

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING THE) ORDINANCE NO. 02-983B
METRO URBAN GROWTH BOUNDARY TO)
ADD LAND FOR A SPECIFIC TYPE OF)
INDUSTRY NEAR SPECIALIZED) Introduced by Community Planning Committee
FACILITIES NORTH OF HILLSBORO)

WHEREAS, state law requires the Metro Council to assess the capacity of the urban growth boundary (“UGB”) every five years and, if necessary, increase the region’s capacity to accommodate the long-term need for employment opportunities; and

WHEREAS, the Council and the Land Conservation and Development Commission agreed that the Council would undertake the assessment and any necessary action to increase the capacity of the UGB as part of the state’s periodic review process; and

WHEREAS, Task 2 of the periodic review work program calls for completion of the same assessment of capacity and increase in capacity, if necessary, by December 20, 2002; and

WHEREAS, the Council determined a need for land to accommodate a forecast employment increase of 355,000 jobs for the three-county metropolitan region by the year 2022; and

WHEREAS, the Council determined that the pre-existing UGB did not have sufficient capacity to accommodate the forecast jobs; and

WHEREAS, policy measures to protect Industrial Areas within the UGB as it existed prior to Ordinance No. 02-969B from non-industrial uses can increase the capacity of the pre-existing UGB, but still leave a shortfall; and

WHEREAS, expansion of the UGB by Ordinance No. 02-969B added approximately 2,400 acres of industrial land, leaving unmet the need for approximately 2,000 acres for industrial employment; and

WHEREAS, the Council identified a specific type of high-technology industrial need that cannot reasonably be accommodated on land within the UGB, or on land of higher priority under state law for inclusion within the UGB; and

WHEREAS, the Council consulted its Metropolitan Planning Advisory Committee and the 24 cities and three counties of the metropolitan region and considered their comments and suggestions prior to making this decision; and

WHEREAS, Metro conducted five public workshops in locations around the region to provide information about alternative locations for expansion of the UGB and to receive comment about those alternatives; and

WHEREAS, Metro published, on August 25, 2002, notice of public hearings before the Council on the proposed decision in compliance with Metro Code 3.01.050; and

WHEREAS, the Metro's Community Planning Committee and the Metro Council held public hearings on the proposed decision on October 1, 3, 10, 15, 22, 24 and 29, November 21, and December 5, 2002, and considered the testimony prior to making this decision; now, therefore,

THE METRO COUNCIL HEREBY ORDAINS AS FOLLOWS:

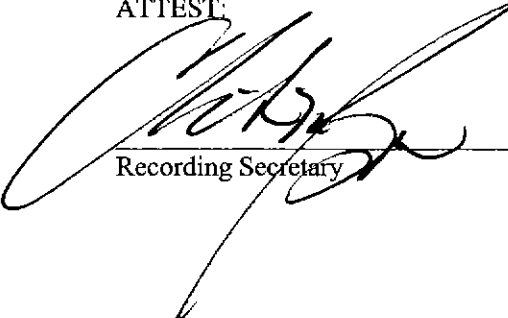
1. The Metro UGB is hereby amended to include the Shute/Evergreen site, more precisely identified and mapped on Exhibit A, attached and incorporated into this ordinance, in order to accommodate a specific type of high-technology industrial need.
2. Inclusion of the Shute/Evergreen site within the UGB is subject to the conditions set forth in Exhibit B, attached and incorporated into this ordinance, in order to ensure that development on the site is limited to the specific need for which the Council includes the site.
3. The Findings of Fact and Conclusions of Law in Exhibit C, attached and incorporated into this ordinance, explain how the record demonstrates that addition of the Shute/Evergreen site complies with state planning laws, the Regional Framework Plan and the Metro Code.

ADOPTED by the Metro Council this 5th day of December, 2002.




Carl Hosticka, Presiding Officer

ATTEST:



Recording Secretary

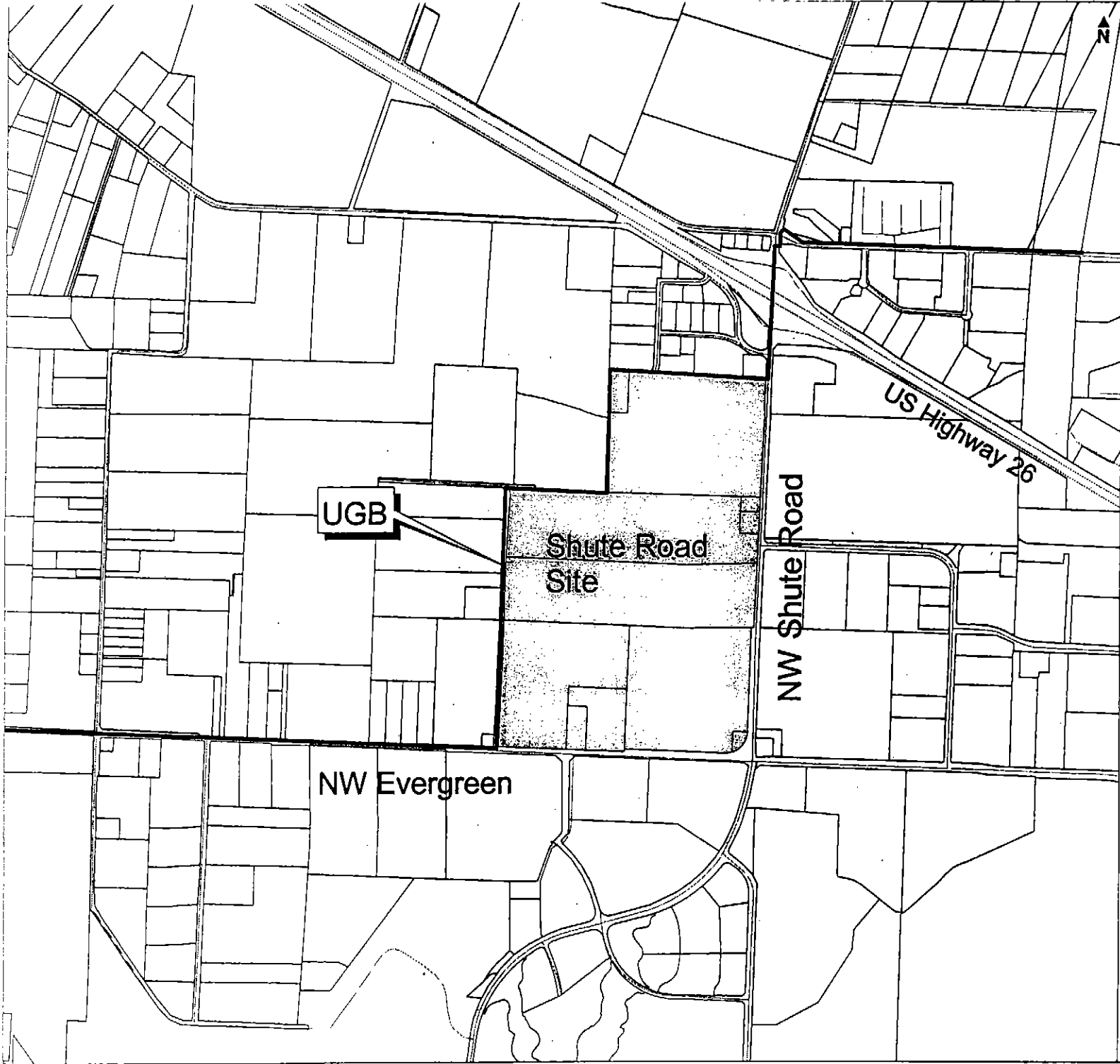
Approved as to Form:



