

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF A RESOLUTION)	RESOLUTION NO. 86-650
ACCEPTING THE HEARINGS OFFICER'S)	
REPORT IN CONTESTED CASE NO. 85-7)	Introduced by the
(KAISER) AS AMENDED; FURTHERING)	Executive Officer
ANNEXATION OF THE AFFECTED)	
PROPERTY TO METRO; AND EXPRESSING)	
COUNCIL INTENT TO AMEND THE URBAN)	
GROWTH BOUNDARY)	

WHEREAS, Contested Case No. 85-7 is a petition from Kaiser Development Company and others to the Metropolitan Service District (Metro) for an amendment of the regional Urban Growth Boundary (UGB) to include the property shown as the "proposed addition" in Exhibit A and described in Exhibit C (hereafter called "the property"); and

WHEREAS, Hearings on this petition were held before a Metro Hearings Officer on March 21, 24, and 31, 1986; and

WHEREAS, The Hearings Officer has issued her report on this case (Exhibit B), which finds that all applicable requirements have been met and recommends that the petition be approved; and

WHEREAS, The Council finds the amendments to the Hearings Officer's report shown in Exhibit D, clarify its intent regarding its approval of the petition; and

WHEREAS, The property lies outside but is contiguous to Metro's boundaries; and

WHEREAS, "Consents" in the form of a petition have been presented to Metro requesting annexation of the property; and

WHEREAS, The consents in the form of a petition were signed by owners of the property; and

WHEREAS, Metro has reviewed the consents and set the final boundary for the annexation, as required by ORS 199.490(2); and

WHEREAS, Subsequent to the setting of the final boundary the consents for land contained therein represent "more than half the owners of the land in the territory, who also own more than half of the land in the contiguous territory and of real property therein representing more than half of the assessed value of all real property in the contiguous territory"; and

WHEREAS, The proposed annexation therefore is in accordance with ORS 199.490(2) and constitutes a so-called "triple majority" annexation and a "minor boundary change" under Boundary Commission law, ORS 199.410 to 199.510; and

WHEREAS, Section 2 of Ordinance No. 85-189 provides that action to approve a petition including land outside the District shall be by resolution expressing intent to amend the UGB when the property is annexed to the Metropolitan Service District; now, therefore,

BE IT RESOLVED,

1. That the Council hereby accepts and adopts as the Final Order in Contested Case No. 85-7 the Hearings Officer's Report and Recommendations in Exhibit B of this Ordinance, amended as shown in Exhibit D, which are both incorporated by this reference.

2. That the petition for annexation to the Metropolitan Service District is hereby approved and the petitioners directed to file the necessary fee and forms, including this resolution, with the Portland Metropolitan Area Local Government Boundary Commission.

3. That the Council of the Metropolitan Service District expresses its intent to adopt an ordinance amending the Urban Growth Boundary as shown in Exhibit A within thirty (30) days of receiving

notification that the property has been annexed to the Metropolitan Service District, provided such ratification is received within six (6) months of the date on which this resolution is adopted.

ADOPTED by the Council of the Metropolitan Service District
this 26th day of June, 1986


Richard Waker, Presiding Officer

JH/gl
5680C/462-6
06/18/86

Petition from Kaiser Development Company

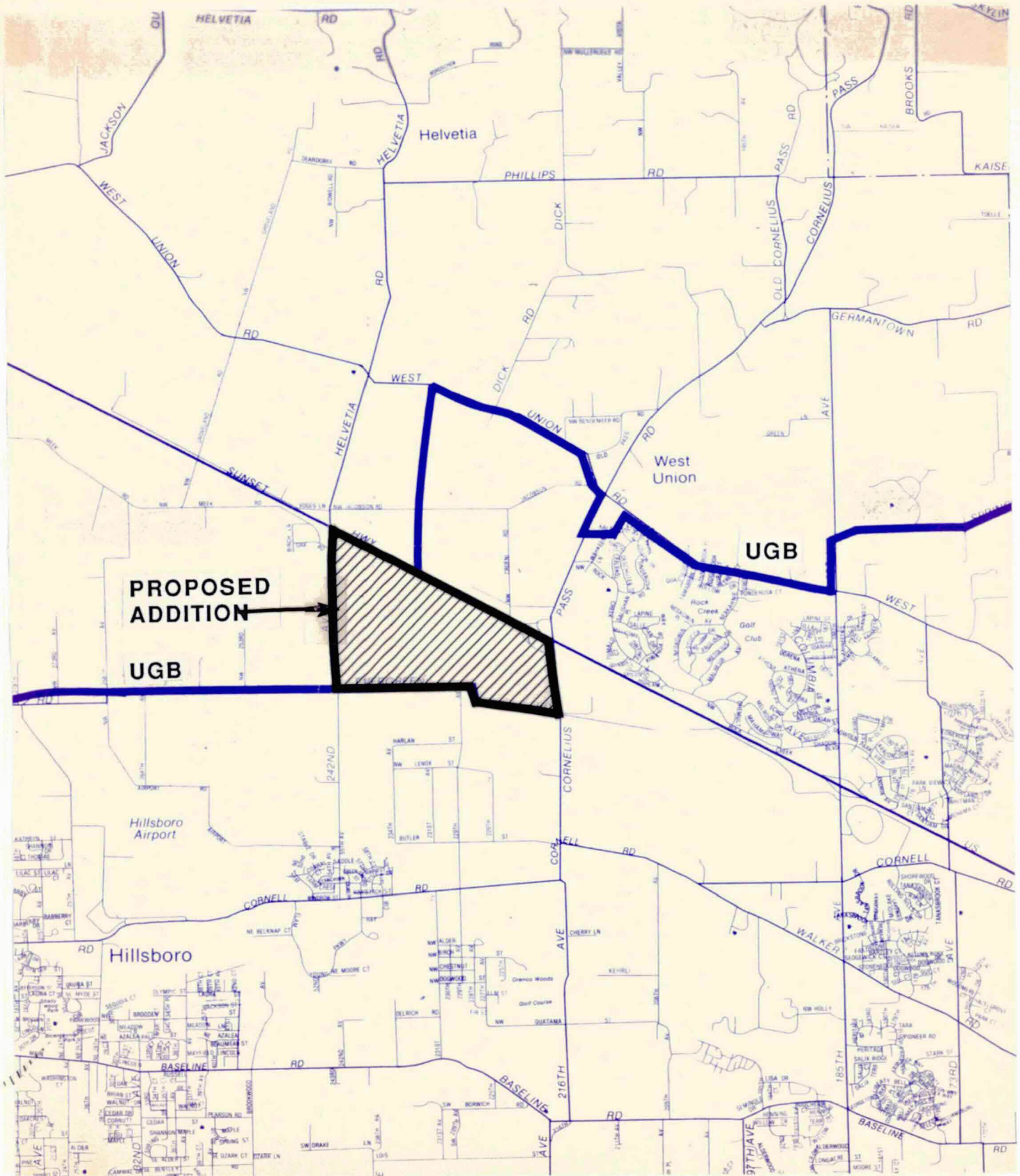


EXHIBIT D

Amendments to the Hearings Officer's Findings of Fact and Conclusions of Law for Application of Kaiser Development Corporation and Co-Petitioners

The Council hereby adopts the following amendments to the Hearings Officer's Report:

1. Page 20. Amend the second and third paragraphs to read as follows:

"The need for a variety of large parcels was established by the testimony of Doug Anderson at the 'Alternative Sites' hearing. Mr. Anderson's report documented there are only seven parcels totaling 629 acres which are available within the Sunset Corridor to meet the identified need. The remaining large parcels identified in Metro's inventory are constrained by unavailability for purchase or by design features that impair suitability for a single user. [, and t]There are no finished lots of 30 acres or larger. If these seven parcels are deemed sufficient for the next 20 years' growth, it will allow only one new firm every three years, on the average.

"The findings for Goal 14, Factor 2, establish a need for jobs. Portland and the Sunset Corridor will be competing with other areas for new industry. The question is whether seven sites totaling 629[0] acres is competitive."

2. Page 24. Amend the first sentence of item (3) to read as follows:

"The testimony demonstrates that there are only seven parcels of 30 acres or larger in the Sunset Corridor that are suitable for purchase and development by individual end users."

3. Page 25. Add the following after the first paragraph, before Factor 2:

"(4) The above findings are sufficient to justify petition approval. However, the Council has also identified a further specific need for parcels larger than 60 acres. This need is indicated by the fact that five of the seventeen total land sales and eight sales to end users listed in Table 3 of the Hobson Report were to high tech industries purchasing more than sixty acres and as much as 210 acres (NEC).

"The Council is particularly concerned about this need for larger parcels because: (a) such very large parcels appear to be most attractive to the major new high tech users the Council wishes to continue to attract to this region; and (b) such very large parcels will always be in the most limited supply, since it is always easier to subdivide land to create smaller parcels as needed than to aggregate smaller parcels into a large undeveloped block.

"To address the Council's concern, the petitioners have committed to develop a marketing program that includes marketing to users seeking parcels larger than 60 acres and that encourages the consolidation of parcels to the extent practicable."

4. Page 93. Add the following after item 4:

"5. A marketing program will be developed that includes marketing to users seeking parcels larger than 60 acres and that encourages consolidation of parcels to the extent practicable."

5. Page 94. Add the following after item D:

"E. If the supply of parcels in the Sunset Corridor that are larger than 60 acres is depleted by the division through sale or development of the existing inventory of such parcels as identified herein, including the two pairs of lots 30 acres or larger to be made available through approval of this petition and the 65 acre parcel to be made available through approval of the petition from Riviera Motors, as provided by Resolution No. 86-651 and if subsequent petitions for UGB amendment are received that seek to demonstrate need solely on the basis of a shortage of parcels larger than 60 acres for high tech users, the Council hereby expresses its disinclination to accept such a demonstration as sufficient to meet the applicable goal requirements. To be effective, such petitions should include further findings to demonstrate that no other practicable alternatives exist for meeting this need without immediate UGB amendment. Such findings should include discussion of what measures have been taken, are planned, or could be taken by local and state government, together with the development community, to: (1) make other industrial areas of the region in addition to the Sunset Corridor more attractive to new high tech industries; (2) preserve large parcels undivided to the fullest extent practicable.

"F. The Council expresses its interest in investigating ways the UGB amendment process could be revised to

reduce amendment pressure resulting from a shortage of larger parcels for industrial use."

6. Appendix I, page 2 delete everything under the heading "2. Zidell Site" up to the last sentence on the page, which begins: "Evidence also was submitted. . ." Replace with the following:

"The Zidell site consists of 81 acres and is located on S.W. Boones Ferry Road, near Nyberg Road on the western outskirts of the Tualatin business district. Like the Leveton property, it is at the periphery of Tualatin's industrial core. Freeway access is good due to the Tualatin-Sherwood Highway bypass to Interstate-5, and it is close to support services in downtown Tualatin. The site has serious soils problems in that over half the site is in flood plane and wetlands.

"In addition to the soils problems, the Hearings Officer finds a key weakness of the Zidell site is that it is not in the Sunset Corridor. It is not in close proximity to other high-tech companies and this is a distinct disadvantage. There are no suitable adjacent or nearby industrial properties to form a nucleus of high-tech firms in this area and thus establish a high-tech presence. Any high-tech company locating on the site will be permanently isolated from other high-tech development."

JH/amn
5871C/D3-3
07/03/86

STAFF REPORT

Agenda Item No. 8.1

Meeting Date June 26, 1986

CONSIDERATION OF RESOLUTION NO. 86-650, ACCEPTING
THE HEARINGS OFFICER'S REPORT IN CONTESTED CASE
NO. 85-7 (KAISER) AS AMENDED; FURTHERING
ANNEXATION OF THE AFFECTED PROPERTY TO METRO; AND
EXPRESSING COUNCIL INTENT TO AMEND THE URBAN
GROWTH BOUNDARY

Date: June 18, 1986

Presented by: Jill Hinckley

FACTUAL BACKGROUND AND ANALYSIS

The petition from Kaiser Development Company is one of three petitions received this year requesting major amendments of the regional Urban Growth Boundary (UGB). The petition proposes the addition of some 450 acres south of Sunset Highway in Washington County as shown in Exhibit A (attached to Resolution No. 86-650).

Under the applicable statewide goals, major UGB amendments may be approved only when shown to be needed to accommodate growth. Kaiser states that its petition should be approved in order to meet what it asserts to be a need for additional land in the Sunset Corridor attractive to so-called "hi tech" industries.

The Hearings Officer recommended that the petition be approved. Her findings emphasized the need for large parcels 30 to 60 acres. Her conclusion that the petition will meet this need was based in part upon an agreement among Kaiser, the city of Hillsboro, and 1000 Friends of Oregon that the property will be zoned and platted predominantly for 30-acre parcels, with two pairs of such parcels maintained for a 60-acre user for as long as necessary.

When the Council considered this case at its June 12 meeting, it voted to remand the matter to staff to work with the petitioners on providing better assurance that the property would be used to meet large parcel needs. Response to Council direction will be provided in the form of proposed amendments to the Hearings Officer's report, which will be mailed separately to the Council prior to its June 26 meeting. The resolution has been revised to reference these amendments.

Since the property is not now within Metro's jurisdictional boundaries, the action proposed is a resolution to: (1) join in a "triple majority" petition for annexation to Metro; and (2) express the Council's intent to amend the UGB as requested once the property is within its jurisdiction.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer supports the Hearings Officer's Report and recommends adoption of Resolution No. 86-650.

JH/gl
5680C/462-6
06/18/86

APPENDIX II

Alternative Sites Described By 1000 Friends of Oregon

(1) Seaport Property

The Seaport property, containing 197 acres, has already been included in the applicant's inventory of unconstrained land. There is testimony from Jack McConnell, Vice President of Norris, Beggs & Simpson, upon which the Hearings Officer relies, that this site should be considered constrained because a railroad line exists on the property. National Semiconductor and RCA Sharp indicated that, because the vibration from the railroad could interfere with their operations, they would not develop a site with a rail line located on it. Thus, while it is unnecessary for the Hearings Officer to make a finding that the Seaport property is constrained, there is evidence in the record demonstrating that this property is less desirable than originally indicated.

(2) Burlington Northern Railroad/Western Union Property

This parcel is in the applicant's inventory of unconstrained land. Again, testimony was submitted that the existence of a rail line on this parcel constitutes a constraint.

(3) Dawson Creek Industrial Park Property

The 54 acre portion of this parcel, available for sale, is in the applicant's inventory. The remainder of this parcel, 252 acres, is available on a lease only basis. Much evidence has been submitted in the record that property available on a lease only basis is a substantial marketing constraint to high tech

development. The evidence has shown that there are no high tech users on leased property. There is also evidence in the record, upon which the Hearings Officer relies, demonstrating that the portion of the property available on a lease only basis will remain in the lease only category indefinitely. The Hearings Officer therefore finds that the 252 acre portion of the Dawson Creek property available on a lease only basis does not constitute a reasonable alternative site.

(4) Ronler Acres

This 400 acre site was originally platted as a residential subdivision. Evidence was submitted, upon which the Hearings Officer relies, demonstrating that there are approximately 600 individual owners of this parcel. The Hearings Officer therefore finds that, because of the significant impediments to development arising out of such multiple ownership and constraints posed by a set of restrictive covenants, Ronler Acres does not constitute a reasonable alternative site.

(5) Wilsonville Property

This 350 acre parcel is not located in the Sunset Corridor. Much evidence has been submitted in the record from which the Hearings Officer has already found that the demand for industrial land for high tech uses is focused almost exclusively on the Sunset Corridor. There is evidence in the record, upon which the Hearings Officer relies, that demonstrates that the synergism developing near the Wilsonville property is in the distribution industry, not the high tech industry. The Hearings Officer therefore finds that the location of the Wilsonville

property precludes it from being a reasonable alternative to the proposed site.

(6) Leveton Property

The constraints existing on this property have been discussed above and need not be addressed here.

(7) Cornell/Cornelius Pass Property

This 48 acre site is already contained within the applicant's inventory of unconstrained property.

(8) Kaiser/231st Property

This 77 acre parcel is contained in the applicant's inventory of unconstrained property.

(9) Wishing Well Property

This 32 acre site has recently been split into four different parcels as a consequence of road realignments. For these reasons, it has been removed from Metro's and the applicant's inventories of available land. The Hearings Officer therefore finds that, because of size constraints on the Wishing Well property, it does not constitute a reasonable alternative site.

(10) Tanasbourne Property

This property consists of three parcels, 30 acres, 35 acres, and 39 acres, respectively. The constraints on the 30 acre parcel have been discussed above.

The 35 acre parcel would require the consolidation of four lots and contains configuration constraints. There is evidence in the record, upon which the Hearings Officer relies, that demonstrates that the configuration constraints on the

Tanasbourne property would impose severe marketing obstacles on attempts to secure high tech development on these properties.

The 39 acre parcel is composed of 13 lots and possesses configuration constraints. This parcel is listed by Metro as constrained.

Because of the need to assemble finished parcels together and the existence of configuration constraints, the Hearings Officer finds that the Tanasbourne Property does not constitute a reasonable alternative site.

(11) Johnson/PacTrust Property

This site is contained in the applicant's inventory of available alternative sites. Evidence was submitted by Mr. McConnell that the rail line that bisects the property could be a deterrent to high tech development.

(12) Windolph Park Property

This 107 acre parcel is available on a lease only basis. The developer of the property, Glacier Park Development Company, has indicated that this property will remain as lease only for an indefinite period of time. For the reasons already discussed with respect to lease only property, the Hearings Officer finds that the Windolph Park parcel is unavailable for high tech use.

(13) Olin Industrial Park and Sealy Complex Properties

Neither of these parcels is located in the Sunset Corridor. 1000 Friends has suggested that these parcels have a good potential for high tech spinoffs. Virtually all of the high tech spinoffs, such as Mentor Graphics, Sequent and Planar

Systems have remained in the Sunset Corridor. Based on the extensive evidence on the need for critical mass to foster high tech development, the Hearings Officer finds that these parcels would not provide good potential for high tech spinoffs and therefore do not constitute reasonable alternative sites.

(14) Five Oaks Property

This parcel is listed in the applicant's inventory of available sites.

(15) Baywest Property

This 29 acre parcel is undergoing subdivision and a road will split the property into small parcels. This property has been removed from Metro's and the applicant's inventory. Because of size constraints, the Hearings Officer finds that the Baywest Property does not constitute a reasonable alternative site.

(16) Hawthorn Farm Property

The total acreage of this site is 35 acres. There is evidence in the record, upon which the Hearings Officer relies, demonstrating that the largest contiguous stretch of property is 9.8 acres. The Hearings Officer therefore finds that this property does not provide adequate large acreage land for high tech development. The large parcels are committed for development, especially by Metheus Corporation.

(17) Parkway Center Property

The largest contiguous parcel on this property is 43.6 acres. This parcel is severed by a BPA easement which reduces

the net usable land to approximately 25 acres. Because of the size of this parcel and its location outside of the Sunset Corridor, the Hearings Officer finds that this property does not provide a reasonable alternative site.

(18) Tualatin Area Property

All property in this area is located outside of the Sunset Corridor. There is evidence in the record, upon which the Hearings Officer relies, that there exists constraints in the form of soil, sewer and water extension problems. Because of these constraints and the location of the property, the Hearings Officer finds that the Tualatin area property does not constitute a reasonable alternative site.

(19) Beaverton Area Property

All property in this area is located outside of the Sunset Corridor. Three hundred and seventy-six acres of this property is under development by other developers, leaving only 34 acres of light industrial available for development. Because this property is not located in the Sunset Corridor, the Hearings Officer finds that it does not provide a reasonable alternative site.

(20) Unincorporated Washington County Property

1000 Friends has not provided evidence showing how this property would provide reasonable alternatives to the proposed site. There is evidence in the record, upon which the Hearings Officer relies, that a number of the parcels on this property are not amenable to the provision of sewer and water services. This is typical for an unincorporated area. Further, much of the

property is zoned for agriculturally oriented uses. For these reasons, the Hearings Officer finds that the unincorporated Washington County property does not provide reasonable alternative sites.

05/01/0014-II/01

FINDINGS OF FACT
AND CONCLUSIONS OF LAW FOR APPLICATION OF
KAISER DEVELOPMENT CORPORATION AND CO-PETITIONERS

Submitted:
April 30, 1986

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FINDINGS OF FACT
AND CONCLUSIONS OF LAW FOR APPLICATION OF
KAISER DEVELOPMENT CORPORATION AND CO-PETITIONERS

I. INTRODUCTION

A. Nature of the Proceeding

This case involves a petition by Kaiser Development Corporation and co-petitioners ("applicant") to amend the Metropolitan Service District ("Metro") Urban Growth Boundary ("UGB") to include approximately 453 acres located in Washington County on the western edge of what is known as the Sunset Corridor. The legal description of the affected property is attached as Exhibit A. The property is located south of the Sunset Highway immediately east of Shute Road, north of Evergreen Road, and west of Cornelius Pass Road (the "site"). The site abuts the present UGB on three sides. The co-petitioners and their respective ownerships of the subject property are as follows:

<u>Co-Petitioners</u>	<u>Approximate Acreage</u>
Kenneth and Ruth Berger	19.45 acres
Elmer and Florence Croeni	1.55 acres
Barbara Ann Berger and Daughters	76.16 acres
Richard Girt, Eugene and Beverly Seibel	57.68 acres
Claycamp, Moore & Seiffert	17.57 acres
Juanita Goodin and Family	58.92 acres
Ko Chang Cheng	9.33 acres
Craig and Janet Magwire	49.97 acres
John Hare	46.88 acres
Frank Imbrie	1.99 acres
Billie Herman, Ogden Barn, Inc.	4.13 acres
Standard Insurance Company	47.77 acres

In addition to the properties referenced above, the following additional property is included within this Order, however the owners did not petition for inclusion. The property

and owners are: Floyd and Frances Severson (4.6 acres), the Bonneville Power Administration (57.23 acres), Paul and Joyce Hales (1.7 acres), and Louis and Marilyn Topinka (.57 acres).

The Hearings Officer, pursuant to the authority of Metro Ordinance No. 85-189, Section S, ordered the consolidation of certain issues for hearing among the three (3) petitioners for a major amendment to the Urban Growth Boundary. The three (3) petitioners are:

1. Riviera Motor Inc., No. 85-6;
2. Kaiser Development Co. and co-petitioners, No. 85-7;
3. Benj Fran Development, Inc. and co-petitioners, No. 85-8;

The issues consolidated for hearing were:

1. Transportation, Goal 14, Factor 3; and
2. Other available sites, Goal 2, Exceptions Process Factor 2.

B. Intended Use of the Site

Amendment of the UGB will allow the site to be developed for a variety of acreages for industrial purposes, including large sites in the 30 acre to 60 acre range. It is anticipated that the Kaiser Development properties will be master planned and will be made available to the market to satisfy demand for large acreage industrial parcels of 30 acres or more as well as smaller acreage parcels as the needs of the market dictate. The petitioners, the City of Hillsboro, and 1000 Friends of Oregon have agreed upon certain actions which will take place subsequent to the approval of this petition. The

Hearings Officer has relied upon these representations made as part of petitioners' testimony and they are the basis on which the decision rests. These representations include testimony that the applicant will take measures to assure that two contiguous 30-acre parcels will be available to the market place as a single large lot industrial tract on the Kaiser property and on the property owned by the other co-petitioners.

C. Physical Characteristics

The site is located in the Tualatin Valley adjacent to the northeastern corner of the City of Hillsboro. There are no predominant natural features which define the property, other than a small agricultural ditch that extends east and west across the northern edge of the property and the upper reaches of Dawson Creek in the eastern third of the site. Both drainageways flow only during the rainy season.

