

Conditions of approval upon development of the site are included in the City adopting Ordinance that were developed by the applicant and ODOT and Lane County Transportation staff to further mitigate impacts to the transportation system upon development. Therefore, as defined in OAR 660-12-0060, the proposed change does not significantly affect any transportation facility with proper mitigation. Current year 2004 intersection performances comply with performance standards. Year 2005 and future year 2020 build conditions comply with performance standards with proper mitigation as included in the conditions.

Goal 13: Energy Conservation.

Goal 13: "Land and uses developed on the land shall be managed and controlled so as to maximize the conservation of all forms of energy, based upon sound economic principles."

The subject property is located adjacent to the current Country Coach factory campus and the established urbanized area where any subsequent development will promote the efficient energy-related use of existing and planned transportation facilities. (See discussion above under Goal 12, Transportation).

The subject site is free of any significant physical constraints that would otherwise require more energy to develop and use the land for industrial operations than would other property within the existing Urban Growth Boundary, or other property that might alternatively be included in the Urban Growth Boundary. (See discussion above under Goal 2, Land Use Planning for additional discussion and analysis of alternative sites.)

Major public facilities and services are already serving the Country Coach campus, which reduce the energy-related inefficiencies associated with extending such services beyond an established urban area. Furthermore, specific energy conservation policies and development standards are included within both the Lane County and Junction City comprehensive plans and their respective land use ordinances to ensure that the statewide energy conservation goal is implemented on a site-specific basis at the time of property development. Finally, significant energy savings will be realized by allowing Country Coach to expand its factory operations onto an adjacent site rather than at a satellite location.

The proposed amendments are therefore consistent with the purpose and intent of Goal 13.

Goal 14: Urbanization.

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

Urban growth boundaries shall be established to identify and separate urbanizable land from rural land. Establishment and change of the boundaries shall be based upon considerations of the following factors:

- (1) Demonstrated need to accommodate long-range urban population growth requirements consistent with LCDC goals;
- (2) Need for housing, employment opportunities, and livability;
- (3) Orderly and economic provision of public facilities and services;
- (4) Maximum efficiency of land uses within and on the fringe of the existing urban area;
- (5) Environmental, energy, economic and social consequences;
- (6) Retention of agricultural land as defined, with Class I being the highest priority for retention and land with Class VI soils being the lowest priority; and
- (7) Compatibility of the proposed urban uses with nearby agricultural activities."

The seven conversion factors identified above are sometimes collectively referred to as the "establishment" factors. The first two factors are referred to as the "need" factors and the third through seventh factors are referred to as the "locational" factors.

The local government must show that each of the factors were "considered" and "balanced" by the local government in determining if a change in the urban growth boundary for a particular area is justified. The requirement that each factor must be addressed does not make the factors independent approval criteria. Accordingly, is not necessary that a designated level of satisfaction of the objectives of each of the factors must be met before a local government can justify a change in an urban growth boundary. *1000 Friends of Oregon v. Metro*, 174 Or App 406 (2001).

Conversion Factor No. 1: Demonstrated need to accommodate long-range urban population growth requirements consistent with LCDC goals.

Conversion Factor No. 1 deals with the question of whether there is a justifiable need for additional urbanizable land to be included within Junction City's Urban Growth Boundary to accommodate long range urban population growth.

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 the Oaklea Ordinance on June 27, 2001. The revised Comprehensive Plan text and revised inventory analysis enacted pursuant to the Oaklea Ordinance were attached to the Oaklea Ordinance as Appendix A-1. 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.

However, a review of the property that comprises the 229-acre buildable industrial land inventory reveals that none of the available inventory will accommodate Country Coach's expansion needs.