Daniel B. Cooper, General Counsel

Exhibit A

Ordinance No. 02-983B



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1" = 1400 feet



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Exhibit B to Ordinance No. 02-983BA
Conditions on Addition of Shute Road Site to UGB

1. Washington County or, upon annexation to the city of Hillsboro, the city shall complete the planning required by Metro Code Title 11, Urban Growth Management Functional Plan (UGMFP), section 3.07.1120, for the Shute Road site ("the site") within two years following the effective date of this ordinance.
2. Washington County or, upon annexation to the city of Hillsboro, the city shall apply interim protection standards to the site as provided in Metro Code Title 11, UGMFP, section 3.07.1110.
3. The site, as described in this ordinance, shall be designated Regionally Significant Industrial Area on the 2040 Growth Concept Map and shall be subject to Title 4 of the UGMFP of the Metro Code.
4. Washington County or, upon annexation to the city of Hillsboro, the city shall adopt provisions in its comprehensive plan and zoning regulations – such as setbacks, buffers and designated lanes for movement of slow-moving farm machinery - to ensure compatibility between industrial uses on the site and agricultural practices on land zoned for farm use to the west and northwest of the site.
5. The city of Hillsboro shall, within two years after the effective date of this ordinance, demonstrate that it has capacity to accommodate the additional dwelling units, as determined in Title 11 planning for the site, likely to be generated by the employment capacity of the site. The city may demonstrate this additional capacity through any measure or set of measures it chooses, including a Center Strategy pursuant to Title 6 of the UGMFP, in any or all of these design type designations: the Hillsboro Regional Center, Tanasbourne Town Center, Orengo Town Center, Station Communities, Corridors or Main Streets.
6. Neither the county nor the city of Hillsboro shall allow the division of a lot or parcel in the site to create a smaller lot or parcel except as part of the plan required in Condition 7 to reconfigure all of the lots and parcels that comprise the site.
7. Washington County or, upon annexation to the city of Hillsboro, the city shall, as part of Title 11 planning for the site in conjunction with property owners and affected local governments, develop a lot/parcel reconfiguration plan that results in (1) at least one parcel that is 100 acres or larger, or (2) at least three parcels 50 acres or larger. In either case the remainder of the site shall be configured pursuant to section 3.07.420 of Title 4 of the UGMFP, providing for protection of the portion of the site subject to Title 3 of the Metro Code.
8. Neither the county nor the city shall allow new commercial retail uses on the site. The county or the city may allow commercial office uses accessory to and in the same building with industrial uses.
9. Washington County or, upon annexation to the city of Hillsboro, the city, as part of Title 11 planning for the site, shall limit industrial uses on the parcels 50 acres or larger on the site that result from the reconfiguration plan required by Condition 7 to high-technology product manufacturing, either as the main activity or in conjunction with experimental product research, testing or prototype production, or other high-technology industrial uses that need a dependable and uninterrupted supply of specialized, dual-feed electric power or nitrogen gas. The county or city shall limit industrial uses on parcels smaller than 50 acres that result from the reconfiguration plan to those that are supportive of the industrial uses described above.

Exhibit C to Ordinance No. 02-983B
Findings of Fact, Conclusions of Law

I. Need for Land

These findings address ORS 197.298(3)(a); ORS 197.732(1)(c)(A); Goal 2, Exceptions, Criterion (c)(1); Oregon Administrative Rules 660-004-0010(1)(c)(B)(i) and 660-004-0020(2)(a); Goal 9 (local plan policies); Goal 10; Goal 14, Factors 1 and 2; Metro Regional Framework Plan (RFP) Policies 1.2 and 1.4 and; and Metro Code 3.01.020(b)(1) and (2).

Need for Industrial Land

In Ordinance No. 02-969, adopted with this Ordinance 02-983 as part of Task 2 of periodic review, the Metro Council concluded that the urban growth boundary (UGB) as it existed prior to adoption of Ordinance 02-969 did not have capacity to accommodate employment growth to the year 2022. Urban Growth Report-Employment, Appendix A, Item 4 (UGR-E). That ordinance added 2,471 acres for employment after finding a shortfall of 4,425 acres. Adoption of Ordinance No. 02-969, then, left a shortfall of 1,954 employment acres.

The UGR-E identified a net need for nine large parcels for industrial use (50 acres or larger). Given conditions in Exhibit M to protect large parcels, land added to the UGB for industrial use by Ordinance No. 02-969 has the potential to yield three sites 50 acres or larger, leaving a shortfall of six such sites.

Need for "Tech/Flex" Industrial Land

Within this overall need for industrial land, the UGR-E noted a need for four parcels 50 acres or larger (as well as for smaller parcels) for a group of industries called "tech/flex." These industries tend to locate near one another for many reasons, including the specialized public and private services that develop where clusters of these firms emerge. This locational phenomenon is more fully described in "Alternatives Sites Analysis for the 'Shute Road Site' Urban Growth Boundary Amendment"(herein called "the Shute Road Analysis"), dated October 31, 2002, and "The Ecology of the Silicon Forest", March, 2000.

Specific Need for Certain "Tech/Flex" Industrial Land

There are several such clusters in the region where new tech/flex industries can locate. As noted in the Shute Road Analysis, not all tech/flex industries have the same characteristics and service needs. Some can locate or expand anywhere in the region. Others need to be in or near one of the clusters. Some high technology industries – semi-conductor and chip/wafer manufacturing and experimental product research and development – have more specific site and locational requirements. These firms need seismic stability, a specialized supply of electricity (redundant and uninterruptible) and specialized gases (nitrogen in particular). Firms with these requirements have recently sought, but been unable to find, large sites with these locational characteristics (Shute Road Analysis, pp. 26-27).

II. Alternative Sites

These findings address ORS 197.298(1); ORS 197.732(c)(B), (C) and (D) and Goal 2, Exceptions; OAR 660-004-0010(1) and 660-004-0020(2); Goal 14, Factors 3-7; Metro Code 3.01.020(b)(3) through (7) and 3.01.020(d).

Within the UGB

Only one cluster in the region - the Sunset Corridor cluster - has these specialized services. Given the cost of installing these services in other parts of the region, the Council concludes that other clusters cannot reasonably accommodate the need described in section I, above.

There is no land in large parcels available within the UGB in the Sunset Corridor cluster to accommodate the need. There are a few tracts of land in large parcels in the Corridor. The UGR-E includes this land in its analysis of capacity to accommodate employment. The need for industrial land, however, greatly exceeds the employment capacity of these tracts. The tracts themselves will be used by the firms that have developed portions of the tracts. These firms have "land-banked" the balance of the tracts for future expansion, as explained in detail in the Shute Road Analysis, making them unavailable to meet the need described in section I, above.

The Shute Road Analysis identifies small parcels in the UGB and the Sunset Corridor cluster that are not "land-banked." But these parcels cannot be assembled to create large parcels because they are not contiguous.

