

W.8.a.

AGENDA COVER MEMO

DATE: November 14, 2005 (memo)
November 30, 2005 (first reading)
December 14, 2005 (second reading/public hearing)
TO: Lane County Board of Commissioners
DEPT: Public Works/Land Management Division
FROM: Stephanie Schulz, Planner
TITLE: **ORDINANCE NO. PA 1227: IN THE MATTER OF AMENDING THE JUNCTION CITY COMPREHENSIVE PLAN TO ADOPT EXCEPTIONS TO STATEWIDE PLANNING GOALS 3 AND 14 PURSUANT TO GOAL 2 AND MODIFY THE URBAN GROWTH BOUNDARY TO INCLUDE AN ADDITIONAL 74.26 ACRES OF LAND CURRENTLY WITHIN THE CITY LIMITS; AND ADOPTING A SEVERABILITY CLAUSE. (file no. PA05-5132; Country Coach, Inc./Junction City)**

I. MOTION

1. For November 30, 2005: I move approval of the first reading and setting the second reading and public hearing on Ordinance No. PA 1227 for December 14, 2005 at 1:30pm.
2. For December 14, 2005: I move approval of Ordinance No. PA 1227.

II. ISSUE

Landowner Reerslev Properties, LLC and applicant Country Coach, Inc. requested amendment to the Junction City Comprehensive Plan to expand the Junction City UGB, and to redesignate and rezone the subject property from Agriculture to Industrial uses to facilitate the expansion of the Country Coach Recreational Vehicle manufacturing facility. The proposed UGB expansion to include the subject 74.26 acres requires approval and adoption by both the Junction City Council and the Lane County Board of Commissioners.

The proposed amendment to the Junction City Comprehensive Plan that would redesignate the property from 'Agriculture' to 'Industrial' and subsequently rezone the expansion area from 'agriculture' to 'light industrial' uses is not within Lane County's jurisdiction.

III. DISCUSSION

A. Background

The application was received on February 2, 2005. On May 3, 2005, the Lane County and Junction City Planning Commissions (PC's) held a joint work session and public hearing in Junction City. The record was held open for an additional

two weeks for written input, until May 17, 2005. The Junction City Planning Commission deliberated for three meetings, and the final outcome was a recommendation for approval that included the conditions attached to the city ordinance, agreed to by the applicant, for mitigation of traffic and air quality concerns expressed by the public. The conditions were included in the planning commission recommendation to approve the proposal forwarded to the City Council on July 19, 2005. The City Council held another public hearing on August 23, 2005. Attachment B is Junction City Ordinance No. 1147, enacted on September 15, 2005, which adopts the proposed UGB expansion, redesignation, rezone, and includes the City Council Conditions of Approval and Findings of Consistency with Statewide Planning Goals and the Junction City Comprehensive Plan.

The Lane County Planning Commission conducted deliberations on September 6 & 20, 2005, considering the final action adopted by the Junction City Council in adopting Ordinance No. 1147. The minutes of the Joint Planning Commission Hearing are included as Attachment C. The Lane County Planning Commission deliberations meetings minutes are included as Attachments D and E.

B. Analysis

A recommendation to approve the UGB expansion must be based on meeting criteria as established in the Lane Code and Oregon Statewide Planning Goals. The applicable criteria and findings of compliance with those criteria are described in the Finding of Fact to County Ordinance No. PA 1227, Exhibit B.

Country Coach is a major employer in Lane County that is requesting an expansion of the Junction City UGB to include land that is adjacent to the existing facility in order to expand its factory campus. Approval of this request will facilitate streamlining of operations onto one site in order to remain competitive in the new millennium and enable it to develop and manufacture new product lines. The company expects to add family wage jobs to the local economic base with this expansion.

The applicant has demonstrated that approval of this request would allow the company to meet the changing and increasing economic needs of the city. Junction City is a historically agrarian community, settled by farmers and surrounded by farmland. The applicant has done an extensive evaluation of other potential sites for expansion, and has demonstrated that the adjacent land is the appropriate location for expansion of the company at its Oregon location, and meets the criteria for an exception that would convert the land designation from agriculture to industrial uses. Furthermore, the highest priority for assisting local economies in promoting job development in Oregon is to expand existing companies that have a desire to expand and develop new products to meet the changing needs of Oregonians.

Lane County Planning Commission Action

Following the joint City/County planning commission public hearing, Junction City completed their jurisdictional process with a final decision prior to the Lane County Planning Commission deliberations. The final recommendation from the Planning Commission is to deny the proposal, based on concerns about air quality and traffic impacts.

C. Alternatives/Options

1. Approve the Ordinance.
2. Revise the Ordinance as directed by the Board and return for approval of the revised Ordinance on date set by the Board.
3. Do not approve the Ordinance and deny the application.

D. Recommendations

I recommend Option 1, because the proposal meets the criteria for approval of an amendment to the Lane County Rural Comprehensive Plan. The Conditions of Approval adopted with the City Ordinance adequately address concerns raised by the public and agency staff regarding wetland delineation, site plan review upon development, and transportation restrictions upon future development of the site. The expansion of the UGB to encompass the 74.26 acres of city land is appropriate and the criteria is met.

IV. ATTACHMENTS

A. Ordinance No. PA 1227

Exhibit A - Comprehensive Plan Map

Exhibit B - Findings of Fact

B. Junction City Ordinance No. 1147

Exhibit A – Comprehensive Plan Map

Exhibit B – Conditions of Approval

Exhibit C – Findings of Fact in Support of the Ordinance

C. May 3, 2005 Minutes - Joint Lane County and Junction City Planning Commission's Work Session and Public Hearing

D. September 20, 2005 Minutes - Lane County Planning Commission Deliberations

E. October 4, 2005 Minutes - Lane County Planning Commission Deliberations

F. Application and Transportation Demand Study (Full documents in Commissioners Packets only, executive summary provided in other packets, entire file available in LMD)

IN THE BOARD OF COUNTY COMMISSIONERS, LANE COUNTY, OREGON

ORDINANCE NO. PA 1227 IN THE MATTER OF AMENDING THE JUNCTION CITY COMPREHENSIVE PLAN TO ADOPT EXCEPTIONS TO STATEWIDE PLANNING GOALS 3 AND 14 PURSUANT TO GOAL 2 AND MODIFY THE URBAN GROWTH BOUNDARY TO INCLUDE AN ADDITIONAL 74.26 ACRES OF LAND CURRENTLY WITHIN THE CITY LIMITS; AND ADOPTING A SEVERABILITY CLAUSE. (FILE NO. PA05-5132, Country Coach, Inc.)

WHEREAS, the Board of County Commissioners of Lane County, through enactment of Ordinance No. PA 866 and PA 1053, has adopted policies and provisions of the Junction City Comprehensive Plan as an element of the Comprehensive Plan for Lane County; and

WHEREAS, land inside the city limits are within the jurisdiction of the City of Junction City, but the location of the Urban Growth Boundary within the City limits are subject to County approval pursuant to ORS 195.025 (1); and

WHEREAS, in response to application by Country Coach, Inc., the City of Junction City adopted amendments to the Junction City Comprehensive Plan to expand the Urban Growth Boundary which included conditions of approval to mitigate impacts to the transportation system; and

WHEREAS, the applicant and City of Junction City have requested Lane County action in co-adopting the amendment to achieve city-county coordination of land use planning; and

WHEREAS, the Lane County Planning Commission conducted a public hearing on June 15, 2004 and provide a recommendation on the proposed amendments; and

WHEREAS, evidence exists within the record indicating that the proposal meets the requirements of Lane Code Chapters 10 and 16 and the requirements of applicable state and local law and;

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

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

Section 1. The Junction City Comprehensive Plan is amended by modification of the Junction City Urban Growth Boundary and the addition of 74.26 acres of land, described as a portion of tax lot 100, Map 16 04 05, to the Junction City Urban Growth Area, such territory being further identified on the Junction City Plan Map, identified as Exhibit "A" attached and incorporated herein.