When the city's revised inventory analysis was adopted in 2001, the construction of the new prison at the Milliron site was in the city's immediate future. Development of that prison would have extended urban services, such as sewer and water, through the industrial designated corridor extending parallel with Hwy 99 and between the Southern Pacific and Burlington Northern railway tracks. Both areas are currently outside the city limits and neither area is currently served by city water or sewer. However, the date for completion of those facilities continues to be extended further into the future. The DOC's most recent forecast (October 2004) further extended the forecasted completion date to July 2010. Therefore, even if one assumed that the industrial corridor land would accommodate Country Coach's expansion, that land is not currently available and will not be available for industrial development with urban sewer and water needs for many years. Yet, Country Coach's expansion needs are immediate and the city's need for industrial land adjacent to the company's current campus is also immediate if the city is to accommodate the city's long-range urban population growth requirements. This is true

because if the city is unable to provide the needed industrial land as requested by Country Coach, the company may have no alternative but to relocate to another city or state, in which case the city's urban population growth needs may be seriously compromised.

For all of the reasons explained here, there is clearly a demonstrated need for the industrial land in the proposed expansion area consistent with Conversion Factor No. 1.

Conversion Factor No. 2: Need for housing, employment opportunities, and livability.

The conversion of the subject property to industrial use will not affect existing or future housing stock and will not directly result in an increase in population growth or housing needs unanticipated by policies of the Comprehensive Plan.

With respect to employment, expanding the city's Urban Growth Boundary to add the industrial land needed to accommodate Country Coach's proposed expansion will have significant economic and other benefits to the community and the state. The economic importance of allowing Country Coach to expand its factory campus onto adjacent land instead of forcing the company to relocate to another city or state is also discussed in Appendix E of the application submitted. 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. There is also the "multiplier" effect discussed above. Part of that effect is manifested in the company's purchases from local vendors, which expenditures during 2004 exceeded \$10 million from Junction City businesses and \$40 million from Eugene area businesses. The elements of Conversion Factor No. 2. are satisfied through the proposed Urban Growth Boundary expansion to provide the needed industrial land.

Conversion Factor No. 3: Orderly and economic provision of public facilities and services.

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 plan provides that all of the city's public facilities and service systems are adequate to meet the city's projected needs through the year 2015. 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. 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.

Sewer and water services cannot currently be extended to the land in the Highway 99 industrial corridor south of the current city limits in either an orderly manner or an economically feasible manner. On the other hand, the proposed Urban Growth Boundary expansion area is adjacent to Country Coach's existing factory campus. Service connections from systems currently serving the existing campus can be made to the proposed expansion site. The full range of urban services appropriate for the subject property's proposed land use classification are available and can be provided in a timely, orderly and efficient manner.

Accordingly, the considerations described in Conversion Factor No. 3 are satisfied by the proposed Urban Growth Boundary Expansion.

Conversion Factor No. 4: Maximum efficiency of land uses within and on the fringe of the existing urban area.

The subject property is contiguous to the city's Urban Growth Boundary and is located entirely within the current city limits. It is adjacent to the existing Country Coach campus. Enlarging the manufacturing facility is necessary and that expansion onto adjacent land is the most efficient land use and operational option for Country Coach. Policies contained in the city's Comprehensive Plan Land Use Element provide for the appropriate designation and location of land uses throughout the urban area. The plan provides for industrial districts and policies encouraging committing additional land to industrial uses in areas compatible with surrounding land uses. Plan policies further encourage existing industry to expand onto adjoining lands.

Expansion of Country Coach's existing industrial use onto the adjoining 74 acres is consistent with the city's Comprehensive Plan policies and satisfies the requirements of Conversion Factor No. 4.

Conversion Factor No. 5: Environmental, energy, economic and social consequences.

Environmental Consequences.

Potential environmental consequences of the proposed amendments are discussed in the above sections addressing Goal 5 (Open Spaces, Scenic and Historic and Natural Resources), Goal 6 (Air, Water & Land Resources Quality), and Goal 7 (Natural Disasters and Hazards). As reflected in that discussion, the proposed amendments will not result in adverse environmental consequences.

Wetlands.

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.

Junction City enacted "Appendix G" to its zoning ordinance, which 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).*

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.

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. The standards for development of a site that is within or partially within the SCWD assure that significant wetlands and wetland mitigation areas on the site will be protected.

