WHEREAS the Board of Commissioners has adopted a Comprehensive Plan for Umatilla County and has ordained Ordinance No. 83-04, adopting the County Land Development Ordinance;

WHEREAS the Land Conservation and Development Commission as part of Periodic Review has issued Order #001352, requiring the county to justify uses currently allowed in commercial and industrial zones, as uses either appropriate in rural areas or to delete such uses from these zones, to be in compliance with Statewide Planning Goal 14 (Subtask E);

WHEREAS the county chose to pursue an amendment to the Umatilla County Comprehensive plan to include an exception to Goal 14 for certain areas along the Westland Road area, specifically the areas zoned Light Industrial (LI);

WHEREAS the Umatilla County Planning Commission held a public hearing on May 12, 2005, to review the proposed amendment and recommended that the Board of Commissioners adopt the amendment;

WHEREAS the Board of Commissioners held a public hearing on May 31, 2005, to consider the proposed amendment, and voted for the approval of the amendment.

NOW, THEREFORE the Board of Commissioners of Umatilla County ordains that the Umatilla County Comprehensive Plan, adopted May 9, 1983, be further amended to include the following:

To be added under the sections entitled Industrial Lands Exceptions Analysis, Westland (Area #3) on Page XVIII-458:

These are the findings of fact and reasons to support exceptions to Statewide Planning Goals 14 (Urbanization) and 11 (Public Facilities and Services) for approximately 441 acres of light industrial land that is located in the vicinity of Westland Road, east of the intersection of Interstates 82 and 84 in Umatilla County. The exceptions are a combination of (1) developed and
committed exceptions, and (2) reasons exceptions.

The Westland Road exception area occupies a large portion of the northeast quadrant of the intersection of Interstates 82 and 84. It is generally located in the West Half of Section 25, Township 4 North, Range 27, and in Sections 19 and 30, Township 4 North, Range 28, lying South of Westland Road, North of railroad right of way, and West of Westland Irrigation District Canal and the Umatilla River. It also extends slightly to the south of Interstate 84, in the North Half of the North Half of Section 31, Township 4 North, Range 28. In addition to the approximately 441 acres zoned Light Industrial (LI), the Westland Road exception area includes approximately 67 acres zoned Tourist Commercial and 32.93 acres zoned Agri-Business. The exceptions taken herein are only for those lands zoned LI. As the area zoned Agri-Business is limited to uses that are resource related and rural in nature, no Goal 14 exception is required. Similarly, no Goal 14 exception is needed for the areas zoned Tourist Commercial because allowed rural-scale tourist commercial uses are adequate to meet the identified Tourist Commercial needs for those properties.

The exceptions set out herein are taken for a variety of reasons:

- To demonstrate that many existing uses in the LI zone are urban in character
- To show that the presence of these urban uses has committed much of the remaining vacant LI-zoned land to urban scale industrial development
- To explain why the remaining undeveloped and uncommitted acres of light industrial land should be allowed to develop with uses that are urban in character
- To allow structures within the LI zone to be constructed without building size limitations

A. Background.

In 1983 the Land Conservation and Development Commission acknowledged a large number of exceptions that Umatilla County had adopted for commercial and industrial lands throughout the County. These included exceptions explaining why the rural properties in question were either physically developed for or irrevocably committed to non-resource uses, and in a few instances, “reasons” exceptions explaining why certain non-farm uses should be allowed on resource lands. The acknowledged exceptions included exceptions authorizing light industrial, tourist commercial and agri-business uses in the vicinity of Westland Road.
Three years later, the question arose before the Oregon Supreme Court whether acknowledged exceptions to Statewide Planning Goals 3 (Agricultural Lands) or 4 (Forest Lands) permitted urban scale development on those rural properties or whether the permitted non-resource development had to remain rural in its scale and intensity. In 1000 Friends of Oregon v. LCDC (Curry County), 301 Or 447 (1986), the court closely examined the statewide planning goals and statutes and determined from them that (1) rural lands, as defined, are not suitable, available or necessary for urban uses, and (2) urban uses are permitted only inside urban growth boundaries. From this, the court concluded and held that to convert rural lands to urban uses, a local government either needed to amend its urban growth boundary to include the rural land in question, or it needed to take an exception to Goal 14. The court ruled that previously acknowledged exceptions to Statewide Planning Goals 3 (Agricultural Lands) or 4 (Forest Lands) were not adequate in themselves to permit urban scale development on rural exception lands.

