

Memo Date: May 2, 2007
Hearing Date: May 22, 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 (PA06-7308, Davidson308)

BACKGROUND

Applicant: Davidson Industries

Current Owner: Davidson Industries, an Oregon corporation

Agent: William R. Potter & Michael M. Reeder

Map and Tax lot(s): 19-11-08, tax lot 800 (Closier Tract, 10 acres); 19-11-08, tax lot 900 (Hansen Pacific 7, 40 acres); map 19-11-17, tax lot 101 (Canary Mill Site 19, 53.75 acres)

Acreage: 103.75 acres (total)

Current Zoning: 19-11-08, tax lot 800 – F1 (Nonimpacted Forest Land);
19-11-08, tax lot 900 – F1 (Nonimpacted Forest Land);
19-11-17, tax lot 101 – RR5 (Rural Residential) and RI (Rural Industrial).

Date Property Acquired: March 13, 1965 – Warranty Deed ("Parcel #4", "Parcel #33" and "Parcel #19"), Reel 263D, Reception No. 99898.

Date claim submitted: December 1, 2006

180-day deadline: May 30, 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 (Nonimpacted Forest Land) zone (LC 16.210); minimum parcel size of 5 acres and limitations on new dwellings in the RR5 (Rural Residential) zone (LC 16.290); and limitations on uses and development in the RI (Rural Industrial) zone (LC 16.292).

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 owner is Davidson Industries, who acquired an interest in the properties on March 13, 1965, when they were unzoned – Warranty Deed ("Parcels #4, #19, and #33"), Reel 263D, Reception No. 99898.

Currently, the properties are zoned:

19-11-08, tax lot 800 – F1 (Nonimpacted Forest Land);

19-11-08, tax lot 900 – F1 (Nonimpacted Forest Land);

19-11-17, tax lot 101 – RR5 (Rural Residential) and RI (Rural Industrial).

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

The property was unzoned when it was acquired by the current owner. The minimum lot size and limitations on new dwellings in the F1 and RR5 zones and the limitations on uses and development in the RI zone prevent the current owner from developing the properties as could have been allowed when they acquired it. The alleged reduction in fair market value is \$531,695, based on the submitted comparative market analysis.

The applicant has submitted a CMA or other competent evidence of valuation that the County Commissioners have accepted on previous claims. Because of this, the County Administrator has waived the requirement for an appraisal.

The applicant is also claiming that the following sections of Lane Code have restricted the use of the subject property:

Goal 4 and Goal 5 policies of the RCP except for the portion of Goal 4, Policy 8 pertaining to fire safety requirements. No evidence has been provided that demonstrates how these policies have lowered the fair market value of the property.

LC13.050, 13.120 and 13.400 – These provisions apply to subdivision and partitioning of property. No evidence has been provided that demonstrates how these regulations have lowered the fair market value of the property.

LC15.055(1), 15.055(2)(c), 15.055(3)-(7) and 15.105-.125 – These provisions apply to road and driveway approach spacing standards and building setbacks from roads. No evidence has been provided that demonstrates how these regulations have lowered the fair market value of the property.

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

The minimum lot size and restrictions on new dwellings (F1 and RR5 zones), uses and development (RI zone) do not appear to be exempt regulations.

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, RR5 and RI zones.

**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 (Davidson308, PA 06-7308)

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 Davidson Industries, the owner of real property located north and south of Canary Road and more specifically described in the records of the Lane County Assessor as map 19-11-08, tax lots 800 and 900, and map 19-11-17, tax lot 101 and consisting of approximately 103.75 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 May 22, 2007, the Board conducted a public hearing on the Measure 37 claim (PA 06-7308) of Davidson Industries and has now determined that the restrictive F1 (Nonimpacted Forest Land), RR5 (Rural Residential) and RI (Rural Industrial) zone dwelling

and land division requirements of LC 16.210 and LC 16.290 and the limitation on uses and development of LC 16.292, were enforced and made applicable to prevent Davidson Industries from developing the property as might have been allowed at the time they acquired an interest in the properties, map 19-11-08, tax lots 800 and 900, and map 19-11-17, tax lot 101, on March 13, 1965, and that the public benefit from application of the current F1 and RR5 dwelling and division land use regulations and the current RI land use regulations to the applicant's properties is outweighed by the public burden of paying just compensation; and

WHEREAS, Davidson Industries requests either \$531,695 as compensation for the reduction in value of their property, or waiver of all land use regulations that would restrict the division of land into lots containing less than eighty acres in the F1 zone and five acres in the RR5 zone and placement of a dwelling on each lot and development uses, and limitations on uses and development in the RI zone that could have otherwise been allowed at the time they acquired an interest in the properties; 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, RR5 and RI zones to the subject properties 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 Davidson Industries to make application for development of the subject properties 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 properties; and

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

NOW, THEREFORE IT IS HEREBY ORDERED that the applicant Davidson Industries 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 an interest in the properties 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 Davidson Industries shall be granted and the restrictive provisions of LC 16.210 and LC 16.290 that limit the development of dwellings and the division of land in the F1 (Nonimpacted Forest Land) and RR5 (Rural Residential) Zones and the limitations on uses and development in the RI (Rural Industrial) Zone shall not apply to Davidson Industries, so they can make application for approval to develop the property located north and south of Canary Road and more specifically described in the records of the Lane County Assessor as map 19-11-08, tax lots 800 and 900, and map 19-11-17, tax lot 101 and consisting of approximately 103.75 acres in a manner consistent with the land use regulations in effect when they acquired an interest in the properties on March 13, 1965.

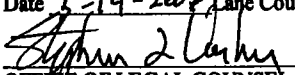
IT IS HEREBY FURTHER ORDERED that Davidson Industries still needs to make application and receive approval of any division of the property or placement of a dwelling under the other land use regulations applicable to dividing the property or placing a dwelling that were

not specifically identified or established by them 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 uses or dwellings 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 properties, 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 Davidson Industries does 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.

Approved As To Form
Date 5-14-2007 Lane County

OFFICE OF LEGAL COUNSEL

Faye Stewart, Chair
Lane County Board of County Commissioners