There is vacant land designated for residential and commercial use in Hillsboro. But this land is not proximate to the specialized services needed by the high-technology industries described in section I, above, and it is not available in large parcels (50 acres or larger). Rezoning of land from residential use to industrial use would exacerbate the shortage of land available for residential use identified in the Urban Growth Report-Residential (URG-R). Rezoning of residential land near the Sunset Corridor cluster would also reduce residential capacity in a part of the region with little residential capacity. Condition 5 of Exhibit B of this ordinance requires the City of Hillsboro to increase the residential capacity of land in the Hillsboro Regional Center and the Town Centers, Station Communities, Corridors or Main Streets to accommodate the dwelling units generated by the jobs that will come to the Shute Road site. Rezoning of residential land near the Sunset Corridor cluster would work against accomplishment of Condition 5. In short, there is no land designated for residential or commercial use that can reasonably accommodate the need described in section I, above.

Metro took measures to increase the efficiency of land use within the UGB designated for employment. Metro's UGMFP Title 4 limits non-employment uses in areas designated for employment use. Title 4 also limits commercial retail uses in areas designated for industrial employment. Analysis of results of local implementation of Title 4 indicates that commercial uses and other non-industrial uses are converting land designated for industrial use to non-industrial use.

In response to this information, the Metro Council amended the RFP (Exhibit D, Policies 1.4.1 and 1.4.2) and Title 4 (Exhibit F) to improve the protection of the existing industrial land base. The Council created a new 2040 Growth Concept design type – "Regionally Significant Industrial Land" (RSIA) – and developed new limitations on commercial office and commercial retail uses in RSIA's. These new measures will reduce the shortfall in industrial land by reducing encroachment by commercial uses. But the measures do not create new large parcels for industrial use.

The Council concludes that the need described in section I, above, cannot reasonably be accommodated with the UGB as it existed prior to expansion by Ordinance No. 02-969.

On Higher Priority Land Outside the UGB

Metro has not designated any land outside the UGB as “urban reserve” since its 1997 designation was invalidated on appeal. There are exception areas in the vicinity of the Sunset Corridor high-technology cluster. None of these areas has large parcels or small parcels that can reasonably be assembled into parcels 50 acres or larger, given their small size, large number and existing residential uses. Each of the areas is outside the range of the PGE Sunset Substation, the source of the redundant, uninterruptible electricity needed by the industries described in section I, above.

There are large tracts of resource lands adjacent to the UGB in the vicinity of the Sunset Corridor cluster. A comparison of the soils of these tracts with the soils of the Shute Road site, however, indicates that the Shute Road site has poorer soils. The two most likely tracts, described in detail in the Shute Road Analysis, are outside the range of the PGE Sunset Substation.

There are no “higher priority” lands, as that term is used in ORS 197.298(1), that can reasonably accommodate the need.

Shute Road Site is the Best Site

The Shute Road site is the only site with the combination of locational and site characteristics that can reasonably accommodate the industries described in section I, above. It is the closest to the PGE Sunset Substation (2,000 feet) and nitrogen gas (across Shute Road from site). It is composed of 11 parcels (three are 40 acres or larger, two 30-35 acres), only three with residences, making assembly into parcels 50 acres and larger practicable.

Given its proximity to the very highly developed and sophisticated sewer, water, storm-water, transportation, public safety services in the Hillsboro High Tech Industrial Sanctuary, the city and other service providers can extend urban services to the Shute Road site in an orderly and economic manner. This will allow maximum efficiency of urbanization in the area. Urbanization and servicing of this site would be more efficient, less costly and more orderly than urbanization and servicing of any exception area or resource land considered.

There are no inventoried and protected Goal 5 resources on the Shute Road site. The site includes a portion of the course of a tributary of Waibel Creek. This tributary is protected by Title 3 of the Urban Growth Management Functional Plan and will remain protected in the UGB (Exhibit B, Conditions 1 and 2).

The Council agrees with and incorporates the analysis and findings on environmental, economic, energy and social consequences in the Shute Road Analysis, pages 79-85. These consequences will be positive or no more adverse than those that would result from inclusion of other land for these industrial uses.

There is farmland in farm zoning to the north and west of the Shute Road site. Generally, industrial use is more compatible with adjacent farm practices than is residential or commercial use. As noted in the Shute Road Analysis, industrial uses within the UGB have been relatively compatible with agricultural activities to the north and west. Condition 4 in Exhibit B of this ordinance requires the City of Hillsboro or Washington County to take measures to reduce the incompatibility.

Citizen Involvement

The Council considered this ordinance in the same process it followed for Ordinance No. 02-969. Hence, the Council incorporates into this ordinance the findings it made in that ordinance to show compliance with statewide planning Goal 1 and Regional Framework Plan Policy 1.13.

Coordination with Local Governments

The Council considered this ordinance in the same process it followed for Ordinance No. 02-969. Hence, the Council incorporates into this ordinance the findings it made in that ordinance to show compliance with statewide planning Goal 2 (Coordination). Metro worked closely on this ordinance with the City of Hillsboro and Washington County and accommodated their interests as much as possible.

Water Quality and Natural Resources

There are no inventoried and protected Goal 5 resources on the Shute Road site. The site includes a portion of the course of a tributary of Waibel Creek. This tributary is protected by Title 3 (Water Quality, Flood Management and Fish and Wildlife Conservation) of the Urban Growth Management Functional Plan and will remain protected in the UGB. Title 3 requires Washington County and the City of Hillsboro to protect water quality and floodplains in the area. Title 11 of the UGMFP, section 3.07.1120G, requires the county to protect fish and wildlife habitat and water quality. Title 11, section 3.07.1110, protects the status quo in the interim period of county planning for the area.

Areas Subject to Natural Disasters and Hazards

Conditions 1 and 2 in Exhibit B of this ordinance require the City of Hillsboro or Washington County to complete the planning requirements of Title 11, Urban Growth Management Functional Plan (UGMFP), including compliance with Title 3 of the UGMFP on floodplains and erosion control.

Economy of the Region

Inclusion of the Shute Road site will help the region accommodate the forecast employment to the year 2022 and is consistent with the economic development elements of the Washington County and City of Hillsboro comprehensive plans. Conditions 6 through 9 will help ensure that the economic objectives of inclusion of the site will be achieved.

Housing

Inclusion of the Shute Road site in the UGB will generate a demand for housing in the Hillsboro area. Condition 5 in Exhibit B of this ordinance requires the City of Hillsboro to demonstrate additional residential capacity to accommodate this demand for housing.

Public Utilities and Services

Under statewide Planning Goal 11, Metro is responsible for coordination of the preparation of public facility plans within the district. Metro will fulfill this responsibility through implementation of Title 11 of the UGMFP, which (1) prohibits Washington County from upzoning and from dividing land into resulting lots or parcels smaller than 20 acres until the

county revises its comprehensive plan and zoning ordinances to authorize urbanization; and (2) requires the county or the City of Hillsboro to develop a public facilities and services plan and an urban growth diagram with the general locations of necessary public facilities such as sanitary sewers, storm sewers and water lines for the Shute Road site.

Transportation

Metro has responsibility to ensure that this ordinance does not significantly affect a transportation facility or allow uses that are inconsistent with the identified function, capacity and performance standards of transportation facilities. Metro fulfills this responsibility through implementation of Title 11 of the UGMFP, which (1) prohibits Washington County from upzoning and from land divisions into resulting lots or parcels smaller than 20 acres in the area until the county revises its comprehensive plan and zoning ordinances to authorize urbanization; and (2) requires the county or the City of Hillsboro to develop a conceptual transportation plan and an urban growth diagram with the general locations of arterial, collector and essential local streets for the area. Metro's 2000 Regional Transportation Plan's "Priority System" of planned transportation facilities in shows improvements planned near the Shute Road site (Evergreen Road Project 3131) to serve anticipated growth.