Approximately one-quarter of the site is presently in hazelnut orchards, with the balance being in field crops and pasture. The property is approximately 6,600 feet long and 4,200 feet at its widest point. It is an approximate trapezoidal shape. The terrain is generally flat with slopes of two to five percent. Elevations range from 185 feet to 210 feet above sea level. Only a very narrow strip, defined by a ditch across the northwest corner, lies within the 100 year floodplain.

Existing services include the Dawson Creek trunk sewer line which terminates in the Evergreen Road right-of-way adjacent to the property, approximately mid-way between Shute Road and

Cornelius Pass Road. A 12-inch water line in Evergreen Road extends from Cornelius Pass to approximately 229th Avenue.

The site is bounded by Shute Road, a two-lane county facility being upgraded to a three-lane arterial between Sunset Highway and Evergreen through a federally funded project being carried out by the Oregon Department of Transportation. Sunset Highway, which forms the northern boundary of the site, is a four-lane expressway with full interchange at Cornelius Pass Road and a new interchange at Shute Road. Evergreen Road, which forms the southern boundary of the site, is a two-lane gravel base road, scheduled for improvement by the City of Hillsboro to Cornelius Pass Road, on the eastern edge of the site, is a three-lane arterial.

D. Planning Issues

1. Existing Planning and Zoning Designations

The site is presently designated EFU (Exclusive Farm Use) on the Washington County Comprehensive Plan. Upon amendment to the UGB, a petition will be submitted to the Metropolitan Boundary Commission requesting annexation of the site to the City of Hillsboro. The City of Hillsboro has recommended, by City Resolution No. 1308, that the site be included in the UGB. Upon annexation, a request will be made to rezone the site for industrial use under the City's Comprehensive Plan. Under the proposed conditions for the amendment to the UGB, the applicant will apply for a zoning designation of Industrial Park ("IP") under the City of Hillsboro's zoning ordinance for the Kaiser

Development property. Prior to annexation, the site will remain EFU under the County's plan.

2. Planning History

In January 1980, after a lengthy process, the Portland Metropolitan Area Regional Urban Growth Boundary was acknowledged by the State Land Conservation and Development Commission. The site, even though previously included for urban development in early comprehensive plans, within the Unified Sewerage Agency Master Plan, and in the original adopted urban growth boundary in 1976, was not included in the final urban growth boundary as acknowledged in 1980. 1000 Friends of Oregon challenged the 1976 acknowledgment of the UGB as inadequate bringing suit in circuit court. On July 22, 1985 the Marion County Circuit Court finally issued its opinion in the UGB acknowledgment. The circuit court found that the findings supporting the acknowledgment order for certain areas of the UGB were not sufficient and the acknowledgment was remanded to LCDC for further findings. 1000 Friends of Oregon v. LCDC (Marion Cir Ct No 118213 July, 1985). The area in which this site is located was not one of the contested areas in that case. With the exception of a small area, the Urban Growth Boundary was reacknowledged by LCDC in January 1986. All of the land contiguous to this site is within the area reacknowledged.

3. Recent Area Developments

Until 1982, the only significant development within the immediate vicinity of the site was the Riviera Motors complex, north of Sunset Highway, west of Cornelius Pass Road.

In 1982, however, Standard Insurance Company sought development approval for the Tanasbourne Commerce Center, a 200 acre industrial park on the east side of Cornelius Pass Road. In 1984, Epson Corporation announced the purchase of 40 acres in that center.

Also in 1984, the NEC Corporation purchased 210 acres immediately south of the site (including the old Hillsboro High School site) and it is presently under construction with the first phase of its development.

In 1984, Fujitsu America announced plans for a 120 acre industrial campus, which touches the southern border of the site, that will eventually house seven fabrication and assembly plants and office building and related facilities. Also at the same time, ground was broken on the One Technology Center Building located at Cornelius Pass Road and Evergreen Parkway.

4. Required Future Land Use and Development Approvals

Upon amendment to the UGB, numerous additional land use and development approvals must be obtained before actual development of the site can occur. These additional steps include:

(a) Annexation - Metro. Before Metro acts on this Petition for a UGB Amendment, the property must be brought within the Metro district. A district boundary change proposal must be presented to the Portland Area Local Government Boundary Commission.

(b) Annexation - Hillsboro. Annexation to the City of Hillsboro will require the submittal of an annexation application petition to the Boundary Commission. Public hearings will be

conducted on the petition prior to approval by the Boundary Commission. It is expected that such a process will take three to six months.

(c) Preliminary Master Plan Approval. After annexation, the property owners will prepare a preliminary plan to determine the phasing, site planning, preliminary engineering, and mix of land uses for the property. A preliminary master plan must be submitted to the City of Hillsboro and will be the basis for rezoning the property to MP (Manufacturing Park). It is anticipated that such a process will require three to six months.

(d) Comprehensive Plan Amendment and Zone Change Application. In conjunction with the submittal of the Preliminary Master Plan, a comprehensive plan amendment and zone change application will be made to the City of Hillsboro. Until the plan amendment and zone change occur, the site will remain EFU in accordance with the Urban Planning Area Agreement between Washington County and the City of Hillsboro. It is anticipated that the plan amendment and zone change process will require six to nine months.

(e) Development Application. Once a zone change has been approved, a development application consistent with the Preliminary Master Plan will be submitted. The development application identifies the particular phase of development, the magnitude of development, the traffic impacts, and other urban service impacts and must be approved by the city prior to proceeding with the development.

(f) Engineering Approvals. Prior to construction, the City of Hillsboro, the Unified Sewerage Agency, and other public agencies will need to review and approve the engineering design for the roads, sewer, and water system improvements. It is anticipated that this process will require approximately three to six months.

(g) Architectural Review. It is anticipated that, once property has been acquired for development, it will take approximately six months for specific architectural designs to be prepared and approved.

(h) Construction. It is estimated that construction activities on the land will require a minimum of one year before any facility would be ready for occupancy.

Based on the estimated time required for future land use and development approvals, the site will not be ready for actual development for a period of between two and three years after the date on which the UGB is amended. Accordingly, consideration of this amendment petition requires an evaluation of the applicable criteria for amendment to the boundary for development which would occur in the late 1980's.

II. GOAL 14 AMENDMENT CRITERIA

A. Compliance With Goal 14

The criteria of LCDC Goal 14 are applicable to this petition to amend the UGB because Goal 14 provides that "establishment and change of the boundary shall be based upon

consideration" of the factors enumerated in the goal. The seven factors of Goal 14 which must be considered are as follows:

- "(1) Demonstrated need to accommodate long-range urban population growth requirements consistent with LCDC goals;
- (2) Need for housing, employment opportunities and livability;
- (3) Orderly and economic provision for public facilities and services;
- (4) Maximum efficiency of land uses within and on the fringe of the existing urban area;
- (5) Environmental, energy, economic and social consequences;
- (6) Retention of agricultural land as defined, with Class I being the highest priority for retention and Class VI the lowest priority; and
- (7) Compatibility of the proposed urban uses with nearby agricultural activities."

The factors of Goal 14 are addressed below.

1. Demonstrated Need

Factor 1 of Goal 14 requires consideration of "[d]emonstrated need to accommodate long-range urban population growth requirements consistent with LCDC goals." The Hearings Officer finds the evidence supports a finding that this approval criterion has been satisfied. The following is a discussion of the evidence which supports this conclusion.

The Metropolitan Service District urban growth boundary (UGB) is a regional boundary. The amount of land included within the boundary is a factor of regionwide land use needs. Therefore, the starting place in the analysis of whether

additional land is needed within the boundary is to examine whether there is a regionwide need for additional land.

The Metropolitan Service District has prepared an industrial lands inventory which is a part of the record. The inventory is an inventory of vacant parcels of 30 acres and larger. Regionwide there are: 1,502 acres which are committed; 3,379 acres available with no constraints and 4,602 acres available which have development constraints. Therefore, regionwide there are 3,379 developable acres. An examination of the developable land on a by-county basis shows there are 624 acres in Clackamas County, 1,421 acres in Multnomah County, and 1,334 acres within Washington County. Within the Sunset Corridor there are 694 acres.

The applicant contends there is a localized need for additional vacant developable parcels of 30 acres or larger within the Sunset Corridor. It has been their position throughout the hearing that high tech is a unique industry, and despite the fact there is adequate land on a regionwide basis, there is a need for additional land within the Sunset Corridor. The Hearings Officer finds that high tech is a unique industry having unique locational criteria and based on these factors there is a localized need for additional industrial land. This finding is supported by the needs finding included within this section of the findings and the findings with regard to alternative sites.

The Sunset Corridor for the purpose of these findings is defined as the area generally shown on the map entitled "Sunset Corridor, Large Industrial Parcels."

The applicant's evidence supports the fact there is a need for additional industrial land in the Sunset Corridor for the high-tech sector of the market area, the Sunset Corridor. The applicant demonstrated that there is a localized shortfall of land as a result of recent market activity, and that while other areas can in principle physically accommodate high-tech industries, the Sunset Corridor is virtually the only locational choice of emerging industrial high-tech firms (both foreign and domestic) in the Portland Metropolitan area.

Evidence on the demand of high-tech users for land in the Sunset Corridor was submitted in a report prepared by Douglas R. Anderson, senior associate and consulting economist with Hobson & Associates ("Hobson Report"), upon which the Hearings Officer relies.

The Hobson Report establishes that, by far, the highest concentration of growth in high-tech activity has occurred in the Sunset Corridor. The Hobson Report cites a survey and study of 691 high-tech firms commissioned by the Joint Economic Committee of the U.S. Congress ("JEC Report") as revealing the tendency of high-tech firms to locate near each other. The JEC Report states that high-tech companies are mobile

"in that access to raw materials, access to markets and transportation are not major locational determinants. . . . In contrast to other manufacturing companies, high technology companies are drawn more to highly specialized resources such as labor skills

and education and to factors that make it easier to attract and maintain a skilled labor force, most notably state and local taxes. . . . The clustering of high technology companies in an urban environment may generate agglomeration economies that make the high technology centers even more attractive. The agglomeration economies could occur in the form of improved public and private infrastructure (e.g, roads and schools), a diverse pool of skilled labor, and an improved technology transfer among the companies." (Premus, Robert: Location of High Technology Firms and Regional Economic Development; GPO, 1982, page 16.)

The Hobson Report defines "agglomeration economies" as the economist's term for the "critical mass" necessary to sustain growth. The Hobson Report adds to the list of agglomeration factors the existence of a support network of vendor firms, skilled developers, attorneys, accountants, bankers and sources of venture capital, advertising and public relations firms specializing in the needs of high-tech companies.

A report submitted by Robert J. Pope & Associates ("Pope Report"), a real estate and facilities consulting company upon which the Hearings Officer relies states there are several important locational considerations. High-tech industries will consider the fact that this site is in close proximity to the Oregon Graduate Research Center and to the critical mass of other high-tech firms. In addition, the Sunset Corridor is nationally known. He states that the locational pattern of electronics firms is consolidating. The Pope Report states:

"Critical mass is becoming the key to electronics plant location. Large new technical centers, such as Phoenix and Austin, are doing well. These centers will gain both the new branch plants and the services necessary to support new startups.

Key services include venture capital, marketing support, contract programming, and contract manufacturing." Pope Report, at 7.

The Pope Report goes on to state that the clustering tendency of high-tech firms contributed to the success of Stanford Industrial Park, Silicon Valley, "and is the reason why an area such as the Sunset Corridor is so essential to a region that would seek to be a high-tech center." Pope Report, at 20.

Testimony was offered by Richard Carlson, Vice President of QED Research in Palo Alto, California, upon which the Hearings Officer relies. From a survey of 500 California electronic firms conducted by Mr. Carlson, the firms indicated that the most important criterion in their choice of new sites is the existence of a large pool of trained people. In other words, firms want to be part of the "critical mass" of existing firms located in an area. The third most important criterion is "accessibility" to other firms and the corollary support services available from such firms.

Mr. Carlson stated that the "critical mass" issue has become increasingly important for two major reasons. First, employees of firms that went to isolated sites found that if, for whatever reason, they lose their jobs, there are no firms in the immediate area to which they can readily transfer. Thus, individuals trained for high-tech employment are less willing to join firms located in isolated sites.

The second reason for the trend toward maintaining this "critical mass" is that it encourages the useful exchange of information among employees of different firms. This in turn

encourages start-up firms that develop new products in new industries.

Mr. Carlson concluded that the result of this trend is that high-tech firms are now locating predominantly in at least medium size, recognized high-tech centers. This phenomenon is particularly true with respect to Japanese and European firms.

Mr. Carlson testified that the Sunset Corridor constitutes the area of "critical Mass" in Oregon for high-tech industrial growth. Mr. Carlson further testified that additional land is needed to maintain the Sunset Corridor's competitive position in attracting high-tech firms to this region.

He also stated that foreign companies want to be in a place which has a well known name. He also made the point that adequate land should be available for spin-off companies. Spinoff companies are locally owned and add stability to the economy. Major international firms may move, but local "spinoff" companies remain. To support this point he cited the Coyote Valley experience.

The Hearings Officer finds that the history of the Sunset Corridor supports and exemplifies the clustering tendency of high-tech firms. Major high-tech firms in the Sunset Corridor include Tektronix, Intel, Lattice Semiconductor, Metheus Corporation, Wilbanks International, SoloFlex, Epson Corporation, Nippon Electronics Company (NEC), Fujitsu America, Eyedentify, Flight Dynamics, Sentrol, Oregon Software, Periphicon, Sequent, and others.

The undisputed evidence establishes that there exists a strong tendency of high-tech firms to cluster and to generate their own "agglomeration economies." The Hearings Officer further finds that the determination of need for land to develop high-tech and emerging industrial uses is appropriately focused on the Sunset Corridor.

The record also establishes that there is a demonstrated need for additional land in the Sunset Corridor. The UGB was established to accommodate urban development to the year 2000. The planning process for defining the UGB took into account forecasts on population and employment as the basis for determining the amount of land that would be necessary to accommodate orderly growth. Metro assumed that the vacant land inventory (which included a "market factor" of 15 percent to insure market choice) was sufficient to accommodate growth requirements.

Recent developments in the Sunset Corridor have led to absorption of approximately 69 percent of the large parcels of industrial land in the Sunset Corridor. The extent of recent development is demonstrated by the following chronology of key events in the Sunset Corridor submitted by the applicant:

Late 1960's	Standard Insurance Company purchases approximately 300 acres from Park City Corporation near the Sunset Highway and 185th.
1971	Standard and Riviera Motors jointly finance construction of Wolf Creek Highway Water District 20-inch main transmission line from N.W. Cornell Road to Riviera Motors on Cornelius Pass Road.

1973 Standard builds 340 condominium units at Tanasbrook on 50 acres south of N.W. Cornell, west of N.W. 185th.

1974-75 Standard builds the Tanasbourne Mall, a 140,000 square foot retail center at the intersection of Sunset Highway and N.W. 185th.

1975 The Quadrant Corporation purchases 22 acres at 173rd and Cornell (Twin Oaks) from Park City Corporation. Quadrant petitions to have the property designation upgraded from Urban Intermediate to Urban.

1976 The Quadrant Corporation begins development of Hawthorn Farms Industrial Park, a 220-acre industrial park with Intel as an anchor tenant.

1978 Standard sells parcel to GTE for development of first corporate headquarters in the Sunset Corridor.

1979 Local improvement district (LID) proposed to improve Cornell Road east of 185th.

1979 The 185th East/West Land Use Study is launched to replan land uses in the Sunset Corridor.

1980 Cornell Road/173rd LID was formed to make road improvements necessary for development.

1981 Federal aid project approved for 158th and 185th Avenue road improvements.

1982 A task force from the private and public sector is appointed to study the area's transportation facilities. The resulting "Growth Management Policy" and the 185th East/West Plan are adopted in April 1982.

1982 Cornell Road reconstruction begins.

April 1982 Construction begins on 158th and 185th. Open for traffic in October 1982.

August 25, 1982 First organizational meeting of the Sunset Corridor Association held at the Oregon Graduate Center.

August 1982 SoloFlex and Wilbanks construct facilities in Hawthorn Farms.

August 1983 Quadrant Corporation celebrates the groundbreaking of Twin Oaks Business Center.

September 1983

Standard Insurance Company purchases Park City Corporation's remaining 300+ acres between Sunset Highway and N.W. Cornell Road, N.W. 185th, and N.W. Cornelius Pass Road.

Planar Systems, Inc., a Tektronix spin-off, breaks ground on the first building at the OGC Science Park.

Hearings begin on Westside Corridor project, in which Tri-Met and Metro study transportation issues in the county. A light rail plan is proposed and adopted.

Metheus begins construction of facility in Hawthorn Farms.

November 1983

The Congressional Office of Technology Assessment visits the Sunset Corridor as part of a study on emerging high-tech areas.

December 1983

\$20 million in construction and improvement is spent in the corridor during 1983. This figure includes construction of 385,000 square feet of building space on more than 500 acres.

Lattice Semiconductor Corporation leases 50,000 square feet of space for 15 years in the Cornell Oaks Corporate Center.

Standard Insurance receives approval for construction of Phase I, Tanasbourne Commerce Center, and approval of the 397-acre Tanasbourne Community master plan.

1984

Nippon Electric Corporation (NEC America) begins construction on a \$25 million, 163,000 square foot fiber optics manufacturing plant on a 30-acre portion of a 210-acre site located along Shute Road north of N.W. Cornell Road.

In November, Epson America announces their intention to build a \$10 million printer manufacturing facility on 17 acres purchased from Standard in the Tanasbourne Commerce Center. Epson has an option on an additional 23 acres for anticipated growth.

Fujitsu America, Inc., announces a \$40 million, 150,000 square foot disk drive manufacturing plant on a 22 acre portion of the 120 acre parcel they purchased west of Cornelius Pass Road, south of the Sunset Highway.

Standard Insurance sells 50 acres to Kaiser Permanente for a clinic and hospital, 20 acres of industrial property to B.N.W., 56 acres of residential land to A&G Builders, and completes construction of the Washington Federal Building at the Tanasbourne Town Center.

Standard also completes on-site improvement for the first two phases, 120 acres, of the Tanasbourne Commerce Center.

Quadrant Corporation constructs a total of 15 buildings, a total of 360,000 square feet, in 1985. Twin Oaks Phase I is completed. Twin Oaks Phase II, a 30 acre office/industrial park is approved and construction begun.

Oregon Graduate Center, developed by Rembold Corporation, constructs the BiPolar Integrated Technology and D-3 buildings, bringing the total amount of space in the Science Park to 160,000 square feet. In October, Rembold breaks ground on a 78,000 square foot building at the Science Park.

The Koll Company acquires the Burlington Northern and Franklin Services parcels at 158th and Walker for Koll Woodside, where construction is underway. Phase I at Woodside is 216,000 square feet of space. Sequent Computer Systems will occupy 86,000 square feet of space.

Landsing Property Corporation completes Cornell Oaks Phase II, a 163,000 square foot building. Lattice Semiconductor, the principal tenant, occupies 90,000 square feet in the Phase II building.

1985

The Colorado-based Clarion Hotels chain announces they will construct the first Class A hotel in the Sunset Corridor at the S.W. corner of the Sunset Highway and N.W. Cornell Road interchange. The \$22.7 million hotel will be a 320-room project with a 56,000 square foot conference center.

April 1985

The northern alignment for the proposed realignment of N.W. Cornell Road west of 185th is selected as the preferred alternative. The DEIS is expected to be through public hearings by December.

May 1985

Hosts of America, Best Western Motel, opens across from Hillsboro Airport.

June 1985 Landsing Property Corporation breaks ground on Phase III of Cornell Oaks which will include four buildings totalling 128,000 square feet.

Fall 1985 Standard completes construction of Evergreen Blvd. Evergreen is a \$2 million, five-lane, one-mile long road connecting 185th Avenue to Cornelius Pass Road.

Standard also builds N.W. 188th, Walker Road, and 206th through the Tanasbourne P.U.D. Cornell Square, a 40,000 square foot retail center developed by Dant Development Co. is completed.

There was testimony that since 1978, the year the UGB was initially adopted, 1,614 acres of large acreage sites (30+ acres) have been removed from the land inventory in the Sunset Corridor. This is a rate of 230 acres per year. Over one-half of this acreage -- 874 acres -- has been absorbed since 1983. This is a rate of 437 acres/year. If the trend since 1978 continues, the 694 remaining acres will be absorbed in less than three years. If the trend since 1983 continues, the Sunset Corridor's supply of large acre parcels will be absorbed in less than two years. The testimony was that in seven years, over 15 years' worth of Metro's 20-year industrial supply of large acre industrial sites has been absorbed. The Oregon Economic Development Department states in a letter that vacant land inventories equivalent to three to five times annual absorption be maintained. If the high end of this range were utilized, a need for over 1,400 acres of additional land in the Sunset Corridor is indicated. If the low end of this range were utilized, a need for approximately 600 acres of additional land is indicated. These figures demonstrate a need, however; the Hearings Officer does not find it necessary to determine the

exact amount of the need in terms of number of acres because the Hearings Officer finds the need to be for a variety of large acreage parcels -- this need is demonstrated as follows.

The need for a variety of large parcels was established by the testimony of Doug Anderson at the "Alternative Sites" hearing. Mr. Anderson's report documented there are only seven parcels totaling 629 acres which are available within the Sunset Corridor, and there are no finished lots of 30 acres or larger. If these seven parcels are deemed sufficient for the next 20 years' growth, it will allow only one new firm every three years, on the average.

The findings for Goal 14, Factor 2 establish a need for jobs. Portland and the Sunset Corridor will be competing with other areas for new industry. The question is whether seven sites totalling 6290 acres is competitive.

A second question is whether there is a sufficient variety of site sizes for the region to be competitive. Mr. Wes Reynolds testified that within the entire urban growth boundary there are only 15 "unconstrained" light industrial sites of 60 acres or more. Eight sites are located on the west side and only four sites are located within the Sunset Corridor. The sites are discussed in detail under the "Alternative Sites" approval criteria (Goal 2). The available sites are as follows:

Seaport	197 acres
Burlington Northern	147 acres
Dawson Creek	54 acres
PacTrust/Johnson	35 acres
Five Oaks Industrial Park	71 acres
Kaiser/231st	77 acres
Tanasbourne	39 acres

A point made throughout the testimony is the need for a variety of parcel sizes. In fact, ORS 197.712(2)(c) requires local governments to "provide for at least an adequate supply of suitable sizes, types, locations and service levels for industrial and commercial uses" Having examined the distribution of the existing "unconstrained" parcels, the Hearings Officer finds that the creation of all 30-acre parcels which the proposed zoning would allow will leave an unmet need for larger parcels. In fact, the petitioners recognized this need and stated on the record that the need for larger parcels would be satisfied through the following steps:

A. Upon approval of the UGB amendment, the applicant shall initiate annexation proceedings for the Kaiser property to the City of Hillsboro.

B. The applicant will apply for a zoning designation of Industrial Park ("IP") under the City of Hillsboro's Zoning Ordinance for the Kaiser property.

C. The applicant agrees to special conditions upon rezoning of any portion of the Kaiser property by the City of Hillsboro as follows:

1. The site will be considered a Specially Regulated Area (SRA) under the City of Hillsboro Comprehensive Plan.

2. Pursuant to the City of Hillsboro Comprehensive Plan, the applicant will demonstrate consistency with Metro Resolution No. 82-348 prior to annexation.

3. A master plan for the applicant's property shall be prepared consistent with the City of Hillsboro's Comprehensive Plan. The master plan shall include the following elements:

(a) The property will be divided into master planning parcels of approximately 30 acres in size, consistent with the applicant's final zoning approval from the City of Hillsboro.

