

Supplemental Memo



Memo Date: May 25, 2007
Hearing Date: June 5, 2007 (Continued from May 1, 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 (PA06-7191, Zip-O-Logs)

BACKGROUND

Applicant: Zip-O-Logs Mills, Inc

Current Owner: Zip-O-Logs Mills, Inc

Agent: William R. Potter and Micheal M. Reeder, Arnold Gallagher Saydack et al

Map and Tax lot(s): 19-04-05 tax lot 200 and 19-04-06 tax lot 100

Acreage: Tax lot 200 is approximately 233 acres in size and tax lot 100 is approximately 80 acres in size.

Current Zoning: F1 (Non Impacted Forest)

Date Property Acquired: Tax lot 100 was acquired on July 7, 1961
(WD #32256)

Tax lot 200 was acquired on May 15, 1961
(WD #37185)

Date claim submitted: November 30, 2006

180-day deadline: May 29, 2007

Land Use Regulations in Effect at Date of Acquisition: Unzoned

Restrictive County land use regulation: Minimum parcel size of eighty acres and limitations on new dwellings in the F1 (Non Impacted Forest) zone (LC 16.210).

This claim was originally heard on May 1, 2007. At the May 15th Hearing, the Board left the record open until May 18 and continued the discussion of this claim to the June 5, 2007 public hearing to allow staff time to review to additional information provided by the opposition and have the Board reconsider the recommendation.

ANALYSIS

Staff has reviewed all additional information submitted and no substantive information has been provided concerning date of acquisition, valuation or exempt regulations which would enable the County Administrator to revise his initial recommendation.

CONCLUSION

It appears this is a valid claim.

RECOMMENDATION

The County Administrator recommends the Board adopt the attached order to waive the restrictive land use regulations of the F1 zone.

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

ORDER No. 07-5-1-22

) 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 (Zip-O-Logs, PA06-7191)

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 Zip-O-Logs Mills, Inc. (PA06-7191), the owner of real property described in the records of the Lane County Assessor as map 19-04-05, tax lot 200, consisting of approximately 233 acres and map 19-04-06, tax lot 100, consisting of approximately 80 acres, both 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 May 1 and June 5, 2007, the Board conducted a public hearing on the Measure 37 claim (PA06-7191) of Zip-O-Logs Mills, Inc. and has now determined that the restrictive F1 (Non Impacted Forrest) zone dwelling and land division requirements of LC 16.210 were enforced and made applicable to prevent Zip-O-Logs Mills, Inc. from developing its property as might have been allowed at the time it was acquired on May 15, 1961 and July 7, 1961, and that the public benefit from application of the current F1 dwelling and division land use regulations to the applicants' property is outweighed by the public burden of paying just compensation; and

WHEREAS, Zip-O-Logs Mills, Inc. requests up to \$11,633,321 as compensation for the reduction in value of its property, or waiver of all land use regulations that would restrict the division of land into multiple lots and placement of a dwelling on each lot, uses that could have otherwise been allowed at the time it acquired 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 F1 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 Zip-O-Logs Mills, Inc. to make application for development of the subject property in a manner similar to what it could have been able to do under the regulations in effect when it acquired an interest in the property; and

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

NOW, THEREFORE IT IS HEREBY ORDERED that the applicant, Zip-O-Logs Mills, Inc., 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 it acquired an interest in 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 Zip-O-Logs Mills, Inc. shall be granted and the restrictive provisions of LC 16.210 that limit the development of dwellings and the division of land in the F1 (Non Impacted Forest) Zone shall not apply to Zip-O-Logs Mills, Inc. so it can make application for approval to develop the property described in the records of the Lane County Assessor as map19-04-05, tax lot 200, consisting of approximately 233 acres and map 19-04-06, tax lot 100, consisting of approximately 80 acres, both in Lane County, Oregon, in a manner consistent with the land use regulations in effect on May 15, 1961, the date tax lot 200 was acquired and also on July 7, 1961, the date tax lot 100 was acquired.

IT IS HEREBY FURTHER ORDERED Zip-O-Logs Mills, Inc. still needs to make application and receive approval of any division of the property or placement of a dwelling under the other land use regulations applicable to dividing the property or placing a dwelling that were not specifically identified or established by Zip-O-Logs Mills, Inc. as restricting the division of the property or 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 Zip-O-Logs Mills, Inc. not constitute a waiver or modification of state land use regulations and does not authorize immediate division of the subject property or immediate construction of a dwelling. The requirements of state law may contain specific standards regulating development of the subject property and the applicant should contact the Department of Administrative Services (DAS - State Services Division, Risk Management - Measure 37 Unit, 1225 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.

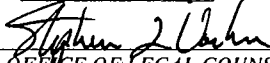
IT IS HEREBY FURTHER ORDERED that the other county land use regulations and rules that still apply to the property require that land use, sanitation and building permits be approved by Lane County before any development can proceed. Notice of this decision shall be recorded in the county deed records. 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 applicant 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 5-29-2007 Lane County



OFFICE OF LEGAL COUNSEL