Regional Framework Plan

Inclusion of the Shute Road site helps implement the Regional Framework Plan by adding industrial land (and protecting it for that use) close to the heart of the Hillsboro High Tech Industrial Sanctuary and close to the specialized services available at least cost. This will retain and reinforce the region's compact form. Condition 5 in Exhibit B of this ordinance will keep the jobs/housing ratio from worsening in this part of the region. In Task 3 of periodic review, the Council will address the transition between industrial use in this part of the region and agriculture in the region as a whole.

STAFF REPORT

FOR THE PURPOSE OF AMENDING THE METRO URBAN GROWTH BOUNDARY TO ADD LAND FOR A SPECIFIC TYPE OF INDUSTRY NEAR SPECIALIZED FACILITIES NORTH OF HILLSBORO

Date: November 14, 2002

Prepared by: Tim O'Brien, Planning Department

PROPOSED ACTION

Adoption of Ordinance No. 02-983, to amend the Metro Urban Growth Boundary (UGB) to add land for a specific type of industry near specialized facilities north of Hillsboro. The proposed amendment area is shown on Attachment 1.

BACKGROUND AND ANALYSIS

State law requires Metro to assess the capacity of the UGB every five years and if necessary increase the region's capacity to accommodate the long-term need for employment opportunities. The 2002-2030 Regional Population and Economic Forecast produces an employment projection by standard industrial classification, where employment needs are stratified by firm and parcel size and by six real estate types. The industrial building types are warehouse and distribution, general industrial and tech/flex space. The number of parcels and acreage needed for industrial purposes is determined for building type and size based on average regional employment densities. Industrial and commercial land demand and supply are segmented into seven categories: 1) under 1 acre, 2) 1-5 acres, 3) 5-10 acres, 4) 10-25 acres, 5) 25-50 acres, 6) 50-100 acres, and 7) 100 acres plus.

The Metro 2002-2022 Urban Growth Report (UGR)– Employment Land Need Analysis, which is derived from the forecast, evaluates the need for employment land in the region based on market conditions and a specialized analysis according to the firms that do business in the region. The 2002-2022 UGR – Employment Land Need Analysis estimates there is a deficit of 5,684 net acres of industrial land projected across all lot sizes. More significant is the shortage of approximately 14 large lots (greater than 50 acres) as these lots are the most difficult to supply due to consolidation and topographic constraints. The Phase III Regional Industrial Land Study (RILS) forecasted a demand for 15 large parcels (over 50 acres in net land area).

On October 31, 2002 the City of Hillsboro submitted to Metro a document entitled *Alternative Sites Analysis for the "Shute Road Site" Urban Growth Boundary Amendment* in support of amending the UGB to include property located near the intersection of NW Evergreen Boulevard and NW Shute Road in Washington County, hereafter referred to as the "Shute Road Site" (see Attachment 1). The Shute Road Site is proposed as a specific high tech/flex land need and is adjacent to an area identified by the City of Hillsboro as the Westside High Tech Industrial Cluster in Washington County, Oregon. The 203-acre Shute Road Site is proposed to accommodate some of the large lot shortfall identified in the UGR – Employment Land Need Analysis and the RILS.

The land identified as the Shute Road Site is designated as resource land, is zoned Exclusive Farm Use (EFU) by Washington County and contains high-value farmland as defined by ORS 215.710. This area was not part of the Metro 2002 Alternative Analysis Study due to its resource land designation.

APPLICABLE REVIEW CRITERIA

The standards applicable to a legislative amendment to the UGB are set out in ORS 197.298, Statewide Planning Goals 2 and 14 and Metro Code Section 3.01. Inclusion of the Shute Road Site into the UGB as a specific land need falls under the provision of ORS 197.298(3)(a), which states that

- (3) Land of lower priority under subsection (1) of this section may be included in an urban growth boundary if land of higher priority is found to be inadequate to accommodate the amount of land estimated in subsection (1) of this section for one or more of the following reasons:
- (a) Specific types of identified land needs cannot be reasonably accommodated on higher priority lands;

Compliance with the criteria contained in Metro Code Section 3.01.020 (Legislative Amendment Criteria), constitutes compliance with the Regional Framework Plan.

A response to the criteria in Metro Code Section 3.01.020 is found in Attachment 2, the City of Hillsboro's submittal, *Alternative Sites Analysis for the "Shute Road Site" Urban Growth Boundary Amendment*. This document was hand delivered to each Metro Councilor and a copy is also available in the Metro Council Office.

BUDGET IMPACT

There is no budget impact from adopting this ordinance.

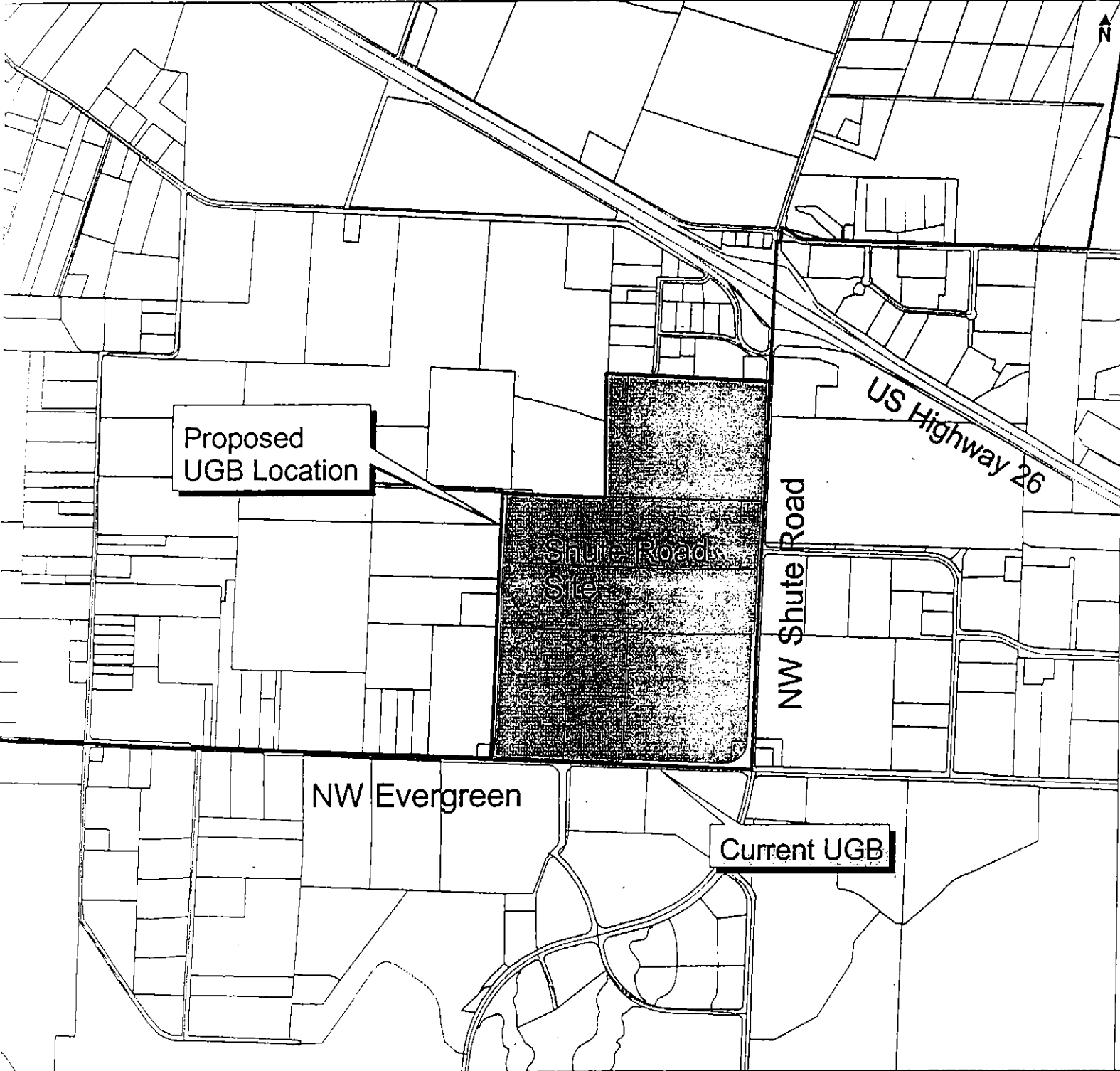
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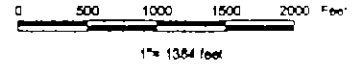
Attachment 1 Shute Road Site