(b) The applicant will take measures to assure that two contiguous 30 acre parcels will be available to the marketplace as a single large lot industrial parcel. Such measures shall include but are not limited to the marketing, design, and master planning of the overall site.

4. The configuration for development of the master plan may be re-evaluated on an annual basis at the request of the applicant in order to determine the continued advisability of retaining the large parcels in their then current sizes and configuration. An amendment may be made to the master plan only after public hearing.

The review authority shall apply standards for an amendment to the Master Plan substantially similar to those set forth under the conditions of strategy M under Policy #1 of the Washington County Comprehensive Framework Plan, which are the standards for an amendment to an SID restriction in Washington County. Any amendments of the Master Plan shall be reviewed under the City of Hillsboro procedures and shall not be subject to further review by Metro.

D. The eastern half of the site, not controlled by the applicant, shall be subject to these same conditions at such time as any portion of the eastern half of the site initiates annexation proceedings with the City of Hillsboro or initiates a development request from Washington County.

The Hearings Officer finds that the applicant's petition to add approximately 453 acres of land which will be in tracts of 30 acres and larger to the UGB addresses a demonstrated need for additional large acreage industrial land in a variety of parcel sizes for the following reasons:

- (1) The Sunset Corridor is the only area for which there exists a material demand for high-technology industrial sites, because it is the one place in the region which satisfies the locational criteria. High-tech requires:
 - (a) A large labor force pool. Therefore, it looks to locate in areas where it can draw upon a trained labor force. The area has a large high-tech labor pool.
 - (b) Educational facilities in close proximity. The Oregon Graduate Center is located within the Corridor.
 - (c) Critical Mass. The development trend in the area demonstrates that high-tech firms locate within close proximity to other firms. The reasons for this are that it makes it easier to develop a support network, they can easily transfer technology among companies and they can attract

highly trained people. People with narrow specialized skills will not move to an area which has limited job opportunities. Where there are a number of firms, the risk is less should they want to change employers.

(d) A naturally known area. The number of international firms demonstrates that the Sunset Corridor has an international reputation.

- (2) The statistical evidence demonstrates that, based on recent absorption trends, from 600 to 1400 acres of additional land available for industrial development is needed to provide the adequate quantity and quality of land to maintain an efficient and nationally competitive market. Assuming there is a need for 600 acres, the amendment of 453 acres to the UGB will address this need for additional industrial land within the Sunset Corridor. The Hearings Officer, however, views these numbers as a guide and as reflecting the fact there is a present need in the Sunset Corridor given the "critical mass" which has been established. There was testimony that property has been purchased in other areas of the region by high-tech firms, however, to date little development has taken place. Therefore, the need in the future may be met in other areas by already planned industrial land.
- (3) The testimony demonstrates there are only seven parcels of 30 acres or larger in the Sunset Corridor. The

testimony and ORS 197.712(2)(c) require the provision of a range of parcel sizes. The applicant is proposing 30 acre and larger sized parcels. This proposal addresses the need for a variety of parcels and satisfies that need in part since it will result in two 60-acre parcels and approximately 8 to 10 30-acre parcels.

2. Need for Housing, Employment Opportunities and Community Livability

Factor 2 of Goal 14 requires a consideration of the "need for housing, employment opportunities and community livability" in establishing an urban growth boundary. In addressing Factor 2, the applicant analyzed the need for employment opportunities in the state, region and locality. The Hearings Officer finds the evidence supports a finding that this approval criteria has been satisfied. The following is a discussion of the evidence which supports this conclusion.

Evidence was submitted on the impact of the recent recession on Oregon's economy. Historically, Oregon's economy has been anchored by agriculture and the lumber and wood products industry. Between 1979 and 1982, 95,000 jobs were lost in Oregon. Almost 43,000 of those jobs were in manufacturing, and wood products alone lost over 25,000 jobs. At present, there are 30,000 fewer wage and salary jobs in Oregon than at the peak in September of 1979.

Although total employment in Oregon has rebounded to pre-recession levels, most of the new jobs have been created or recovered in non-basic, non-manufacturing industries. They have

been created in service industries. High-tech is a basic industry. In 1979, manufacturing employment accounted for 21.6 percent of total wage and salary employment, whereas in 1984, it accounted for 19.8 percent. The share of non-manufacturing employment in the Portland area has steadily increased to 81.7 percent in 1983.

Expert testimony was submitted by Doug Anderson, upon which the Hearings Officer relies, on the need to rebuild and diversify the state's basic, manufacturing industries. Manufacturing firms are basic to the economy in that they provide exportable goods and create an economic multiplier effect in support and service jobs. On average, for every manufacturing job, approximately 1.8 support and service jobs are created. As Portland is a regional trade center which is essential to buttress the statewide economy, a decline in basic industries or primary employment in the Portland metropolitan area leads to overall economic contraction.

The State Employment Division has raised the issue of the critical need for rebuilding Oregon's manufacturing industries:

"It is questionable as to how much longer the non-manufacturing sector can generate additional employment growth in the face of stagnant manufacturing activity. Certainly the economy will not grow indefinitely simply by taking in each other's laundry, although this is about what happened during the past year. Continued expansion of local as well as national economic activity will need much more than just growth of the trade and service industries if further, substantial economic growth is to be achieved." Portland Metropolitan Labor Trends, May, 1985, p. 3.

In recent years, only five of Oregon's 19 basic industries have shown any significant signs of growth. Four of these basic industries are related to the high-tech industry.

Thus, Oregon's economic and employment needs are two-fold: (1) to replace jobs lost through the erosion of traditional employment bases; and (2) the need to rebuild and diversify the state's basic industries.

The evidence submitted showed that high-tech industries are significant generators of new jobs. Nationwide, high-tech firms accounted for 75 percent of new employment and manufacturing between 1955 and 1980. The electronics industry in the Silicon Valley is adding more than 40,000 jobs per year, more than the entire U.S. midwest has added in the past decade. The high-tech industry constitutes the most rapidly growing manufacturing sector in the Oregon economy. In 1983 alone, at least 15 new electronic companies began operations in the Sunset Corridor. Private venture capital placed in local start-up firms went from nearly zero in 1982 to over \$100,000,000 in 1984. The Oregon chapter of the American Electronic Association had the fastest growing roster in the U.S. during 1983 and 1984 with the number of members rising over 80 percent to 386.

Beginning in 1984, the growth of local start-up industries was paralleled by the entrance and expansion of major high-tech companies from outside the region. The announcement in the winter of 1984 by NEC of its intention to enter the Sunset Corridor with an initial investment of \$25,000,000 was followed by similar announcements from Epson and Fujitsu.

The Hearings Officer finds that the statistical evidence demonstrates that there has been an erosion of jobs in traditional employment bases and there exists the need to replace jobs as a consequence of the recession. The Hearings Officer finds that the statistical evidence demonstrates that there has been a decline in the state's basic industries, and that because manufacturing industries are needed to generate further growth, there exists the need to rebuild and diversify the state's basic industries. The Hearings Officer finds that, because high-tech industries are basic growth industries nationwide and in Oregon, fostering high-tech growth serves the dual needs of generating jobs and rebuilding the state's basic industries. The Hearings Officer therefore finds that the amendment to the UGB, the purpose of which is to develop high-tech industries, addresses the need for employment opportunities and livability in the state. Approving the application supports Factor 2 by securing an adequate supply of land in the area's prime high-tech corridor which will encourage location of new companies in the area.

3. Orderly and Economic Provision for Public Facilities and Services

Factor 3 of Goal 14 requires a consideration of the "orderly and economic provision for public facilities and services" in establishing or when changing an urban growth boundary. One of the long-standing planning principles in the growth and development of urban areas is that public facilities and services should be provided in support of that growth in ways that are efficient and cost effective. The Hearings Officer finds the evidence supports a finding that this approval criteria

has been satisfied. The following is a discussion of the evidence which supports this conclusion.

At this juncture of the land use process, there are no specific development proposals for the site. The UGB amendment is the first step in the land use process. It will be followed by: the district boundary change, annexation to the City of Hillsboro, preliminary master plan approval, comprehensive plan amendment and zone change, approval of the development application, approval of the engineering design for roads, sewer and water system improvements, approval of architectural designs, and construction activities. The case law recognizes that the accommodation of future development may be satisfied on an incremental basis, increasing in specificity as the land use process advances to later stages. See 1000 Friends of Oregon v. Wasco County Court, 299 Or 344, 359-60 (1985); Lee v. City of Portland, 57 Or App 798, 807, 656 P2d 662 (1982); Meyer v. City of Portland, 7 Or LUBA 184, 188 (1983) 67 Or App 274, 678 P2d 741 (1984). Thus, specific solutions for the provision of public facilities and services are not necessary or feasible at this stage of the proceedings. Rather, it need only be established that there are measures which can reasonably accommodate future development on the site.

(a) Police Service

Police services will be provided to the site by the City of Hillsboro either under contract if the site is not annexed to the City or directly by the City if annexation occurs.

The City of Hillsboro has a current total staff in its police department of 47 personnel. While their service varies from day to day according to the time of day, they operate from a patrol standard of five patrols and one supervisor. The city has indicated that as additional development occurs within the area with or without the annexation of the site, patrols will be increased through the area.

Because of the nature of industrial and office development, considerably less police services are required per acre than in residential or commercial areas. In part this is because of the more "private" nature of the activities that take place in such development and in part because industrial and office development often hire their own private security services. They also install security systems which significantly deter property crimes and obviate the need for frequent patrolling by police. Given the intended high-tech nature of the development of this site, private, on-site security measures will be from moderate to extremely tight and will operate on a 24 hour basis. Such services, while generally taking care of most security problems, also provide high levels of coordination and cooperation with public police services, thereby maximizing the effectiveness of those public services.

Sheriff Probstfield, Washington County Sheriff, and Hillsboro City Manager, Eldon Mills, have indicated that the addition of this site will not impair the provision of police services.

The Hearings Officer finds that adequate police service will be provided by private on-site security and by the City of Hillsboro, particularly since the representatives of the County and City have indicated that the continued level of demand could be handled by the current level of manpower.

(b) Fire Protection

Fire protection services will be provided by the City of Hillsboro if the area is annexed. At present, the area is served by Rural Fire District No. 2 and is under a mutual aid agreement with the City of Hillsboro and Rural Fire Protection District No. 1. A new fire station site is proposed on Port of Portland property near the intersection of Dawson Creek and Cornell Road. The proposed extension of Brookwood Road to intersect with 242nd and Shute Road will provide direct connection between the proposed location of the new fire station and the intersection of Shute and Evergreen Roads. At present, District No. 2 has a pumper and a hose truck at the station located at 228th and Dogwood on Orenco. This is less than 2½ miles from the site. The response time to the site is less than five minutes.

As with police services, the nature of industrial development will mandate high levels of internal fire suppression facilities and measures and sensitivity to flammable or toxic substances and on-the-job industrial injury. In addition, personnel safety practices of most industry require regular training and drills to deal with a variety of emergency situations within the industrial facility. The Hearings Officer

finds that such measures, while not eliminating the potential for fire, ensure that high levels of public safety are maintained, public fire suppression facilities are augmented with private, on-site facilities, and that there is a high level of cooperation with public fire services. In addition, the on-site private security measures ensure rapid reporting of fires, thereby maximizing the effectiveness of public services.

(c) Water Availability for Domestic, Processed Water, and Fire Protection

Water service is adjacent to or within 1000 feet of the site. A 16 inch water line has been constructed across the property to the south, terminating at a point approximately 1000 feet south of Evergreen Road, which is immediately south of the site. This City of Hillsboro line was financed with major contributions from both NEC and PacTrust as a part of their development programs. The City indicates that adequate capacity exists within that line and within their storage system (current storage capacity is 180 percent of peak day usage) to handle the needs of the development of this site.

A 20 inch Wolf Creek Highway Water District line is adjacent to the property in Cornelius Pass Highway. This line services the Riviera Motors property north of Sunset Highway and was installed and financed by Standard Insurance and Riviera Motors to support the eventual development of their properties, including Standard's 45 acres which are a part of this site.

A 12 inch water line extends east along Evergreen Road immediately adjacent to the site, from approximately 229th to Cornelius Pass Road.

While capacities are adequate within existing systems to handle the development of the site, the Hearings Officer finds that some improvements will be required to provide final service. These improvements include:

- a. The 16 inch line would be extended north to Evergreen and connected with the existing 12 inch line. This extension would be adequate to provide water service to the first phases of development of the site.
- b. In later phases, the water system would be extended west toward Shute Road, connecting south into the Dawson Creek Industrial Park system and/or along Shute Road.
- c. A cost sharing arrangement will provide the basis for connecting into existing systems. The site developer will provide primary financing for the extension of the new system.
- d. An interconnect between the City of Hillsboro system and the Wolf Creek System would ultimately provide improved capacities and flow pressures.

The Hearings Officer finds that existing water facilities and proposed improvements will ensure water availability for domestic use, processed water, and fire protection. The specific contours of these improvements will be shaped as the development process continues.

(d) Storm Sewer

No regional storm sewerage system exists within this area. The present system to handle stormwater runoff is a combination of on-site retention and natural stream flows.

The site drains into two established drainage courses. The westerly portion of the site drains in a northerly direction to an existing agricultural ditch running east-west across the northwestern corner of the site. The central and eastern

portions of the site drain to Dawson Creek, which has its present origins in the northeast corner of the site.

As development occurs, the applicant has indicated that a detailed stormwater analysis will be conducted and provide the basis for evaluating potential on and off-site improvements. The Hearings Officer recognizes that in general, industrial development, particularly large site, high tech facilities, does not generate substantial off-site flows because of the large areas committed to landscaping, the relatively small amount of paved road surface per acre of development (as compared with residential or commercial development), and the relative ease of dealing with stormwater on-site.

Since the natural drainage systems cross within both the jurisdiction of Washington County and the City of Hillsboro, the final stormwater system improvements will be designed in coordination with the requirements of both jurisdictions. Such improvements will be completed as a part of the development of the site.

The Hearings Officer finds that, given the relative ease of addressing storm water needs on a large high-tech facility, adequate storm water services have been identified by the applicant.

(e) Sanitary Sewer

At present, the Unified Sewerage Agency, which provides sewerage service within this area of Washington County, does not have plans to provide service for the site. Under that agency's original 1969 Master Plan, this site was planned for service

through the Dawson Creek Trunk. With the adoption of the UGB in 1980, the agency's legal service area was restricted to areas within the UGB and plans for service to areas outside the UGB were terminated.

In response to the possibility of amending the UGB to include this site, a study was recently undertaken by the Unified Sewerage Agency, the City of Hillsboro and representatives of the site to determine a sewerage system design to service the site.

On the basis of that system design, the Hearings Officer finds that the following improvements will assure full service to the site:

(1) The Orenco Trunk must be extended north and east to serve 876 acres north of the present alignment of Cornell Road (west of Cornelius Pass Road).

(2) The Orenco pump station will be taken off line and a trunk sewer line built from the western edge of Fujitsu America to Rock Creek.

(3) An extension of the present Dawson Creek Trunk will be built west from its present terminous at Evergreen Road to serve the eastern portion of the "site".

(4) The total cost of the Orenco Trunk is estimated at \$738,060. Under the agreement reached, USA will provide \$150,000; the City of Hillsboro will contribute \$300,000; Kaiser Development Co., Pacific Realty Associates, and Standard Insurance will contribute \$750/acre of land under their respective control; for a total of \$825,000. This will also include the cost of an eastern branch of the Orenco Trunk. This

method of financing has been approved by the City of Hillsboro and agreed to by the major property owners.

(5) The southerly two-thirds of the site (Area II) is designed to be served by gravity from the Phase D of the Dawson Creek Trunk Line (already constructed to Evergreen Road). The northwesterly portion of the site will gravity feed to a pump station located near Highway 26 and the BPA right-of-way and then be pumped into the gravity portion of the system. Assuming average flow rates of 1,500 gallons per acre per day, a peaking factor of three, and an infiltration and inflow rate of 1,500 gal./ac./day, the Dawson Creek Trunk has a design capacity of 8.5 million gallons per day at Cornell Road. The Dawson Creek Sewer has adequate capacity to service the proposed amendment area. However, as the area develops to full capacity, system improvements will be needed south of Cornell Road. Most likely, a parallel line of at least 12 inches would be laid from Rock Creek to Cornell Road. This would be financed by future hook-up fees and direct user financing. The petitioners propose to provide a pro rata share of the financing of the Orenco Trunk Improvements. In a formula agreed to by USA, Hillsboro, and the petitioners, the following cost assessments are proposed:

SEWER ASSESSMENT

ORENCO TRUNK COST ESTIMATE

Trunk line south of pump station 6,900 l.f.

Estimated Cost	\$370,344.00
Admin/Engineering @ 15%	<u>55,552.00</u>
	\$425,896.00
USA share @ 35%	<u>(149,063.00)</u>
	\$276,833.00

Trunk line north of pump station
(no USA participation)

Estimated Cost	\$271,447.00
Admin./Engineering @ 15%	<u>40,717.00</u>
	\$312,164.00
 Total Costs	 \$738,060.00
USA Share	<u>(149,063.00)</u>
	\$588,997.00

Total benefiting area, excluding
Fujitsu America - 1,278 acres.

Assume balance financed on a per
acre assessment = \$461.00 per acre

Based on the above system design and sewer assessment,
the Hearings Officer finds that there are specific proposals for
the provision of an adequate sanitary sewer system as development
occurs.

(f) School Service

While the site is proposed to be developed for
industrial use and would, thus, have no direct impact on schools,
it would have an indirect impact through the generation of jobs
and corresponding increased demand for residential units in the
area. Hillsboro Union High School District 3JT has four junior
high schools and two high schools serving the area with plans to
construct an additional high school on a site they own on Shute
Road immediately south of the subject property. The District
indicates, and the Hearings Officer finds, that ample classroom
space will be available with the completion of the third school
to accommodate additional students that might move into the area
because of such development.

Elementary school children are served by West Union
School District No. 1. Since West Union School presently has an

enrollment of 260 students in K-6 with a capacity for 500 students, the Hearings Officer finds that there is adequate elementary school service to accommodate the proposed development.

(g) Transit Availability

Only the eastern portion of the site is presently served by transit. The existing service is an express commuter run, Line 57, between Portland and Forest Grove which runs on Cornelius Pass Road in the mornings and evenings. There is no transit service available at present on Shute Road.

(h) Electrical Service

The Hearings Officer finds that electrical service will be adequate because electrical service is presently provided to the area by Portland General Electric from substations located on 219th at Quatama and at Jacobson at West Union. Additional substations and transmission lines will be provided by PGE as demand requires. All substations and transmission lines are extended as a utility financed expense.

(i) Natural Gas

The Hearings Officer finds that natural gas service will be adequate because Northwest Natural Gas Company presently supplies gas to the eastern portions of the site through lines in Cornelius Pass Road and Evergreen Parkway and gas lines will be extended along Evergreen Road to service the western portion of the site as demand requires.

(j) Transportation Facilities

(1) Analysis

As discussed above, at this juncture of the land use process, it is neither necessary nor feasible for the applicant to provide specific solutions to potential development impacts. Thus, in evaluating the accommodation of traffic impacts, it is only necessary for the Hearings Officer to find that reasonable solutions for potential adverse traffic impacts exist.

The petition was evaluated by Metro staff assuming this petition, the petition by Riviera and the petition by Benj Fran were each approved. The approval of any one of the applications will affect Sunset Highway, however the traffic generated by anyone or all three of the petitions can be accommodated by proposed improvements. At Sylvan, however, Sunset is at capacity for westbound p.m. peak traffic. This means that traffic will be redistributed to the Cornell and Burnside corridors which are also at capacity. Metro staff testified that the approval of each of the applications will generate the following: Riviera, 30 cars; Kaiser, 70-80 cars; and Benj Fran 90 cars. The Corridor carries approximately 8000 cars at p.m. peak. This evidence was not refuted. The Hearings Officer finds that the traffic generated by this petition is minimal.

Expert testimony and a written report on traffic impacts were submitted by Carl Buttke, a consulting transportation engineer. No contradictory evidence was submitted by the State, Washington County or the City of Hillsboro at the hearing. The City of Portland did submit a letter stating that approval of

this proposal will adversely affect City of Portland road systems. This letter is addressed in these findings. Mr. Buttke's analysis, upon which the Hearings Officer relies, concludes that the transportation system set forth in the East Hillsboro Circulation Plan and the Washington County Plan will function within acceptable standards through the year 2005. Further, the analysis by Metro staff on which the Hearings Officer relies shows that the approval of this petition will have a de minimum impact on the Portland road system.

Mr. Buttke's analysis assumed full buildout of the site by the year 2005 and compared this to Metro's forecast of traffic for 2005. Mr. Buttke's report represents a "worst case" analysis. His analysis assumed no additional public transit services and the absence of ride-sharing, both conservative assumptions. If traffic assignments were made using the figures estimated by Metro instead of Mr. Buttke's figures, volumes on all street segments would be the same or lower. Mr. Buttke's figures were used because his figures are used by the City of Hillsboro in its recently completed East Hillsboro Circulation Plan. The site will eventually be annexed to the City of Hillsboro, therefore it was most appropriate to employ a "worst case" scenario using the City's traffic assignments.

The site is in an area in which both the County and City share transportation interests. Even prior to the City's recent annexation of the area south of the site, the transportation role of Evergreen Road, Shute Road, Cornelius Pass, Cornell and the Sunset Highway, has been an important part

of the City's transportation planning since each provides an important linkage from the City to the east. With annexation, those facilities are now even more directly important to the City.

The City has recently completed an analysis of the existing and projected traffic circulation system for the eastern portion of the city, including the general area of the site. The analysis, the East Hillsboro Transportation Plan, did not assume urbanization of this site because the site is outside the UGB. Therefore, it was necessary to add the traffic generated by development of the site to the existing Plan assignments.

In analyzing the existing road system, the East Hillsboro Transportation Plan contains several significant conclusions:

1. The present circulation system, both in terms of the capacity of the existing roadways and intersections, and in terms of the overall adequacy of existing road corridors, is inadequate to meet the needs of urbanization through the year 2005;
2. Improvements will be required to many, if not most of the existing roadways including additional rights-of-way, lanes, intersections, and signals; and
3. New roadway corridors and facilities will be required in selected locations.

Therefore, with or without the development of this site, major transportation improvements will have to be made in the City in order to accommodate future growth. The applicant has indicated it will share its burden in working to achieve the solutions to the transportation problems. It is expected that the Hillsboro Plan will be adopted into its Comprehensive Plan within the next few months.

(2) Planned Improvements

The following improvements to transportation facilities are designated in the Hillsboro Plan:

1. The Evergreen Parkway will be expanded to a five lane facility.
2. Cornell Road will be expanded to a five to seven lane facility between Cornelius Pass and the intersection of 10th and Main Street.
3. Baseline will be expanded to a five lane facility east of Brookwood and a three lane facility west of Brookwood. This improvement is fully consistent with the Washington County Plan.
4. Shute Road and Brookwood will be expanded to a five lane facility down to approximately the Rock Creek area, where it would become a three lane facility between Rock Creek and the T-V Highway.
5. 231st and 229th will be expanded to a three lane facility between Evergreen and Cornell and will be expanded to a five lane facility between Cornell and the T-V Highway.
6. Cornelius Pass Road will be expanded to a five lane facility throughout its entire length.
7. In 1986, Shute Road will be expanded to a five lane facility between Evergreen and Airport Way.
8. In 1986, Brookwood will be expanded to become a five lane facility between Airport Way and Cornell.
9. In 1987, Brookwood will be further expanded to become a five lane facility between Airport Way and Shute Road.
10. An interchange between Shute Road and Highway 26 is near completion, which will permit future construction of a six lane freeway, if necessary.
11. An interchange at Cornelius Pass Road is scheduled for design in 1988.
12. An interchange at 185th is scheduled for design in 1989.
13. An interchange at Murray Blvd. is scheduled for construction in 1989.