To implement the Curry County decision, the Department of Land Conservation and Development (DLCD) has directed counties to take one of the following three steps: (1) To demonstrate that the existing zoning of exception lands allows only uses that are rural in their nature or intensity; (2) To amend their zoning ordinances to limit uses in exception areas to uses that are rural in their nature or intensity; or (3) To justify exceptions to Goal 14 to permit urban scale uses in exception areas. As part of its 1995 periodic review, Umatilla County has been responding to this directive from DLCD. This document addresses this directive for the Westland Road area.

In the 1983 exception, Umatilla County found, and LCDC agreed, that approximately half of the Westland Road industrial area was already physically developed with industrial uses, while the remaining half was committed to industrial uses. Since then, a significant portion of the vacant “committed” industrial land has either converted to industrial use or been recently approved for new industrial development.

On re-examination, as described below, it is clear that the physically developed sites within the light industrial area are occupied predominantly by uses that are urban in their nature or scale. Some of these uses are major employers in the area, attracting workers from urban regions of the county. Many of these uses have building sizes significantly larger than the 40,000 square foot maximum that LCDC deems appropriate for rural areas. Also, many of these uses are of an urban nature, serving urban...
communities both locally and regionally. These include several warehouse or distribution uses taking advantage of this area's very close proximity to two major freeways.

These urban uses have the effect of committing most of the remaining vacant land to urban scale industrial development. The area, however, includes two smaller areas that arguably do not fall within these categories of physically developed or committed to urban uses. If that is so, then these areas nonetheless are appropriate for urban scale uses, primarily due to their extremely close proximity to two major interstate freeways as well as their proximity to urban scale development.

For these reasons, Umatilla County is taking a Goal 14 exception encompassing the entire 441 acres of light industrial land. Because the uses authorized by this exception are urban in scale, the County also is taking a Goal 11 exception to allow these uses to be served by urban scale public facilities and services.

B. Legal Standards.

Under ORS 197.732(1), a local government may adopt an exception to a goal if:

(1) The land subject to the exception is physically developed to the extent that it is no longer available for uses allowed by the applicable goal;

(2) The land subject to the exception is irrevocably committed to uses not allowed by the applicable goal because existing adjacent uses and other relevant factors make uses allowed by the applicable goal impracticable; or

(3) Reasons justify why the state policy embodied in the applicable goals should not apply.

There are facts and reasons to support all three kinds of goal exceptions.

As relevant to Goal 14 exceptions, the rules implementing ORS 197.732 are set out at OAR 660-014-0030 and 660-014-0040.

1. Physically Developed Exceptions.

According to its caption, OAR 660-014-0030 governs "rural lands irrevocably committed to urban levels of development." Because this rule, however, includes two references to lands "built
2. Irrevocably Committed Exceptions.

OAR 660-014-0030(2) provides: "A decision that land has been built upon at urban densities or irrevocably committed to an urban level of development depends on the situation at the specific site. The exact nature and extent of the areas found to be irrevocably committed to urban levels of development shall be clearly set forth in the justification for the exception. The area proposed as land that is built upon at urban densities or irrevocably committed to an urban level of development must be shown on a map or otherwise described and keyed to the appropriate findings of fact."

OAR 660-014-0030(3) requires that a decision that land is committed to urban levels of development be based on findings of fact supported by substantial evidence in the record. The findings must address (a) the size and extent of commercial and industrial uses; (b) location, number and density of residential dwellings; (3) location of urban levels of facilities and services, including at least public water and sewer facilities; and (d) parcel sizes and ownership patterns. Under OAR 660-014-0030(5), more detailed findings and reasons must be provided to demonstrate commitment to urban uses than are otherwise required to show that is currently developed at urban densities.

3. Reasons Exceptions.

OAR 660-014-0040 governs reasons exceptions. Under this rule, a county may provide facts and reasons to justify an exception to Goal 14 to allow urban uses on undeveloped rural lands. Those reasons may include, but are not limited to, findings that an urban population and urban levels of facilities and services are needed to support an economic activity that is dependent upon an adjacent or nearby natural resource.

Also under this standard, a county must demonstrate that the proposed urban development cannot reasonably be accommodated in or through expansion of existing urban growth boundaries. Further, it must show that the long term economic, social, environmental and energy consequences resulting from urban development at the
proposed site with measures designed to reduce adverse impacts are not significantly more adverse than would result from the same proposal being located on other undeveloped rural lands; that the proposed urban uses would be compatible with adjacent uses; and that the uses can likely be timely and efficiently served with appropriate levels of public facilities and services.

C. Physically Developed/Irrevocably Committed Exception.

The 1983 exception stated that approximately half of the Westland Road exception area was physically developed with industrial uses. With the passage of time and new development, the percentage of land that is now physically developed has increased.

According to a recent survey prepared by County staff, the 441 acres at issue are comprised of 38 separate parcels of land, only 17 of which remain vacant. This figure, however, is misleading, because (1) many of the vacant parcels are in common ownership with developed properties and should be available for future expansion of businesses on the adjoining properties, and (2) major new construction has been approved on several of these vacant properties.

The nature and extent of physical development is best seen on the aerial map of the Westland Road area. That map depicts buildings of many shapes and sizes, including some buildings that are extremely large.

The largest concentration of physically developed property is within and near the Lamb Weston site. This area lies immediately east of the intersection of Lamb Road and Westland Road. It extends east to Tax Lot 4N28-19D-800 and the Umatilla River, and south to the Union Pacific railroad tracks. Urban industrial development in this area includes the approximately 350,000 square foot Lamb Weston food processing plant (Tax Lot 4N28C-2206); the Praxair and Key Corp. Capital Inc. produce storage facilities (each over 50,000 square feet) (Tax Lot 4N28C-2217); the nearly 160,000 square foot Americold building (Tax Lot 4N28-30-100); and the approximately 180,000 square foot Hermiston Generating Company power plant and substation (Tax Lot 4N28C-2220). Clearly, these building sizes vastly exceed the maximum size for small scale low impact industrial uses that LCDC has deemed appropriate for rural areas. See OAR 660-022-0030(11). Moreover, these uses employ many residents of urban areas and serve markets that extend well beyond the local area. Cumulatively, all of this development, which occupies nearly 120 acres, commits to urban uses the approximately 19 acres in Tax Lots 4N28C-2216, -2900, -2903, -3000, 4N2830-200
and 4N28-30-1200, several of which share common ownership with the industrially developed properties.

West of the Lamb Weston site is a smaller area bordered by Interstate 82, Lamb Road, Westland Road and the Union Pacific Railroad. A portion of this area is zoned Tourist Commercial. The light industrial portion of this area includes a 40,000 square foot potato storage operation owned by Robert Lamb (Tax Lot 4N27-25A-201) and an adjoining 22,000 square foot potato storage operation on Tax Lot 4N27-25A-400 owned by H-4 Farms, Inc. These uses would be appropriate in either urban or rural zones. As they are resource related, they should not be subject to a maximum building size limitation. Due north of these properties are Tax Lots 4N27-25A-200 and -202. While these properties appear vacant on the aerial map, the Energy Facility Siting Council recently certified an application to construct a new power plant on them. It is expected that the approved power plant will be approximately the same size as the 180,000 square foot Hermiston General power plant located on Tax Lot 4N28C-2220 just east of Westland Road. A power plant development of this scale is consistent with urban scale industrial development and renders these properties physically developed to urban uses. See DLCD Order 001643 at page 8. Moreover, development of the power plant will commit Tax Lot 4N27-25A-100 to urban scale industrial development.

South of the railroad tracks and west of Westland Road is a third area of light industrial development. This area is occupied by freight and transport service and supply facilities and by agricultural produce storage facilities. The freight and transport companies in this area include Eagle Freightliner (Tax Lot 4N27-1417), Hammell Transport Service Inc. (Tax Lot 4N27-25A-501) and United Parcel Service (Tax Lot 4N27-25A-600). The UPS facility on Tax Lot 600 is approximately 414,700 square feet in size. Much of the vacant land on these tax lots is used for truck storage. These industries play an important role in moving freight to and between urban areas. Some, like Hammell Transport, serve all of the "lower 48" states. Agricultural facilities in the area include the Big River Packing produce packing facility on Tax Lot 4N27-25A-500. Also, west of the UPS building on Tax Lot 4N27-25A-502 is land that the Port of Umatilla is leasing to Westland Enterprises and Hale Farms for onion storage. While Tax Lot 502 appears vacant on the aerial photo, there are two new buildings on this property, with each building in excess of 50,000 square feet. Again, buildings of this size are more indicative of urban scale uses than of rural uses. And as noted, the nature of transportation/distribution companies is that they serve urban areas and urban uses throughout the region if not the entire country.
Cumulatively, these existing developments commit several undeveloped properties to urban scale industrial uses. These include Tax Lots 4N28-30-1500 (which is owned by Pacificorp and Hermiston Generation Company), 4N27-1417 and -1418 (which are in common contiguous ownership with the Eagle Freightliner property) and 4N27-25A-503 (Port of Umatilla property that is contiguous to Tax Lot 502). Also, these developments, the Union Pacific Railroad and Interstate 84 together border Tax Lots 4N27-1400, -1403 and -1415 on three sides, thus effectively committing those approximately 75 acres of light industrial land to urban scale development as well.

The final area of physically developed light industrial land is located immediately south of Interstate 84, east of land zoned Tourist Commercial. This property, comprised of Tax Lots 4N28-31-400 and -500, is owned by Barton Industries and used in part for container truck repair. Because the nature and scale of the development on this site is not urban, a reasons exception is taken below to justify urban scale development in this area and, as well, in the northeast portion of the Westland Road LI area occupied predominantly by Tax Lots 4N28-19A-500 and -800.

All of the above-noted areas are served with electricity, gas and telephone service. Indeed as noted, industrial uses in this area include power plants and electrical substations. Transportation facilities include Lamb and Westland Roads, which are two-lane paved roads used for local circulation; interchange access onto I-82 at Lamb Road and I-84 at Westland Road; and the Union Pacific Railroad. Sewer facilities are provided through on-site subsurface facilities. Water is provided through individual wells. The two interstate highways adjoining this area serve a large, multi-regional area and provide direct freighting opportunities for intensive levels of industrial development. As such, these interstate facilities support activities far beyond what would commonly be found in a rural area. The presence of a rail line inside the area enables the delivery and shipment of large quantities of materials and products. And while there is no community sewer or water system, this does not render the area rural given the other factors described in this exception.

There are very few residences located within this approximately 441-acre area. Residences can be found on Tax Lot 4N27-1403 and Tax Lot 4N28-30-200. The relative absence of residential activity in this area indicates that the area is occupied by and dedicated to intensive industrial activity not compatible with residential activity, and it supports the conclusion that the area is developed and committed to urban
Industrial use.

As shown in the data compiled by Umatilla County, parcels in the area vary significantly in size, with many parcels under 10 acres, a number of parcels between 10 and 50 acres, and two parcels between 50 and 100 acres. By their size, these parcels are capable of supporting urban-scale industrial development. Many of the parcels are in common ownership. As such, it is probable that many "vacant" tax lots are, in fact, used in conjunction with development on contiguous, commonly owned parcels.

Examining the numbers, there are 30 parcels, in 16 separate ownerships, identified as built or committed to urban development. These parcels constitute approximately 352.5 of the 441.4 acres in this area. Of these, 13 parcels, in 9 ownerships comprising approximately 175 acres, are developed with industrial uses, while two other parcels in a tenth ownership comprising nearly 55 acres (Tax Lots 4N27-25A-200 and -202) are approved for urban-type industrial development. In combination, these approximately 230 acres comprise over 65% of the developed/committed exception area (and, indeed, over 52% of the entire Westland Road LI area). Again including the approved development on tax lots 200 and 202, the average building size of industrial development on these properties is over 100,000 square feet. (Where a single tax lot contains more than one building, such as tax lots 4N27-25A-502 and 4N28C-2217, those numbers are combined into a single building size.) This average building size is far in excess of what is normally found in a rural industrial area.

In summary, the scale and intensity of the uses in this area is reflective of urban industrial uses. These uses provide power to serve the region at large, or they provide transportation and distribution facilities to move products throughout the state, region and/or nation. Some major industries are resource related, which can be characteristic of an urban or rural use. These industries, however, are characterized by very large buildings that are more indicative of urban scale development.

D. Reasons Exception.

As noted, two relatively small portions of the Westland Road light industrial area are not physically developed with urban-scale industrial uses. These include an approximately 32-acre area located south of I-84 (Tax Lots 4N28-31-400 and -500) and an approximately 58-acre area located north of the Lamb Weston property (Tax Lots 4N28-19A-500, -502, -503, -504, -1703 and 4N28-19D-800). These areas should nonetheless be authorized for urban
scale light industrial development for the reasons set out below.

On December 15, 2003, Governor Kulongoski's Industrial Lands Advisory Committee issued a report addressing what Oregon must do "to be competitive in the global marketplace." The report identified 25 industrial sites "of statewide significance for job creation" throughout Oregon. In so doing, the report emphasized that this designation of "shovel-ready" sites was "but one piece of a much larger process to increase Oregon's supply of 'project-ready' industrial lands."

The Executive Summary to the report sets out findings explaining why the 25 selected sites are of statewide significance for job creation. Like a broken record, those findings repeat, again and again, the critically important role easily accessible freeway access plays in determining prime sites for light manufacturing and/or warehousing and distribution. For example, all five of the recommended sites in Northwest Oregon were noted for their excellent access to the freeway system, with at least three sites being within "minutes" of a freeway interchange. Similarly, the report stressed freeway accessibility as a principal reason for designating most of the sites recommended in Western and Southwest Oregon and in Eastern Oregon as shovel-ready sites of statewide significance for job creation. Representative samples of the findings include:

- **Hillsboro–Shute Road:** "This highly desirable site in Oregon's high tech corridor is about 350 feet from a major freeway Interchange."
- **Albany–Kempf:** "This site is highly marketable because it is adjacent to I-5 and located mid-way between CA and WA with easy access to Oregon's metro areas."
- **Central Point–Airport/Orchard/Hamrick Rd:** "Conveniently located between to I-5 interchanges and the Jackson County commercial airport, this level, roughly rectangular site is expandable to an estimated 70 acres."
- **Medford–NE Airport:** "Located in the city limits of Medford, this large site is close to I-5, Hwy 62 and the Medford Airport."
- **Baker City–Elkhorn Industrial Park:** "Baker City is located on I-84 and is well positioned to attract industry from the Boise metro area."
- **Hermiston–Hermiston Industrial Park:** "The market potential of this site is its access to rail (Union Pacific), water (Columbia River) and road (I-82 and I-84)."
Overall, for most of the 25 sites, very close and convenient freeway access was a primary consideration in determining that they were of "statewide significance for job creation". Consistent with these findings, the Westland Road site would also appear to be of statewide significance for job creation. Like these other industrial areas, the Westland Road light industrial area shares the benefit of highly convenient freeway access. Unlike most of these other areas, however, the Westland Road light industrial area offers outstanding access not just to one but to two interstate highways: Interstate 84 and Interstate 82. This makes the Westland Road light industrial area an exceptional location for warehousing and distribution uses.

The locational advantages of this site cannot be overstated. Like the Hermiston Industrial Park, the Westland Road area is, and should be recognized as, "a prime site for the warehouse/distribution industry, as well as manufacturing sectors." The locational advantages of this site warrant approval of a Goal 14 reasons exception allowing such uses to locate on the undeveloped/uncommitted industrial lands within this area. Indeed, the significant locational advantages of this site would have provided, were it necessary, additional justification for taking a Goal 14 reasons exception for the entirety of the Westland Road light industrial area.

Based on the findings in the industrial lands report, the exceptional locational advantages of the Westland Road area might well have justified a Goal 14 reasons exception to allow urban scale warehouse and distribution uses even if the Westland Road area was currently designated and zoned for resource use. But given that all of this land is already designated and zoned for industrial development under Umatilla County's acknowledged Comprehensive Plan, and further given that most of this area is already physically developed with or irrevocably committed to urban scale light industrial development, it just makes good common sense to open up the entire area for urban scale warehouse and distribution uses. Stated another way, the locational advantages the Westland Road light industrial area offers through its virtually immediate access to two major freeways is about as good as it gets for major warehousing and distribution companies serving central and eastern Oregon and Washington. Given this, building size should not be an obstacle to the siting of such uses at this location.

The fact that the Industrial Lands Advisory Committee Report identifies the 306-acre Hermiston industrial park as a prime site for the warehouse and distribution industry in no way detracts from
the importance and value of the Westland Road site to that industry. Indeed, the industrial lands report states that the initial designation of shovel ready sites is just a first step in a "much larger process" to increase the state’s supply of project-ready sites. That language suggests a statewide need for more than just one prime site serving warehouse and distribution industries in the Hermiston area. The locational advantages of the Westland Road light industrial area warrant the availability of all lands within that area for urban scale warehousing/distribution uses.

The long term economic, social, environmental and energy consequences of allowing urban scale development on the undeveloped/uncommitted portions of the Westland Road light industrial area are all positive. Economically, this is an ideal location for urban scale warehouse and distribution uses. The location of businesses like the United Parcel Service terminal (within the area) and the Wal-Mart distribution center (in Hermiston a short distance east of the area) readily attest to that. Given its locational advantages, this site has tremendous potential to have statewide significance for job creation. Socially, new industries in the area would improve the local economy and thereby benefit the local population. Moreover, the location of these uses in very close proximity to freeway interchanges would mean that the associated truck traffic can avoid residential and commercial areas where it could create conflicts. There are no significant environmental resources in this area that would be affected by such uses. And the energy advantages of siting urban scale warehouse and distribution uses within just a mile or two of two interstate freeways are obvious.

Allowing urban scale light manufacturing uses on those portions of the Westland Road light industrial area that are not already physically developed with or committed to urban industrial uses also should not pose any compatibility problems with adjoining properties, for several reasons. First and foremost, light industrial uses typically are not incompatible with agricultural practices. Second, current zoning already permits a wide range of light industrial uses to locate on these lands, and as noted, many of the existing uses are urban in their nature or scale. Those uses have not proven to be incompatible with nearby farming operations or farm practices. Accordingly, allowing an urban scale of light industrial development on the undeveloped/uncommitted lands in this area should have no significant adverse impact in terms of use compatibility.

Approval of this Goal 14 reasons exception should have no
adverse impact on the ability of existing cities and service districts to provide services. This has not been an issue for the many existing urban-scale industrial uses in the Westland Road area, and there is no good reason to believe it would be an issue for new uses. Because light industrial uses and farming are generally compatible, approval of the Goal 14 reasons exception also should have no adverse effect on the continued resource management of nearby lands designated and zoned for resource uses. And given the nature of the kinds of light industrial development that would be permitted in this area, it is likely that an appropriate level of public facilities and services can be provided in a timely and efficient manner. It is noted that the Westland Road area is a designated critical groundwater area. Consistent with that designation, unless or until this area was included inside an urban growth boundary, urban industrial uses in the area would be limited to those that are (1) not heavily water dependent, or (2) rely on an existing water supply or existing water rights.

Finally, it is noted that the approximately 58 and 32-acre sites identified in this reasons exception are of a size that is very suitable for urban scale industrial development in the area. Indeed, the approximately 58-acre area includes nearly 53 acres in common ownership (Margaret Gass), while the approximately 32-acre site is owned by Richard Barton and Barton Properties. Umatilla County believes that the immediate proximity of these properties to the developed and committed Westland Road industrial area described above in fact commits these properties to urban scale industrial use as well. Even if that were not so, the reasons set out in this reasons exception justify allowing urban scale development on these remaining Westland Road light industrial parcels.

DATED this 31st day of May, 2005.

UMATILLA COUNTY BOARD OF COMMISSIONERS

Emile M. Holeman, Chair

William S. Hansell, Commissioner

Dennis D. Doherty, Commissioner

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ATTEST:
OFFICE OF COUNTY RECORDS

[Signature]
Records Officer

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