Staff Report to
Ordinance No. 02-983B

 Urban Growth Boundary

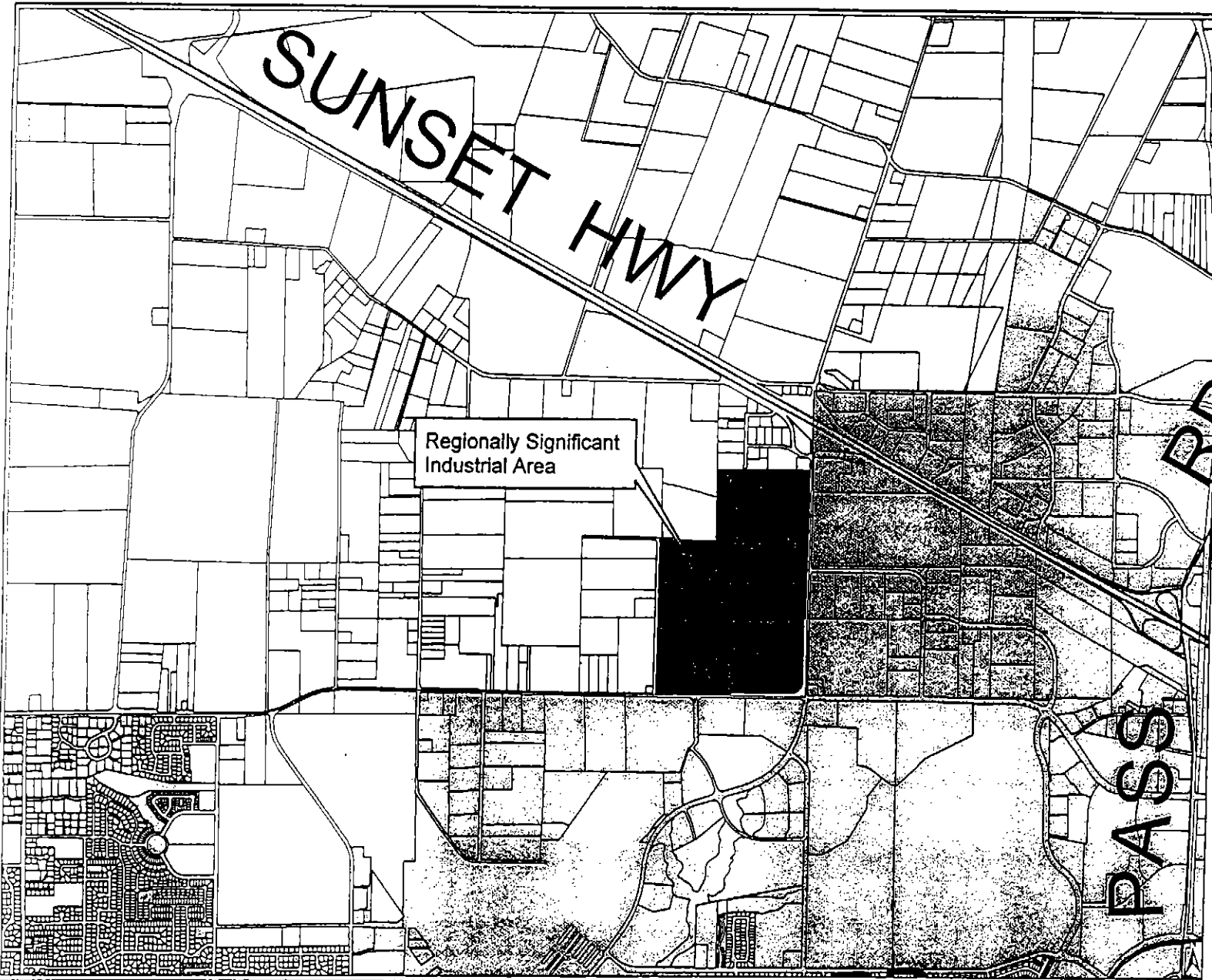


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
R L I S
REGIONAL LAND INFORMATION SYSTEM

2040 Growth Concept Map

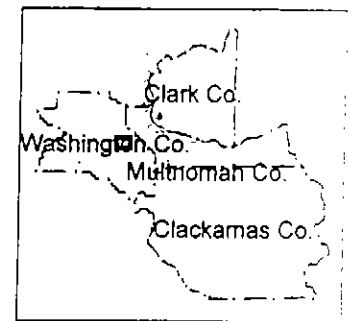
Proposed Designations

Ordinance 02-983 B

Design Types

-  Industrial
-  Regionally Significant Industrial Areas (Proposed)
-  Employment
-  Town Center
-  Corridor
-  Inner Neighborhood
-  Outer Neighborhood

The information on this map was derived from a global analysis of the Metro 2040 Growth Concept. It is not intended to be a site plan or a detailed engineering drawing. It is not intended to be used for any purpose other than for general information. There are no warranties, expressed or implied, including the accuracy or completeness of the information. The information is provided for informational purposes only. Metro 2040 Growth Concept is a strategic plan for the region.



Location Map



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FACILITIES NORTH OF HILLSBORO; AND) Introduced by Community Planning Committee
DECLARING AN EMERGENCY)

WHEREAS, state law requires the Metro Council to assess the capacity of the urban growth boundary ("UGB") every five years and, if necessary, increase the region's capacity to accommodate the long-term need for employment opportunities; and

WHEREAS, the Council and the Land Conservation and Development Commission agreed that the Council would undertake the assessment and any necessary action to increase the capacity of the UGB as part of the state's periodic review process; and

WHEREAS, Task 2 of the periodic review work program calls for completion of the same assessment of capacity and increase in capacity, if necessary, by December 20, 2002; and

WHEREAS, the Council determined a need for land to accommodate a forecast employment increase of 355,000 jobs for the three-county metropolitan region by the year 2022; and

WHEREAS, the Council determined that the pre-existing UGB had the capacity to accommodate of those 9,315 acres for new jobs; and

WHEREAS, policy measures to protect Industrial Areas within the UGB as it existed prior to ~~adopted in~~ Ordinance No. 02-969 increased the capacity of the pre-existing UGB to can accommodate an additional of those new jobs within the UGB; and