If there were otherwise suitable nonadjacent industrial sites within or adjacent to the city's Urban Growth Boundary to accommodate Country Coach's expansion, those sites would not have fewer adverse environmental consequences than the proposed adjacent site. In fact, a non-adjacent expansion site would generate more air pollution and traffic congestion associated with the transportation of materials and employees between sites than will be the case if the company is allowed to expand to the adjacent site. Expansion of the Urban Growth Boundary to include the site adjacent to Country Coach's current campus is clearly the most environmentally sound alternative.

Energy Consequences.

The subject property is located adjacent to the current Country Coach factory campus and the established urbanized area where any subsequent development will promote the efficient energy-related use of existing and planned transportation facilities.

The subject site is free of any significant physical constraints that would otherwise require more energy to develop and use the land for industrial operations than would other property within the existing Urban Growth Boundary, or other property that might alternatively be included in the Urban Growth Boundary.

Major public facilities and services are already serving the Country Coach campus, which reduce the energy-related inefficiencies associated with extending such services beyond an established urban area. Furthermore, specific energy conservation policies and development standards are included within both the Lane County and Junction City comprehensive plans and their respective land use ordinances to ensure that the statewide energy conservation goal is implemented on a site-specific basis at the time of property development.

Allowing Country Coach to expand its operation onto adjacent property will result in significant energy savings compared to expansion at a satellite location.

Social Consequences.

Potential social consequences of the proposed amendments are addressed particularly in the sections addressing Goals 2, 8, 9, and 10 and the conversion factors discussed immediately above. Approval of the proposed amendments to allow Country Coach to expand its factory operations onto an adjacent site will provide beneficial social consequences. If the needed industrial land is not added to the Urban Growth Boundary, however, it is foreseeable that Country Coach will relocate its entire operation to another city or state and that the adverse social consequences to the city, the county and the state will be profound.

Economic Consequences.

Potential economic consequences of the proposed amendments are discussed in detail in the section addressing Goal 9 (Economy of the State). Significant positive economic opportunities will be created through the proposed Urban Growth Boundary expansion.

For the reasons explained above, the environmental, energy, economic and social consequences (ESEE) consequences of the proposed expansion at the proposed location are positive. On the other hand, the ESEE consequences associated with rejecting the proposed expansion and/or only providing industrial land for the company's expansion at a location that is not adjacent to the current factory campus are significantly adverse.

Conversion Factor No. 6: Retention of agricultural land as defined, with Class I being the highest priority for retention and land with Class VI soils being the lowest priority.

The proposed amendments will convert agricultural land to urban uses. Conversion Factor No. 6 appears to require an analysis of the quality of the soils on proposed conversion property and possible alternative sites, with Class I soils given the highest priority for retention for agricultural use and Class VI soils (and below) given the lowest priority.

Country Coach has analyzed possible alternative expansion sites within the current Urban Growth Boundary and in the surrounding area. That analysis clearly shows why there are no other suitable sites within the city's Urban Growth Boundary that will reasonably accommodate the company's expansion needs. That analysis also clearly shows why expanding the city's Urban Growth Boundary to include resource lands that are not adjacent to the company's current campus will not accommodate the company's expansion needs. Accordingly, even if the Urban Growth Boundary could be expanded at another location so as to convert agricultural land with lower quality soils than those in the proposed expansion area, it would not be reasonable to do so because such alternative areas are not suitable for the proposed use in any event. Nevertheless, even if such alternative areas were suitable, no benefit would accrue by converting such areas instead of converting the proposed area adjacent to the company's current campus because essentially all areas that abut the city's Urban Growth Boundary are comprised of high-value farmland.

Lands with primarily Class I and II soils bound the City Limits on all sides. The principal exception involves the industrial designated corridor that extends from the city's southerly boundary to the Milliron prison site parallel with Hwy 99 and between the Southern Pacific and Burlington Northern railway tracks. Soils within that industrial corridor are still predominantly high-value (Class III) soils. However, none of the potential sites within that industrial corridor are suitable to address Country Coach's expansion needs; principally because of the remote location, poor access and the lack of reasonable availability of sewer and water service.

Country Coach has submitted a soil map prepared by the Lane Council of Governments captioned "Junction City Base Over Classified High Value Soil" that shows the "high-value" soils surrounding the city's Urban Growth Boundary by Soil Classifications 1 through 4 (the "Soil Classification Map").

