

Memo Date: January 10, 2007
Order Date: January 23, 2007



TO: Board of County Commissioners

DEPARTMENT: Public Works Dept./Land Management Division

PRESENTED BY: BILL VANVACTOR, COUNTY ADMINISTRATOR
KENT HOWE, PLANNING DIRECTOR

AGENDA ITEM TITLE: In the Matter of Considering a Ballot Measure 37 Claim and Deciding Whether to Modify, Remove or Not Apply Restrictive Land Use Regulations in Lieu of Providing Just Compensation (PA 06-6114 Hallett).

BACKGROUND

Applicant: Richard L. & Sandra S. Hallett

Current Owner: tax lot 2901, Richard L. & Sandra S. Hallett
tax lot 2902 Donald R. and Suzanne G. Lebeau

Agent: Norm Waterbury

Map and Tax lot No. 17-02-03 #2901, 2902

Acreage: approximately 6 acres

Current Zoning: E-40 (Exclusive Farm Use)

Date Property Acquired: February 2, 1977 (WD 7706274)

Date claim submitted: June 22, 2006

180-day deadline: December 19, 2006

Land Use Regulations in Effect at Date of Acquisition: Unzoned.

Restrictive County land use regulation: Minimum parcel size of forty acres and limitations on new dwellings in the E-40 zone (LC 16.212).

ANALYSIS

To have a valid claim against Lane County under Measure 37 and LC 2.700 through 2.770, the applicant must prove:

1. Lane County has enacted or enforced a restrictive land use regulation since the owner acquired the property, and

The current owners of tax lot 2901 are Richard L. and Sandra S. Hallett. Richard L. and Sandra S. Hallett acquired an interest in the property on February 2, 1977 through WD 7703368.

Lane County property reports show the current owners of tax lot 2902 as Donald R. and Suzanne G. Lebeau, with a most recent sales date of May 6, 1993 through instrument # 9302828100. The applicant has not provided sufficient evidence that identifies the current owner of tax lot 2902. Therefore, it appears the claim for 17-02-03 tax lot 2902 is not valid.

2. The restrictive land use regulation has the effect of reducing the fair market value of the property, and

Tax lot 2901 was unzoned when it was acquired. The minimum lot size and limitation on new dwellings in the E40 (Exclusive Farm Use) zone prevent Richard L. and Sandra S. Hallett from developing tax lot 2901 as allowed in 1977. The applicant has submitted an appraisal by a certified real estate appraiser that alleges a reduction of \$170,000.

3. The restrictive land use regulation is not an exempt regulation as defined in LC 2.710.

The minimum parcel size and dwelling restrictions do not appear to be exempt regulations.

CONCLUSION

It appears this is a valid claim for Richard L. and Sandra S. Hallett for tax lot 2901.

RECOMMENDATION

The County Administrator recommends the Board waive the restrictive regulations for tax lot 2901.

The County Administrator also recommends the Board direct him to deny the claim for tax lot 2902.

**BEFORE THE BOARD OF COUNTY COMMISSIONERS OF LANE COUNTY,
OREGON**

ORDER No.

) IN THE MATTER OF CONSIDERING A BALLOT
) MEASURE 37 CLAIM AND DECIDING
) WHETHER TO MODIFY, REMOVE OR NOT
) APPLY RESTRICTIVE LAND USE
) REGULATIONS IN LIEU OF PROVIDING JUST
) COMPENSATION (PA06-6114/Hallett).

WHEREAS, the voters of the State of Oregon passed Ballot Measure 37 on November 2, 2004, which added provisions to Oregon Revised Statutes (ORS) Chapter 197 to require, under certain circumstances, payment to landowner if a government land use regulation restricts the use of private real property and has the effect of reducing the property value; and

WHEREAS, the Board of County Commissioners of Lane County enacted Ordinance No. 18-04 on December 1, 2004, to establish a real property compensation claim application process in LC 2.700 through 2.770 for Ballot Measure 37 claims; and

WHEREAS, the County Administrator has reviewed an application for a Measure 37 claim submitted by Richard L. and Sandra S. Hallett (PA06-6114), the owners of real property described in the records of the Lane County Assessor as map 17-02-03, tax lot 2901, consisting of approximately 6 acres in Lane County, Oregon; and

WHEREAS, the County Administrator has determined that the application appears to meet all of the criteria of LC 2.740(1)(a)-(d), appears to be eligible for just compensation and appears to require modification, removal or not applying the restrictive land use regulations in lieu of payment of just compensation and has referred the application to the Board for public hearing and confirmation that the application qualifies for further action under Measure 37 and LC 2.700 through 2.770; and

WHEREAS, the County Administrator has determined under LC 2.740(4) that modification, removal or not applying the restrictive land use regulation is necessary to avoid owner entitlement to just compensation under Ballot Measure 37 and made that recommendation to the Board; and

WHEREAS, the Board has reviewed the evidence and confirmed the application appears to qualify for compensation under Measure 37 but Lane County has not appropriated funds for compensation for Measure 37 claims and has no funds available for this purpose; and