WHEREAS, expansion of the UGB by Ordinance No. 02-969 added approximately 2,400 acres land with the capacity to accommodate of those new jobs, leaving unmet the need for approximately 2,500 acres for employment land to accommodate new jobs; and

WHEREAS, the Council identified a specific type of high-technology industrial need that cannot reasonably be accommodated on land within the UGB, or on land of higher priority under state law for inclusion within the UGB; and

WHEREAS, the Council consulted its Metropolitan Planning Advisory Committee and the 24 cities and three counties of the metropolitan region and considered their comments and suggestions prior to making this decision; and

WHEREAS, Metro conducted five public workshops in locations around the region to provide information about alternative locations for expansion of the UGB and to receive comment about those alternatives; and

WHEREAS, Metro published, on August 25, 2002, notice of public hearings before the Council on the proposed decision in compliance with Metro Code 3.01.050; and

WHEREAS, the Metro's Community Planning Committee and the Metro Council held public hearings on the proposed decision on October 1, 3, 10, 15, 22, 24 and 29, November 21, and December 5, 2002, and considered the testimony prior to making this decision; now, therefore,

THE METRO COUNCIL HEREBY ORDAINS AS FOLLOWS:

1. The Metro UGB is hereby amended to include the Shute/Evergreen site, more precisely identified and mapped on Exhibit A, attached and incorporated into this ordinance, in order to accommodate a specific type of high-technology industrial need.
2. Inclusion of the Shute/Evergreen site within the UGB is subject to the conditions set forth in Exhibit B, attached and incorporated into this ordinance, in order to ensure that development on the site is limited to the specific need for which the Council includes the site.
3. The Findings of Fact and Conclusions of Law in Exhibit C, attached and incorporated into this ordinance, explain how the record demonstrates that addition of the Shute/Evergreen site complies with state planning laws, the Regional Framework Plan and the Metro Code.
4. This ordinance is necessary for the immediate preservation of public health, safety and welfare because state law requires Metro to ensure that the region's UGB includes a long-term supply of land for employment and there is an immediate need for a site for the specific type of high-technology industry identified in this ordinance. An emergency is therefore declared to exist, and this ordinance shall take effect _____, 2003, pursuant to Metro Charter section 39(1).

ADOPTED by the Metro Council this ___ day of December, 2002.

Carl Hosticka, Presiding Officer

ATTEST:

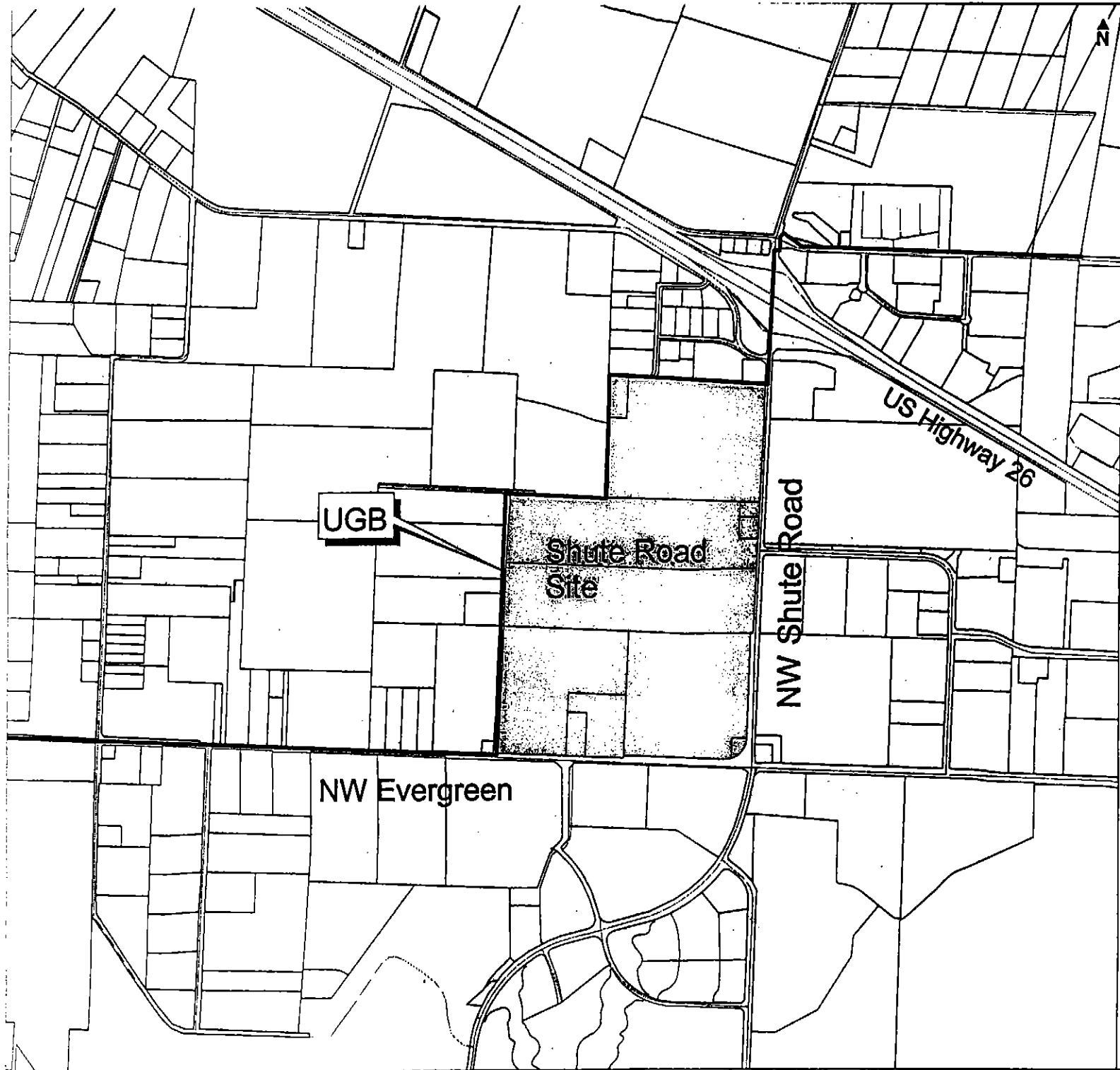
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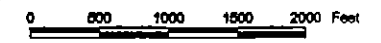
Daniel B. Cooper, General Counsel

Exhibit A

Ordinance No. 02-983R



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1" = 1400 feet



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Exhibit B to Ordinance No. 02-983A
Findings of Fact, Conclusions of Law

I. Need for Land

These findings address ORS 197.298(3)(a); ORS 197.732(1)(c)(A); Goal 2, Exceptions, Criterion (c)(1); Oregon Administrative Rules 660-004-0010(1)(c)(B)(i) and 660-004-0020(2)(a); Goal 9 (local plan policies); Goal 10; Goal 14, Factors 1 and 2; Metro Regional Framework Plan (RFP) Policies 1.2 and 1.4 and; and Metro Code 3.01.020(b)(1) and (2).

Need for Industrial Land

In Ordinance No. 02-969, adopted with this Ordinance 02-983 as part of Task 2 of periodic review, the Metro Council concluded that the urban growth boundary (UGB) as it existed prior to adoption of Ordinance 02-969 did not have capacity to accommodate employment growth to the year 2022. Urban Growth Report-Employment, Appendix A, Item 4 (UGR-E). That ordinance added 2,471 acres for employment after finding a shortfall of ____ acres. Adoption of Ordinance No. 02-969, then, left a shortfall of ____ acres. (Did the Council add land to Cornelius?). Within that overall employment need was a need for ____ acres for industrial use. The deficit of land for industrial use is ____ acres.