The Soil Classification Map 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 Urban Growth Boundary. Specifically, the soils on the proposed expansion site are comprised of approximately 54% Class 1 soils, 16% Class 2 soils, and 30% Class 3 soils. Similar "high-value" soil areas comprised of predominantly Class 1 soils with some Class 2 and Class 3 soils interspersed therein abut the entire easterly Urban Growth Boundary, the northerly Urban Growth Boundary east of Oaklea Drive, and the southerly and westerly portions of the Urban Growth Boundary 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 would be converted to an industrial use.

Conversion Factor No. 7: Compatibility of the proposed urban uses with nearby agricultural activities.

Country Coach has operated its business adjacent to agricultural land for nearly 20 years. When the manufacturing facility is expanded onto the subject property it will mirror the existing facility

in all respects. We find as credible evidence of compatibility the statement of the adjacent farmer, John Reerslev, who stated:

“Our company farms approximately 2200 acres in the Junction City area. For nearly 30 years, we have farmed the land located adjacent to the motor home manufacturing plant formerly operated by Monaco Coach and currently operated by Country Coach. During that time, we have grown grass seed, mint, sugar beet seed and hay on the adjacent property. Our farming operations have never been adversely impacted by the motor coach manufacturing occurring on the adjacent property. In fact, in our experience, it has been easier to farm next to the motor coach manufacturing use than next to residential areas and even next to other farms if those farms are growing different crops.”

Also, as a condition of approval, issues of compatibility with nearby agricultural activities can be mitigated with following measures (see also Goal 2 above):

Visual Buffer: vegetation buffer along southerly 200 feet of the easterly boundary of the proposed expansion property.

Noise: No significant manufacturing operations within the northerly 80 feet of the expansion site.

Setback Buffer: 80-foot building setback along the easterly boundary of proposed site.

Goal 15; Willamette River Greenway.

Goal 15: "To protect, conserve, enhance and maintain the natural, scenic, historical, agricultural, economic and recreational qualities of lands along the Willamette River as the Willamette River Greenway."

This goal is not relevant to this proposed amendment because this site is not within the boundary of the Willamette River Greenway.

Goals 16-19; Estuary Resources, Coastal Shorelands, Beaches and Dunes, and Ocean Resources.

These goals are not relevant to this proposed amendment because there are no coastal, estuarine, ocean, or beach and dune resources related to the site.

Conclusion

The purpose of this application is to allow Country Coach to expand its manufacturing facility onto adjacent land, which requires an expansion of the Junction City Urban Growth Boundary. The application to amend the Junction City Comprehensive Plan and Urban Growth Boundary demonstrates that the proposed amendments are consistent with applicable Statewide Planning Goals and the applicable Lane County criteria.

ORDINANCE NO. 1147

AN ORDINANCE AMENDING THE CITY OF JUNCTION CITY COMPREHENSIVE PLAN MAP TO EXPAND THE URBAN GROWTH BOUNDARY TO INCLUDE 74.26 ACRES, TAX LOT 100 T16S R04W S05, AND TO REDESIGNATE SAID EXPANSION AREA AS INDUSTRIAL; ADOPTING AN EXCEPTION TO STATEWIDE PLANNING GOAL 3 (AGRICULTURE); AMENDING THE JUNCTION CITY ZONING MAP TO REZONE THE EXPANSION AREA FROM AGRICULTURAL TO LIGHT INDUSTRIAL; AND DECLARING AN EMERGENCY.