14. An interchange at Cornell Road is scheduled for design in 1990.
15. There are several committed projects for improvement of transportation facilities. Cornell Road will be expanded to become a five lane facility between Hawthorn Farms and Cornelius Pass Road, where it will be widened to seven lanes. Cornell Road will also be expanded to become a five lane facility between 185th and 158th. 185th and Murray Blvd. are committed as five lane roadways.

(3) Accommodation of Traffic Impacts

Mr. Buttke's and the Metro Staff's analyses conclude that, with the implementation of the planned arterial improvements, the traffic flows will remain within acceptable levels, i.e., D level or acceptable E level. (Operations into the E level for approximately one-third of the p.m. peak hour are considered acceptable within Washington County.)

The only area with potentially unacceptable levels is Cornell Road, which falls into the E level from the D/E level as a consequence of site-generated traffic. Mr. Buttke's analysis found that this adverse impact is mainly the product of intersection conditions which can be relieved by right turn lanes.

The Hearings Officer finds that the expert testimonial and written evidence submitted by Mr. Buttke, substantially corroborated by the analysis of the Metro Staff, establishes that the traffic impacts from the site will be reasonably accommodated by planned arterial improvements through the year 2005.

(4) Metro Staff Analysis

The Metro Staff noted three areas which face potential adverse traffic impacts from development on the site. First, the

Staff initially recommended that the Sunset Highway between Highway 217 and 185th should be expanded to a six lane facility in order to accommodate traffic impacts from the site. Such an improvement would be obviated by the construction of an additional western bypass.

The staff's recommendation regarding the need for expansion of the Sunset Highway was modified in light of its recent capacity restraint assignment analysis. This analysis demonstrates that traffic would be diverted from the Sunset Highway to Cornell and Barnes Roads. Thus, the Sunset Highway would actually remain below capacity.

Mr. Buttke's analysis is substantially similar to that of the Metro Staff. It is notable that the capacity restraint assignment assumed Walker Road to be three lanes, whereas it is planned by Washington County to be a five lane facility. Thus, excess capacity beyond that indicated by the capacity restraint assignment exists.

The Hearings Officer finds that, given the planned arterial improvements and the analyses of the Metro Staff and Mr. Buttke, traffic impacts on the Sunset Highway will be maintained at acceptable levels.

The second area of concern raised by the Metro Staff is the traffic impacts on 216th and 231st. The Metro Staff and Mr. Buttke conclude that adverse impacts from the site can be accommodated by expansion of these roads to three lane facilities, as is presently planned in the East Hillsboro Plan. The Hearings Officer finds that, given the planned arterial

improvements, the traffic on 216th and 231st will remain within acceptable levels upon development of the site.

The final area of concern raised by Metro Staff is the traffic impacts on Shute and Brookwood Roads, which require expansion to five lane facilities to accommodate site-generated traffic. Since such improvements are scheduled in the East Hillsboro Plan, the Hearings Officer finds that the traffic impacts of the site on Shute and Brookwood Roads will be reasonably accommodated.

(5) Issues Raised by City of Portland

The City of Portland raises three issues which need discussion. First, the City questions whether annexation would require additional unplanned public investments and investments to be made prior to planned dates to already overburdened facilities within Washington County; e.g. Sunset Highway, Beaverton-Hillsdale Highway and Tualatin Valley Highway. The Hearings Officer finds that approval of this petition will not result in such situations because adequate arterial improvements are presently planned with or without the annexation.

Second, the City seeks clarification of the effect that the annexation would have on the mass transit system. The analysis of Mr. Buttke and the Metro Staff assumed that there would be no additional bus or light rail services provided to facilitate the site. The Hearings Officer finds that, because planned arterial improvements will accommodate potential development of the site, additional transit service is

unnecessary but, if provided, will further ameliorate traffic impacts and will support the land use pattern.

The third major issue raised by the City is the impact of the diversion of traffic from the Sunset Highway to Cornell Road and Burnside (in their Portland West Hills segments), as established by the capacity restraint assignment.

Mr. Buttke's analysis supported by Metro staff concluded that the diversion of traffic to Cornell or Burnside Road would be from 40 to 70 cars during the p.m. peak hours in the year 2005. The Hearings Officer finds that the inadequate capacities of Cornell and Burnside are regional problems since, as Mr. Buttke's analysis demonstrates, the excessive flow is traffic moving toward the site, rather than being site-generated. The Hearings Officer finds that the incidental westbound traffic arising from the site will not affect the outcome of the necessary regional solutions. The Hearings Officer further finds that the site will provide better utilization of the Sunset Highway by generating eastbound traffic at the p.m. peak hour. The Hearings Officer finds that with the reverse flow of the traffic generated by development of the site, the negligible impact of such traffic on Cornell/Burnside and dispersal of such traffic through other arterials will not place undue burdens on Cornell/Burnside. Furthermore, the Hearings Officer finds that the capacity constraints on Cornell/Burnside are regional and not site created.

(6) Funding Mechanisms

The Hearings Officer finds that a variety of funding mechanisms do exist to fund the continued development of the existing and planned roadway system. The various mechanisms for financing local road improvements include (1) federal aid urban monies, (2) state economic development monies, (3) current state gas taxes, (4) future state gas taxes (HB 2266) imposing .01¢ per gallon tax effective January 1, 1987, (5) Washington County gas tax, (6) Washington County traffic impact fee, (7) city or county sponsored general obligation bonds, (8) local improvement districts, (9) tax increment financing, and (10) developer financed improvements. The Hearings Officer therefore finds that, once the East Hillsboro Circulation Plan has been adopted, the City will have a basis for setting priorities to deal with the specific transportation improvement needs as development occurs.

The Hearings Officer finds that, in addition to funding for an upgrading of the existing and planned system, a funding system exists for improvements that may be required because of the special impacts associated with new development. Presently, Washington County's Development Code requires each project to analyze its traffic impacts to the local and regional transportation system. On the basis of those projected impacts, the County's Growth Management Ordinance requires that an individual project assure that improvements necessary to accommodate the projected impacts will be installed.

Over the last year, the county has developed an alternative system for assessing new development to help fund needed transportation system improvements. The adopted Fee-Based Traffic Impact System (TIF) provides assurances for the funding of development necessitated by transportation improvements. It provides for a fee to be paid by new development based on the number of trips to be generated by that particular development. Credits for off-site improvements financed by developers is also included. The fee schedule is as follows:

Residential	- \$100 per trip
Office	- \$ 91 per trip
Industrial	- \$ 96 per trip
Retail	- \$ 19 per trip
Institutional	- \$ 37 per trip

Thus an additional financing mechanism encouraging developers to provide needed road improvements in exchange for TIF credits exists.

4. Maximum Efficiency of Land Uses Within and on the Fringe of the Existing Urban Area

Factor 4 of Goal 14 requires consideration to be given to "Maximum efficiency of land uses within and on the fringe of the existing urban area" in analyzing a change to an urban growth boundary. The Hearings Officer finds the evidence supports a finding that this approval criteria has been satisfied. The following is a discussion of the evidence which supports this conclusion.

The Hearings Officer finds that the extension of the UGB to include the site results in the maximum efficient use of land and services because the site is surrounded on three sides

by urbanized or urbanizing property which is within the UGB. In addition, the foregoing discussion of the need for larger acreages capable of providing for high-tech uses and the availability of services supports the inclusion of this site into the UGB.

While this site is on the urban fringe, it is immediately adjacent on two sides to one of the most rapidly growing industrial area in the state. These findings document the history of development in this area. A need for the land has been demonstrated and the Hearings Officer finds that adding land in this location given its proximity to other land uses, the UGB and services results in a maximum efficient use of land.

(a) Logical Extension of Services

The Hearings Officer finds that the site is uniquely situated for inclusion into the UGB because of the possible efficient extension of existing urban services and the ability to utilize those services to their fullest ability without overly taxing the underlying infrastructure. This is particularly true with water, sanitary sewer, and transportation system improvements. Because of the natural slope of the land, those properties lying west of Shute Road cannot readily be served with sanitary sewer improvements since it would require the construction of a new trunk line. While the site is "on the fringe" of the present UGB, it is at a key location for future industrial development because of the capability to serve industrial uses.

The Hearings Officer finds that the addition of this property will facilitate the completion of improvements to the section of Evergreen Parkway between Shute Road and Cornelius Pass, thus completing a vital link in the local transportation network. This link will provide a direct connection ultimately through to 185th on a five-lane urban standard arterial.

(b) No Islands or Unserviceable Areas

With the inclusion of the entire 453 acres between Shute Road and Cornelius Pass Road into the UGB no islands or unserviceable areas are created within the boundary. The Hearings Officer finds that the entire area can be provided the full urban services referenced above and creates a logical boundary for the extension of most of the services.

With respect to traffic, the Shute Road interchange is a major north-south arterial which connects to the east-west arterial Highway 26. The Hearings Officer therefore finds that the site creates a logical edge to the boundary. With respect to sewer service, by topography this is within the Dawson Creek sewer service basin and the Hearings Officer therefore finds that it is logically serviceable by this district.

5. Environmental, Energy, Economic and Social Consequences

Factor 5 of Goal 14 requires consideration in changing or establishing a UGB, of the "environmental, energy, economic and social consequences" of the UGB. The Hearings Officer finds the evidence demonstrates there are no adverse environmental, energy, economic or social consequences and therefore this

approval criteria is satisfied. The following is a discussion of the evidence which supports this conclusion.

(a) Environmental Consequences

(1) Soil Conditions

Evidence was presented, upon which the Hearings Officer relies, demonstrating that soils in this part of Washington County are typically deep silty clays and loams. They range from poor to moderately well-drained soils comprised of alluvial deposits. Typically, the silty loams range to 60 inches or more in depth. The soils on the site are classified as moderate to high yield agricultural, Class I and II. The Dayton silty loams are good pasture and grass seed crop land. The Woodburn silt loams are good productive soils favored for filbert and nut orchards and will produce grain crops in the range of 80 to 100 bushels per acre. The Willamette silt loams are classed as excellent soils, better drained than the Woodburns, and capable of growing nearly everything.

Generally, it can be said that the soils in this area are good productive crop soils, with moderate drainage problems in some portions of the site. Typically, these are the lower lying areas near the agricultural ditch lines or drainage courses. Because of this problem, some of the land in the western portion of the site along Shute Road has recently been drain tiled. Based on the above evidence, the Hearings Officer finds that these soils are typical for the area and would be found on other comparable EFU sites with the immediate area. The use of these soils for urban uses will have no adverse

environmental consequences. The finding on Factor 6, Goal 14 will discuss the loss of these lands for their agricultural value.

(2) Wildlife

The evidence demonstrates, and the Hearings Officer finds that no significant fish or wildlife habitat or endangered species have been identified on the site. According to the Washington County Comprehensive Framework Plan, Volume I, Resource Document, the only identifiable habitat existing within the area support field non-significant rodent and non-game bird populations that would be found in any similar crop land or orchard. Therefore, there will be no adverse environmental consequences.

(3) Drainage

The site contains two relatively ill-defined drainage courses, one on the westerly portion of the site running east to west that consists of an agricultural ditch intercepting a storm drain line under the Sunset Highway. The second is the headwaters of Dawson Creek, a low swale-like area on the central easterly portion of the property that does have standing water during heavy rain and runoff periods. There are no permanent wetlands identified on the subject property. The Hearings Officer finds that, given the absence of well-defined drainage courses and wetlands, no significant impact to any wetlands or to drainage capacity will result from development of the site.

(4) Water Quality

The site has moderate to poor ground water bearing capacity according to the U.S. Geological Survey and well water records in the area. Virtually all urban uses within the subject area are serviced by domestic water systems. Shallow wells have historically been used for low volume agricultural yields such as stock ponds. The evidence shows that some attempts at deep wells have produced heavy concentrations of arsenic, salts, and other minerals making these sources unsuitable for domestic or processed water usage.

According to information from the City of Hillsboro, to accommodate urban uses, the site would be served by the Hillsboro Water System. Water quality within the area would be maintained by incorporating piped sewerage disposal systems for all domestic and processed waste water. Storm water is allowed to be discharged into open drainage courses where sufficient capacity exists to handle peak storm flows. The only other potential for ground water contamination is siltation during construction. Siltation problems are normally controlled by the City of Hillsboro during the building permit approval process when siltation entrapment and protection measures are required in sensitive and susceptible areas. The Hearings Officer finds that the Hillsboro Water System will ensure adequate water quality for the accommodation of urban uses.

(5) Air Quality

The site is located in the Portland Air Quality Maintenance Area, and Department of Environmental Quality ("DEQ")

is responsible for enforcing the National Ambient Air Quality Standards and other provisions of the Federal Clean Air Act of 1977. Most industrial development with potential air discharge must obtain an annual air contaminant discharge permit from DEQ. Any new major polluting source would be subject to stringent regulations. Unless a permit applicant can demonstrate that its emissions will not materially damage the quality of the air shed, it must design its facilities to reduce emissions below the maximum level.

Additionally, any major residential, commercial or industrial development that includes over 250 parking spaces must apply to DEQ for an Indirect Source Permit. This permit allows DEQ to monitor the impact of auto emissions within the airshed.

In general, air quality within this portion of the Air Quality Maintenance Area is high. In fact, DEQ is considering modifying its long range Indirect Source Permit Application for large acreage industrial properties because the present standards seem more stringent than required by the Ambient Air Quality Standards within the area.

The Hearings Officer finds that there are no indications that air quality will be rendered unacceptable by annexation and development of the site and DEQ standards will assure that any development is within acceptable limits.

(6) Noise

The site is located in a developing portion of Washington County. There are no major industrial noise polluters

in the immediate proximity, other than the Hillsboro Airport located approximately 1.5 miles southwest of the site. This is a general aviation airport, and the noise contours from flight patterns around the airport do not impact this site.

In addition, the site is surrounded on three sides by existing and planned industrial development. The Hearings Officer finds that industrial development on the site would have no detrimental impact on those areas, nor would it impact the agricultural practices on the west.

(7) Flooding

A small portion of the site is within the 100 year floodplain as defined by the Federal Emergency Management Administration (FEMA). The identified 100 year floodplain is a narrow sliver of land adjacent to the agricultural drainage ditch that runs east to west across the northwesterly portion of the site. The floodplain is approximately 50 feet wide. The 100 year flood elevation is set at 187.5 feet at culvert under Shute Road. Because the applicant has indicated that the floodplain area will be managed as a part of the development of the site by either construction of a piped system or creation of a storm retainage basin incorporating the agricultural ditch, the Hearings Officer finds that there is no indication that the development of the site will create flooding or adverse drainage impacts. Further, Washington County floodplain standards will assure that development does not reduce the flood storage area on the site.

(b) Energy Consequences

(1) Transportation

The site's location on the Sunset Highway provides for direct access to a freeway, resulting in less stop and go traffic and better fuel economy. The area is presently a net employee exporter. The county and City of Hillsboro have placed particular emphasis on the location of a variety of housing densities near the Sunset Corridor industrial areas. Significant housing development is occurring in the immediate area. This will minimize employee trips and will localize commuting.

The Hearings Officer finds that, as the area develops and more jobs are produced, the highway/arterial system will be more efficiently used with a better balance of trips in both directions. The Hearings Officer further finds that, as the employment opportunities expand, the area will approach a closer balance between residence and employment, thus creating opportunities for shorter home/work vehicle trips.

(2) Energy Consumption/Supply

Any urbanization of the site will result in greater energy consumption than the present use, although agriculture is a fairly energy intensive industry. Conversion of the site to urban use will increase demand for natural gas and electrical energy. The evidence submitted indicates that typical load factors for gas and electricity consumption in a large acreage industrial campus would be approximately:

800-900 cubic feet/hour - natural gas

130-150 KV/hour/acre - electricity

Northwest Natural Gas has lines in Cornelius Pass Road, Evergreen Parkway, Cornell Road, and Shute Road. The Hearings Officer therefore finds that natural gas can be extended to the site, and Northwest Natural Gas has sufficient capacity to service the additional load generated by the site. PGE provides electricity through an existing overhead grid of 12,500 kva lines. The Hearings Officer finds that the site can be fed from lines on Cornelius Pass Road or Evergreen Road. As load increases, PGE may seek a site for an additional substation in the area, which it is fully capable of installing. The development of this site for urban uses will increase energy consumption, but not in any greater amount than if the same development took place elsewhere within the Urban Growth Boundary. Further, it will result in a better use of the transportation system and will reduce work/home vehicle trips which will reduce energy consumption.

(c) Economic Consequences

The economic consequences of annexation have been addressed in detail in the Hearings Officer findings relating to Factor 2 of Goal 14. The Hearings Officer finds that the State of Oregon is in need of diversification of its basic industries. With the decline in the wood products industry this situation is acute. The creation of jobs from the location of high-tech and emerging industry in the Sunset Corridor is a primary way for the state to improve its economic status. The value of the payroll alone for industrial uses is likely to be in excess of \$90 million annually. The current land valuation is slightly under \$1 million whereas at full industrial development it will exceed

\$340 million. Without an adequate inventory of large industrial sites, the Sunset Corridor and Oregon cannot compete with other metropolitan areas for the location of new industries.

(d) Social Consequences

Historically, this area of Washington County has been a part of a farming community of small and medium size farms. The social structure of such communities tends to be close knit families centered on social connections through the church, schools, farm cooperatives and small community/commercial centers. These were the conditions in this area during the first half of the century. Hillsboro, Forest Grove, Cornelius, all served as the local market and social centers, with much smaller centers scattered at intersections such as West Union and Cornelius Pass.

In the late 1950's, Park City Corporation, a development company from Southern California, purchased over 6,000 acres of farm land including 45 acres in this petition now controlled by Standard Insurance. Several thousand acres were north of Sunset Highway including what is now the Rock Creek community. Almost 2,000 acres were in the area south of Sunset Highway, generally between Cornelius Pass and 158th, south as far as Baseline.

While no actual development occurred on these lands until the mid 1960's, the ownership change was the beginning of a change in the character, lifestyle and fabric of this historic rural/farming community. Upon purchase, people who once owned and farmed their lands became tenant farmers. Slowly, tenant

farmers retired or moved away from their homes, their farmlands were re-leased to non-tenant farmers and their farm homes leased as rental housing.

Despite the physical appearance that this area continued to be a "farm" community during the 1960's and 1970's, the change in ownership alone was sufficient to start the transition from a strong owner based rural, agriculturally oriented social system to a mixed farming/transient social system to an urban/suburban based community. The pace of change has matched the pace of development of the original Park City lands along with other properties in the area whose ownerships have also changed. The site is now flanked by major industrial development featuring large scale foreign and domestic users. The area has clearly become urbanized.

Today, only a few remnants of the original farming society exist within the immediate area. Even with the lands adjacent to the UGB, few residents on that land are engaged in full scale commercial farming. Most immediate area residents reflect a transitional social structure oriented around a semi-rural lifestyle of hobby or subsistence farming at the fringe of an urban area.

Unrefuted testimony by Kenneth Berger, a farmer for 43 years, upon which the Hearings Officer relies, established that the immediate area has undergone a transition from a rural to an urban social climate. Mr. Berger stated that he farms 3600 acres including this property, because of urbanization and the associated traffic, farming machinery is often difficult, if not

impossible, to maneuver. Typically, farmers in Washington County rent land and farm many different fields. This is the case with Mr. Berger.

The longer term, more complex urban/suburban social structure to which the area is evolving, is partially in place today. The growth of the Sunset Corridor will continue that evolution. The institutions that form the nucleus of this social structure are also partially in place, such as urban schools, public park and recreation systems, commercial centers, employment centers, commercial recreation facilities, day care, public libraries, public and private health facilities, and high capacity transportation systems. As growth occurs within the immediate urban area, more of these facilities and services will follow.

Of the six families who live on the site, only one (the Bergers) farms on a full scale commercial basis. However, their principal farming activities occur on several thousand acres elsewhere in the county. Their 19 acres included in this petition are used primarily as their residence. Of all farming activity on the property, only the hazelnut orchard owned by the Magwires is producing a crop that is contributing significantly to their income. Most other families engage in farming for subsistence and/or hobby purposes, and have sufficient acreage to allow that activity and enjoy the resultant lifestyle.

The social consequences of including the property in the designated urban area will be to the immediately affected families. None of them appeared in opposition to this petition.

This is not to say that their lifestyle will not be affected. Each will ultimately move and with the monies realized from the sale or development of their property, will have the opportunity to re-establish a lifestyle on other property.

The Hearings Officer finds that including this property in the urban area will not affect the transition in the social system in the area. That transition is well under way. The historic farming social system no longer exists within the immediate area. In its place a new, mature social system based on an urban/suburban lifestyle is evolving.

6. Retention of Agricultural Land

Factor 6 of Goal 14 requires consideration of:

"(6) Retention of agricultural land as defined, with Class I being the highest priority for retention and Class VI the lowest priority;"

The Hearings Officer finds the evidence supports a finding that this approval criteria is satisfied. The criteria has been satisfied in the sense that a need has been established, the consequences have been weighed, and the need cannot be satisfied on other lower class land within the Sunset Corridor. Therefore, when these factors are balanced with this factor, this factor is satisfied. The following is a discussion of the evidence which supports this conclusion.

The site contains soils that are considered Class I and II in agricultural capability. Within the definition of statewide planning Goal 3, these lands would be the highest priority for preservation. There are other factors which must be considered. First, this site is surrounded on three sides by

land which is within the UGB. Therefore, it is an efficient use of land. Second, the system of statewide goals is based on a balancing of the interests of the state and a local community as those goals are applied within specific areas. As will be discussed below, the application contains facts and evidence to support the taking of a Goal 2 Exception to Goal 3. The exceptions process was designed for situations such as this one where there is a demonstrated need for additional industrial land in the Sunset Corridor which must override the general state goal of protecting farmland.

As urban areas need to expand, they will inevitably expand into lands protected variously by other goals. Expansion of the UGB anywhere in the Sunset Corridor means expansion into Class I and II agricultural lands. Therefore, it is not possible to amend the Boundary to meet a need without imposing on Class I and II lands. The Hearings Officer finds that, by its very nature, large acreage industrial parcels in the Sunset Corridor portion of the County will consist of land that is classified as Class I and II soils. There was no evidence submitted to the contrary under the alternative sites approval criteria. The Hearings Officer gives particular emphasis to the testimony of 1000 Friends of Oregon on this issue. That testimony indicated support for this application.

The Hearings Officer has found a need for additional industrial land in the Sunset Corridor under Goal 14, Factor 1. It was also found that the amendment in this location is an efficient use of land under Factor 4 and there are no adverse

consequences under Factor 5. In addition, the evidence supports the fact that any amendment to the Urban Growth Boundary in the Sunset Corridor for industrial land will result in removal of Class I and II agricultural land. Therefore, when all of these factors are weighed, this approval criteria is satisfied.

7. Compatibility

Factor 7 of Goal 14 requires a consideration of "compatibility of the proposed urban uses with nearby agricultural activities." The Hearings Officer finds approval of this petition will not create any greater incompatibility between urban and agricultural uses than already exist. This conclusion is based on the following evidence.

The agricultural lands immediately west of the site across Shute Road are Class I and Class II agricultural soils with high productivity and yields. Potential conflicts from the industrial and agricultural uses would come from the following sources:

(a) DEQ imposes strict air discharge requirements on industrial users. Those standards would apply to the industrial development on the site. The Hearings Officer finds that no adverse emissions are anticipated from proposed industrial uses on the site. In addition, the prevailing winds at the site are from the west and, thus, would carry any potential contaminants away from the adjacent agricultural lands. In terms of ground water quality, most of the industrial users in the area, such as NEC, Fujitsu America, Inc., and Epson, install ground water monitoring wells to continually monitor the quality of ground

water for organic and inorganic contaminants. It is likely that any similar developer of this site would be required to do the same.