Section 2. An exception pursuant to Statewide Planning Goal 3 and the Goal 14 factors for the action described in Section 1 of this Ordinance, taken in

Ordinance No. PA 1227 In the Matter of Amending the Junction City Comprehensive Plan to Adopt Exceptions to Statewide Planning Goals 3 and 14 Pursuant to Goal 2 and Modify the Urban Growth Boundary to Include an Additional 74.26 Acres of Land Currently Within the City Limits; and Adopting a Severability Clause (File No. PA 05-5132, Country Coach, Inc.)

accordance with the requirements of ORS 197.732, Statewide Planning Goal 2, and the applicable Oregon Administrative Rule requirements and set forth in pages 2-12 and 25-33 of the findings of fact and conclusions of law in Exhibit B attached and incorporated herein is hereby adopted as part of the Junction City Comprehensive Plan.

Section 3. 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.

FURTHER, although not part of this Ordinance except as described above, the Board of County Commissioners adopts the Findings attached as Exhibit "B" in support of this decision.

ENACTED this ____ day of _____ 2005.

Chair, Lane County Board of County Commissioners

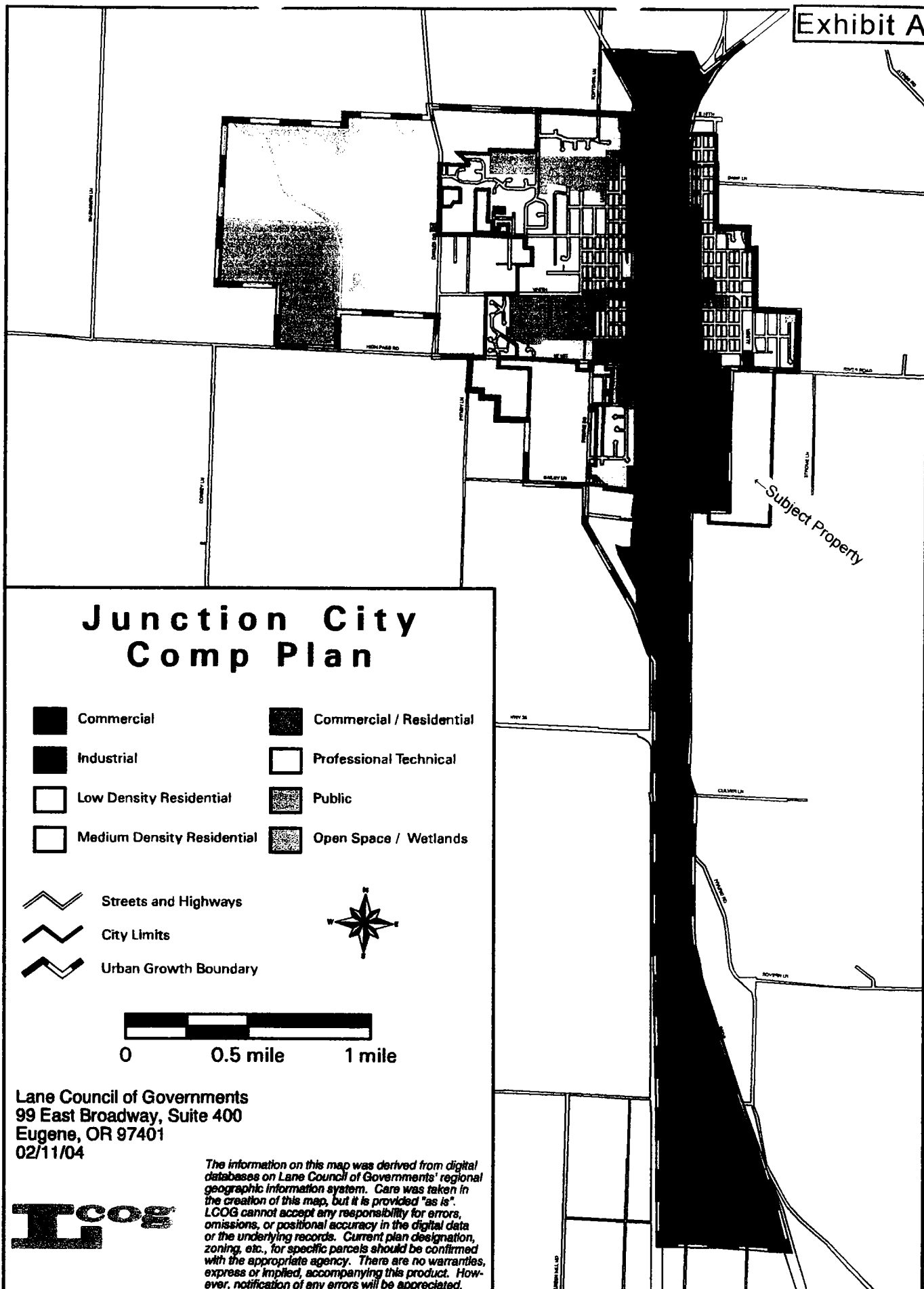
Recording Secretary for this Meeting of the Board

APPROVED AS TO FORM

Date _____ Lane County

OFFICE OF LEGAL COUNSEL

Ordinance No. PA 1227 In the Matter of Amending the Junction City Comprehensive Plan to Adopt Exceptions to Statewide Planning Goals 3 and 14 Pursuant to Goal 2 and Modify the Urban Growth Boundary to Include an Additional 74.26 Acres of Land Currently Within the City Limits; and Adopting a Severability Clause (File No. PA 05-5132, Country Coach, Inc.)



**Ordinance No. PA 1227
Findings of Fact**

The Lane County Rural Comprehensive Plan Amendment Process is found in Lane Code 12.050 (2)(d) *The Board may amend or supplement the comprehensive plan upon a finding of 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.*

LC 12.005 Purpose - 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.

Finding: The request for expansion of the Junction City UGB is based on an economic development need for industrial land to serve the expansion of an existing company in the city. The change in public need from agricultural land to industrial land is based on a reevaluation of economic, environmental, social and energy factors affecting the plan. The City of Junction City employment base greatly benefits from the Recreational Vehicle manufacturing business with the variety and wage level of good jobs provided. Country Coach, Inc. presents a need for an additional 74 acres of land to expand their facility on the subject property, increasing the employment opportunities in this sector.

The proposed amendment is also in conformance with Statewide Planning Goals as discussed below.

STATEWIDE PLANNING GOALS

Goal 1: Citizen Involvement.

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

This proposed amendment is consistent with Goal 1 through the City's public notification and hearing processes concerning quasi-judicial comprehensive plan amendment and rezoning applications. The hearings procedures set forth in Ordinance No. 950 for quasi-judicial comprehensive plan change and zone change amendments provide a number of opportunities for citizen involvement. Specifically, the amendments have been considered at a duly noticed public hearing before the Junction City Planning Commission and at a duly noticed public hearing before the Junction City City Council. Notice of the public hearing was mailed to owners of properties within 300 feet of the subject parcel, posted at the subject property, posted at city hall, on the city's website, and published in the Tri-County News and the Eugene Register-Guard, newspapers of general circulation. The above process for citizen involvement regarding this proposed amendment demonstrates consistency with Statewide Planning Goal 1.

Goal 2; Land Use Planning.

Goal 2: "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."

Pursuant to OAR 660-004-0010(1)(c)(B), when a local government changes an established urban growth boundary, it is required to follow the procedures and requirements set forth in Goal 2 "Land Use Planning, Part II, Exceptions."

Goal 2, Part IIB--Exceptions, provides that a local government may adopt an exception to a goal when:

- 1. Reasons justify why the state policy embodied in the applicable goals should not apply;*
- 2. Areas which do not require a new exception cannot reasonably accommodate the use;*
- 3. The long-term environmental, economic, social and energy consequences resulting from the use of 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*
- 4. The proposed uses are compatible with other adjacent uses or will be so rendered through measures designed to reduce adverse impacts.¹*

OAR 660-004-0010 implements Goal 2 with respect to the amendment of an established urban growth boundary and describes the procedures and requirements for such an amendment.

OAR 660-004-0010(1)(c)(B) provides:

When a local government changes an established urban growth boundary it shall follow the procedures and requirements set forth in Goal 2 "Land Use Planning", Part II, Exceptions. An established urban growth boundary is one which has been acknowledged by the Commission under ORS 197.251, 197.625 or 197.626. Revised findings and reasons in support of an amendment to an established urban growth boundary shall demonstrate compliance with the seven factors of Goal 14 and demonstrate that the following standards are met:

¹ The four criteria set out in Goal 2 for a "reasons" exception are identical to the four criteria specified in ORS 197.732(1)(c)(A) through (D).