WHEREAS, the City of Junction City received an application from Country Coach, Inc. to expand the city's Urban Growth Boundary (UGB) to include approximately 74.26 acres east of the existing Country Coach factory campus, (said expansion area is comprised of tax lot 100, T16S R04W S05, as shown in Exhibit A), to designate the subject property Industrial, and to zone the subject property Light Industrial; and

WHEREAS, the City provided notice of and held public hearings before the Planning Commission and City Council. At its hearing on May 3, 2005, the Planning Commission took testimony on this matter and considered said testimony in making its recommendation of approval to the City Council. The City Council at its hearing on August 23, 2005, took testimony on this matter and considered said testimony in making its decision of approval; and

WHEREAS, the City Council has determined that the said UGB expansion, redesignation, and rezone are consistent with the applicable criteria with the conditions of approval listed in Exhibit B and as demonstrated in the findings of fact attached as Exhibit C, which support an exception to Statewide Planning Goal 3 (Agriculture); and

WHEREAS, the applicant has worked with the Oregon Department of Transportation, Lane County Transportation, and city staff to devise a means of mitigating impacts to the transportation system and achieve consistency with Goal 12, which mitigation measures are specified in the conditions of approval, as shown in Exhibit B; and

WHEREAS, the City understands that the Department of Land Conservation and Development requires county co-adoption of the UGB amendment by Lane County pursuant to ORS 195.025(1) even though the proposed expansion is wholly within the city limits of Junction City; now, therefore,

THE CITY OF JUNCTION CITY ORDAINS AS FOLLOWS:

Section 1. The City of Junction City Comprehensive Plan Map shall be modified to expand the Urban Growth Boundary to include 74.26 acres, comprised of tax lot 100, T16S R04W S05, Lane County, Oregon (Expansion Area), as shown in Exhibit A; designating said property as Industrial.

Section 2. The City hereby adopts an exception to Goal 3 (Agriculture) as supported by the findings of fact, attached in Exhibit C.

Section 3. The City of Junction City Official Zoning Map shall be modified to reflect the change of the zoning of the Expansion Area from Agricultural to Light Industrial.

Section 4. The conditions of approval shown in Exhibit B shall run with the Expansion Area. Accordingly, within 30 days of acknowledgment of the expansion by the Department of Land Conservation and Development or the Land Conservation and Development Commission, Country Coach shall record all said conditions with Lane County, with recorded copy returned to City.

Section 5. Findings of Fact in support of the UGB expansion, Goal 3 exception, Comprehensive Plan amendment and rezoning are attached as Exhibit C and are made a part hereto of this ordinance.


Section 6. The City of Junction City requests that Lane County co-adopt this amendment to Junction City's Comprehensive Plan.

Section 7. Emergency Clause. Inasmuch as this ordinance amends the Junction City Comprehensive Plan Map and the Junction City Official Zoning Map which affect the direction of development in Junction City, an emergency is hereby declared to exist and this ordinance shall be in full force and effect upon its passage by the Council and its approval by the Mayor, as well as co-adoption of the Comprehensive Plan Amendment by the Lane County Board of Commissioners.

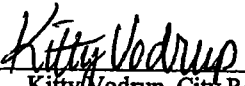
Passed by the Council this 13th day of September 2005.

Approved by the Mayor this 13th day of September 2005.

APPROVED:


Larry Crowley, Mayor

ATTEST:


Kitty Vodrup, City Recorder

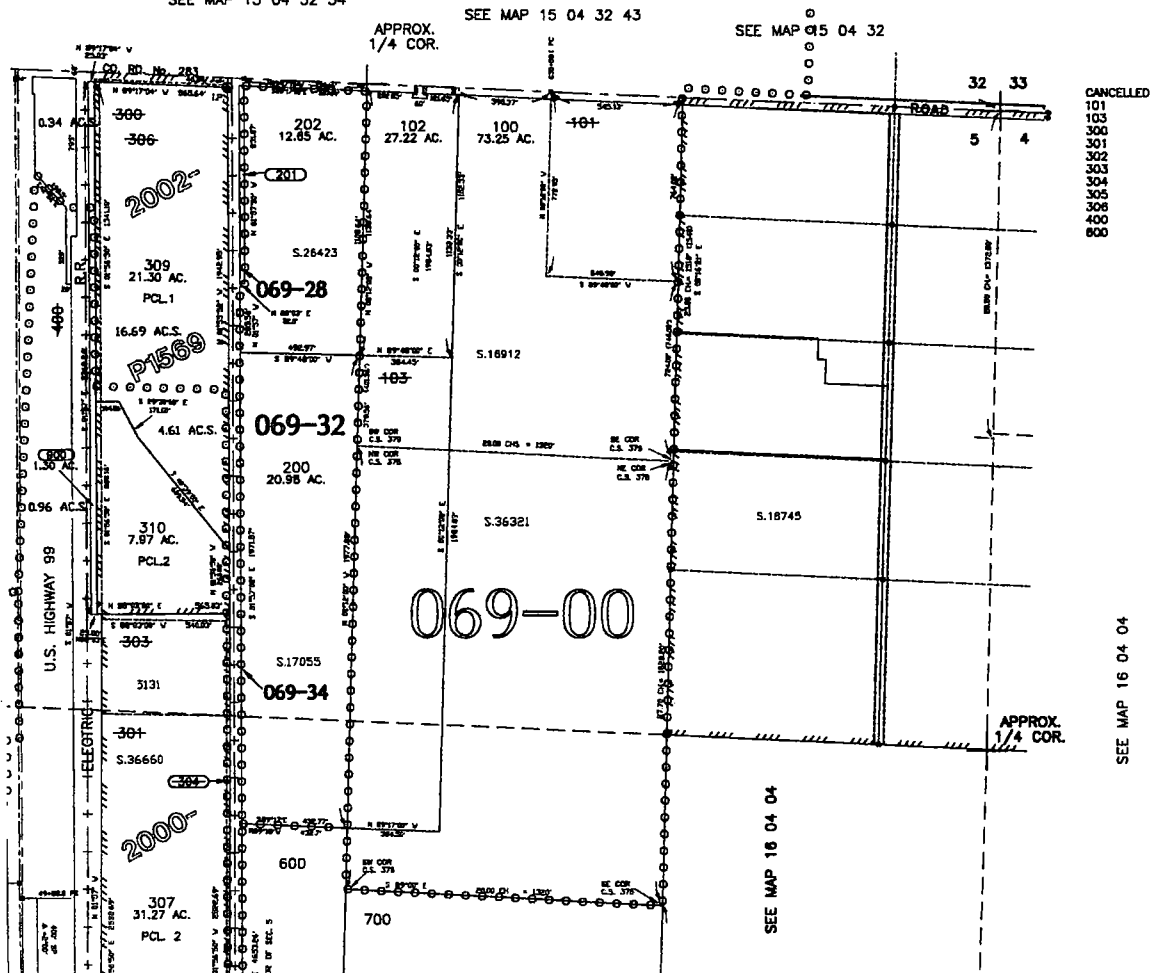


EXHIBIT B

JUNCTION CITY CITY COUNCIL **CONDITIONS OF APPROVAL**

1. Applicant must submit a completed wetland delineation that includes determination of wetland significance prior to development on property. This delineation must have Department of State Lands (DSL) Concurrence. Any significant wetlands and any wetland mitigation sites approved by DSL will be zoned Stream Corridor Wetland District (SCWD). Any development on site will require a public hearing as required by the SCWD.
2. Property owner shall preserve and enhance the wetland identified as the southwest swale. This wetland area will serve as a buffer to the agricultural land to the south.
3. At the time of development on the subject property, the property owner shall be responsible for planting a line of fast growing trees along the southerly 200 feet of the easterly boundary of the expansion property.
4. No significant manufacturing operations shall occur within the northerly 80 feet of the expansion site.
5. Ongoing agricultural use is allowed on the industrial-zoned property until developed for industrial use.
6. Any new construction or substantial remodel will require site plan review as a type II (limited land use decision) prior to issuance of any building permits for new construction or major additions. Site plan review will consider compliance with the Zoning Regulations including internal traffic circulation, access management per Appendix H, and development standards per Ordinance 944, and any other applicable planning or development regulations.
7. Industrial users on the property shall participate and coordinate with the Commuter Solutions program for transportation demand management for employees. Successful participation in programs may justify reduction the amount of parking required on site.
8. See attached condition of approval for compliance with the TRANSPORTATION PLANNING RULE.