(b) Conflicts created by the use of agricultural chemicals on the agricultural lands which could migrate or drift into the industrial area may be a minor seasonal problem. Possible conflicts could arise from aerial spraying of herbicides, insecticides, and fertilizers and from dust generated during the planting and harvesting periods. However, it is anticipated that these would be very minor conflicts, and the Hearings Officer therefore finds that they would not create serious contamination problems to buildings or critical industrial operations.

(c) Development of the property in large acreage industrial parcels and parks will include large landscaped areas with extensive landscaped berms and screening along Shute Road. The Hearings Officer finds that this will create both an aesthetically pleasing environment for visitors and employees of the facility, as well as create a visual separation between the industrial area and the agricultural lands west of Shute Road.

(d) Approval of this petition will increase the traffic on Shute Road, however, as Mr. Ken Berger testified, current traffic levels make it very dangerous to move farm machinery. Therefore, the problem will not be increased over current levels by the approval of this petition.

B. Compliance With Goal 2

Pursuant to Goal 14 and the Supreme Court's ruling in Branscomb v. LCDC, 297 Or 142, 681 P2d 124 (1984), the application contains evidence to meet the requirements of a Goal 2 exception. Goal 14 provides:

"In the case of a change of a boundary, a governing body proposing such change in the boundary separating urbanizable land from rural land, shall follow the procedures and requirements as set forth in the Land Use Planning goal (Goal 2) for goal exceptions."

In Branscomb, the Supreme Court interpreted the above quoted language of Goal 14 as follows:

"The only reasonable interpretation of this last sentence is that Goal 2 exceptions are required only for a change of a boundary, and not for the establishment thereof."
Branscomb, 297 Or at 147.

Therefore, the applicant has taken a Goal 2 Exception. Although the site is not forested, nor is it designated for forest use, the applicant has taken an exception to Goal 4 because the site has soil classifications which make it potentially suitable for forest uses.

In determining what criteria are applicable in following the exceptions procedure in order to comply with Goal 14, the applicant followed the criteria set forth in LCDC's administrative rule pertaining to the exception criteria to be followed in an urban growth boundary amendment application. OAR 660-04-010 (1)(c)(B) requires findings and reasons which support the seven factors of Goal 14 and that the following standards are met:

"(i) Reasons justify why the state policy embodied in the applicable goals should not apply (This factor can be satisfied by compliance with the seven factors of Goal 14.);

(ii) Areas which do not require a new exception cannot reasonably accommodate the use;

(iii) The Long-term environmental, economic, social and energy consequences resulting from the use at the proposed site with measures designed to reduce adverse impacts are not significantly more adverse than would typically result from the same proposal being located in areas requiring a goal exception other than the proposed site; and

(iv) The proposed uses are compatible with other adjacent uses or will be so rendered through measures designed to reduce adverse impacts."

These four criteria are identical to the criteria contained in Goal 2 and ORS 197.732.

These four criteria for a Goal 2 exception are addressed below, together with the Hearings Officer's findings of compliance with each criterion.

1. Reasons

As set forth in the administrative rule, this criterion may be satisfied by compliance with the findings with respect to the seven factors of Goal 14. OAR 660-04-010(1)(c)(B)(i). The seven factors of Goal 14 are addressed in Section II A above, and the Hearings Officer finds the seven factors in Goal 14 have been satisfied, therefore, this approval criteria has been satisfied.

2. Alternative Sites

This criterion requires an applicant to address "reasonable" alternative sites which do not require an exception

to the goals. Because Goal 14 requires an applicant to follow Goal 2 procedures for an exception, the LCDC administrative rule pertaining to exceptions procedures is applicable. OAR 660-04-020 provides some explanation as to how an applicant can meet the "alternatives" criteria for a goal exception. It provides:

"(b) 'Areas which do not require a new exception cannot reasonably accommodate the use:'

(A) The exception shall indicate on a map or otherwise describe the location of possible alternative areas considered for the use, which do not require a new exception. The area for which the exception is taken shall be identified.

(B) To show why the particular site is justified, it is necessary to discuss why other areas which do not require a new exception cannot reasonably accommodate the proposed use. Economic factors can be considered along with other relevant factors in determining that the use cannot reasonably be accommodated in other areas. Under the alternative areas factor the following questions shall be addressed:

(i) Can the proposed use be reasonably accommodated on nonresource land that would not require an exception, including increasing the density of uses on nonresource land? If not, why not?

(ii) Can the proposed use be reasonably accommodated on resource land that is already irrevocably committed to nonresource uses, not allowed by the applicable goal, including resource land in existing rural centers, or by increasing the density of uses on committed lands? If not, why not?

(iii) Can the proposed use be reasonably accommodated inside an urban growth boundary? If not, why not?

(C) This alternative areas standard can be met by a broad review of similar types of

areas rather than a review of specific alternative sites. Initially, a local government adopting an exception need assess only whether those similar types of areas in the vicinity could not reasonably accommodate the proposed use. Site specific comparisons are not required of a local government taking an exception, unless another party to the local proceeding can describe why there are specific sites that can more reasonably accommodate the proposed use. A detailed evaluation of specific alternative sites is thus not required unless such sites are specifically described with facts to support the assertion that the sites are more reasonable by another party during the local exceptions proceeding." OAR 660-04-020(2)(b).

The Hearings Officer finds evidence supports a finding that this approval criteria has been satisfied. The following is a discussion of the evidence which supports this conclusion.

(a) Map of Alternatives

The applicant has submitted a map attached as Exhibit "B" in response to the requirement (A) above, that the exception provide locational alternatives on a map. OAR 660-04-020(2)(b)(A). Alternatives studied are both in and out of the urban growth boundary and both in and out of the Sunset Corridor.

The map is limited to sites within Washington County and the Sunset Corridor. The Hearings Officer finds there is a need for additional land for high-tech uses (see findings on Goal 14, Factor 1) and therefore, this map satisfies the Exceptions requirements.

(b) Why Other Areas Not Requiring An Exception Cannot Accommodate the Proposed Use

The directive of OAR 660-04-020(2)(b) requires the applicant to justify why "areas which do not require a new

exception cannot reasonably accommodate the use". The case law establishes that the scope of review in evaluating alternative sites is defined largely by the requirements of the "need" or "reasons" criterion. Gordon v. Clackamas County, 10 Or LUBA 240, 250 (1984); 1000 Friends of Oregon v. Douglas County, 4 Or LUBA 148, 160 (1981). The Hearings Officer has found that there is a localized shortage of land as a result of recent market activity, and that while other areas can in principle physically accommodate high-tech industries, the Sunset Corridor is the first (and basically the only) locational choice of most high-tech and emerging industries within the Oregon portion of the Portland Metropolitan Area. Therefore, the shortage of land will place constraints on local and state economic development goals.

The Hearings Officer finds that the demonstrated need is for additional land in the Sunset Corridor, therefore the issue is not whether other areas of Portland can "reasonably accommodate" high-tech uses. The record includes substantial evidence which demonstrates that high-tech uses seek an area which has: (1) critical mass, (2) known identity, (3) educational institutions, and (4) an available labor force. The Sunset Corridor has established that critical mass and has reached the point of second and third generation spin-offs. It is internationally known and has established international firms, and it is within a few miles of the Oregon Graduate Research Center. In addition, there is a large labor force. Therefore, the Hearings Officer finds that due to the uniqueness of the

requirements of the industry, this approval criteria is satisfied by a showing there are inadequate sites within the Sunset Corridor.

(c) Questions Posed by Administrative Rules

The rule sets out three questions which must be addressed as part of the alternatives analysis. These are addressed below.

- (1) "Can the proposed use be reasonably accommodated on nonresource land that would not require an exception, including increasing the density of uses on nonresource land? If not, why not?"
OAR 660-04-020(2)(b)(B)i.

The first component of the alternative site analysis required by the administrative rule is two-pronged. The first element asks whether:

- (i) It is possible to reasonably accommodate the use on nonresource sites which would not require an exception which are located outside the UGB.

The second component of the analysis requires a finding on whether:

- (ii) The density of uses can be increased on nonresource lands.

(i) Outside Urban Growth Boundary

There are no nonresource lands which are contiguous to the urban growth boundary which are within the Sunset Corridor. It is not good planning to site spots of urbanization among the rural landscape. In addition, the record is complete with testimony that high-tech must create a "critical mass" to function. Further, the need for additional land is within the

Sunset Corridor, therefore the land cannot be satisfied outside the UGB.

- (2) "Can the proposed use be reasonably accommodated on resource land that is already irrevocably committed to nonresource uses, not allowed by the applicable goal, including resource land in existing rural centers, or by increasing the density of uses on committed lands? If not, why not?" OAR 660-04-020(2)(b)(B)(ii).

The applicant limited its search for alternative sites to those in the Sunset Corridor or adjacent to it. In analyzing sites in rural centers and sites on resource land but already committed to nonresource use the applicant found four possible sites. Four rural areas (outside the Urban Growth Boundary) in proximity to the UGB were identified as resource lands committed to non-resource uses; in this case single family homes on five 20 acre lots. All areas were zoned AF-5 or AF-20, neither of which allows for industrial development. Full service utilities are not available to any of these areas. All lack sewer according to Jeanne Hedrick, the Information Clerk for Unified Sewerage Agency. The extension of services would have the effect of creating urbanization pressures on intervening lands where the irrevocably committed lands are not contiguous to the boundary. High-tech uses require public sewer and water. It is not sound land use planning to spot urbanization among the rural landscape.

The areas are presently developed with large single family residents and farmsteads and each of the four areas is under multiple ownerships. From an economic standpoint, conversion of any of these areas to industrial uses would be

infeasible because of the time required for parcel assemblage, higher land value for improved parcels, and the absences of sewer.

Expert testimony was presented by Doug Anderson, upon which the Hearings Officer relies, that industrial firms will rarely enter into negotiations for a site with more than a very limited number of property owners properties that are not serviced. Once industrial firms have determined that market conditions support expanded production, they require an expeditious time frame for facility design and site permit approvals. High tech firms in particular are generally not held captive by a particular area of the country and if an appropriate variety and quantity of sites are not available, they will continue their site selection efforts elsewhere.

Additional constraints faced by all sites include inappropriate zoning, Urban Growth Boundary Amendment Annexation Processes, and lack of services (sewer). Also, two of the sites are not adjacent to the existing UGB and none are in the same proximity to urbanization as is the subject site of this application.

The Hearings Officer therefore finds that because of constraints of lack of proper zoning, lack of services, and multiple ownership, the proposed use cannot be reasonably accommodated by resource land that is irrevocably committed to nonresource uses. Further, it is not sound land use planning.

- (3) "Can the proposed use be reasonably accommodated inside an urban growth boundary? If not, why not?" OAR 660-04-020(2)(b)(B)(iii).

The final question asked by the administrative rule is related to the need question under Goal 14, Factor 1 in that the answer is found in the applicant's inventory of industrial land in the Sunset Corridor which concludes there is a lack of such land to serve the demand.

Nevertheless, the applicant analyzed additional sites adjacent to the Corridor and outside the Corridor which could possibly serve to meet some of the unmet demand for large acreage industrial land. Although the Sunset Corridor has been the attractor for a high percentage of the high-tech development activity in Oregon, other areas near the corridor are appropriate to consider because the users' agglomeration tendencies may spill over into adjacent areas. These sites are discussed in this section. The sites outside the Corridor are discussed in Appendix I.

Spillover effects to other areas in western Washington County may be a secondary benefit to high-tech location in the Sunset Corridor. The applicant does not contend there are shortages of industrial land in other areas besides western Washington County. The applicant did not study the entire SMSA industrial demand and supply, because the need for additional inventory of industrial land is limited to the Sunset Corridor. The focus of the investigation for alternative areas where growth could be accommodated was limited to the area that is the most crucial and is experiencing the greatest shortages of appropriate industrial land.

Because there has been some interest in areas just outside the Sunset Corridor, the applicant undertook a broader review of other possible Washington County locations that could attract high-tech development. This review was site specific, rather than a more general locational analysis, because of the specific site criteria and needs of the high-tech industry. There are many industrial sites in the Metro inventory which may be suitable for general light industrial development, but are unsuitable for high-tech development for a variety of reasons.

All large acre industrial sites in Washington County that were identified in Metro's 1985 draft Industrial Land Inventory were surveyed by the applicant in order to assess their potential for high-tech or emerging industries' development. Based on the results of this survey, the five sites surface with some potential for high-tech development. The Hearings Officer finds that this potential is limited for a variety of reasons set forth below.

1. Walnut Street North

This property consists of 57 acres of serviced land; however, nearly half of the site is in floodplain and therefore cannot be developed, thus reducing the effective size of the parcel to only 30 acres. The Hearings Officer finds that a constraint exists in that the site is located at the western boundary of the city limits of Hillsboro off S.E. Baseline Street, directly south of a K-Mart store and does not have direct access onto Tualatin Valley Highway ("T-V Highway"). The Hearings Officer finds that lack of visibility from a major

highway and the distance from the freeway system will inhibit its marketability. Furthermore, T-V Highway is ill-suited to deal with a large employment complex.

Other major constraints include an adjacent cement culvert manufacturer to the east, which greatly detracts from the image of the site, the small size of the parcel, the absence of any other high-tech development in the surrounding area. The inability of the area, due to land constraints, to accommodate a nucleus of high-tech activity at any time in the future is also a deterrent. The Hearings Officer therefore finds that this land parcel is unsuitable for a high-tech user and would not be considered.

2. Oregon Roses Property

The Oregon Roses site is located off T-V Highway near S.E. River Road at the southern boundary of the City of Hillsboro. It consists of 53 acres and currently includes a nursery. Access requirements from T-V Highway would require construction of a left-turn lane and signalization in order to accommodate the high traffic volumes on T-V Highway. The Hearings Officer finds that the cost of this site would be prohibitive since purchase would require the displacement of a financially viable operating nursery, which also raises Goal 3 and 4 issues of significance.

The Hearings Officer finds that this property is unsuitable because it is permanently isolated from other major high-tech development, the site size is too small for a major company, a railroad runs in front of the property which precludes

certain types of high-tech development, and the site is approximately six miles from the nearest freeway interchange at Highway 26 and Cornelius Pass Road. The Hearings Officer finds that the same deficiencies are present with the Oregon Roses Property as the previously discussed sites.

3. Roseway Industrial Park

This property totals 85 acres located on T-V Highway at 234th Avenue, which bisects the parcel. It is rail-served and includes a small warehouse facility. Benjamin Franklin Development Company is in the process of purchasing the site. Development plans have not been finalized.

The site is approximately six miles from the nearest freeway interchange at S.W. 185th and Highway 26. The 85-acre property is less desirable because it is divided into two smaller parcels by a county road. It also fronts on a railroad and is currently geographically isolated from other high-tech users. Traffic congestion on the T-V Highway and S.W. 185th further detracts from the overall desirability of this property. The Hearings Officer therefore finds that this property is not a reasonable alternative site.

The five properties described (the three properties in this section and the two in Appendix __) represent the best of the properties contained in Metro's Washington County industrial land inventory outside of the Sunset Corridor. In other words, these properties are more suitable for high-tech development than any of the other sites in this inventory. The Hearings Officer finds, however, that from the above description none of these

properties meet the needs of high-tech users as well as the needs of the Sunset Corridor.

(d) Metro Staff Analysis

The Metro Staff raised several questions regarding available alternative sites. First, the Staff asks whether there is a shortage of parcels 30 acres and larger in the Sunset Corridor.

The Hearings Officer has found that there exists only 629 acres of unconstrained land containing parcels 30 acres or more in the Sunset Corridor. The Hearings Officer has further found there are too few sites to provide alternative choices to new high-tech firms.

Second, the Staff asks whether larger parcels in industrial parks are properly considered removed from inventory.

Evidence submitted by the applicant, upon which the Hearings Officer relies, demonstrates that all such industrial park land has been rendered unavailable, with the exception of two areas in Tanasbourne Commerce Center in which a number of small lots could conceivably be reassembled into larger parcels. These parcels are more appropriate for small end users.

The Hearings Officer finds that there are no significant large parcels available from industrial parks for high-tech users in the Sunset Corridor.

Third, the Staff asks whether parcels purchased by end users but not yet developed or proposed for development should be distinguished from land actually developed in calculating and projecting absorption rates.

There is evidence in the record, upon which the Hearings Officer relies, that demonstrates that once purchased, such land is not available to other end users, whether or not the owner builds out its site immediately or phases in development over a period of time. The Hearings Officer therefore finds that land purchased by end users is, from a practical standpoint, removed from inventory for the purpose of siting a different firm or supporting employment generated from another source.

Fourth, the Staff asks whether land available only for lease should be excluded from the inventory of remaining lands, or whether such land meets a need for certain types of users.

The applicant has submitted evidence, upon which the Hearings Officer relied, that the land available only for lease should be differentiated from the general inventory. Very rarely will firms lease land because they have no long term control over the land, and there is no opportunity to realize the appreciation of value. The Hearings Officer therefore finds that land available only for lease is not generally suitable for the types of firms which are essential to the demonstrated need for economic development. Those which would lease land fall into a very limited category of user.

Fifth, the Staff asks whether the annual average absorption rates should be based only on the last two years, as the applicant has done in calculating the 1400 acre need, or on the seven years for which data is available.

The record demonstrates that the applicant calculated the absorption rate using both the two-year and the seven-year

averages. The Hearings Officer finds that the higher number which was chosen by the applicant is appropriate because of the position of the Sunset Corridor as the leader in economic growth for the Portland Metropolitan area. However, even if the seven year average is used, a need for 521 new acres of industrial land is indicated. The Hearings Officer reaffirms that the 629 acres available in the Sunset Corridor do not provide an adequate quantity or variety of industrial land to meet the demonstrated needs of high tech users or afford the type of market and locational choice necessary to encourage continued vitality in new development. The supply of vacant parcels, 30 acres or larger, in the Sunset Corridor is therefore less than five times an appropriate average annual absorption rate.

Sixth, the Metro Staff asks a two-fold question: whether there is a shortage of land for long term growth needs and whether a finding of long term need would be inconsistent with adopted employment projections for the region.

The Hearings Officer has already found that there exists a long term need for additional industrial sites in the Sunset Corridor. Table 3 entitled, "Employment Land Needs" submitted into the record by Metro shows a need for 882 acres of land to accommodate 22,048 projected high-tech workers. The actual on-site employment densities range from 12.5 to 17 employees per acre. This fact dramatically changes the amount of land needed. The Hearings Officer reaffirms that there is a localized shortage of land in the Sunset Corridor because of its unique status which constrains Portland's pursuit of its economic

goals in both the short and long term. The demonstrated need, however, does not invalidate the Metro projections when the density figures are compared.

The applicant has submitted evidence, upon which the Hearings Officer relies, that demonstrates that land absorption takes on a different historical profile than employment growth. The typical scenario is that land will first be purchased, after which employment growth will occur. The Hearings Officer finds that, because of this relation between land absorption and employment growth, it is necessary to maintain a sufficient inventory of sites in the short run so that firms can become established and begin creating jobs on the land over the long run. The Hearings Officer finds that approval of the application would be reconcilable with employment projections when the essential differences between the land market and the labor markets are recognized.

Seventh, the Metro Staff asked whether the applicant has demonstrated a regionwide need for more land in the Sunset Corridor. The Metro Staff notes that the Pope Report indicates that high tech development in Santa Clara County has spread over a much larger area, comparable to all of urban Washington County.

The Hearings Officer has already found that the applicant has demonstrated that high tech growth is (and will be) centered in the Sunset Corridor because such firms have demonstrated a preference for the Corridor and because of the economic value of proximity to other high tech firms. The Pope Report indicates that the growth in Santa Clara County has built

up over the course of a generation or more, and that development has simply outgrown its place of origin over time. The Pope Report itself states that the Sunset Corridor is the area that is known as the high tech center for the Pacific Northwest and that all possible effort should be made to encourage its development. As indicated by Mr. Carlson, the Sunset Corridor is basically the only Oregon area which is attractive to foreign and domestic users. The Hearings Officer therefore finds that the applicant has demonstrated a regionwide need for more land in the Sunset Corridor.

Finally, the Metro Staff asks whether there is a need for parcels 100 acres and more and how this need will be addressed by the Kaiser petition.

The applicant has agreed to certain development conditions in its testimony that will ensure that large parcels remain available for industrial development.

(e) Alternative sites described by 1000 Friends of Oregon

Under OAR 660-04-020(2)(C), a detailed evaluation of alternative sites is not required unless such sites are described by another party with facts which support the assertion that these sites are more reasonable than the proposed site. The alternative sites described by 1000 Friends are not purported by them to be alternative sites to the Kaiser site. Robert Stacey, Staff Attorney for 1000 Friends, testified that the annexation of the Kaiser site, as proposed by the applicant under Goal 14, Factor 1, will meet the need for sites 60 acres or larger in the Sunset Corridor. Nevertheless, the findings will address other

available sites because 1000 Friends set forth factual statements that the applicant considered to be contrary to the evidence presented by the applicant. Therefore, the applicant submitted rebuttal evidence pursuant to OAR 660-04-020(2)(C). The Hearings Officer has evaluated each site and the Hearings Officer's corresponding findings of fact are contained in Appendix II. In summary, the Hearings Officer finds:

1. Seaport Property. It is listed on the inventory.
2. Burlington Northern Railroad Property. It is listed on the inventory.
3. Dawson Creek. Except for 54 acres which are listed on the inventory, the remainder is available on a lease only basis.
4. Ronler Acres. It is constrained by hundreds of ownerships.
5. Wilsonville Property. It is outside the Sunset Corridor where a need has been demonstrated.
6. Leveton Property. It is outside the Sunset Corridor where a need has been demonstrated.
7. Kaiser/231st Property. It is listed on the inventory.
8. Wishing Well Property. It is constrained.
9. Tanasbourne Property. It is constrained.
10. Johnson/PacTrust Property. It is listed in the inventory.
11. Windolph Park Property. It is constrained.
12. Olin Industrial Park. It is outside the Sunset Corridor.
13. Five Oaks Property. It is listed on the inventory.
14. Hawthorn Farm Property. It does not satisfy the need for 30 acre or larger parcels.
15. Parkway Center Property. It is outside the Sunset Corridor.

16. Tualatin Area Property. It is outside the Sunset Corridor.

17. Beaverton Area Property. It is outside the Sunset Corridor.

18. Unincorporated Washington County Property. It is partially constrained and partially improperly zoned.

The above properties identified by 1000 Friends of Oregon do not add any additional alternative sites to the list submitted by the applicants and adopted by the Hearings Officer.

3. Consequences

Goal 2 and ORS 197.732(c) require that an applicant for an exception to one of the goals meet the following standard:

"the long-term environmental, economic, social and energy consequences resulting from the use 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 in areas requiring a goal exception other than the proposed site."

In addressing this standard, the Hearings Officer must find that the consequences of developing this site with measures which reduce the impacts are not more adverse than if the use were located on another site also requiring a goal exception. Therefore, the first question is what are the consequences and the second question is whether there are other sites which would have less consequences. The Hearings Officer finds there are no significant consequences other than those associated with development of any site and there is no other alternative sites except the site to the north of Sunset Highway known as the Riviera site. A need has been demonstrated also for that site in a separate petition. There was no evidence introduced which

identified any other potential site contiguous to the UGB in the Sunset Corridor. Therefore, this approval criteria is satisfied because there are no significant consequences and no other sites except the Riviera site which has been identified as an alternative. A need has been demonstrated for the Riviera site, therefore it is not an alternative. This conclusion is based on the following evidence.

(a) Environmental Consequences

The Hearings Officer has addressed the environmental conditions and consequences of industrial use of this site. In summary, the Hearings Officer finds that no significant environmental consequences are anticipated with the conversion of this site from agricultural to industrial uses. The impacts on agricultural land were considered under Goal 14, Factor 6 and are hereby incorporated.

The site contains no significant environmental characteristics, either in positive environmental values (e.g. valuable habitat) or negative environmental conditions (e.g. severe erosion problems). The Hearings Officer finds that the site is environmentally neutral since, except for a very small floodplain area, it contains no distinctive environmental features. The floodplain will be protected by the County or City standards. The statewide planning goals require protection of floodplain areas.

The Hearings Officer finds that, in comparison with other agricultural areas that might be considered as alternative areas to accommodate the need for industrial land, all will

either be equal in environmental distinction (or lack of in this case) or will have environmental values that exceed those of this site.

(b) Economic Consequences

Removal of the site from agricultural production will not adversely affect the economy of Washington County or the State of Oregon. In fact, the change in use has the potential of a tremendous enhancement in the regional economy.

The site is currently underutilized, that is, farmed with low value agricultural production as opposed to higher value food crops. Production on the subject site in 1984 totaled \$160,300 -- a minimal percentage of both county and state production totals. Of the 341 acres currently farmed, 73 acres will be unsuitable for industrial development and can reasonably be expected to remain in agricultural production. Thus, the lost agricultural production will be lower, approximately \$126,000.

Employment loss resulting from the removal of the site from agricultural production will be also minimal, accounting for one to two full time equivalent jobs. Industrial employment gains of approximately 6,460 jobs are expected. The Hearings Officer finds that, by virtue of the magnitude of difference, employment under industrial uses is incomparable with employment under agricultural uses.

The Hearings Officer finds that public sector revenues will be positively impacted with the advent of industrial development on the site. Property tax revenues accruing to local

jurisdictions, as well as personal and corporate income taxes accruing to the state will increase substantially.

(c) Social Consequences

The Hearings Officer has addressed the social conditions and consequences of industrial use of this site above. In summary, six households will be directly affected by the conversion to industrial uses on the site. While these individuals will experience a change in their lifestyle, except for one household, all others are co-signers of this petition and are anticipating this change.

Of the approximately five part-time agricultural jobs currently on site, some agricultural employment will be retained in the approximately 70 acres that will continue to be farmed in some capacity. In addition, most on site employment is by people who are working other lands elsewhere in the area. It is not anticipated that any total loss of employment will result from this conversion.

The addition of in excess of 6,000 jobs to the area will substantially affect the economy and character of the area. Many of these new jobs will be held by people who either live or will move into the area. The result will be a conversion from a rural character community to an urban/suburban community. The application enjoys full support of the City of Hillsboro. Significantly no one, save Western International Properties (developer of an industrial parcel across Sunset Highway from the site) opposed the application. Equally important, the "farm families" in the area have joined in the application.

The evidence demonstrates that this conversion is already occurring, however, as adjacent lands are now developing with industrial uses. The Hearings Officer finds that the addition of this site to the inventory of industrial lands will add to the volume of urbanization but will not change the fact that the area is already experiencing that conversion.

In comparison to other agricultural sites and areas, an on-going conversion from rural to urban lifestyles may not exist. The industrial development in the Sunset Corridor is unique within the region. While other industrial development is taking place in the region, few if any areas are at the periphery of the urban area and so the impact on the surrounding areas may not be as pronounced. Conversion of other sites at the edge of the urban area may therefore have much more pronounced impacts on the character of the immediate area than will the conversion of this site.

(d) Energy Consequences

An additional discussion of energy conditions and consequences is contained in Part II(A) (5) (b) and is incorporated in these findings. In summary, however, conversion of the site from agricultural to industrial uses will generally increase the level of energy consumption on the site. While agricultural activities are energy consumers, the anticipated industrial uses will consume considerably greater amounts of electrical and gas energy than the present uses.

However, given the need for industrial development, concentrating the major, large acre industrial users within an

area like the Sunset Corridor provides utilities to plan and construct facilities that will maximize the efficiency of energy distribution. As compared with other areas where such industrial concentrations are not present, conversion of this site benefits the cost effective use of the region's energy resources.

A similar condition exists with indirect energy consumption. Conversion of this site which is immediately adjacent to a major regional freeway, provides maximum transportation efficiency for workers and shipping of materials and products. In addition, the continued development of the Sunset Corridor including this site, begins to balance the directional flow of traffic on the transportation system. Whereas the majority of the morning trips from this area are eastbound into the central portion of the region, continued industrial development in this area will tend to equalize that traffic flow, again maximizing the efficiency of the transportation system and ultimately conserving energy resources.

The Hearings Officer finds that the continued development of the Sunset Corridor will provide primary job opportunities in a large area of historic and future residential development. The potential to decrease the length of work trips is substantial through industrial development of this site and area because of the area's balance land use pattern. A comparable balanced community plan and regional/local transportation network does not exist elsewhere in the region.

(e) Other Sites

There is no evidence there is any other site within the Sunset Corridor. Any other amendment to the boundary within the Sunset Corridor is going to involve the same consequences. The only other site is the Riviera site which is the subject of another petition and a need has been demonstrated for that site. The Kaiser site is surrounded on three sides by urban development and therefore will have less impacts.

4. Compatibility

Pursuant to Goal 2 and ORS 197.732, an applicant must demonstrate that

"The proposed uses are compatible with other adjacent uses or will be so rendered through measures designed to reduce adverse impacts."

Further explanation of this standard is provided in OAR 660-04-020(2)(d) which requires an applicant to describe how the use is situated in such a manner as to be compatible with surrounding natural resources and production practices. The rule explains that "'compatible' is not intended to be an absolute term meaning no interference or adverse impacts of any type with adjacent uses." OAR 660-04-020(2)(d). The Hearings Officer finds that the use will be compatible and that this approval is satisfied. The following is a discussion of the evidence which supports this conclusion.

(a) Adjacent Uses

North of the site is the Sunset Highway and the Five Oaks Industrial Park. The eastern half of the park is presently

the active development area. The westerly portion of the Five Oaks Industrial Park is presently outside the urban growth boundary and zoned EFU. The property is under an agricultural lease and is actively farmed.

To the east of the site, adjacent to Cornelius Pass Road, is the Keeler Substation, a major regional distribution substation for the Bonneville Power Administration, and the Tanasbourne Commerce Center, a 200-acre planned industrial park. Within Tanasbourne Commerce Center, the first two phases comprising 120 acres, have been constructed with full site improvements. Major industrial facilities, including Epson, are now under construction.

South of the site, along Evergreen Road, are Technology Centers One and Two. One Technology Center, a 50,000 square foot flextype office facility is completed; Two Tech is at the construction stage.

To the south and west of the Technology Center is the Fujitsu America, Inc., site. The first phase building of 145,000 square feet is under construction. Later phases in this project include eight buildings to be constructed over the next five to ten years.

West of Fujitsu is Ronler Acres, an existing unimproved residential plat comprised of multiple small parcel ownerships, which has undergone a total rezoning by the City of Hillsboro, providing a variety of uses including residential, commercial and industrial. West of Ronler Acres and immediately south of the westerly most portion of the site is the NEC America Property, a

210-acre industrial development with the phase one building containing approximately 163,000 square feet nearing completion. NEC's plans for the balance of this property include construction of up to 10 buildings over the next seven to 10 years.

Southwest of the site, extending southwest from the intersection of Shute Road and Evergreen Road, is the Tektronix Employee's Trust property (Dawson Creek Industrial Park). This industrial park will be developed under a land lease arrangement similar to the Oregon Graduate Center.

Immediately west of the site, across Shute Road, are productive agricultural fields planted predominately in grains and legumes. In addition, there are two farmhouses on Shute Road, one at the corner of Shute and Evergreen and the other approximately mid-way between Evergreen and the Sunset Highway. In addition, a small rural subdivision has developed over the years at the southwesterly corner of the Shute Road/Sunset Highway Interchange. It is comprised of several residences on one-half to two-acre lots.

With the exception of the agricultural frontage along Shute Road, the Hearings Officer finds that the proposed amendment is more compatible with surrounding uses than the existing EFU designation. This will be increasingly true as the area develops, when potential conflicts between urban and rural uses could arise such as dust and wind drift of spraying from the agricultural areas over the urban areas.

(b) Use of Buffering

In order to insure compatibility between the site and adjacent uses, the applicant has indicated that landscape buffering will be used, particularly along Shute Road where it abuts the agricultural farm lands and adjacent to the Imbrie Farmstead Restaurant in the southeast corner of the site.

III. DECISION

Based on the findings that each of the approval criteria are satisfied, the petition by Kaiser Development Corporation and co-petitioners is hereby approved. This approval is based on the petitioners' testimony that the need for a variety of parcel sizes will be satisfied by the following steps:

A. Upon approval of the UGB amendment, the applicant shall initiate annexation proceedings for the Kaiser property to the City of Hillsboro.

B. The applicant will apply for a zoning designation of Industrial Park ("IP") under the City of Hillsboro's Zoning Ordinance for the Kaiser property.

C. The applicant agrees to special conditions upon rezoning of any portion of the Kaiser property by the City of Hillsboro as follows:

1. The site will be considered a Specially Regulated Area (SRA) under the City of Hillsboro Comprehensive Plan.

2. Pursuant to the City of Hillsboro Comprehensive Plan, the applicant will demonstrate consistency with Metro Resolution No. 82-348 prior to annexation.

3. A master plan for the applicant's property shall be prepared consistent with the City of Hillsboro's Comprehensive Plan. The master plan shall include the following elements:

(a) The property will be divided into master planning parcels of approximately 30 acres in size, consistent with the applicant's final zoning approval from the City of Hillsboro.

(b) The applicant will take measures to assure that two contiguous 30 acre parcels will be available to the marketplace as a single large lot industrial parcel. Such measures shall include but are not limited to the marketing, design, and master planning of the overall site.

4. The configuration for development of the master plan may be re-evaluated on an annual basis at the request of the applicant in order to determine the continued advisability of retaining the large parcels in their then current sizes and configuration. An amendment may be made to the master plan only after public hearing.

The review authority shall apply standards for an amendment to the Master Plan substantially similar to those set forth under the conditions of strategy M under Policy #1 of the Washington County Comprehensive Framework Plan, which are the standards for an amendment to an SID restriction in Washington County. Any amendments of the Master Plan shall be reviewed under the City of Hillsboro procedures and shall not be subject to further review by Metro.

D. The eastern half of the site, not controlled by the applicant, shall be subject to these same conditions at such time as any portion of the eastern half of the site initiates annexation proceedings with the City of Hillsboro or initiates a development request from Washington County.

05/01/0014/01

APPENDIX I

Alternative Sites Inside The Urban Growth Boundary

1. Leveton Site

This site is located on S.W. Tualatin Road and offers 240 acres of serviced and properly zoned land. The site is gently sloping and does not present any topographic site constraints. It is segregated from the other sites in Tualatin and has access onto Highway 99W. It is also closer to the services of the Tigard business community which gives this site an important advantage over the other industrial properties in the Tualatin area.

Of all the sites visited, the Leveton site probably has the best potential for high-tech development outside of properties in the Sunset Corridor, at least from a physical standpoint with respect to size, access, and topography. RCA/Sharp considered this site, but opted for a parcel in Clark County, Washington.

The Hearings Officer finds that the principal deterrent to consideration of the Leveton parcel by high-tech users is the distance from a major freeway interchange which is either approximately four miles northeast on Pacific Highway (99W) to Highway 217, or approximately four miles east on Durham Road to Interstate 5 and Upper Boones Ferry Road. These distances are further from a major interchange than the high-tech sites in the Sunset Corridor.

The Hearings Officer further finds that the main locational disadvantage of the site is the absence of any other

high-tech plants in the vicinity. As previously discussed, the agglomeration effect of the high-tech industry is an extremely important aspect of a high-tech company's site location criteria. The multiplicity of major high-tech companies in close proximity to one another is an important factor relating to the image and attraction of an area to a high-tech company. The Hearings Officer therefore finds that the Leveton site is not a reasonable alternative to the proposed site.

2. Zidell Site

The Zidell site is 63 net acres and is located on S.W. Boones Ferry Road, near Nyberg Road on the western outskirts of the Tualatin business district. Like the Leveton property, it is at the periphery of Tualatin's industrial core. Freeway access is good due to the Tualatin-Sherwood Highway bypass to Interstate-5, and it is close to support services in downtown Tualatin.

The Hearings Officer finds that the primary weakness of the Zidell site is its size. Sixty-three acres is small with respect to the needs of a major company and affords little opportunity for peripheral development. Furthermore, the site suffers from the same condition as the Leveton parcel as far as being in close proximity to other high-tech companies. Furthermore, there are no suitable adjacent or nearby industrial properties to form a nucleus of high-tech firms in this area and thus establish a high-tech presence. Any high-tech company locating on the site will be permanently isolated from other high-tech development. Evidence also was submitted, upon which

the Hearings Officer relies, demonstrating that this site contains severe soil problems which have precluded development to date.

The Hearings Officer further finds that rail service on the northern portion of the property would also eliminate certain types of high-tech companies, such as silicon wafer producers, because of ground vibration problems. The Hearings Officer therefore finds that the Zidell site is not a reasonable alternative to the proposed site.

05/01/0014-I/01

EXHIBIT *lc*

Amendments to the Hearings Officer's Findings of Fact
and Conclusions of Law for
Application of Kaiser Development Corporation
and Co-Petitioners

The Council hereby adopts the following amendments to the Hearings Officer's Report:

1. Page 20. Amend the second and third paragraphs to read as follows:

"The need for a variety of large parcels was established by the testimony of Doug Anderson at the 'Alternative Sites' hearing. Mr. Anderson's report documented there are only seven parcels totaling 629 acres which are available within the Sunset Corridor to meet the identified need. The remaining large parcels identified in Metro's inventory are constrained by unavailability for purchase or by design features that impair suitability for a single user. [, and t]There are no finished lots of 30 acres or larger. If these seven parcels are deemed sufficient for the next 20 years' growth, it will allow only one new firm every three years, on the average.

"The findings for Goal 14, Factor 2, establish a need for jobs. Portland and the Sunset Corridor will be competing with other areas for new industry. The question is whether seven sites totaling 629[0] acres is competitive."

2. Page 24. Amend the first sentence of item (3) to read as follows:

"The testimony demonstrates that there are only seven parcels of 30 acres or larger in the Sunset Corridor that are suitable for purchase and development by individual end users."

3. Page 25. Add the following after the first paragraph, before Factor 2:

"(4) The above findings are sufficient to justify petition approval. However, the Council has also identified a further specific need for parcels larger than 60 acres. This need is indicated by the fact that five of the seventeen total land sales and eight sales to end users listed in Table 3 of the Hobson Report were to high tech industries purchasing more than sixty acres and as much as 210 acres (NEC).

"The Council is particularly concerned about this need for larger parcels because: (a) such very large parcels appear to be most attractive to the major new high tech users the Council wishes to continue to attract to this region; and (b) such very large parcels will always be in the most limited supply, since it is always easier to subdivide land to create smaller parcels as needed than to aggregate smaller parcels into a large undeveloped block.

"To address the Council's concern, the petitioners have committed to develop a marketing program that includes marketing to users seeking parcels larger than 60 acres and that encourages the consolidation of parcels to the extent practicable."

4. Page 93. Add the following after item 4:

"5. A marketing program will be developed that includes marketing to users seeking parcels larger than 60 acres and that encourages consolidation of parcels to the extent practicable."

5. Page 94. Add the following after item D:

"E. If the supply of parcels in the Sunset Corridor that are larger than 60 acres is depleted by the division through sale or development of the existing inventory of such parcels as identified herein, including the two pairs of lots 30 acres or larger to be made available through approval of this petition and the 65 acre parcel to be made available through approval of the petition from Riviera Motors, as provided by Resolution No. 86-65#1 and if subsequent petitions for UGB amendment are received that seek to demonstrate need solely on the basis of a shortage of parcels larger than 60 acres for high tech users, the Council hereby expresses its disinclination to accept such a demonstration as sufficient to meet the applicable goal requirements. To be effective, such petitions should include further findings to demonstrate that no other practicable alternatives exist for meeting this need without immediate UGB amendment. Such findings should include discussion of what measures have been taken, are planned, or could be taken by local and state government, together with the development community, to: (1) make other industrial areas of the region in addition to the Sunset Corridor more attractive to new high tech industries; (2) preserve large parcels undivided to the fullest extent practicable.

"F. The Council expresses its interest in investigating ways the UGB amendment process could be revised to

reduce amendment pressure resulting from a shortage of larger parcels for industrial use."

6. Appendix I, page 2 delete everything under the heading "2. Zidell Site" up to the last sentence on the page, which begins: "Evidence also was ~~given~~ submitted. . ." Replace with the following:

"The Zidell site consists of 81 acres and is located on S.W. Boones Ferry Road, near Nyberg Road on the western outskirts of the Tualatin business district. Like the Leveton property, it is at the periphery of Tualatin's industrial core. Freeway access is good due to the Tualatin-Sherwood Highway bypass to Interstate-5, and it is close to support services in downtown Tualatin. The site has serious soils problems in that over half the site is in flood plane and wetlands.

"In addition to the soils problems, the Hearings Officer finds a key weakness of the Zidell site is that it is not in the Sunset Corridor. It is not in close proximity to other high-tech companies and this is a ~~district~~ *disadvantage* disadvantage. There are no suitable adjacent or nearby industrial properties to form a nucleus of high-tech firms in this area and thus establish a high-tech presence. Any high-tech company locating on the site will be permanently isolated from other high-tech development."

JH/amn
5871C/D3-2
6/23/86

BEFORE THE COUNCIL
OF THE
METROPOLITAN SERVICE DISTRICT

In the Matter of the Applications)	
of Riviera Motors Inc. and Co-)	EXCEPTIONS OF BENJFRAN
petitioners; Kaiser Development)	DEVELOPMENT, INC. TO THE
Co. and Co-petitioners; and)	HEARINGS OFFICER PROPOSED
BenjFran Development, Inc. and Co-) FINDINGS, CONCLUSION AND	
petitioners for a Major Amendment) ORDER FOR PETITION	
to the Urban Growth Boundary.)	Nos. 85-7, 85-8 and 85-9
	(ORAL ARGUMENT REQUESTED)

I.

NATURE OF THE PROCEEDINGS

The Metro Hearings Officer conducted consolidated hearings regarding the above-mentioned applications on March 21, 1986, and on March 31, 1986. The issues consolidated for hearing were:

1. Traffic (transportation impacts); and
2. Other available sites (alternative sites).

The evidence submitted by proponents and opponents in the consolidated hearings was made a part of each individual petitioner's record for the purpose of each petitioner's findings, conclusion and order of the Hearings Officer.

The individual petitioner's hearings regarding the non-consolidated issues were before the Hearings Officer on March 24, 1986.

Subsequently, the Hearings Officer issued her proposed findings, conclusion and order for each of the three applications and made the following determinations:

1. Kaiser (No. 85-7): approved with conditions;
2. Riviera (No. 85-9): approved with conditions; and

3. BenjFran (No. 85-8): Denied.

II.

THE EXCEPTIONS PROCESS

Metro Code Section 2.05.35 provides that parties shall be given the opportunity to file written exceptions to the proposed Hearings Officer order(s) and, upon approval of the council, present oral argument regarding the exceptions to the council.

Arguments before the council shall be limited to parties who have filed written exceptions to the proposed order(s). The argument before the council shall be limited to the written exceptions.

III.

EXCEPTIONS

BenjFran hereby submits the following written exceptions to the Hearings Officer proposed findings, conclusion and order for petition Nos. 85-7 (Kaiser), 87-8 (BenjFran), and 85-9 (Riviera).

EXCEPTION NO. 1: The Hearings Officer improperly concluded that Kaiser and Riviera had satisfied their burden of presenting evidence to support the finding that factor 1 of Goal 14 regarding "need" had been satisfied.

EXCEPTION NO. 2: The Hearings Officer improperly concluded that Kaiser and Riviera had satisfied their burden of presenting evidence to support the finding that factor 3 of Goal 14 requiring the orderly and economic provision for public facilities and services had been satisfied.

EXCEPTION NO. 3: The Hearings Officer improperly concluded that Kaiser and Riviera had satisfied their burden of presenting evidence to support the finding that the approval criteria regarding alternative sites and the requirements of OAR 660-04-020 had been satisfied.

EXCEPTION NO. 4: The Hearings Officer did not consistently or uniformly apply the following criteria:

1. Factor 1, Goal 14 (Need);
 2. Factor 3, Goal 14 (orderly and economic provision of services); and
 3. Goal 2 (Alternative Sites - OAR 660-04-020)
- in the denial of the BenjFran petition and the approval of the Kaiser and Riviera petitions.

The Hearings Officer erred in denying BenjFran and approving Riviera and Kaiser by imposing a higher burden of proof or a greater degree of proof upon BenjFran for purpose of demonstrating compliance with the above-mentioned relevant criteria.

EXCEPTION NO. 5: The Hearings Officer erred in concluding that BenjFran had not demonstrated that a need existed to accommodate the proposed use.

The petitioner sufficiently demonstrated that a need exists to amend the urban growth boundary to accommodate the proposed use.

EXCEPTION NO. 6: The Hearings Officer erred in

concluding that BenjFran had not demonstrated the need for 11,217 support industry jobs.

The petitioner sufficiently demonstrated that the ratio relationship between high tech jobs to support jobs was 2:1 and that by the year 2005 there would be 22,435 primary tech jobs and 11,217 support jobs.

EXCEPTION NO. 7: The Hearings Officer erred in concluding that Kinnaman Road remained an exception to her conclusion that all services could be provided in an orderly and economic manner.

Petitioner has sufficiently demonstrated that all services can be provided in an orderly and economic manner including Kinnaman Road.

EXCEPTION NO. 8: The Hearings Officer erred in concluding that the petitioner had not demonstrated a "need" for additional land and inclusion within the UGB, and therefore the property should be retained as agricultural land.

EXCEPTION NO. 9: The Hearings Officer erred in concluding that the petitioner had not demonstrated compliance with Goal 14, factors 1, 2 and 6 and therefore had not demonstrated compliance with Goal 2, exceptions, process, reasons.

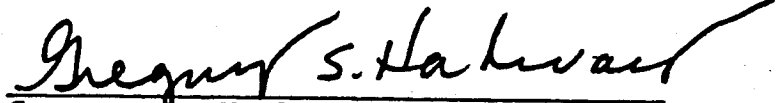
EXCEPTION NO. 10: The Hearings Officer erred in concluding that the petitioner had not demonstrated compliance with Goal 2, exceptions process, alternative sites and OAR 660-04-020.

IV.

CONCLUSION

BenjFran respectfully requests Metro Council to revise or replace the findings and conclusions of the Hearings Officer for petition Nos. 85-7, 85-8 and 85-9 in accord with the above-stated exceptions.

BAUER, HERMANN, FOUNTAIN & RHOADES
Professional Corporation



Gregory S. Hathaway; OSB #73124
Of Attorneys for BenjFran
Development

EXHIBIT B

FINDINGS OF FACT
AND CONCLUSIONS OF LAW FOR APPLICATION OF
KAISER DEVELOPMENT CORPORATION AND CO-PETITIONERS

Submitted:
April 30, 1986

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FINDINGS OF FACT
AND CONCLUSIONS OF LAW FOR APPLICATION OF
KAISER DEVELOPMENT CORPORATION AND CO-PETITIONERS

I. INTRODUCTION

A. Nature of the Proceeding

This case involves a petition by Kaiser Development Corporation and co-petitioners ("applicant") to amend the Metropolitan Service District ("Metro") Urban Growth Boundary ("UGB") to include approximately 453 acres located in Washington County on the western edge of what is known as the Sunset Corridor. The legal description of the affected property is attached as Exhibit A. The property is located south of the Sunset Highway immediately east of Shute Road, north of Evergreen Road, and west of Cornelius Pass Road (the "site"). The site abuts the present UGB on three sides. The co-petitioners and their respective ownerships of the subject property are as follows:

<u>Co-Petitioners</u>	<u>Approximate Acreage</u>
Kenneth and Ruth Berger	19.45 acres
Elmer and Florence Croeni	1.55 acres
Barbara Ann Berger and Daughters	76.16 acres
Richard Girt, Eugene and Beverly Seibel	57.68 acres
Claycamp, Moore & Seiffert	17.57 acres
Juanita Goodin and Family	58.92 acres
Ko Chang Cheng	9.33 acres
Craig and Janet Magwire	49.97 acres
John Hare	46.88 acres
Frank Imbrie	1.99 acres
Billie Herman, Ogden Barn, Inc.	4.13 acres
Standard Insurance Company	47.77 acres

In addition to the properties referenced above, the following additional property is included within this Order, however the owners did not petition for inclusion. The property

and owners are: Floyd and Frances Severson (4.6 acres), the Bonneville Power Administration (57.23 acres), Paul and Joyce Hales (1.7 acres), and Louis and Marilyn Topinka (.57 acres).

The Hearings Officer, pursuant to the authority of Metro Ordinance No. 85-189, Section S, ordered the consolidation of certain issues for hearing among the three (3) petitioners for a major amendment to the Urban Growth Boundary. The three (3) petitioners are:

1. Riviera Motor Inc., No. 85-6;
2. Kaiser Development Co. and co-petitioners, No. 85-7;
3. Benj Fran Development, Inc. and co-petitioners, No. 85-8;

The issues consolidated for hearing were:

1. Transportation, Goal 14, Factor 3; and
2. Other available sites, Goal 2, Exceptions Process Factor 2.

B. Intended Use of the Site

Amendment of the UGB will allow the site to be developed for a variety of acreages for industrial purposes, including large sites in the 30 acre to 60 acre range. ^{or more} It is anticipated that the Kaiser Development properties will be master planned and will be made available to the market to satisfy demand for large acreage industrial parcels of 30 acres or more as well as smaller acreage parcels as the needs of the market dictate. The petitioners, the City of Hillsboro, and 1000 Friends of Oregon have agreed upon certain actions which will take place subsequent to the approval of this petition. The

Hearings Officer has relied upon these representations made as part of petitioners' testimony and they are the basis on which the decision rests. These representations include testimony that the applicant will take measures to assure that two contiguous 30-acre parcels will be available to the market place as a single large lot industrial tract on the Kaiser property and on the property owned by the other co-petitioners.

C. Physical Characteristics

The site is located in the Tualatin Valley adjacent to the northeastern corner of the City of Hillsboro. There are no predominant natural features which define the property, other than a small agricultural ditch that extends east and west across the northern edge of the property and the upper reaches of Dawson Creek in the eastern third of the site. Both drainageways flow only during the rainy season.

Approximately one-quarter of the site is presently in hazelnut orchards, with the balance being in field crops and pasture. The property is approximately 6,600 feet long and 4,200 feet at its widest point. It is an approximate trapezoidal shape. The terrain is generally flat with slopes of two to five percent. Elevations range from 185 feet to 210 feet above sea level. Only a very narrow strip, defined by a ditch across the northwest corner, lies within the 100 year floodplain.

Existing services include the Dawson Creek trunk sewer line which terminates in the Evergreen Road right-of-way adjacent to the property, approximately mid-way between Shute Road and

Cornelius Pass Road. A 12-inch water line in Evergreen Road extends from Cornelius Pass to approximately 229th Avenue.

The site is bounded by Shute Road, a two-lane county facility being upgraded to a three-lane arterial between Sunset Highway and Evergreen through a federally funded project being carried out by the Oregon Department of Transportation. Sunset Highway, which forms the northern boundary of the site, is a four-lane expressway with full interchange at Cornelius Pass Road and a new interchange at Shute Road. Evergreen Road, which forms the southern boundary of the site, is a two-lane gravel base road, scheduled for improvement by the City of Hillsboro to Cornelius Pass Road, on the eastern edge of the site, is a three-lane arterial.

D. Planning Issues

1. Existing Planning and Zoning Designations

The site is presently designated EFU (Exclusive Farm Use) on the Washington County Comprehensive Plan. Upon amendment to the UGB, a petition will be submitted to the Metropolitan Boundary Commission requesting annexation of the site to the City of Hillsboro. The City of Hillsboro has recommended, by City Resolution No. 1308, that the site be included in the UGB. Upon annexation, a request will be made to rezone the site for industrial use under the City's Comprehensive Plan. Under the proposed conditions for the amendment to the UGB, the applicant will apply for a zoning designation of Industrial Park ("IP") under the City of Hillsboro's zoning ordinance for the Kaiser

Development property. Prior to annexation, the site will remain EFU under the County's plan.

2. Planning History

In January 1980, after a lengthy process, the Portland Metropolitan Area Regional Urban Growth Boundary was acknowledged by the State Land Conservation and Development Commission. The site, even though previously included for urban development in early comprehensive plans, within the Unified Sewerage Agency Master Plan, and in the original adopted urban growth boundary in 1976, was not included in the final urban growth boundary as acknowledged in 1980. 1000 Friends of Oregon challenged the 1976 acknowledgment of the UGB as inadequate bringing suit in circuit court. On July 22, 1985 the Marion County Circuit Court finally issued its opinion in the UGB acknowledgment. The circuit court found that the findings supporting the acknowledgment order for certain areas of the UGB were not sufficient and the acknowledgment was remanded to LCDC for further findings. 1000 Friends of Oregon v. LCDC (Marion Cir Ct No 118213 July, 1985). The area in which this site is located was not one of the contested areas in that case. With the exception of a small area, the Urban Growth Boundary was reacknowledged by LCDC in January 1986. All of the land contiguous to this site is within the area reacknowledged.

3. Recent Area Developments

Until 1982, the only significant development within the immediate vicinity of the site was the Riviera Motors complex, north of Sunset Highway, west of Cornelius Pass Road.

In 1982, however, Standard Insurance Company sought development approval for the Tanasbourne Commerce Center, a 200 acre industrial park on the east side of Cornelius Pass Road. In 1984, Epson Corporation announced the purchase of 40 acres in that center.

Also in 1984, the NEC Corporation purchased 210 acres immediately south of the site (including the old Hillsboro High School site) and it is presently under construction with the first phase of its development.

In 1984, Fujitsu America announced plans for a 120 acre industrial campus, which touches the southern border of the site, that will eventually house seven fabrication and assembly plants and office building and related facilities. Also at the same time, ground was broken on the One Technology Center Building located at Cornelius Pass Road and Evergreen Parkway.

4. Required Future Land Use and Development Approvals

Upon amendment to the UGB, numerous additional land use and development approvals must be obtained before actual development of the site can occur. These additional steps include:

(a) Annexation - Metro. Before Metro acts on this Petition for a UGB Amendment, the property must be brought within the Metro district. A district boundary change proposal must be presented to the Portland Area Local Government Boundary Commission.

(b) Annexation - Hillsboro. Annexation to the City of Hillsboro will require the submittal of an annexation application petition to the Boundary Commission. Public hearings will be

conducted on the petition prior to approval by the Boundary Commission. It is expected that such a process will take three to six months.

(c) Preliminary Master Plan Approval. After annexation, the property owners will prepare a preliminary plan to determine the phasing, site planning, preliminary engineering, and mix of land uses for the property. A preliminary master plan must be submitted to the City of Hillsboro and will be the basis for rezoning the property to MP (Manufacturing Park). It is anticipated that such a process will require three to six months.

(d) Comprehensive Plan Amendment and Zone Change Application. In conjunction with the submittal of the Preliminary Master Plan, a comprehensive plan amendment and zone change application will be made to the City of Hillsboro. Until the plan amendment and zone change occur, the site will remain EFU in accordance with the Urban Planning Area Agreement between Washington County and the City of Hillsboro. It is anticipated that the plan amendment and zone change process will require six to nine months.

(e) Development Application. Once a zone change has been approved, a development application consistent with the Preliminary Master Plan will be submitted. The development application identifies the particular phase of development, the magnitude of development, the traffic impacts, and other urban service impacts and must be approved by the city prior to proceeding with the development.

(f) Engineering Approvals. Prior to construction, the City of Hillsboro, the Unified Sewerage Agency, and other public agencies will need to review and approve the engineering design for the roads, sewer, and water system improvements. It is anticipated that this process will require approximately three to six months.

(g) Architectural Review. It is anticipated that, once property has been acquired for development, it will take approximately six months for specific architectural designs to be prepared and approved.

(h) Construction. It is estimated that construction activities on the land will require a minimum of one year before any facility would be ready for occupancy.

Based on the estimated time required for future land use and development approvals, the site will not be ready for actual development for a period of between two and three years after the date on which the UGB is amended. Accordingly, consideration of this amendment petition requires an evaluation of the applicable criteria for amendment to the boundary for development which would occur in the late 1980's.

II. GOAL 14 AMENDMENT CRITERIA

A. Compliance With Goal 14

The criteria of LCDC Goal 14 are applicable to this petition to amend the UGB because Goal 14 provides that "establishment and change of the boundary shall be based upon

consideration" of the factors enumerated in the goal. The seven factors of Goal 14 which must be considered are as follows:

"(1) Demonstrated need to accommodate long-range urban population growth requirements consistent with LCDC goals;

(2) Need for housing, employment opportunities and livability;

(3) Orderly and economic provision for public facilities and services;

(4) Maximum efficiency of land uses within and on the fringe of the existing urban area;

(5) Environmental, energy, economic and social consequences;

(6) Retention of agricultural land as defined, with Class I being the highest priority for retention and Class VI the lowest priority; and

(7) Compatibility of the proposed urban uses with nearby agricultural activities."

The factors of Goal 14 are addressed below.

1. Demonstrated Need

Factor 1 of Goal 14 requires consideration of "[d]emonstrated need to accommodate long-range urban population growth requirements consistent with LCDC goals." The Hearings Officer finds the evidence supports a finding that this approval criterion has been satisfied. The following is a discussion of the evidence which supports this conclusion.

The Metropolitan Service District urban growth boundary (UGB) is a regional boundary. The amount of land included within the boundary is a factor of regionwide land use needs. Therefore, the starting place in the analysis of whether

additional land is needed within the boundary is to examine whether there is a regionwide need for additional land.

The Metropolitan Service District has prepared an industrial lands inventory which is a part of the record. The inventory is an inventory of vacant parcels of 30 acres and larger. Regionwide there are: 1,502 acres which are committed; 3,379 acres available with no constraints and 4,602 acres available which have development constraints. Therefore, regionwide there are 3,379 developable acres. An examination of the developable land on a by-county basis shows there are 624 acres in Clackamas County, 1,421 acres in Multnomah County, and 1,334 acres within Washington County. Within the Sunset Corridor there are 694 acres.

The applicant contends there is a localized need for additional vacant developable parcels of 30 acres or larger within the Sunset Corridor. It has been their position throughout the hearing that high tech is a unique industry, and despite the fact there is adequate land on a regionwide basis, there is a need for additional land within the Sunset Corridor. The Hearings Officer finds that high tech is a unique industry having unique locational criteria and based on these factors there is a localized need for additional industrial land. This finding is supported by the needs finding included within this section of the findings and the findings with regard to alternative sites.

The Sunset Corridor for the purpose of these findings is defined as the area generally shown on the map entitled "Sunset Corridor, Large Industrial Parcels."

The applicant's evidence supports the fact there is a need for additional industrial land in the Sunset Corridor for the high-tech sector of the market area, the Sunset Corridor. The applicant demonstrated that there is a localized shortfall of land as a result of recent market activity, and that while other areas can in principle physically accommodate high-tech industries, the Sunset Corridor is virtually the only locational choice of emerging industrial high-tech firms (both foreign and domestic) in the Portland Metropolitan area.

Evidence on the demand of high-tech users for land in the Sunset Corridor was submitted in a report prepared by Douglas R. Anderson, senior associate and consulting economist with Hobson & Associates ("Hobson Report"), upon which the Hearings Officer relies.

The Hobson Report establishes that, by far, the highest concentration of growth in high-tech activity has occurred in the Sunset Corridor. The Hobson Report cites a survey and study of 691 high-tech firms commissioned by the Joint Economic Committee of the U.S. Congress ("JEC Report") as revealing the tendency of high-tech firms to locate near each other. The JEC Report states that high-tech companies are mobile

"in that access to raw materials, access to markets and transportation are not major locational determinants. . . . In contrast to other manufacturing companies, high technology companies are drawn more to highly specialized resources such as labor skills

and education and to factors that make it easier to attract and maintain a skilled labor force, most notably state and local taxes. . . . The clustering of high technology companies in an urban environment may generate agglomeration economies that make the high technology centers even more attractive. The agglomeration economies could occur in the form of improved public and private infrastructure (e.g, roads and schools), a diverse pool of skilled labor, and an improved technology transfer among the companies." (Premus, Robert: Location of High Technology Firms and Regional Economic Development; GPO, 1982, page 16.)

The Hobson Report defines "agglomeration economies" as the economist's term for the "critical mass" necessary to sustain growth. The Hobson Report adds to the list of agglomeration factors the existence of a support network of vendor firms, skilled developers, attorneys, accountants, bankers and sources of venture capital, advertising and public relations firms specializing in the needs of high-tech companies.

A report submitted by Robert J. Pope & Associates ("Pope Report"), a real estate and facilities consulting company upon which the Hearings Officer relies states there are several important locational considerations. High-tech industries will consider the fact that this site is in close proximity to the Oregon Graduate Research Center and to the critical mass of other high-tech firms. In addition, the Sunset Corridor is nationally known. He states that the locational pattern of electronics firms is consolidating. The Pope Report states:

"Critical mass is becoming the key to electronics plant location. Large new technical centers, such as Phoenix and Austin, are doing well. These centers will gain both the new branch plants and the services necessary to support new startups.

Key services include venture capital, marketing support, contract programming, and contract manufacturing." Pope Report, at 7.

The Pope Report goes on to state that the clustering tendency of high-tech firms contributed to the success of Stanford Industrial Park, Silicon Valley, "and is the reason why an area such as the Sunset Corridor is so essential to a region that would seek to be a high-tech center." Pope Report, at 20.

Testimony was offered by Richard Carlson, Vice President of QED Research in Palo Alto, California, upon which the Hearings Officer relies. From a survey of 500 California electronic firms conducted by Mr. Carlson, the firms indicated that the most important criterion in their choice of new sites is the existence of a large pool of trained people. In other words, firms want to be part of the "critical mass" of existing firms located in an area. The third most important criterion is "accessibility" to other firms and the corollary support services available from such firms.

Mr. Carlson stated that the "critical mass" issue has become increasingly important for two major reasons. First, employees of firms that went to isolated sites found that if, for whatever reason, they lose their jobs, there are no firms in the immediate area to which they can readily transfer. Thus, individuals trained for high-tech employment are less willing to join firms located in isolated sites.

The second reason for the trend toward maintaining this "critical mass" is that it encourages the useful exchange of information among employees of different firms. This in turn

encourages start-up firms that develop new products in new industries.

Mr. Carlson concluded that the result of this trend is that high-tech firms are now locating predominantly in at least medium size, recognized high-tech centers. This phenomenon is particularly true with respect to Japanese and European firms.

Mr. Carlson testified that the Sunset Corridor constitutes the area of "critical Mass" in Oregon for high-tech industrial growth. Mr. Carlson further testified that additional land is needed to maintain the Sunset Corridor's competitive position in attracting high-tech firms to this region.

He also stated that foreign companies want to be in a place which has a well known name. He also made the point that adequate land should be available for spin-off companies. Spinoff companies are locally owned and add stability to the economy. Major international firms may move, but local "spinoff" companies remain. To support this point he cited the Coyote Valley experience.

The Hearings Officer finds that the history of the Sunset Corridor supports and exemplifies the clustering tendency of high-tech firms. Major high-tech firms in the Sunset Corridor include Tektronix, Intel, Lattice Semiconductor, Metheus Corporation, Wilbanks International, SoloFlex, Epson Corporation, Nippon Electronics Company (NEC), Fujitsu America, Eyedentify, Flight Dynamics, Sentrol, Oregon Software, Periphicon, Sequent, and others.

The undisputed evidence establishes that there exists a strong tendency of high-tech firms to cluster and to generate their own "agglomeration economies." The Hearings Officer further finds that the determination of need for land to develop high-tech and emerging industrial uses is appropriately focused on the Sunset Corridor.

The record also establishes that there is a demonstrated need for additional land in the Sunset Corridor. The UGB was established to accommodate urban development to the year 2000. The planning process for defining the UGB took into account forecasts on population and employment as the basis for determining the amount of land that would be necessary to accommodate orderly growth. Metro assumed that the vacant land inventory (which included a "market factor" of 15 percent to insure market choice) was sufficient to accommodate growth requirements.

Recent developments in the Sunset Corridor have led to absorption of approximately 69 percent of the large parcels of industrial land in the Sunset Corridor. The extent of recent development is demonstrated by the following chronology of key events in the Sunset Corridor submitted by the applicant:

Late 1960's	Standard Insurance Company purchases approximately 300 acres from Park City Corporation near the Sunset Highway and 185th.
1971	Standard and Riviera Motors jointly finance construction of Wolf Creek Highway Water District 20-inch main transmission line from N.W. Cornell Road to Riviera Motors on Cornelius Pass Road.

1973	Standard builds 340 condominium units at Tanasbrook on 50 acres south of N.W. Cornell, west of N.W. 185th.
1974-75	Standard builds the Tanasbourne Mall, a 140,000 square foot retail center at the intersection of Sunset Highway and N.W. 185th.
1975	The Quadrant Corporation purchases 22 acres at 173rd and Cornell (Twin Oaks) from Park City Corporation. Quadrant petitions to have the property designation upgraded from Urban Intermediate to Urban.
1976	The Quadrant Corporation begins development of Hawthorn Farms Industrial Park, a 220-acre industrial park with Intel as an anchor tenant.
1978	Standard sells parcel to GTE for development of first corporate headquarters in the Sunset Corridor.
1979	Local improvement district (LID) proposed to improve Cornell Road east of 185th.
1979	The 185th East/West Land Use Study is launched to replan land uses in the Sunset Corridor.
1980	Cornell Road/173rd LID was formed to make road improvements necessary for development.
1981	Federal aid project approved for 158th and 185th Avenue road improvements.
1982	A task force from the private and public sector is appointed to study the area's transportation facilities. The resulting "Growth Management Policy" and the 185th East/West Plan are adopted in April 1982.
1982	Cornell Road reconstruction begins.
April 1982	Construction begins on 158th and 185th. Open for traffic in October 1982.
August 25, 1982	First organizational meeting of the Sunset Corridor Association held at the Oregon Graduate Center.
August 1982	SoloFlex and Wilbanks construct facilities in Hawthorn Farms.
August 1983	Quadrant Corporation celebrates the groundbreaking of Twin Oaks Business Center.

September 1983

Standard Insurance Company purchases Park City Corporation's remaining 300+ acres between Sunset Highway and N.W. Cornell Road, N.W. 185th, and N.W. Cornelius Pass Road.

Planar Systems, Inc., a Tektronix spin-off, breaks ground on the first building at the OGC Science Park.

Hearings begin on Westside Corridor project, in which Tri-Met and Metro study transportation issues in the county. A light rail plan is proposed and adopted.

Metheus begins construction of facility in Hawthorn Farms.

November 1983

The Congressional Office of Technology Assessment visits the Sunset Corridor as part of a study on emerging high-tech areas.

December 1983

\$20 million in construction and improvement is spent in the corridor during 1983. This figure includes construction of 385,000 square feet of building space on more than 500 acres.

Lattice Semiconductor Corporation leases 50,000 square feet of space for 15 years in the Cornell Oaks Corporate Center.

Standard Insurance receives approval for construction of Phase I, Tanasbourne Commerce Center, and approval of the 397-acre Tanasbourne Community master plan.

1984

Nippon Electric Corporation (NEC America) begins construction on a \$25 million, 163,000 square foot fiber optics manufacturing plan on a 30-acre portion of a 210-acre site located along Shute Road north of N.W. Cornell Road.

In November, Epson America announces their intention to build a \$10 million printer manufacturing facility on 17 acres purchased from Standard in the Tanasbourne Commerce Center. Epson has an option on an additional 23 acres for anticipated growth.

Fujitsu America, Inc., announces a \$40 million, 150,000 square foot disk drive manufacturing plant on a 22 acre portion of the 120 acre parcel they purchased west of Cornelius Pass Road, south of the Sunset Highway.

Standard Insurance sells 50 acres to Kaiser Permanente for a clinic and hospital, 20 acres of industrial property to B.N.W., 56 acres of residential land to A&G Builders, and completes construction of the Washington Federal Building at the Tanasbourne Town Center.

Standard also completes on-site improvement for the first two phases, 120 acres, of the Tanasbourne Commerce Center.

Quadrant Corporation constructs a total of 15 buildings, a total of 360,000 square feet, in 1985. Twin Oaks Phase I is completed. Twin Oaks Phase II, a 30 acre office/industrial park is approved and construction begun.

Oregon Graduate Center, developed by Rembold Corporation, constructs the BiPolar Integrated Technology and D-3 buildings, bringing the total amount of space in the Science Park to 160,000 square feet. In October, Rembold breaks ground on a 78,000 square foot building at the Science Park.

The Koll Company acquires the Burlington Northern and Franklin Services parcels at 158th and Walker for Koll Woodside, where construction is underway. Phase I at Woodside is 216,000 square feet of space. Sequent Computer Systems will occupy 86,000 square feet of space.

Landsing Property Corporation completes Cornell Oaks Phase II, a 163,000 square foot building. Lattice Semiconductor, the principal tenant, occupies 90,000 square feet in the Phase II building.

1985

The Colorado-based Clarion Hotels chain announces they will construct the first Class A hotel in the Sunset Corridor at the S.W. corner of the Sunset Highway and N.W. Cornell Road interchange. The \$22.7 million hotel will be a 320-room project with a 56,000 square foot conference center.

April 1985

The northern alignment for the proposed realignment of N.W. Cornell Road west of 185th is selected as the preferred alternative. The DEIS is expected to be through public hearings by December.

May 1985

Hosts of America, Best Western Motel, opens across from Hillsboro Airport.

June 1985 Landsing Property Corporation breaks ground on Phase III of Cornell Oaks which will include four buildings totalling 128,000 square feet.

Fall 1985 Standard completes construction of Evergreen Blvd. Evergreen is a \$2 million, five-lane, one-mile long road connecting 185th Avenue to Cornelius Pass Road.

Standard also builds N.W. 188th, Walker Road, and 206th through the Tanasbourne P.U.D. Cornell Square, a 40,000 square foot retail center developed by Dant Development Co. is completed.