WHEREAS, on January 23, 2007, the Board conducted a public hearing on the Measure 37 claim (PA06-6114) of Richard L. and Sandra S. Hallett and has now determined that the restrictive E40 (Exclusive Farm Use) zone dwelling and land division requirements of LC 16.212 were enforced and made applicable to prevent Richard L. and Sandra S. Hallett from developing the property as might have been allowed on February 2, 1977, the date they acquired an interest in the property, and that the public benefit from application of the current E40 restrictions on new dwellings and the minimum parcel size to the applicant's property is outweighed by the public burden of paying just compensation; and

WHEREAS, Richard L. and Sandra S. Hallett request either \$170,000 as compensation for the reduction in value of the property, or waiver of all land use regulations that would prevent the division of the land into lots that contain less than 40 acres and placement of a dwelling on each lot, uses that could have otherwise been allowed at the time they acquired an interest in the property; and

WHEREAS, the Board finds that under LC 2.760(3) the public interest would be better served by modifying, removing or not applying the challenged land use regulations of the E40 zone to the subject property in the manner and for the reasons stated in the report and recommendation of the County Administrator incorporated here by this reference except as explicitly revised here to reflect Board deliberation and action to allow Richard L. and Sandra S. Hallett to make application for development of the subject property in a manner similar to what they could have been able to do under the regulations in effect when they acquired an interest in the property on February 2, 1977; and

WHEREAS, this matter having been fully considered by the Lane County Board of Commissioners.

NOW, THEREFORE IT IS HEREBY ORDERED that the applicant Richard L. and Sandra S. Hallett made a valid claim under Ballot Measure 37 by describing the use being sought, identifying the county land use regulations prohibiting that use, submitting evidence that those land use regulations have the effect of reducing the value of the property, showing evidence that they acquired the property before the restrictive county land use regulations were enacted or enforced and the Board hereby elects not to pay just compensation but in lieu of payment, the request of Richard L. and Sandra S. Hallett shall be granted and the restrictive provisions of LC 16.212 that prevent the division of the land into lots containing less than 40 acres and placement of a dwelling on each lot in the E40 (Exclusive Farm Use) Zone shall not apply to Richard L. and Sandra S. Hallett, so that they can make application for approval to develop the property described in the records of the Lane County Assessor as map 17-02-03, tax lot 2901, in a manner consistent with the land use regulations in effect when they acquired the property on allowed on February 2, 1977.

IT IS HEREBY FURTHER ORDERED that Richard L. and Sandra S. Hallett still will need to make application and receive approval for a division of the property and placement of a dwelling under the other land use regulations applicable to dividing the land and placing a dwelling that were not specifically identified or established by Richard L. and Sandra S. Hallett as restricting the division of the land and placement of a dwelling, and it would be premature to not apply those regulations given the available evidence. To the extent necessary to effectuate the Board action to not apply the dwelling or division restrictions of the applicable zone described above, the claimant shall submit appropriate applications for review and approval of a new dwelling to show the specific development proposals and in the event additional county land use regulations result in a restriction of those uses that have the effect of reducing the fair market value of the property, the County Administrator shall have the authority to determine those restrictive county land use regulations that will not apply to that development proposal to preclude entitlement to just compensation under Measure 37, and return to the Board for action, if necessary. All other Lane Code land use and development regulations shall remain applicable to the subject property

until such time as they are shown to be restrictive and that those restrictions reduce the fair market value of the subject property.

IT IS HEREBY FURTHER ORDERED that this action making certain Lane Code provisions inapplicable to use of the property by Richard L. and Sandra S. Hallett does not constitute a waiver or modification of state land use regulations and does not authorize immediate construction of a dwelling. The requirements of state law may contain specific standards regulating development of the subject property and the applicants should contact the Department of Administrative Services (DAS - State Services Division, Risk Management - Measure 37 Unit, 1280 Ferry Street SE, U160, Salem, OR 97301-4292; Telephone: (503) 373-7475; website address: <http://www.oregon.gov/DAS/Risk/M37.shtml>) and have the State of Oregon evaluate a Measure 37 claim and provide evidence of final state action before seeking county land use approval.

IT IS HEREBY FURTHER ORDERED that the other county land use regulations and rules that still apply to the property require that land use, sanitation and building permits be approved by Lane County before any development can proceed. Notice of this decision shall be recorded in the county deed records. This order shall be effective and in effect as described in LC 2.770 and Ballot Measure 37 to the extent permitted by law. This order does not resolve several questions about the effect and application of Measure 37, including the question of whether the right of applicants to divide or build dwellings can be transferred to another owner. If the ruling of the Marion County Circuit Court in *MacPherson v. Dept. of Administrative Services*, (Marion County Circ. Ct. Case No. 00C15769, October 14, 2005) or any other court decision involving Ballot Measure 37 becomes final and that decision or any subsequent court decision has application to Lane County in a manner that affects the authority of this Board to grant relief under Ballot Measure 37 and LC 2.700 through 2.770 then the validity and effectiveness of this Order shall be governed by LC 2.770 and the ruling of the court.

DATED this _____ day of _____, 2007.

Faye Stewart, Chair
Lane County Board of County Commissioners

APPROVED AS TO FORM

Date 1-17-2007 Lane County

Stephen J. Vukobratovich
OFFICE OF LEGAL COUNSEL