Junction City City Council
CONDITION OF APPROVAL FOR TRANSPORTATION

RECITAL:

The conditions of approval described below are necessary to satisfy the requirements of the State of Oregon Transportation Planning Rule and are adopted by the City of Junction City ("City") as a restriction on the use of the UGB expansion area described in the Country Coach, Inc. ("Country Coach") plan amendment and rezoning application (the "Subject Property").

CONDITIONS:

1. **PERMITTED USES RESTRICTION.** The Subject Property shall be zoned Light Industrial (M1) under the Junction City Zoning Regulations. All uses permitted within the City's Light Industrial zone shall be allowed on the Subject Property provided that such uses are consistent with the following description of "Manufacturing Facilities" set out in the *ITE Trip Generation Manual, 7th Edition*:

"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."

And provided further that no buildings shall be constructed on the Subject Property within 80 feet of the easterly boundary of the Subject Property. No new wetlands shall be constructed within 40 feet of the easterly boundary of the Subject Property.

Without limitation of the foregoing, the following land uses shall specifically be allowed on the Subject Property:

1.1 Motor home/recreational vehicle manufacturing.

1.2 Offices, warehouses, and research, development and testing facilities operated in conjunction with and in support of motor home/recreational vehicle manufacturing on the Subject Property.

1.3 Facilities for the service and repair of motor homes and recreational vehicles conducted in conjunction with the manufacture of motor homes/recreational vehicles on the Subject Property.

1.4 Wetland mitigation areas, if any, as are required to permit development of the Subject Property.

1.5 Utility facilities, roads, parking lots, landscaping and similar uses required for the use and development of the Subject Property.

The land use restrictions described in this Section 1 that restrict the use of the Subject Property from certain uses that are otherwise permitted in the City's Light Industrial zone are hereafter referred to in this document as the "Land Use Restrictions."

The Land Use Restrictions shall be and are hereby applied to the Subject Property and will be recorded in a covenant to run with the property. Any amendment of or removal of the Land Use Restrictions applicable to the Subject Property shall require City approval, and shall be processed by the City similar to an application for a zone change.

2. TRAFFIC MITIGATION/TRANSPORTATION DEMAND MANAGEMENT.

2.1 The conditions set out in this Section 2 are collectively referred to in this document as the "TDM Restrictions."

2.2 The following definitions apply to this section:

- a. "Peak Period" means 4:30 p.m. to 6:00 p.m.;
- b. "Shift Change" means the normal work start or stop time of manufacturing employees.
- c. "Country Coach's Other Property" means any other real property (i) that is owned or leased by Country Coach (as the tenant); (ii) that is located within one-quarter mile of the boundaries of the Subject Property; and (iii) that is property on which Country Coach conducts manufacturing operations.

2.3 The permitted uses on the Subject Property, unless modified as provided in Section 3, below, are restricted as follows (the "Shift Change Restriction"):

No Shift Change on the Subject Property shall be allowed during the Peak Period.

2.4 Country Coach shall not allow a Shift Change on any of Country Coach's Other Property where such Shift Change is within 30 minutes of (before and after) any Shift Change on the Subject Property.

EXAMPLE: Assume that Country Coach has two afternoon Shift Changes on the Subject Property; one at 4:00 p.m. and one at 4:20 p.m. Under such circumstances, Country Coach would not be permitted to schedule a shift change on Country Coach's Other Property at any time from 3:30 p.m. to 4:50 p.m.

2.5 As a condition for development of the Subject Property, Country Coach, or any other business established on the Subject Property, shall agree to exert reasonable efforts in good faith to minimize traffic impacts on the intersections described in Section 3, below, by

encouraging carpooling among its employees and the use of public transportation by its employees, by providing on-site facilities for pedestrians and bicyclists, and by staggering the shifts of its employees.

3. **MODIFICATION OF THE TDM RESTRICTIONS.** The TDM Restrictions shall be and are hereby applied to the Subject Property, will be recorded in a covenant to run with the land described herein and may only be modified by the City upon application of the owner of the Subject Property demonstrating through submittal of an approved Traffic Impact Analysis that the uses on the Subject Property (with or without other proposed mitigation measures) will not “significantly affect” (as that term is defined in OAR 660-12-0060(2)), the following intersections:

- 3.1 Highway 99 and 1st Street (River Road);
- 3.2 Highway 99 and Clear Lake Road;
- 3.3 Beacon Drive and River Road; and
- 3.4 Highway 99 and 6th Avenue.