The UGR-E identified a net need for nine large parcels for industrial use (50 acres or larger). Given conditions in Exhibit M to protect large parcels and to consolidate smaller parcels to create larger parcels, land added to the UGB for industrial use by Ordinance No. 02-969 has the potential to yield ____ sites 50 acres or larger, leaving a shortfall of ____ such sites [need evidence from Lydia/Tim].

Need for “Tech/Flex” Industrial Land

Within this overall need for industrial land, the UGR-E noted a need for four parcels 50 acres or larger (as well as for smaller parcels) for a group of industries called “tech/flex.” These industries tend to locate near one another for many reasons, including the specialized public and private services that develop where clusters of these firms emerge. This locational phenomenon is more fully described in “Alternatives Sites Analysis for the ‘Shute Road Site’ Urban Growth Boundary Amendment”(herein called “the Shute Road Analysis”), dated October 31, 2002, and “The Ecology of the Silicon Forest”, March, 2000.

Specific Need for Certain “Tech/Flex” Industrial Land

There are several such clusters in the region where new tech/flex industries can locate. As noted in the Shute Road Analysis, not all tech/flex industries have the same characteristics and service needs. Some industries can locate or expand anywhere in the region. Others need to be in or near one of the clusters. Some high technology industries – semi-conductor and chip/wafer manufacturing and experimental product research and development – have more specific site and locational requirements. These firms need seismic stability, a specialized supply of electricity (redundant and uninterruptible) and specialized gases (nitrogen in particular). Firms with these requirements have recently sought, but been unable to find, large sites with these locational characteristics (Shute Road Analysis, pp. 26-27).

II. Alternative Sites

These findings address ORS 197.298(1); ORS 197.732(c)(B), (C) and (D) and Goal 2, Exceptions; OAR 660-004-0010(1) and 660-004-0020(2); Goal 14, Factors 3-7; Metro Code 3.01.020(b)(3) through (7) and 3.01.020(d).

Within the UGB

Only one cluster in the region - the Sunset Corridor cluster - has these specialized services. Given the cost of installing these services in other parts of the region, the Council concludes that other clusters cannot reasonably accommodate the need described in section I, above.

There is no land in large parcels available within the UGB in the Sunset Corridor cluster to accommodate the need. There are a few tracts of land in large parcels in the Corridor. The UGR-E includes this land in its analysis of capacity to accommodate employment. The need for industrial land, however, greatly exceeds the employment capacity of these tracts. The tracts themselves will be used by the firms that have developed portions of the tracts. These firms have "land-banked" the balance of the tracts for future expansion, as explained in detail in the Shute Road Analysis, making them unavailable to meet the need described in section I, above.

The Shute Road Analysis identifies small parcels in the UGB and the Sunset Corridor cluster that are not "land-banked." But these parcels cannot be assembled to create large parcels because they are not contiguous.

There is vacant land designated for residential and commercial use in Hillsboro. But this land is not proximate to the specialized services needed by the high-technology industries described in section I, above, and it is not available in large parcels (50 acres or larger). Rezoning of land from residential use to industrial use would exacerbate the shortage of land available for residential use identified in the Urban Growth Report-Residential (URG-R). Rezoning of residential land near the Sunset Corridor cluster would also reduce residential capacity in a part of the region with little capacity to spare. Condition 5 of Exhibit B of this ordinance requires the City of Hillsboro to increase the residential capacity of land in the Hillsboro Regional Center and the Town Centers, Station Communities, Corridors or Main Streets to accommodate the dwelling units generated by the jobs that will come to the Shute Road site. Rezoning of residential land near the Sunset Corridor cluster would work against accomplishment of Condition 5. In short, there is no land designated for residential or commercial use that can reasonably accommodate the need described in section I, above.

Metro took measures to increase the efficiency of land use within the UGB designated for employment. Metro's UGMFP Title 4 limits non-employment uses in areas designated for employment use. Title 4 also limits commercial retail uses in areas designated for industrial employment. Analysis of results of local implementation of Title 4 indicates that commercial uses and other non-industrial uses are converting land designated for industrial use to non-industrial use.

In response to this information, the Metro Council amended the RFP (Exhibit D, Policies 1.4.1 and 1.4.2) and Title 4 (Exhibit F) to improve the protection of the existing industrial land base. The Council created a new 2040 Growth Concept design type - "Regionally Significant Industrial Land" (RSIA) - and developed new limitations on commercial office and commercial retail uses in RSIA's. These new measures will reduce the shortfall in industrial land by reducing encroachment by commercial uses. But the measures do not create new large parcels for industrial use.

The Council concludes that the need described in section I, above, cannot reasonably be accommodated with the UGB as it existed prior to expansion by Ordinance No. 02-969.

On Higher Priority Land Outside the UGB

Metro has not designated any land outside the UGB as “urban reserve” since its 1997 designation was invalidated on appeal. There are exception areas in the vicinity of the Sunset Corridor high-technology cluster. None of these areas has large parcels or small parcels that can reasonably be assembled into parcels 50 acres or larger, given their small size, large number and existing residential uses. Each of the areas is outside the range of the PGE Sunset Substation, the source of the redundant, uninterruptible electricity needed by the industries described in section I, above.

There are large tracts of resource lands adjacent to the UGB in the vicinity of the Sunset Corridor cluster. A comparison of the soils of these tracts with the soils of the Shute Road site, however, indicates that the Shute Road site has poorer soils. The two most likely tracts, described in detail in the Shute Road analysis, are outside the range of the PGE Sunset Substation.

There are no “higher priority” land, as that term is used in ORS 197.298(1), that can reasonably accommodate the need.

Shute Road Site is the best Site

The Shute Road site is the only site with the combination of locational and site characteristics that can reasonably accommodate the industries described in section I, above. It is the closest to the PGE Sunset Substation (2,000 feet) and nitrogen gas (across Shute Road from site). It is composed of 11 parcels (three are 40 acres or larger, two 30-35), only three with residences, making assembly into parcels 50 acres and larger practicable.

Given its proximity to the very highly developed and sophisticated sewer, water, storm-water, transportation, public safety services in the Hillsboro High Tech Industrial Sanctuary, the city and other service providers can extend urban services to the Shute Road site in an orderly and economic manner. This will allow maximum efficiency of urbanization in the area. Urbanization and servicing of this site would be more efficient, less costly and more orderly than urbanization and servicing of any exception area or resource land considered.

There are no inventoried and protected Goal 5 resources on the Shute Road site. The site includes a portion of the course of a tributary of Waibel Creek. This tributary is protected by Title 3 of the Urban Growth Management Functional Plan and will remain protected in the UGB.

The Council agrees with and incorporates the analysis and findings on environmental, economic, energy and social consequences in the Shute Road Analysis, pages 79-85. These consequences will be positive or no more adverse than those that would result from inclusion of other land for these industrial uses.

There is farmland in farm zoning to the north and west of the Shute Road site. Generally, industrial use is more compatible with adjacent farm practices than is residential or commercial use. As noted in the Shute Road Analysis, industrial uses within the UGB have been relatively compatible with agricultural activities to the north and west. Condition 4 in Exhibit B of this ordinance requires the City of Hillsboro or Washington County to take measures to reduce the incompatibility.

Citizen Involvement

The Council considered this ordinance in the same process it followed for Ordinance No. 02-969. Hence, the Council incorporates into this ordinance the findings it made in that ordinance to show compliance with statewide planning Goal 1 and Regional Framework Plan Policy 1.13.

Coordination with Local Governments

The Council considered this ordinance in the same process it followed for Ordinance No. 02-969. Hence, the Council incorporates into this ordinance the findings it made in that ordinance to show compliance with statewide planning Goal 2 (Coordination). Metro worked closely on this ordinance with the City of Hillsboro and Wash County and accommodated their interests as much as possible.

Water Quality and Natural Resources

There are no inventoried and protected Goal 5 resources on the Shute Road site. The site includes a portion of the course of a tributary of Waibel Creek. This tributary is protected by Title 3 (Water Quality, Flood Management and Fish and Wildlife Conservation) of the Urban Growth Management Functional Plan and will remain protected in the UGB. Title 3 requires Washington County and the City of Hillsboro to protect water quality and floodplains in the area. Title 11 of the UGMFP, section 3.07.1120G, requires the county to protect fish and wildlife habitat and water quality. Title 11, section 3.07.1110, protects the status quo in the interim period of county planning for the area.

Areas Subject to Natural Disasters and Hazards

Conditions 1 and 2 in Exhibit B of this ordinance require the City of Hillsboro or Washington County to complete the planning requirements of Title 11, Urban Growth Management Functional Plan (UGMFP), including compliance with Title 3 of the UGMFP on floodplains and erosion control.

Economy of the Region

Inclusion of the Shute Road site will help the region accommodate the forecast employment to the year 2022 and is consistent with the economic development elements of the Washington County and City of Hillsboro comprehensive plans. Conditions 6 through 9 will help ensure that the economic objectives of inclusion of the site will be achieved.

Housing

Inclusion of the Shute Road site in the UGB will generate a demand for housing in the Hillsboro area. Condition 5 in Exhibit B of this ordinance requires the City of Hillsboro to demonstrate additional residential capacity to accommodate this demand for housing.

Public Utilities and Services

Under statewide Planning Goal 11, Metro is responsible for coordination of the preparation of public facility plans within the district. Metro will fulfill this responsibility through implementation of Title 11 of the UGMFP, which (1) prohibits Washington County from upzoning and from dividing land into resulting lots or parcels smaller than 20 acres until the county revises its comprehensive plan and zoning ordinances to authorize urbanization; and (2) requires the county or the City of Hillsboro to develop a public facilities and services plan and an urban growth diagram with the general locations of necessary public facilities such as sanitary sewers, storm sewers and water lines for the Shute Road site.

Transportation

Metro has responsibility to ensure that this ordinance does not significantly affect a transportation facility or allow uses that are inconsistent with the identified function, capacity and performance standards of transportation facilities. Metro fulfills this responsibility through implementation of Title 11 of the UGMFP, which (1) prohibits Washington County from upzoning and from land divisions into resulting lots or parcels smaller than 20 acres in the area until the county revises its comprehensive plan and zoning ordinances to authorize urbanization; and (2) requires the county

or the City of Hillsboro to develop a conceptual transportation plan and an urban growth diagram with the general locations of arterial, collector and essential local streets for the area. Metro's 2000 Regional Transportation Plan's "Priority System" of planned transportation facilities in shows improvements planned near the Shute Road site (Evergreen Road Project 3131) to serve anticipated growth.

Inclusion of the Shute Road site helps implement the Regional Framework Plan by adding industrial land (and protecting it for that use) close to the heart of the Hillsboro High Tech Industrial Sanctuary and close to the specialized services available at least cost. This will retain and reinforce the region's compact form. Condition 5 in Exhibit B of this ordinance will keep the jobs/housing ratio from worsening in this part of the region. In Task 3 of periodic review, the Council will address the transition between industrial use in this part of the region and agriculture in the region as a whole.

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING THE)
METRO URBAN GROWTH BOUNDARY TO) ORDINANCE NO. 02-983
ADD LAND FOR A SPECIFIC TYPE OF)
INDUSTRY NEAR SPECIALIZED)
FACILITIES NORTH OF HILLSBORO; AND) Introduced by Community Planning Committee
DECLARING AN EMERGENCY)

WHEREAS, state law requires the Metro Council to assess the capacity of the urban growth boundary ("UGB") every five years and, if necessary, increase the region's capacity to accommodate the long-term need for employment opportunities; and

WHEREAS, the Council and the Land Conservation and Development Commission agreed that the Council would undertake the assessment and any necessary action to increase the capacity of the UGB as part of the state's periodic review process; and

WHEREAS, Task 2 of the periodic review work program calls for completion of the same assessment of capacity and increase in capacity, if necessary, by December 20, 2002; and

WHEREAS, the Council determined a need for land to accommodate a forecast employment increase of _____ jobs for the three-county metropolitan region by the year 2022; and

WHEREAS, the Council determined that the pre-existing UGB had the capacity to accommodate _____ of those _____ new jobs; and

WHEREAS, policy measures to protect Industrial Areas adopted in Ordinance No. 02-969 increased the capacity of the pre-existing UGB to accommodate an additional _____ of those _____ new jobs within the UGB; and

WHEREAS, expansion of the UGB by Ordinance No. 02-969 added land with the capacity to accommodate _____ of those _____ new jobs, leaving unmet the need for land to accommodate _____ new jobs; and

WHEREAS, the Council identified a specific type of high-technology industrial need that cannot reasonably be accommodated on land within the UGB, or on land of higher priority under state law for inclusion within the UGB; and

WHEREAS, the Council consulted its Metropolitan Planning Advisory Committee and the 24 cities and three counties of the metropolitan region and considered their comments and suggestions prior to making this decision; and

WHEREAS, Metro conducted five public workshops in locations around the region to provide information about alternative locations for expansion of the UGB and to receive comment about those alternatives; and

WHEREAS, Metro published, on August __, 2002, notice of public hearings before the Council on the proposed decision in compliance with Metro Code 3.01.050; and

WHEREAS, the Metro's Community Planning Committee and the Metro Council held public hearings on the proposed decision on October __ and __ and December __ 2002, and considered the testimony prior to making this decision; now, therefore,

THE METRO COUNCIL HEREBY ORDAINS AS FOLLOWS:

1. The Metro UGB is hereby amended to include the Shute/Evergreen site, more precisely identified and mapped on Exhibit A, attached and incorporated into this ordinance, in order to accommodate a specific type of high-technology industrial need.
2. Inclusion of the Shute/Evergreen site within the UGB is subject to the conditions set forth in Exhibit B, attached and incorporated into this ordinance, in order to ensure that development on the site is limited to the specific need for which the Council includes the site.
3. The Findings of Fact and Conclusions of Law in Exhibit C, attached and incorporated into this ordinance, explain how the record demonstrates that addition of the Shute/Evergreen site complies with state planning laws, the Regional Framework Plan and the Metro Code.
4. This ordinance is necessary for the immediate preservation of public health, safety and welfare because state law requires Metro to ensure that the region's UGB includes a long-term supply of land for employment and there is an immediate need for a site for the specific type of high-technology industry identified in this ordinance. An emergency is therefore declared to exist, and this ordinance shall take effect _____, 2003, pursuant to Metro Charter section 39(1).

ADOPTED by the Metro Council this __ day of December, 2002.

Carl Hosticka, Presiding Officer

ATTEST:

Approved as to Form:

Recording Secretary

Daniel B. Cooper, General Counsel