(i) Reasons justify why the state policy embodied in the applicable goals should not apply (This factor can be satisfied by compliance with the seven factors of Goal 14.);

(ii) Areas which do not require a new exception cannot reasonably accommodate the use;

(iii) 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

(iv) The proposed uses are compatible with other adjacent uses or will be so rendered through measures designed to reduce adverse impacts.

4.2.1 OAR 660-004-0010(1)(c)(B)(i).

(i) Reasons justify why the state policy embodied in the applicable goals should not apply (This factor can be satisfied by compliance with the seven factors of Goal 14.);

As is discussed in the Goal 14 compliance section below, we find that Country Coach has addressed and demonstrated compliance with the seven factors of Goal 14. Accordingly the “reasons” factor is satisfied.

4.2.2 OAR 660-004-0010(1)(c)(B)(ii).

(ii) Areas which do not require a new exception cannot reasonably accommodate the use;

OAR 660-004-0020(b) sets out additional procedures and criteria that apply in connection with addressing this criterion as follows:

(A) The exception shall indicate on a map or otherwise describe the location of possible alternative areas considered for the use, which do not require a new exception. The area for which the exception is taken shall be identified;

The area for which the exception is taken is identified as tax lot 100 of Assessors Map 16-04-05. A legal description is included as an Exhibit (currently available as Appendix H in the Country Coach’s Application). That area is also shown on the Comprehensive Plan Map and Zoning Ordinance Map (both of which are attached as Appendix C to the application). Included in Country Coach’s application as Appendices I, J and K are maps that show the location of possible alternative areas considered for use. A posterboard colored map depicting the information in Appendix K is also available. As is discussed in more detail immediately below

and in the Goal 14 compliance section (that addresses the Goal 14 “locational” factors) (and Section 7.0 of the application that addresses the priority of land to be included within an urban growth boundary pursuant to ORS 197.298), none of those alternative areas are suitable because, among other reasons, they are not adjacent to the existing Country Coach factory campus.

(B) To show why the particular site is justified, it is necessary to discuss why other areas which do not require a new exception cannot reasonably accommodate the proposed use. Economic factors can be considered along with other relevant factors in determining that the use cannot reasonably be accommodated in other areas. Under the alternative factor the following questions shall be addressed:

(i) Can the proposed use be reasonably accommodated on nonresource land that would not require an exception, including increasing the density of uses on nonresource land? If not, why not?

Country Coach is in the business of manufacturing recreational vehicles. Junction City Ordinance No. 950 provides that recreational vehicle manufacturing is an outright permitted use in only two zones: the Light Industrial (M1) Zone; and the Heavy Industrial (M2) Zone. With one exception, all land inside the city limits and designated and zoned for M1 or M2 uses is already developed with industrial uses and is unavailable for Country Coach’s expansion. The one exception is partially developed land located between 9th and 12th Streets and Front and Elm Streets. That land is zoned for heavy industrial use and industrial development thereon would not require an exception to the statewide goals. That available site, however, cannot reasonably accommodate Country Coach’s proposed use. The site is less than five acres in size and cannot possibly accommodate the company’s expansion needs. Just the footprint of the proposed new manufacturing building is nearly twice the size of that entire site. Furthermore, several city streets split the site making it completely unsuitable as a site for a large manufacturing building. Finally the site is nine city blocks north of the existing Country Coach factory campus and cannot meet the adjacency requirement for expansion.

(ii) Can the proposed use be reasonably accommodated on resource land that is already irrevocably committed to nonresource uses, not allowed by the applicable Goal, including resource land in existing rural centers, or by increasing the density of uses on committed lands? If not, why not?

Junction City has one other area on the north side of town in the current city limits that has a similar zoning and plan designation as the subject site. That other area is located between 15th and 17th Streets and Front and Deal Streets. The area is zoned for agricultural use, is within the city limits, and is outside the Urban Growth Boundary. If the area could be included in the UGB and designated industrial, because it is located 15 city blocks from Country Coach’s present campus, it would be unsatisfactory for Country Coach’s expansion needs. Also, the area is far too small to accommodate the company’s expansion needs. No other areas have been identified within the city’s Urban Growth Boundary that contain resource land designated or considered as irrevocably committed to nonresource use.

With respect to areas surrounding the city's Urban Growth Boundary, there do not appear to be any lands irrevocably committed to nonresource uses that would be suitable for industrial development. (See Appendix K to Application, which is a map that shows the zoning of rural lands surrounding the Junction City Urban Growth Boundary.) There are a few areas designated and zoned for rural residential development (principally with a 5 acre minimum parcel size). Those exception areas are either developed and/or irrevocably committed to a nonresource use, but have been designated and zoned for rural residential use under Lane County's acknowledged Rural Comprehensive Plan. As such, those areas are unsuitable for an industrial use. More significantly, each of those rural residential exception areas is far too small to accommodate Country Coach's expansion. Of most importance, however, is the fact that those small parcels that are designated and zoned for rural residential use are remote from the Country Coach campus. For that reason alone, those rural residential parcels are entirely unsuitable for Country Coach's expansion needs.

There is one small parcel located slightly north of Milliron Road that abuts the city's Urban Growth Boundary. That parcel is designated and zoned Rural Industrial in the county's Rural Comprehensive Plan. However, that parcel is unsuitable for Country Coach's expansion needs because it is too small, is remotely located from the current factory campus and is unavailable because of previous development.

There are several small rural parcels that are designated and zoned for industrial use located west of Highway 99 between Skinner Lane and Meadowview Road. (See Lane County Official Zoning Map Plot #283 in Appendix L to the Application.) Those parcels, which are approximately 3500 feet south of the city's Urban Growth Boundary, are unsuitable for Country Coach's expansion needs because they are far too small to accommodate the company's expansion and are a considerable distance from the company's existing campus.

Country Coach submitted an Exception Areas Table on May 5, 2005. The exception areas identified as Nos. 1 and 1a and located west of Oaklea Drive have already been divided into 15 and 7 parcels respectively. A physical inspection of those parcels shows that most, if not all are already developed with residences. Those exception areas are also not adjacent to the Urban Growth Boundary and extension of urban services to those areas across resources lands would not be permitted. Those areas are also unsuitable for the same reasons that the Oaklea site within the Urban Growth Boundary is unsuitable.

Similarly, the exception areas identified as Nos. 4, 5, 5a and 6 are similarly divided into many smaller parcels. Those areas are already developed with residences and are irrevocably committed to residential use. Those areas also abut portions of the city's Urban Growth Boundary. The areas within the Urban Growth Boundary near or adjacent to the exception areas are designated for residential uses including multifamily residential uses. Those exception areas are also remote from the Country Coach campus and are unsuitable for the needed expansion for that reason alone.

The exception areas identified as Nos. 12 through 17 are far too small to accommodate Country Coach's expansion needs. Those areas contain multiple parcels, are located west of Highway 99,

and are already developed with residential dwellings. Those areas are similarly remote from the Country Coach campus and are completely unsuitable for Country Coach's expansion needs.

The exception areas identified as Nos. 18 and 18a are divided into many small parcels, 9 and 17, respectively, and are developed with residences. Those areas do not abut the Urban Growth Boundary, are bisected by Skinner Lane, are remote from the existing Country Coach campus and are completely unsuitable for the proposed expansion.

The exception areas identified as Nos. 27 and 28 (and also the RR-2 exception area located on Sovern Lane and described in Footnote 1 to Country Coach's Supplemental Analysis Regarding the Exceptions Area Table) are already developed with multiple dwellings. A cursory physical inspection shows that there are roughly 25 to 30 dwellings already developed on those areas. Also, those areas are located across from or very near to the Shadow Hills Country Club, which is the irregularly shaped property located south of Sovern Lane. Those areas are completely unsuitable for motor coach manufacturing because they do not abut the Urban Growth Boundary, urban services are not reasonably available, they are already developed and committed to rural residential use, and they are not large enough to accommodate the identified expansion needs.

The exception areas identified as Nos. 21 through 24 are similarly unsuitable because those areas are already divided into numerous parcels as described in the Exception Areas Table submitted on May 5 by Country Coach, are already developed with numerous rural dwellings, are not adjacent to the Urban Growth Boundary, and are too small to accommodate the identified expansion needs.

The exception areas identified as Nos. 9, 10 and 11 abutting Dane Lane are also unsuitable. Those areas are already developed with residences, are remote from the Country Coach campus, and are far too small to accommodate the identified expansion needs.

Finally, the exception areas identified as Nos. 2, 3, 3a, 3b, 7, 7a, and 8 located north of the city and in the vicinity of Link Lane are similarly unsuitable for the proposed expansion because they are divided into multiple parcels and are already developed with and irrevocably committed to rural residential uses. Those areas are also unsuitable because of their remote location from the existing Country Coach campus.

It is also not always feasible to accommodate the proposed expansion by increasing the density of industrial uses on committed lands. The amount of land required for an industrial use is a function of the type of industry and the product produced. Operational considerations dictate the amount of land needed by the industrial user. While there are increases in density that could be achievable through parking garages rather than surface parking, these density increases would only slightly increase overall development density. Thus, while it might be reasonable to evaluate the feasibility of increasing the density on land designated for housing by requiring that new subdivisions contain a minimum number of dwellings per acre (thereby meeting the need for housing without expanding onto resource lands), such an approach is not practical for land designated for industrial uses. It would not make sense, for example, to propose that no industrial use can occupy more than 10 acres. More importantly, however, Country Coach needs

a large site of approximately 75 gross acres for its immediate and reasonably foreseeable growth and expansion; and its only practical alternative is to expand its operations onto adjacent land. That expansion requires that the city's Urban Growth Boundary be amended to include the adjacent 74-acre site.

(iii) Can the proposed use be reasonably accommodated inside an urban growth boundary? If not, why not?

There is one approximately 70 acre vacant "industrial" site located within the city's Urban Growth Boundary and known as the Oaklea Development Site. That parcel is designated "Professional/Technical" on the city's Comprehensive Plan Map. While the site is large enough to accommodate the company's expansion, the site is entirely unsuitable and cannot reasonably accommodate Country Coach's proposed expansion use for the reasons discussed below.

First, the Oaklea site is bounded on the north and east by land that is designated and zoned for low density and medium density residential uses. As such, the site is a poor location for a large motorcoach-manufacturing factory.

Second, given the location of the site and the surrounding land uses, the site has been designated and zoned for Professional/Technical uses. Section 63 of the city's zoning ordinance describes that zone and the purpose of it as follows:

The district is intended to designate those areas identified by the Comprehensive Plan text and map as suitable sites for accommodating large-scale concentrations of mixed office, high technology systems manufacturing, industrial park buildings, warehousing and laboratories. Development within the district may include mutually compatible uses which value a setting characterized as "park-like." The structures shall be limited to buildings housing offices, laboratories, high technology systems manufacturing, light industrial mixed-use buildings that do not generate offensive external impacts such as noise, pollution or substantial emissions, warehouses that conform to the park setting, and commercial activities directly serving occupants of these facilities.

Country Coach's proposed large scale manufacturing use is not compatible with and would not be permitted within that zone. Accordingly, the Oaklea site cannot accommodate Country Coach's proposed use.

Third, the Oaklea site is located well over a mile from the existing Country Coach campus. Building a new factory at this remote location would result in the significant overhead redundancies and inefficiencies explained in Section 1.0 of the Application, which would not allow Country Coach to remain competitive in its traded sector. In addition to those considerations, Country Coach would be required to move employees and materials (including 45 foot long chassis and laminated fiberglass parts that are 45' long and 9' tall) from the current factory campus to the remote location through the streets of Junction City, creating additional traffic congestion and pollution, and wasting energy.

Fourth, a motor home manufacturing use on the Oaklea site would not be compatible with the uses on the surrounding areas that are designated and zoned for low-density and medium-density residential uses. Unlike the Oaklea site, Country Coach's existing facility and the proposed expansion site are located in an industrial area of the city, adjacent to two rail lines, and surrounded principally by other industrial uses and commercial farmland (commercial farming is also an industry). Country Coach does not want to locate its new manufacturing facilities, and the city does not want those manufacturing facilities located next to an area planned, designated and zoned to accommodate most of the city's future residential growth.

Finally, sanitary sewer service is not currently available to the Oaklea site. A lift station and three-quarters of a mile of pipe would be required to provide service to the area.

For each of those reasons, the Oaklea site cannot reasonably accommodate the proposed use.

In addition to the Oaklea site, there are two other areas designated for industrial use within the city's Urban Growth Boundary that would not require an exception to statewide goals to allow industrial development. However, neither area is satisfactory for Country Coach's expansion. Both areas are south of the Country Coach factory campus and are located in the industrial designated corridor extending parallel with Hwy 99 and between the Southern Pacific and Burlington Northern railway tracks. Both areas are outside the city limits and neither area is currently served by city water or sewer. Water and sewer services are proposed to be extended through that industrial corridor when the Department of Correction's (DOC) new facilities are constructed, but the date for completion of those facilities continues to be extended. The DOC's most recent forecast (October, 2004) further extended the forecasted completion date to July 2010. Clearly, it will be many years before urban services are available to those areas and Country Coach's immediate expansion needs cannot be timely accommodated within those areas, even if the areas were otherwise suitable. However, they are not suitable for the reasons discussed below.

The first area consists of parcels located in the vicinity of the intersection of Prairie Road and Highway 99. There are nine undeveloped or partially developed parcels in that area, but all are smaller than nine acres. None of the parcels is large enough to accommodate Country Coach's needs and none is adjacent to its current factory campus. Each would require the company to incur significant additional overhead costs as described in Section 1.0 of the Application. Each would create profound inefficiencies in the company's operations and would result in substantial unnecessary transportation and energy costs to move employees and materials between the existing factory campus and the remote parcel. Each would involve movement of employees and materials across mainline rail tracks, where there are sometimes significant crossing delays. None of the parcels in this area can reasonably accommodate Country Coach's needs for expansion.

The second area consists of parcels located at or near the southern end of the industrial designated corridor. There are eleven undeveloped or partially developed parcels in that second area. None of those parcels is large enough to accommodate Country Coach's needs, and none is adjacent to its existing factory campus. Those parcels are located one and one-half to three miles

south of the Country Coach campus. Each of those parcels presents the same economic, transportation and energy issues as those identified in the first area discussed immediately above, including the need to move materials and employees over mainline railroad crossings, and none of those parcels can reasonably accommodate Country Coach's expansion needs.

4.2.3 OAR 660-004-0010(1)(c)(B)(iii).

The long-term environmental, economic, social and energy consequences resulting from the use of 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;

The long-term environmental, economic, social and energy consequences resulting from the use of the proposed site are less adverse than would typically result from the same proposal being located in areas requiring a goal exception other than the proposed site. The discussion in Section 1.0 of the application and the analysis of Country Coach's business operations (Appendix E of application) explain how expanding upon adjacent land is the only reasonable option. Less traffic would be generated, less energy would be used and less pollution would be created than would occur if Country Coach were required to expand onto a non-adjacent satellite site. Expansion onto a satellite site would result in ineffective use of multiple employees' and supervisors' time and overhead redundancies that would not allow Country Coach to remain competitive. Expansion at a remote location would cause unnecessary fuel consumption, additional traffic congestion, more air pollution and more wear and tear on public roads as a result of the transport of parts and materials between the existing facility and a satellite site. The proposed adjacent expansion area makes reasonable use of economies of scale that cannot be provided in any other area of Junction City or the rural surrounding lands.

The proposed UGB expansion and zone change does convert agricultural resource land to a nonresource use. However, whether the expansion occurs adjacent to the existing campus or on any other rural agricultural lands in the immediate vicinity of the city's Urban Growth Boundary makes little or no difference as far as the conversion of agricultural resource lands to a nonresource use is concerned. Specifically, the city's acknowledged Comprehensive Plan Goal 14 analysis under the caption "Agricultural Land-Retention and Compatibility" makes the following legislative findings:

Most of Junction City has developed on Class I and II soils.

The city limits are bounded on all sides by lands with primarily Class I and II soils.

In short, high-value farmland will be converted to an industrial use whether Country Coach expands adjacent to its existing campus or at another location near or adjacent to the city's existing Urban Growth Boundary. Accordingly, there are no sufficiently sized alternative sites located around the city's UGB that have a higher priority under the ORS 197.298 criteria for inclusion in the UGB than the proposed expansion site. Maps created by Lane Council of Governments show the high value soils surrounding the City of Junction City. The map entitled

“Junction City Base Over High Value Soil” shows that all areas around Junction City, with very few small exceptions, are high value soils. The map entitled “Junction City Base Over Classified High Value Soil” shows soils by type (1 – 4) around Junction City.

The “Junction City Base Over Classified High Value Soil” shows that the type and ratio of the soil classes on the proposed expansion site are substantially similar to the type and ratio of the soil classes on most areas that abut the city’s UGB. Specifically, the soils on the proposed expansion site are comprised of approximately 54% Class I soils, 16% Class 2 soils, and 30% Class 3 soils. Similar “high-value” soil areas comprised of predominantly Class I soils with some Class 2 and Class 3 soils interspersed therein abut the entire easterly UGB, the northerly UGB east of Oaklea Drive, and the southerly and westerly portions of the UGB extending from approximately High Pass Road south to approximately one-half mile north of Milliron Road. Accordingly, whether the expansion occurs on the proposed site adjacent to the company’s existing campus or on those other areas identified in this paragraph, high-value farmland comprised of predominantly the same “high-value” soil classes will be converted to an industrial use. Accordingly, expansion of the UGB to include the proposed expansion area is consistent with priority scheme described in ORS 197.298 with respect to an analysis of the alternative areas described in this paragraph.

“High-value” soils of a lower classification than those contained in the proposed expansion site abut the southerly and southwesterly boundaries of that portion of the UGB that surrounds the “Area 5” industrial corridor (also known as the “Industrial Triangle”). However, those areas are not suitable for the identified expansion needs for the same reasons that the lands within the “Industrial Triangle” are unsuitable as described above in response to item OAR 660-004-0010(1)(c)(B)(ii).

There are also areas containing “high-value” soils of a lower classification that abut the portion of the UGB that surrounds the northwest portion of the city, which portion of the city includes the “Oaklea Professional-Technical Site” and areas that have been designated for low density and medium density residential development. The areas adjacent to that portion of the UGB are unsuitable for Country Coach’s expansion for essentially the same reasons identified in connection with Country Coach’s discussion of the unsuitability of the “Oaklea Professional-Technical Site”, above.

Accordingly, expansion of the city’s UGB to incorporate the proposed expansion site is consistent with the land priorities analysis required by ORS 197.298. Of more importance however, is the fact that even if there were land of higher priority for inclusion in the UGB than the proposed site, the specific land needs identified cannot reasonably be accommodated on any other land than the proposed expansion site.

However, the long-term environmental, economic, social and energy consequences resulting from the use of the adjacent proposed site are far less adverse than expansion at a remote area also requiring a goal exception for the reasons discussed above.

The long-term environmental, economic, social and energy consequences of expanding the city's Urban Growth Boundary as proposed are further addressed in Goal 14 section below.

4.2.4 OAR 660-004-0010(1)(c)(B)(iv).

The proposed uses are compatible with other adjacent uses or will be so rendered through measures designed to reduce adverse impacts.

OAR 660-004-0020(b) sets out additional procedures and criteria that apply in connection with addressing this criterion as follows:

"The proposed uses are compatible with other adjacent uses or will be so rendered through measures designed to reduce adverse impacts." The exception shall describe how the proposed use will be rendered compatible with adjacent land uses. The exception shall demonstrate that the proposed use is situated in such a manner as to be compatible with surrounding natural resources and resource management or production practices. "Compatible" is not intended as an absolute term meaning no interference or adverse impacts of any type with adjacent uses.

The westerly boundary of the proposed expansion area abuts the easterly boundary of the existing Country Coach campus. Expansion of the Country Coach manufacturing facilities onto the exception area would necessarily be compatible with the uses on the adjacent Country Coach campus.

The land abutting the southerly and easterly boundaries of the proposed expansion area would remain in agricultural use. The uses on the current Country Coach campus have been compatible with the agricultural uses abutting the easterly and southerly boundaries of the factory campus. An expansion and continuation of the motor coach manufacturing would not create any new issues of incompatibility. Through conditions of approval, there will be setbacks along these property lines that will provide separation of the buildings and manufacturing uses from the adjacent agricultural uses. The west 80' will be used as an access road, stormwater retention, drainage swales, and wetland conservation. Existing wetlands and wetland mitigation sites will provide buffer on the south. Fast growing trees along the southerly 200 feet of the easterly boundary will provide a visual buffer to the residences further away on Strome Lane.

The northerly boundary of the property abuts East 1st Street (River Road). Abutting property to the north of East 1st Street is zoned (west to east) for Duplex Family Residential (R-2), Light Industrial (M-1), and Multi-Structural Residential (R-4) uses. (See Junction City Zoning Map.) Arguably, that property is not "adjacent" to the proposed expansion area because it is separated from it by East 1st Avenue. However, even if that property is deemed to be "adjacent," the proposed Light Industrial zoning and use in the proposed expansion area is compatible with the uses to the north of and abutting East 1st Street. Specifically, the Light Industrial use immediately north of East 1st Street is by design and regulation compatible with the proposed Light Industrial use in the expansion area. Also, the Duplex Family Residential and Multi-Structural Residential zones immediately north of East 1st Street are already adjacent to an

existing industrial Light Industrial (M-1) zone. A condition of approval requiring significant manufacturing uses to be located at least 80 from the north property line will help mitigate for potential noise impacts from manufacturing.

Goal 3; Agricultural Lands.

Goal 3: "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."

This application to amend the Junction City Comprehensive Plan and Urban Growth Boundary to incorporate land designated as agricultural land and to rezone that land from Agriculture (AG) to Light Industrial (M1) requires an exception to Goal 3. In this case, that exception is taken pursuant to OAR 660-004-0010(1)(c)(B) because the proposed expansion involves a change to an established urban growth boundary. The four factors for an exception spelled out in OAR 660-004-0010(1)(c)(B) are the same four "reasons" exception factors identified in Goal 2, Part II(c), which four "reasons" exception factors are also identified and further explained in OAR 660-004-0020(2), except that the first of the four factors, which is "*Reasons justify why the state policy embodied in the applicable goals should not apply;*" may be satisfied by showing compliance with the seven factors of Goal 14. OAR 660-004-0010(1)(c)(B).

For the reasons discussed in the Goal 2 compliance section above, and the reasons discussed in the Goal 14 compliance section below, the requirements for an exception to Goal 3 involving the expansion of an existing urban growth boundary to include agricultural resource lands are satisfied.

Goal 4; Forest Lands.

Goal 4: "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."

Goal 4 is not applicable to this application. There has previously been a legislative determination by the city, as embodied in the acknowledged Comprehensive Plan, that the subject property is not forest land. This determination is validated by the fact that there are no forest resources on the subject property or on any surrounding land and there are no areas within the subject property that fall within the definition of forest land. Also, the soils of the subject property (Conser silty clay loam, Coburg silty clay loam and Malabon silty clay loam) have no designated Douglas Fir site index according to Lane County's manual of Soil Ratings for Forestry and Agriculture.

Goal 5: Open Spaces, Scenic and Historic Areas, and Natural Resources.

Goal 5: "To protect natural resources and conserve scenic and historic areas and open spaces.

Local governments shall adopt programs that will protect natural resources and conserve scenic, historic, and open space resources for present and future generations. These resources promote a healthy environment and natural landscape that contributes to Oregon's livability."

The subject property has not been included in any inventory of needed open space or scenic areas defined by Goal 5, nor has it been identified in the city's Comprehensive Plan as having any historic or cultural resources which need to be preserved and/or protected.

Terra Science has submitted a draft wetland delineation report for tax lot 100. According to that report, the central swale, east swale, and southwest swale appear to qualify as wetlands. These features occupy the lowest positions in the landscape and have a defined wetland drainage pattern. The only potential resource known on site is these wetlands. Before any development is allowed in the property in the vicinity of wetlands, a completed delineation will be required that establishes if the wetlands are significant. Through the development process, the city will notify the Division of State Lands and the U.S. Army Corps of Engineers of any proposed development. If it is determined that there are significant wetlands on the site, the city's Stream Corridor and Wetland District will conserve the significant wetlands, as well as any wetland mitigation sites, consistent with this Goal.

The existing wetlands on the site are principally farmed wetlands. They are plowed, planted with farm crops, and have chemicals (fertilizer and pesticides) applied to them. Wetland mitigation will be required for any wetlands that are to be filled in connection with the development. Pursuant to the requirements of Goal 5, the city enacted "Appendix G" to its zoning ordinance, which appendix creates a Stream Corridor and Wetland District (SCWD). The ordinance creates an overlay district that protects perennial streams and significant wetlands. Specifically, Section 3 of the ordinance sets out the criteria for designating areas subject to the overlay district as follows:

3. *Designation Criteria. Land and water areas designated within this overlay district include Crow Creek and significant wetlands.*

a. *All perennial streams, including Crow Creek, shall have a riparian corridor (building setback area) of 50 feet from the top-of-bank.*

b. *Significant wetlands, based on delineations approved by the Division of State Lands (DSL).*

c. *Wetland mitigation sites approved by the Division of State Lands (DSL).*

There are no perennial streams on the subject property. However, probable and potential wetland areas have been identified on the property.

Before Country Coach is allowed to develop the property, it will be required to delineate the wetlands. With respect to any identified wetlands that the company proposes to fill in connection with the development, fill permits will be required from the Division of State Lands (DSL) and the U.S. Army Corps of Engineers (ACOE). Also, any on-site wetland mitigation areas will be approved in connection with the DSL/ACOE permitting process.

Section 4 of the city's SCWD ordinance requires that wetlands proposed to be retained on the site and on-site wetland mitigation areas approved by the DSL must be surveyed. Those surveyed areas then become subject to the SCWD overlay zone. The overlay zone protects those wetland areas by requiring a Stream Corridor and Wetland District Development Permit for any development on a site that is within or partially within the SCWD. Approval of that permit is subject to review by the city's Planning Commission. (See Section 2 of the SCWD and Section 111 of the city's Zoning Ordinance, Table 111(A)(5).) The standards for development of a site that is within or partially within the SCWD are described in Section 6 of the SCWD. Those standards assure that significant wetlands and wetland mitigation areas on the site will be protected.

In short, the city's SCWD overlay zone fulfils the requirements of Goal 5 with respect to the protection of wetlands on the subject property.

Goal 6; Air, Water and Land Resources Quality.

Goal 6: "To maintain and improve the quality of the air, water and land resources of the state."

Goal 6 requires that air, land and water resources of the state be maintained and improved by assuring that future development, in conjunction with existing development, does not violate applicable state and federal environmental quality standards, and does not exceed the carrying capacity of local airsheds, degrade land resources, or threaten the availability of such resources. Both Junction City and Lane County have sufficient regulatory measures in place so as to ensure that existing land use activities, as well as any future development on the site, will not produce any unanticipated impacts resulting from the proposed amendments.

Section 4 of the city's Zoning Ordinance requires that all development within the city adhere to (1) state and federal air quality standards; (2) state and federal clean water regulations; (3) state noise regulations; and (4) state and federal solid and hazardous waste regulations. Also, Section 53 of the city's Zoning Ordinance prohibits uses in the Light Industrial Zone that create a nuisance because of noise, smoke, odor, dust or gas.

The city's Stream Corridor and Wetland District, which is an overlay district, maintains and improves the quality of the water by protecting significant wetland and wetland mitigation areas.

The Lane Regional Air Pollution Authority (LRAPA) regulates the Lane County airshed and the industries within it. Its permit system for emissions provides the regulatory measures that maintain the carrying capacity and quality of the airshed consistent with applicable state and federal environmental quality standards. Country Coach currently operates under a Title V Operating Permit issued by LRAPA that permits and regulates emissions generated by (1) painting and coating of coaches, chassis and coach parts; (2) cabinet finishing; (3) fiberglass lamination; (4) miscellaneous volatile organic compounds (VOC) usage; (5) fiberglass finishing; (6) woodworking (particulate matter control); (7) welding and other Aggregate Insignificant Activities; and (8) roads and parking areas. When Country Coach expands its operations onto the proposed expansion site, it will be required to obtain a modification of its existing permit or a new permit to assure that its operations continue to comply with applicable state and federal air standards.

In short, the proposed amendments will not produce results that will be in conflict with or inconsistent with the purpose and intent of Goal 6.

Goal 7: Area Subject to Natural Disasters and Hazards.

Goal 7: "To protect people and property from natural hazards."

Earthquake risks have been addressed by the city's adoption of building specialty codes (including the Oregon Structural Specialty Code) that include requirements designed to mitigate earthquake risks. (See Junction City Ordinance 990.)

The only identified natural hazard associated with the subject property is the 100-year flood hazard. The city is a participant in the National Flood Insurance Program. The Federal Flood Administration released A Final Flood Insurance Study, City of Junction City (Community Number 410124). The entire site of the expansion area is in the 100-year floodplain.

The city's Comprehensive Plan policies and its implementing Flood Hazard Protection Ordinance regulate development in flood-hazard areas to address the requirements of Goal 7 with respect to flood hazard areas, and any development occurring within the subject property must be consistent with the criteria set out in the Flood Hazard Protection Ordinance. Accordingly, the proposed amendments are consistent with Goal 7.

Goal 8: Recreational Needs.

Goal 8: "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."

The subject property is not needed for recreational facilities or opportunities. Identified recreational needs have been provided for on other sites within the Junction City urban area. (See Section 8. of the city's Comprehensive Plan.) The proposed amendments are therefore consistent with Goal 8.

Goal 9: Economic Development.

Goal 9: "To provide adequate opportunities throughout the state for a variety of economic activities vital to the health, welfare, and prosperity of Oregon's citizens."

Goal 9 is intended to be applied on an urban area-wide basis and requires that future economic growth be accommodated, in part, by ensuring that there is sufficient suitable land planned and zoned for commercial and industrial uses.

In 1994, Junction City received Periodic Review Approval (Order #00046) from the Oregon Department of Land Conservation and Development. The order determined that Junction City had met all of the necessary requirements for Periodic Review of its Comprehensive Plan and land use regulations, including its inventory of industrially-designated land necessary for existing and future industrial land use needs. The Land Use Element and the Economic Element of the Comprehensive Plan both contain policies encouraging economic development and diversification, particularly in the industrial sector.

The industrial land inventory analysis contained in the city's 1994 acknowledged Comprehensive Plan was revisited and revised in 2001 in connection with the city's approval of Ordinance No. 1094 (the Oaklea Ordinance) on June 27, 2001. The text amendments and revised inventory analysis were based on population and employment estimates that were generated by the Lane Council of Governments (LCOG) and incorporated into the Comprehensive Plan when the city approved its 1996 Transportation System Plan.

The revised buildable lands inventory analysis reached the following conclusions with respect to the supply of and need for industrial land:

1. That the buildable industrial land supply within the Urban Growth Boundary is 439 acres;
2. That the supply of industrial land needed through the year 2020 is 67.9 acres; and
3. That (prior to approval of the Oaklea Ordinance) there is a 371-acre surplus of buildable industrial land.

Those conclusions were then used to justify the re-designation of 202 acres of the Oaklea site from Professional/Technical (an industrial land use category) to a variety of non-industrial designations. Accordingly, after enactment of the Oaklea Ordinance, the industrial land inventory reflected in Appendix A-1 to the ordinance was reduced by 202 acres. After that reduction, there remained 237 acres of buildable industrial land, a stated need of 67.9 acres to meet projected population and employment needs through the year 2020, and a deemed surplus of 169.1 acres.

A review of the property that comprises the 229-acre buildable industrial land inventory reveals,

however, that the calculator and paper exercise that results in the 169-acre surplus does not reflect the realistic use of any of those 229 acres by County Coach. While a surplus of buildable industrial land may exist on the paper of the plan, it does not exist on the ground that County Coach must consider for its expansion needs for the reasons discussed immediately below.

The available 229 acres are located in three areas:

1. The 70-acre Oaklea site that is located to the west of the current city limits;
2. The approximately 155 acres that are available within the industrial corridor that extends south from the current city limits to the Milliron prison site.
3. The approximately 3.4 acres that are available within the current city limits.

None of those areas is suitable for Country Coach's expansion needs.

With respect to the 70-acre Oaklea site that retained a Professional/Technical use designation after enactment of the Oaklea Ordinance, although the Professional/Technical designation is an industrial designation, that designation and the implementing zoning does not allow County Coach's motorcoach manufacturing use. Furthermore, even if that designation did allow Country Coach's manufacturing use, the site would be unsuitable because of its remote location and the surrounding land uses and planned land uses.

With respect to the approximately 155 acres that are available in the city's Area 5 industrial corridor that extends south from the current city limits to the Milliron prison site, there are two areas within that corridor that contain buildable lands. The unsuitability of the two buildable land areas within that industrial corridor to meet Country Coach's expansion needs is discussed below:

Both areas are outside the city limits and neither area is currently served by city water or sewer. Water and sewer services are proposed to be extended through that industrial corridor when the Department of Correction's (DOC) new facilities are constructed, but the date for completion of those facilities continues to be extended. The DOC's most recent forecast (October, 2004) further extended the forecasted completion date to July 2010. It will be many years before urban services are available to those areas and Country Coach's immediate expansion needs cannot be timely accommodated within those areas, even if the areas were otherwise suitable.

The first area consists of parcels located in the vicinity of the intersection of Prairie Road and Highway 99. There are nine undeveloped or partially developed parcels in that area, but all are smaller than nine acres. None of the parcels is large enough to accommodate Country Coach's needs and none is adjacent to its current factory campus. Each would require the company to incur significant additional overhead costs. Each would create profound inefficiencies in the company's operations and would result in substantial unnecessary transportation and energy costs to move employees and materials between the existing factory

campus and the remote parcel. Each would involve movement of employees and materials across mainline rail tracks, where there are sometimes significant crossing delays. None of the parcels in this area can reasonably accommodate Country Coach's needs for expansion.

The second area consists of parcels located at or near the southern end of the industrial designated corridor. There are eleven undeveloped or partially developed parcels in that second area. None of those parcels are large enough to accommodate Country Coach's needs, and none are adjacent to its existing factory campus. Those parcels are located one and one-half to three miles south of the Country Coach campus. Each of those parcels presents the same economic, transportation and energy issues as those identified in the first area discussed immediately above, including the need to move materials and employees over mainline railroad crossings, and none of those parcels can reasonably accommodate Country Coach's expansion needs.

Finally, with respect to the approximately 3.4 acres that are available within the current city limits, that land is also entirely unsuitable. Specifically, the area is less than five acres in size and cannot possibly accommodate the company's expansion needs. Also, the site is nine city blocks north of the existing Country Coach campus and cannot meet the adjacency requirement for the expansion.

In summary, the conclusion set out in the city's Comprehensive Plan text (as modified by the Oaklea Ordinance) that the city has a current surplus of buildable industrial land does not reflect the reality that none of the land included in the inventory is suitable for Country Coach's expansion needs.

Since the inventory of industrial land within the current Urban Growth Boundary is not suitable to meet Country Coach's expansion needs, it is appropriate for the city to expand its Urban Growth Boundary to satisfy the requirements of Goal 9. Specifically, Goal 9 is interpreted in OAR 660, Division 9, Industrial and Commercial Development. That division requires that each metropolitan area develop an "economic opportunities analysis." OAR 660-009-0015(2) provides:

Site Requirements. The economic opportunities analysis shall identify the type of sites that are likely to be needed by industrial and commercial uses which might expand or locate in the planning areas. Types of sites shall be identified based on the site requirements of expected uses. Local governments should survey existing firms in the planning area to identify the types of sites which may be needed for expansion.

Goal 9 recognizes that a city should expand its urban growth boundary when there is a demonstrated need for additional urban industrial land that cannot be provided within it. Furthermore, the above quoted administrative rule specifically recognizes the importance of planning for and addressing the expansion needs of existing industries in the city.

Consistent with the above, the city's Comprehensive Plan also recognizes the importance of providing opportunities for existing industry to expand onto adjoining lands instead of relocating outside of the community. Specifically, the city's Comprehensive Plan provides for the following policy in Chapter 3, Section C.1:

Two light industrial firms have expanded to the point that they must either expand their existing plant sites or relocate outside the community.

It is a policy of this plan to encourage existing industry to expand onto adjoining lands. Where land use constraints exist due to the proximity to residential areas, siting standards shall be employed to permit the continued peaceful occupancy of adjacent dwellings.

Country Coach must address its business expansion needs by enlarging its manufacturing facility and that expansion onto adjacent land is unquestionably its best operational option, as well as the best option for the entire community.

The company is the city's largest employer and one of Lane County's largest employers with over 1600 active full time employees. The company's payroll for 2004 exceeded \$43,000,000. The company's combined withholding taxes, unemployment taxes, Lane Transit District taxes, Oregon income tax and local property taxes totaled approximately \$4,547,000. Furthermore, the company's capital investment in the new proposed manufacturing facility will exceed \$15 million just for the first phase.

However, the company's powerful economic contribution to the area and the state is not limited to just the company's \$43,000,000 payroll, the capital expenditures related to the proposed expansion, or the taxes paid by the company. The company is also a major contributor to the economic vitality of the area because of its significant purchases of goods and services from local vendors. For example, during 2004, the company's purchases from Junction City businesses exceeded \$10,000,000, and the company's purchases from Eugene area businesses exceeded \$40,000,000, thereby creating more jobs and investment and generating more tax revenue in the area than what is represented just by the company's direct payroll, taxes and investments. This effect is known as the "multiplier" effect. The "multiplier" effect is described in *Securing America's Future: The Case for a Strong Manufacturing Base*, a study prepared by Joel Popkin and Company, Washington, D.C. (June 2003) (the Popkin Study), as follows:

"The manufacturing sector is the heart of the innovation process not only because of its direct role in producing and commercializing innovations but also because its direct and substantial linkages to other sectors spread those impacts throughout the economy. These linkages work both backward to mining and other raw material producing sectors, and forward into the transportation and trade sectors that are delivering the goods to final consumers. Thus, as manufacturing output grows it requires more inputs, and in turn spurs the creation of jobs, investments, and innovations in other sectors of the economy. This effect can be quantified in a number, referred to as a "multiplier," that shows how much intermediate and final

output is generated by a dollar's worth of final demand for manufactured products."

As reported in the Popkin Study, the U.S. Commerce Department's Bureau of Economic Analysis calculates multipliers for each major sector of the economy. The data released at the end of 2002 shows that the manufacturing "multiplier" is 2.43: \$1 in final demand for manufactured products and \$1.43 for intermediate products and services. Stated otherwise, to satisfy a dollar's worth of final demand for manufactured products generates a demand of \$1.67 from manufacturing (some of it for final products and some from intermediate parts and components) and \$0.76 from other sectors of the economy. This is significantly higher than any other major sector of the economy.

Country Coach's sales during 2004 exceeded one-quarter of a billion dollars. The company estimates that nearly 80% of those sales were made to consumers who reside outside of Oregon, thereby bringing dollars into the state. The economic "multiplier" effect generated in this community by the company's sales and employment is enormous. Clearly, allowing the company to expand onto adjacent land as proposed would help foster economic activity that is vital to the health, welfare, and prosperity of local citizens and the state. Accordingly, the proposed amendments are entirely consistent with the intent and purpose of Goal 9.

Goal 10: Housing

Goal 10: " To provide for the housing needs of citizens of the state."

The primary purpose of Goal 10, within the context of amending an urban growth boundary, is to ensure that sufficient buildable land is available to provide for a full range of housing needs within the urban area and to avoid creating shortages of residential land which would artificially restrict market choices in housing type, price range or location. The subject property has been determined to be either unneeded or unsuitable for residential use, primarily because of long-established industrial use in the area. There are no dwellings on the property and no dwellings will be built or displaced as a direct consequence of the proposed amendments. The proposed amendments will not measurably impact the existing or future housing stock in the Junction City urban area, nor will they directly result in population growth, increase the demand for housing beyond previously acknowledged projections, or otherwise conflict with the purpose and intent of Goal 10.

The proposed UGB expansion may ultimately create up to 2,000 new jobs at full build-out. However, only approximately 16% of Country Coach's current employees live in the Junction City area (based on zip code, which includes the city and surround areas), and an even smaller percentage resides in the city. There is adequate planned housing to accommodate new Country Coach employees who may decide to reside within the city.

The city's residential land inventory analysis contained in the city's 1994 acknowledged Comprehensive Plan was revisited and revised in 2001 in connection with the city's approval of the Oaklea Ordinance on June 27, 2001. The text amendments and revised inventory analysis were based on population and employment estimates that were generated by the Lane Council of

Governments (LCOG) and incorporated into the Comprehensive Plan when the city approved its 1996 Transportation System Plan.

The revised buildable lands inventory analysis reached the following conclusions with respect to the supply of and need for residential land:

1. That the supply of low-density residential land within the Urban Growth Boundary was 152 acres, that the need for such land through the year 2020 was 257 acres, and that there was a deficit in this category of 105 acres through the end of the 2020 planning period.

2. That the supply of medium density residential land within the Urban Growth Boundary was 52 acres, that the need for such land through the year 2020 was 69 acres, and that there was a deficit in this category of 17 acres through the end of the 2020 planning period.

Those conclusions were then used to justify the re-designation of 183 acres of the Oaklea site from Professional/Technical to a residential designation: 165 acres were re-designated as low density residential; and 18 acres were re-designated as medium density residential. Accordingly, after enactment of the Oaklea Ordinance, the deficits of low density and medium density residential lands identified in the city's updated residential lands inventory and needs analysis were eliminated completely. As a result, Goal 10 has been satisfied by the city and the amendments proposed by this application are consistent with Goal 10.

Goal 11: Public Facilities and Services.

Goal 11: "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."

Within the Junction City urban area, public facilities and services are provided by the city and special districts. Policies concerning the coordination, timing and location of public facilities and services within the city and surrounding urban growth area are contained within the Public Facilities Element of the city's Comprehensive Plan. The city's water supply and system can provide approximately 2,800,000 million gallons per day and that, based upon consumption factors for industry and residences, the calculated population of Junction City could reach 7,164 persons before the system would need to be expanded. The city's primary wastewater treatment system has a design capacity to serve a hydraulic population equivalent to 9,800 people. The city has adequate capacity in both systems to serve Country Coach's expansion and anticipated growth elsewhere in the city through at least the year 2015.

Country Coach is not considered a "wet" industry, meaning it does not utilize a large quantity of water as part of its manufacturing process. Currently water is used for restroom facilities, cleaning services, washing the RV's and waste testing the integrity of coaches. New production facilities for the proposed land to be developed would utilize water at a comparable rate to current quantities.

For fire suppression and fire-fighting situations, the city's engineer has stated that water system pressure is 61-63 psi, which ideally would be higher. In a discussion with Fire Chief Carl Perry (JCRFPD), it was expressed that Country Coach install a fire pump, on site, to help boost water pressure specifically for future fire protection.

Wastewater: The first phase of development would utilize a sanitary service line currently connected to existing facilities. The sanitary lift station associated with this service line has approached capacity, at times, in the past. However a significant change to reduce sanitary output at Country Coach is underway, which will alleviate capacity issues at the lift station. The Public Works Director indicates that potential reduction of flow into the sanitary lift station is large, enough to allow first phase of development without difficulty. Future expansions will be dependent on gravity flow to determine if an additional lift station is necessary, or if capacity improvements to the force main from the current lift station west toward the railroad tracks will be needed. Improvements related to future expansion onto the proposed land to be developed will not bring undue pressure or harm to the city's wastewater system. Changes to the city's service line, the one directly connected to the sanitary lift station, are possible in years to come.

Storm sewer system: There is no existing underground storm water system on the south side of River Road (E. 1st Avenue) east of the Southern Pacific railway. This has been a problem for Country Coach, specifically related to the fact that surface drainage generally travels from the southeast toward the northwest in that area. Historically Country Coach's campus is utilized as a detention basin, to help protect other parts of the city from floodwater escaping drainage channels. A potential solution for stormwater system improvement would be utilization of on-site cleansing, detention, and possible re-routing of part of the heavy storm water flow that is problematic for the city. The plan would use vegetated swales in the parking lots, connected to drainage basins graded for maximum retention, and ultimately connection to a storm system for approval by the city.

The subject property is adjacent to Country Coach's existing campus. Service connections from systems currently serving the existing campus can be made more efficiently to the proposed expansion site than to a satellite site. The full range of urban services appropriate for the subject property's proposed land use classification is available and can be provided in a timely, orderly and efficient manner consistent with the intent and purpose of Goal 11. This conclusion is based on consideration of the existing public service delivery systems and plans that are in place in the city that ensure the proper coordination of the types, locations and delivery of the public facilities and services necessary to support the existing and proposed urban land areas. The proposed amendments are therefore consistent with the purpose and intent of Goal 11.

Goal 12: Transportation.

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

Pursuant to Goal 12, Junction City has adopted a Transportation System Plan (TSP).

The statewide transportation goal is generally intended to be applied on an urban area-wide basis. Specific transportation-related policies and development standards are included in the Junction City Comprehensive Plan and respective land use ordinances to assure that the intent of the statewide transportation goal is implemented through the application of both state and local policies and standards at the time of development. As part of its Comprehensive Plan, the city adopted its Transportation System Plan (March 2000) (the TSP). The city's TSP has been acknowledged by LCDC.

Goal 12 is also implemented through the provisions of the State Transportation Planning Rule (OAR 660, Division 12), which was adopted by LCDC in 1991 (the TPR).

OAR 660-012-0060(1) provides:

“Amendments to functional plans, acknowledged comprehensive plans, and land use regulations which significantly affect a transportation facility shall assure that allowed land uses are consistent with the identified function, capacity, and performance standards (e.g. level of service, volume to capacity ratio, etc.) of the facility.”

To determine whether the proposed amendments will significantly affect a transportation facility, the TPR lists specific criteria against which the proposed amendments are to be evaluated. OAR 660-012-0060(2) provides that a plan or land use regulation amendment significantly affects a transportation facility if it:

- (a) Changes the functional classification of an existing or planned transportation facility;*
- (b) Changes standards implementing a functional classification system;*
- (c) Allows types or levels of land uses which would result in levels of travel or access which are inconsistent with the functional classification of a transportation facility; or,*
- (d) Would reduce the level of service of the facility below the minimum acceptable level identified in the TSP (Transportation System Plan).*

JRH Transportation Engineering prepared a Traffic Impact Analysis (the JRH Study). JRH performed an analysis of potential traffic impacts of the proposed 74-acre expansion of the city's Urban Growth Boundary and re-designation of the land from an agricultural use to an industrial use. In consultation with Lane County, Junction City, and Oregon Department of Transportation (ODOT) representatives, the following intersections were included within the study area:

Signalized Intersections:

1. 18th Avenue & Highway 99
2. 10th Avenue & Highway 99

3. 6th Avenue & Highway 99
4. 1st Avenue (River Road) & Highway 99
5. Prairie Road & Highway 99
6. Airport Road & Highway 99
7. Clear Lake Road & Highway 99
8. Belt Line westbound & Highway 99
9. Belt Line eastbound & Highway 99

Unsignalized Intersections:

1. Beacon Drive & River Road
2. Thistledown Farm & River Road
3. Lone Pine Farm & River Road

The study area intersections were evaluated under existing 2004, year 2005 no build, year 2005 build, future year 2020 no build, and future year 2020 build conditions during the AM and PM peak hours. The intersections of Beacon Drive and River Road, Lone Pine Farm and River Road, and Thistledown Farm and River Road were only evaluated during the PM peak hour.

The results of the study showed that all intersections within the study area operate acceptably under existing 2004, year 2005 no build, and year 2005 build conditions with the exception of 1st Avenue and Highway 99. The intersection of 1st Avenue and Highway 99 falls below the ODOT performance standard of $v/c = 0.80$ with full development in year 2005. However, Country Coach can develop up to 50 percent or up to 338 PM peak hour trips in year 2005 before the intersection of 1st Avenue and Highway 99 drops below standard minimums. The remainder of project trips, if fully developed in 2005, will have to be generated during an off-peak PM hour without any additional mitigation at the intersection. All other intersections within the study area operate acceptably under year 2005 build conditions.

The study further showed that all intersections under future year 2020 build conditions operate at or below year 2020 no build conditions with the exception of the following intersections:

1. 6th Avenue & Highway 99
2. 1st Avenue & Highway 99
3. Clear Lake Road & Highway 99
4. Beacon Road & River Road

However, the study also shows that without mitigation, Country Coach can develop up to four percent or 27 PM peak hour trips under the year 2020 build condition before any intersection exceeds no build conditions. Furthermore, the study shows that Country Coach can develop up to 15 percent or 101 PM peak trips during the actual PM peak hour in year 2020 if an additional westbound left turn lane is constructed at the intersection of 1st Avenue and Highway 99. All other study area intersections continue to operate at or below no build conditions with the addition of 101 PM peak hour trips. The study concludes that with proper mitigation, all intersections within the study area operate acceptably in future year 2020 conditions.