Any such application may be processed concurrently with other development applications of the owner of the Subject Property and shall be processed under the City’s Type III Procedure described in Section 111 of the Junction City Zoning Ordinance (or comparable procedure requiring a quasi-judicial hearing at least before the City’s planning commission), with notice provided to Lane County and the Oregon Department of Transportation and any other parties entitled to receive notice.

EXAMPLE I: Assume that Country Coach seeks to build a new manufacturing facility on the Subject Property and that the proposed facility will occupy approximately one-third of the area of the Subject Property. In connection with its application for Site Review pursuant to Section 11 of Appendix H of the Junction City Zoning Ordinance, which application will address such issues as the location of existing and proposed access points, the number and direction of lanes to be constructed on driveways (including striping plans), all planned transportation features, and parking and internal circulation plans including walkways (which application is processed as a Type II Procedure), the applicant may include as part of that application a request that the Shift Change Restriction not apply to the proposed development, which application would be processed as a Type III Procedure. If Country Coach is able to prove that the traffic impacts associated with the proposed development will not “significantly affect” the intersections described above, then the Shift Change Restriction would be suspended and would not be applicable to the Subject Property until such time as further development of the Subject Property occurred, in which case all of the Subject Property would again be

subject to the Shift Change Restriction unless it were again established (through a Type III Procedure) that the new development together with the existing development on the Subject Property will not "significantly affect" the intersections described in this Section 3.

EXAMPLE II: Assume that full development of the Subject Property requires that 14 acres of the Subject Property be reserved and used for wetland mitigation, thus reducing the area of the Subject Property available for Light Industrial use to 60 acres. If the owner were able to prove by an application filed under a Type III Procedure that full development of the 60 acres will not "significantly affect" the intersections described above, then the Shift Change Restriction would be removed as a restriction on the Subject Property provided that 14 acres of wetland mitigation areas were actually developed on the Subject Property.

EXHIBIT C

FINDINGS OF THE CITY COUNCIL OF JUNCTION CITY, OREGON

GENERAL FINDINGS

1. The applicant initiated the amendments on February 1, 2005 as authorized by Section 106 of the Zoning Ordinance and page 2 of the Comprehensive Plan.
2. The Junction City Planning Commission and the Lane County Planning Commission held a joint public hearing on May 3, 2005 after giving the required notice per Section 112 of the Zoning Ordinance.
3. The Junction City Planning Commission held a public hearing in accordance with Section 113 of the Zoning Ordinance and page 2 of the Comprehensive Plan and considered all material relevant to the Rezoning and Plan Amendment that has been submitted by the applicant, staff and the general public regarding this matter.
4. The Junction City City Council held a public hearing on August 23, 2005 after giving the required notice per Section 112 of the Zoning Ordinance.
5. The Junction City City Council held a public hearing in accordance with Section 113 of the Zoning Ordinance and page 2 of the Comprehensive Plan and considered all material relevant to the Rezoning and Plan Amendment that has been submitted by the applicant, staff and the general public regarding this matter.
6. The subject property is currently designated by Lane County as Agricultural and zoned by the city as Agricultural (AG).
7. The property is vacant and is currently being used for agriculture production.
8. The recommended plan designation of Industrial for property is in compliance with the Statewide Planning Goals as described below.
9. The recommended zoning of Light Industrial is consistent with the character of the surrounding properties and in conformance with the proposed plan designation and complies with the Comprehensive Plan as described below.
10. If there are wetlands found on the site that the Department of State Lands determine to be significant, the city will apply the Stream Corridor and Wetland District overlay which is consistent with the Comprehensive Plan policies in Section VIII of Chapter 2, the Environmental Element of the Comprehensive Plan.

STATEWIDE PLANNING GOALS and FINDINGS

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:

(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.

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).

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

Country Coach Comprehensive Plan Amendment and Rezoning (CPA-05-1 and RZ-05-2)

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: