, shovel ready industrial land in Lane County is an obstacle for manufacturers that want to locate here and for existing businesses that may want to expand, including traded sector companies. Rezoning existing rural industrial land that is close to the Eugene-Springfield metro area and adjacent to major transportation routes may help preserve farm land and wetlands during the expansion of the urban growth boundaries of the two cities.

Based on the 2010 U.S. Census data, the 1 year estimated median income for Lane County is \$21,171. The 5-year estimate from 2006-2010 for median income is \$22,303. The 150% of median wage goal would equate to roughly \$30,000-35,000/yr.

⁴⁹ Policy Playbook, Time to Deliver, 2011 Leadership Summit December 12-13, 2011, Oregon Business Plan, page 3-4, 11, 22-23.

⁵⁰ City of Eugene Comprehensive Lands Assessment (ECLA), pre-policy analysis, pp. B-81-82, B-115. ECONorthwest, June 2010

⁵¹ City of Springfield Commercial and Industrial Buildable Lands (CIBL) Inventory and Economic Opportunities Analysis (CIBL), Draft Report, p. v, p. 26, & p. 57 table 5-1. ECONorthwest, September 2009 {00090898;1}

Based on the above findings, the County concludes that the proposed zone change is not contrary to the public interest.

(3) Initiation/Application.

(a) By Planning Commission. The zoning of unzoned properties, the rezoning of properties and amendment of this chapter may be initiated by the Planning Commission upon its own motion or upon petition by the Planning Commission upon request of the Board as provided in LC 16.252(3)(b) below.

(b) By Board. The zoning of unzoned properties, the rezoning of properties and the amendment of this chapter may be initiated by the Board in the form of a request to the Planning Commission that it consider the proposed zoning, rezoning or amendment.

(c) By Applicant. Application for the zoning or rezoning of properties may be made by any person as provided in LC 14.050.

FINDINGS: The BCC has initiated this action application to support the rezone of the subject properties and amend the applicable sections of this chapter. The request for rezone went before the Planning Commission in conformance with this standard.

(4) Moratorium on Permits and Applications -- Legislative Matters.

(a) After any matter for zoning, rezoning or amendment to this chapter affecting particular property has received tentative action by the Board, but has not yet become final and effective, no Zoning, Land Division or Building Code Application or request shall be accepted, granted, issued or approved, except as herein provided.

(b) After such final action, granting of subsequent Applications or requests shall be in accordance with the requirements of the zoning classification or requirements as amended by the final action.

(c) The provisions of this subsection shall not be applicable to the issuance of Building, Plumbing Permits, or on-site sewage for normal repairs or corrections, nor shall the provisions apply when the proposed Application or request meets both the requirements of the existing zoning requirement and the proposed change or amendment, or to the approval of a final minor partition, a major partition map or subdivision plat.

FINDINGS: The proposed legislative matter will be in conformance with these standards.

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(5) Planning Commission Public Hearing and Notice -- Legislative Matters.

(a) The Planning Commission shall hold not less than one public hearing on each proposed legislative zoning or rezoning and amendment to the requirements of this chapter.

(b) Notice of the time and place of hearing shall be given at least 10 days in advance by publication in a newspaper of general circulation in the County or in the territory concerned.

(c) The Planning Commission shall review the Application or proposal and shall receive pertinent evidence and testimony as to why or how the proposed change is inconsistent with the criteria provided in LC 16.252(2) above for zoning, rezoning and amendment to the requirements of this chapter. The Commission shall determine whether the testimony at the hearing supports a finding that the proposal does or does not meet the required criteria, and shall recommend to the Board accordingly that the proposal be adopted or rejected. The Planning Commission and Board may hold one concurrent hearing.

FINDINGS: The Planning Commission held a public hearing on the proposed rezone and amendments in conformance with these provisions. Appropriate notice was sent for the proposed rezone and amendments.

(6) Review Procedures. Applications for zoning or rezoning of specific properties shall be heard by the Hearings Official pursuant to LC 14.300.

FINDINGS: The proposed zone change is a legislative matter and will be conducted accordingly. The hearings official for the initial hearing in this matter was the Lane County Planning Commission and was conducted in accordance with LC 14.300(c).

(7) Action by the Board.

(a) Unless the Board and Planning Commission hold a concurrent hearing, upon receipt of an affirmative Planning Commission recommendation for legislative matters provided in LC 16.252(6) above, the Board shall schedule a public hearing as provided in LC 16.252(7)(b) below. The Board may schedule such a public hearing in the absence of an affirmative Planning Commission recommendation.

(b) Prior to taking any action which would alter or modify a Planning Commission recommendation or Hearings Official's Order, the Board may first refer the proposed alteration or modification to the Planning Commission or Hearings Official for a recommendation. Failure of the Commission or Hearings Official to report within 20 days after the referral,

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or such longer period as may be designated by the Board, shall be deemed to be approval of the proposed alteration or modification. It shall not be necessary for the Commission or Hearings Official to hold a public hearing on the proposed alteration or modification.

FINDINGS: The appropriate applicable procedural steps will be followed for the subject application. Those include providing a public hearing on the actions designed to support the previous action taken on June 4, 2013.

- (8) **Conditional Approval.** The approving authority may impose reasonable conditions if the application is approved to be completed within one year.

FINDINGS: No conditions of approval are proposed.

- (9) **Official Zoning Map.**

(a) The location and boundaries of the various zones established by this chapter shall be shown and delineated on maps covering portions of the County. These maps, upon their final adoption, shall be known as the Official Zoning Map.

(b) The Zoning Map shall be established by ordinance. Subsequent amendments to the Official Zoning Maps, either for establishing zoning for previously unzoned property or for rezoning may be made by Ordinance or Order of the Hearing Authority in accordance with the provisions of LC 16.014, LC 16.015, and this section.

FINDINGS: The proposed zoning changes ~~are~~ will be adopted by ordinance and will continue to be reflected on the Official Zoning Map of the County. The applicable provisions of LC 16.014 and 16.015 will be followed as discussed above.

¹ Land Use 110: Light Industrial facilities are free standing facilities devoted to a single use. The facilities have an emphasis on activities other than manufacturing and typically have minimal office space. Typical light industrial activities include printing, material testing and assembly of data processing equipment.

Land Use 120: Heavy Industrial facilities usually have a high number of employees per industrial plant and are generally limited to the manufacturing of large items.

Land Use 130: Industrial Parks contain a number of industrial or related facilities. They are characterized by a mix of manufacturing, service and warehouse facilities with a wide variation in the proportion of each type of use from one location to another. Many industrial parks contain highly diversified facilities-some with a large number of small businesses and others with one or two dominant industries.

Land Use 140: Manufacturing facilities are areas where the primary activity is the conversion of raw materials or parts into finished products. Size and type of activity may vary substantially from one facility to another. In addition to the actual production of goods, manufacturing facilities generally also have office, warehouse, research, and associated functions.

Land Use 150: Warehouses are primarily devoted to the storage of materials, but they may also include office and maintenance areas.

Lane Use 812: Building materials and lumber stores are free-standing buildings that sell hardware, building materials and lumber. The lumber may be stored in the main building, yard or storage shed. The buildings contained in this land use have less than 30,000 square feet gross floor area.

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