There was testimony that since 1978, the year the UGB was initially adopted, 1,614 acres of large acreage sites (30+ acres) have been removed from the land inventory in the Sunset Corridor. This is a rate of 230 acres per year. Over one-half of this acreage -- 874 acres -- has been absorbed since 1983. This is a rate of 437 acres/year. If the trend since 1978 continues, the 694 remaining acres will be absorbed in less than three years. If the trend since 1983 continues, the Sunset Corridor's supply of large acre parcels will be absorbed in less than two years. The testimony was that in seven years, over 15 years' worth of Metro's 20-year industrial supply of large acre industrial sites has been absorbed. The Oregon Economic Development Department states in a letter that vacant land inventories equivalent to three to five times annual absorption be maintained. If the high end of this range were utilized, a need for over 1,400 acres of additional land in the Sunset Corridor is indicated. If the low end of this range were utilized, a need for approximately 600 acres of additional land is indicated. These figures demonstrate a need, however; the Hearings Officer does not find it necessary to determine the

exact amount of the need in terms of number of acres because the Hearings Officer finds the need to be for a variety of large acreage parcels -- this need is demonstrated as follows.

The need for a variety of large parcels was established by the testimony of Doug Anderson at the "Alternative Sites" hearing. Mr. Anderson's report documented there are only seven parcels totaling 629 acres which are available within the Sunset Corridor, and there are no finished lots of 30 acres or larger. If these seven parcels are deemed sufficient for the next 20 years' growth, it will allow only one new firm every three years, on the average.

The findings for Goal 14, Factor 2 establish a need for jobs. Portland and the Sunset Corridor will be competing with other areas for new industry. The question is whether seven sites totalling 6290 acres is competitive.

A second question is whether there is a sufficient variety of site sizes for the region to be competitive. Mr. Wes Reynolds testified that within the entire urban growth boundary there are only 15 "unconstrained" light industrial sites of 60 acres or more. Eight sites are located on the west side and only four sites are located within the Sunset Corridor. The sites are discussed in detail under the "Alternative Sites" approval criteria (Goal 2). The available sites are as follows:

Seaport	197 acres
Burlington Northern	147 acres
Dawson Creek	54 acres
PacTrust/Johnson	35 acres
Five Oaks Industrial Park	71 acres
Kaiser/231st	77 acres
Tanasbourne	39 acres

A point made throughout the testimony is the need for a variety of parcel sizes. In fact, ORS 197.712(2)(c) requires local governments to "provide for at least an adequate supply of suitable sizes, types, locations and service levels for industrial and commercial uses" Having examined the distribution of the existing "unconstrained" parcels, the Hearings Officer finds that the creation of all 30-acre parcels which the proposed zoning would allow will leave an unmet need for larger parcels. In fact, the petitioners recognized this need and stated on the record that the need for larger parcels would be satisfied through the following steps:

A. Upon approval of the UGB amendment, the applicant shall initiate annexation proceedings for the Kaiser property to the City of Hillsboro.

B. The applicant will apply for a zoning designation of Industrial Park ("IP") under the City of Hillsboro's Zoning Ordinance for the Kaiser property.

C. The applicant agrees to special conditions upon rezoning of any portion of the Kaiser property by the City of Hillsboro as follows:

1. The site will be considered a Specially Regulated Area (SRA) under the City of Hillsboro Comprehensive Plan.

2. Pursuant to the City of Hillsboro Comprehensive Plan, the applicant will demonstrate consistency with Metro Resolution No. 82-348 prior to annexation.

3. A master plan for the applicant's property shall be prepared consistent with the City of Hillsboro's Comprehensive Plan. The master plan shall include the following elements:

(a) The property will be divided into master planning parcels of approximately 30 acres in size, consistent with the applicant's final zoning approval from the City of Hillsboro.

(b) The applicant will take measures to assure that two contiguous 30 acre parcels will be available to the marketplace as a single large lot industrial parcel. Such measures shall include but are not limited to the marketing, design, and master planning of the overall site.

4. The configuration for development of the master plan may be re-evaluated on an annual basis at the request of the applicant in order to determine the continued advisability of retaining the large parcels in their then current sizes and configuration. An amendment may be made to the master plan only after public hearing.

The review authority shall apply standards for an amendment to the Master Plan substantially similar to those set forth under the conditions of strategy M under Policy #1 of the Washington County Comprehensive Framework Plan, which are the standards for an amendment to an SID restriction in Washington County. Any amendments of the Master Plan shall be reviewed under the City of Hillsboro procedures and shall not be subject to further review by Metro.

D. The eastern half of the site, not controlled by the applicant, shall be subject to these same conditions at such time as any portion of the eastern half of the site initiates annexation proceedings with the City of Hillsboro or initiates a development request from Washington County.

The Hearings Officer finds that the applicant's petition to add approximately 453 acres of land which will be in tracts of 30 acres and larger to the UGB addresses a demonstrated need for additional large acreage industrial land in a variety of parcel sizes for the following reasons:

- (1) The Sunset Corridor is the only area for which there exists a material demand for high-technology industrial sites, because it is the one place in the region which satisfies the locational criteria. High-tech requires:
 - (a) A large labor force pool. Therefore, it looks to locate in areas where it can draw upon a trained labor force. The area has a large high-tech labor pool.
 - (b) Educational facilities in close proximity. The Oregon Graduate Center is located within the Corridor.
 - (c) Critical Mass. The development trend in the area demonstrates that high-tech firms locate within close proximity to other firms. The reasons for this are that it makes it easier to develop a support network, they can easily transfer technology among companies and they can attract

highly trained people. People with narrow specialized skills will not move to an area which has limited job opportunities. Where there are a number of firms, the risk is less should they want to change employers.

(d) A naturally known area. The number of international firms demonstrates that the Sunset Corridor has an international reputation.

(2) The statistical evidence demonstrates that, based on recent absorption trends, from 600 to 1400 acres of additional land available for industrial development is needed to provide the adequate quantity and quality of land to maintain an efficient and nationally competitive market. Assuming there is a need for 600 acres, the amendment of 453 acres to the UGB will address this need for additional industrial land within the Sunset Corridor. The Hearings Officer, however, views these numbers as a guide and as reflecting the fact there is a present need in the Sunset Corridor given the "critical mass" which has been established. There was testimony that property has been purchased in other areas of the region by high-tech firms, however, to date little development has taken place. Therefore, the need in the future may be met in other areas by already planned industrial land.

(3) The testimony demonstrates there are only seven parcels of 30 acres or larger in the Sunset Corridor. The

testimony and ORS 197.712(2)(c) require the provision of a range of parcel sizes. The applicant is proposing 30 acre and larger sized parcels. This proposal addresses the need for a variety of parcels and satisfies that need in part since it will result in two 60-acre parcels and approximately 8 to 10 30-acre parcels.

2. Need for Housing, Employment Opportunities and Community Livability

Factor 2 of Goal 14 requires a consideration of the "need for housing, employment opportunities and community livability" in establishing an urban growth boundary. In addressing Factor 2, the applicant analyzed the need for employment opportunities in the state, region and locality. The Hearings Officer finds the evidence supports a finding that this approval criteria has been satisfied. The following is a discussion of the evidence which supports this conclusion.

Evidence was submitted on the impact of the recent recession on Oregon's economy. Historically, Oregon's economy has been anchored by agriculture and the lumber and wood products industry. Between 1979 and 1982, 95,000 jobs were lost in Oregon. Almost 43,000 of those jobs were in manufacturing, and wood products alone lost over 25,000 jobs. At present, there are 30,000 fewer wage and salary jobs in Oregon than at the peak in September of 1979.

Although total employment in Oregon has rebounded to pre-recession levels, most of the new jobs have been created or recovered in non-basic, non-manufacturing industries. They have

been created in service industries. High-tech is a basic industry. In 1979, manufacturing employment accounted for 21.6 percent of total wage and salary employment, whereas in 1984, it accounted for 19.8 percent. The share of non-manufacturing employment in the Portland area has steadily increased to 81.7 percent in 1983.

Expert testimony was submitted by Doug Anderson, upon which the Hearings Officer relies, on the need to rebuild and diversify the state's basic, manufacturing industries. Manufacturing firms are basic to the economy in that they provide exportable goods and create an economic multiplier effect in support and service jobs. On average, for every manufacturing job, approximately 1.8 support and service jobs are created. As Portland is a regional trade center which is essential to buttress the statewide economy, a decline in basic industries or primary employment in the Portland metropolitan area leads to overall economic contraction.

The State Employment Division has raised the issue of the critical need for rebuilding Oregon's manufacturing industries:

"It is questionable as to how much longer the non-manufacturing sector can generate additional employment growth in the face of stagnant manufacturing activity. Certainly the economy will not grow indefinitely simply by taking in each other's laundry, although this is about what happened during the past year. Continued expansion of local as well as national economic activity will need much more than just growth of the trade and service industries if further, substantial economic growth is to be achieved." Portland Metropolitan Labor Trends, May, 1985, p. 3.

In recent years, only five of Oregon's 19 basic industries have shown any significant signs of growth. Four of these basic industries are related to the high-tech industry.

Thus, Oregon's economic and employment needs are two-fold: (1) to replace jobs lost through the erosion of traditional employment bases; and (2) the need to rebuild and diversify the state's basic industries.

The evidence submitted showed that high-tech industries are significant generators of new jobs. Nationwide, high-tech firms accounted for 75 percent of new employment and manufacturing between 1955 and 1980. The electronics industry in the Silicon Valley is adding more than 40,000 jobs per year, more than the entire U.S. midwest has added in the past decade. The high-tech industry constitutes the most rapidly growing manufacturing sector in the Oregon economy. In 1983 alone, at least 15 new electronic companies began operations in the Sunset Corridor. Private venture capital placed in local start-up firms went from nearly zero in 1982 to over \$100,000,000 in 1984. The Oregon chapter of the American Electronic Association had the fastest growing roster in the U.S. during 1983 and 1984 with the number of members rising over 80 percent to 386.

Beginning in 1984, the growth of local start-up industries was paralleled by the entrance and expansion of major high-tech companies from outside the region. The announcement in the winter of 1984 by NEC of its intention to enter the Sunset Corridor with an initial investment of \$25,000,000 was followed by similar announcements from Epson and Fujitsu.

The Hearings Officer finds that the statistical evidence demonstrates that there has been an erosion of jobs in traditional employment bases and there exists the need to replace jobs as a consequence of the recession. The Hearings Officer finds that the statistical evidence demonstrates that there has been a decline in the state's basic industries, and that because manufacturing industries are needed to generate further growth, there exists the need to rebuild and diversify the state's basic industries. The Hearings Officer finds that, because high-tech industries are basic growth industries nationwide and in Oregon, fostering high-tech growth serves the dual needs of generating jobs and rebuilding the state's basic industries. The Hearings Officer therefore finds that the amendment to the UGB, the purpose of which is to develop high-tech industries, addresses the need for employment opportunities and livability in the state. Approving the application supports Factor 2 by securing an adequate supply of land in the area's prime high-tech corridor which will encourage location of new companies in the area.

3. Orderly and Economic Provision for Public Facilities and Services

Factor 3 of Goal 14 requires a consideration of the "orderly and economic provision for public facilities and services" in establishing or when changing an urban growth boundary. One of the long-standing planning principles in the growth and development of urban areas is that public facilities and services should be provided in support of that growth in ways that are efficient and cost effective. The Hearings Officer finds the evidence supports a finding that this approval criteria

has been satisfied. The following is a discussion of the evidence which supports this conclusion.

At this juncture of the land use process, there are no specific development proposals for the site. The UGB amendment is the first step in the land use process. It will be followed by: the district boundary change, annexation to the City of Hillsboro, preliminary master plan approval, comprehensive plan amendment and zone change, approval of the development application, approval of the engineering design for roads, sewer and water system improvements, approval of architectural designs, and construction activities. The case law recognizes that the accommodation of future development may be satisfied on an incremental basis, increasing in specificity as the land use process advances to later stages. See 1000 Friends of Oregon v. Wasco County Court, 299 Or 344, 359-60 (1985); Lee v. City of Portland, 57 Or App 798, 807, 656 P2d 662 (1982); Meyer v. City of Portland, 7 Or LUBA 184, 188 (1983) 67 Or App 274, 678 P2d 741 (1984). Thus, specific solutions for the provision of public facilities and services are not necessary or feasible at this stage of the proceedings. Rather, it need only be established that there are measures which can reasonably accommodate future development on the site.

(a) Police Service

Police services will be provided to the site by the City of Hillsboro either under contract if the site is not annexed to the City or directly by the City if annexation occurs.

The City of Hillsboro has a current total staff in its police department of 47 personnel. While their service varies from day to day according to the time of day, they operate from a patrol standard of five patrols and one supervisor. The city has indicated that as additional development occurs within the area with or without the annexation of the site, patrols will be increased through the area.

Because of the nature of industrial and office development, considerably less police services are required per acre than in residential or commercial areas. In part this is because of the more "private" nature of the activities that take place in such development and in part because industrial and office development often hire their own private security services. They also install security systems which significantly deter property crimes and obviate the need for frequent patrolling by police. Given the intended high-tech nature of the development of this site, private, on-site security measures will be from moderate to extremely tight and will operate on a 24 hour basis. Such services, while generally taking care of most security problems, also provide high levels of coordination and cooperation with public police services, thereby maximizing the effectiveness of those public services.

Sheriff Probstfield, Washington County Sheriff, and Hillsboro City Manager, Eldon Mills, have indicated that the addition of this site will not impair the provision of police services.

The Hearings Officer finds that adequate police service will be provided by private on-site security and by the City of Hillsboro, particularly since the representatives of the County and City have indicated that the continued level of demand could be handled by the current level of manpower.

(b) Fire Protection

Fire protection services will be provided by the City of Hillsboro if the area is annexed. At present, the area is served by Rural Fire District No. 2 and is under a mutual aid agreement with the City of Hillsboro and Rural Fire Protection District No. 1. A new fire station site is proposed on Port of Portland property near the intersection of Dawson Creek and Cornell Road. The proposed extension of Brookwood Road to intersect with 242nd and Shute Road will provide direct connection between the proposed location of the new fire station and the intersection of Shute and Evergreen Roads. At present, District No. 2 has a pumper and a hose truck at the station located at 228th and Dogwood on Orenco. This is less than 2½ miles from the site. The response time to the site is less than five minutes.

As with police services, the nature of industrial development will mandate high levels of internal fire suppression facilities and measures and sensitivity to flammable or toxic substances and on-the-job industrial injury. In addition, personnel safety practices of most industry require regular training and drills to deal with a variety of emergency situations within the industrial facility. The Hearings Officer

finds that such measures, while not eliminating the potential for fire, ensure that high levels of public safety are maintained, public fire suppression facilities are augmented with private, on-site facilities, and that there is a high level of cooperation with public fire services. In addition, the on-site private security measures ensure rapid reporting of fires, thereby maximizing the effectiveness of public services.

(c) Water Availability for Domestic, Processed Water, and Fire Protection

Water service is adjacent to or within 1000 feet of the site. A 16 inch water line has been constructed across the property to the south, terminating at a point approximately 1000 feet south of Evergreen Road, which is immediately south of the site. This City of Hillsboro line was financed with major contributions from both NEC and PacTrust as a part of their development programs. The City indicates that adequate capacity exists within that line and within their storage system (current storage capacity is 180 percent of peak day usage) to handle the needs of the development of this site.

A 20 inch Wolf Creek Highway Water District line is adjacent to the property in Cornelius Pass Highway. This line services the Riviera Motors property north of Sunset Highway and was installed and financed by Standard Insurance and Riviera Motors to support the eventual development of their properties, including Standard's 45 acres which are a part of this site.

A 12 inch water line extends east along Evergreen Road immediately adjacent to the site, from approximately 229th to Cornelius Pass Road.

While capacities are adequate within existing systems to handle the development of the site, the Hearings Officer finds that some improvements will be required to provide final service. These improvements include:

- a. The 16 inch line would be extended north to Evergreen and connected with the existing 12 inch line. This extension would be adequate to provide water service to the first phases of development of the site.
- b. In later phases, the water system would be extended west toward Shute Road, connecting south into the Dawson Creek Industrial Park system and/or along Shute Road.
- c. A cost sharing arrangement will provide the basis for connecting into existing systems. The site developer will provide primary financing for the extension of the new system.
- d. An interconnect between the City of Hillsboro system and the Wolf Creek System would ultimately provide improved capacities and flow pressures.

The Hearings Officer finds that existing water facilities and proposed improvements will ensure water availability for domestic use, processed water, and fire protection. The specific contours of these improvements will be shaped as the development process continues.

(d) Storm Sewer

No regional storm sewerage system exists within this area. The present system to handle stormwater runoff is a combination of on-site retention and natural stream flows.

The site drains into two established drainage courses. The westerly portion of the site drains in a northerly direction to an existing agricultural ditch running east-west across the northwestern corner of the site. The central and eastern

portions of the site drain to Dawson Creek, which has its present origins in the northeast corner of the site.

As development occurs, the applicant has indicated that a detailed stormwater analysis will be conducted and provide the basis for evaluating potential on and off-site improvements. The Hearings Officer recognizes that in general, industrial development, particularly large site, high tech facilities, does not generate substantial off-site flows because of the large areas committed to landscaping, the relatively small amount of paved road surface per acre of development (as compared with residential or commercial development), and the relative ease of dealing with stormwater on-site.

Since the natural drainage systems cross within both the jurisdiction of Washington County and the City of Hillsboro, the final stormwater system improvements will be designed in coordination with the requirements of both jurisdictions. Such improvements will be completed as a part of the development of the site.

The Hearings Officer finds that, given the relative ease of addressing storm water needs on a large high-tech facility, adequate storm water services have been identified by the applicant.

(e) Sanitary Sewer

At present, the Unified Sewerage Agency, which provides sewerage service within this area of Washington County, does not have plans to provide service for the site. Under that agency's original 1969 Master Plan, this site was planned for service

through the Dawson Creek Trunk. With the adoption of the UGB in 1980, the agency's legal service area was restricted to areas within the UGB and plans for service to areas outside the UGB were terminated.

In response to the possibility of amending the UGB to include this site, a study was recently undertaken by the Unified Sewerage Agency, the City of Hillsboro and representatives of the site to determine a sewerage system design to service the site.

On the basis of that system design, the Hearings Officer finds that the following improvements will assure full service to the site:

(1) The Orenco Trunk must be extended north and east to serve 876 acres north of the present alignment of Cornell Road (west of Cornelius Pass Road).

(2) The Orenco pump station will be taken off line and a trunk sewer line built from the western edge of Fujitsu America to Rock Creek.

(3) An extension of the present Dawson Creek Trunk will be built west from its present terminous at Evergreen Road to serve the eastern portion of the "site".

(4) The total cost of the Orenco Trunk is estimated at \$738,060. Under the agreement reached, USA will provide \$150,000; the City of Hillsboro will contribute \$300,000; Kaiser Development Co., Pacific Realty Associates, and Standard Insurance will contribute \$750/acre of land under their respective control; for a total of \$825,000. This will also include the cost of an eastern branch of the Orenco Trunk. This

method of financing has been approved by the City of Hillsboro and agreed to by the major property owners.

(5) The southerly two-thirds of the site (Area II) is designed to be served by gravity from the Phase D of the Dawson Creek Trunk Line (already constructed to Evergreen Road). The northwesterly portion of the site will gravity feed to a pump station located near Highway 26 and the BPA right-of-way and then be pumped into the gravity portion of the system. Assuming average flow rates of 1,500 gallons per acre per day, a peaking factor of three, and an infiltration and inflow rate of 1,500 gal./ac./day, the Dawson Creek Trunk has a design capacity of 8.5 million gallons per day at Cornell Road. The Dawson Creek Sewer has adequate capacity to service the proposed amendment area. However, as the area develops to full capacity, system improvements will be needed south of Cornell Road. Most likely, a parallel line of at least 12 inches would be laid from Rock Creek to Cornell Road. This would be financed by future hook-up fees and direct user financing. The petitioners propose to provide a pro rata share of the financing of the Orenco Trunk Improvements. In a formula agreed to by USA, Hillsboro, and the petitioners, the following cost assessments are proposed:

SEWER ASSESSMENT

ORENCO TRUNK COST ESTIMATE

Trunk line south of pump station 6,900 l.f.

Estimated Cost	\$370,344.00
Admin/Engineering @ 15%	55,552.00
	<u>\$425,896.00</u>
USA share @ 35%	(149,063.00)
	<u>\$276,833.00</u>

Trunk line north of pump station
(no USA participation)

Estimated Cost	\$271,447.00
Admin./Engineering @ 15%	<u>40,717.00</u>
	\$312,164.00
 Total Costs	 \$738,060.00
USA Share	<u>(149,063.00)</u>
	\$588,997.00

Total benefiting area, excluding
Fujitsu America - 1,278 acres.

Assume balance financed on a per
acre assessment = \$461.00 per acre

Based on the above system design and sewer assessment,
the Hearings Officer finds that there are specific proposals for
the provision of an adequate sanitary sewer system as development
occurs.

(f) School Service

While the site is proposed to be developed for
industrial use and would, thus, have no direct impact on schools,
it would have an indirect impact through the generation of jobs
and corresponding increased demand for residential units in the
area. Hillsboro Union High School District 3JT has four junior
high schools and two high schools serving the area with plans to
construct an additional high school on a site they own on Shute
Road immediately south of the subject property. The District
indicates, and the Hearings Officer finds, that ample classroom
space will be available with the completion of the third school
to accommodate additional students that might move into the area
because of such development.

Elementary school children are served by West Union
School District No. 1. Since West Union School presently has an

enrollment of 260 students in K-6 with a capacity for 500 students, the Hearings Officer finds that there is adequate elementary school service to accommodate the proposed development.

(g) Transit Availability

Only the eastern portion of the site is presently served by transit. The existing service is an express commuter run, Line 57, between Portland and Forest Grove which runs on Cornelius Pass Road in the mornings and evenings. There is no transit service available at present on Shute Road.

(h) Electrical Service

The Hearings Officer finds that electrical service will be adequate because electrical service is presently provided to the area by Portland General Electric from substations located on 219th at Quatama and at Jacobson at West Union. Additional substations and transmission lines will be provided by PGE as demand requires. All substations and transmission lines are extended as a utility financed expense.

(i) Natural Gas

The Hearings Officer finds that natural gas service will be adequate because Northwest Natural Gas Company presently supplies gas to the eastern portions of the site through lines in Cornelius Pass Road and Evergreen Parkway and gas lines will be extended along Evergreen Road to service the western portion of the site as demand requires.

(j) Transportation Facilities

(1) Analysis

As discussed above, at this juncture of the land use process, it is neither necessary nor feasible for the applicant to provide specific solutions to potential development impacts. Thus, in evaluating the accommodation of traffic impacts, it is only necessary for the Hearings Officer to find that reasonable solutions for potential adverse traffic impacts exist.

The petition was evaluated by Metro staff assuming this petition, the petition by Riviera and the petition by Benj Fran were each approved. The approval of any one of the applications will affect Sunset Highway, however the traffic generated by anyone or all three of the petitions can be accommodated by proposed improvements. At Sylvan, however, Sunset is at capacity for westbound p.m. peak traffic. This means that traffic will be redistributed to the Cornell and Burnside corridors which are also at capacity. Metro staff testified that the approval of each of the applications will generate the following: Riviera, 30 cars; Kaiser, 70-80 cars; and Benj Fran 90 cars. The Corridor carries approximately 8000 cars at p.m. peak. This evidence was not refuted. The Hearings Officer finds that the traffic generated by this petition is minimal.

Expert testimony and a written report on traffic impacts were submitted by Carl Buttke, a consulting transportation engineer. No contradictory evidence was submitted by the State, Washington County or the City of Hillsboro at the hearing. The City of Portland did submit a letter stating that approval of

this proposal will adversely affect City of Portland road systems. This letter is addressed in these findings. Mr. Buttke's analysis, upon which the Hearings Officer relies, concludes that the transportation system set forth in the East Hillsboro Circulation Plan and the Washington County Plan will function within acceptable standards through the year 2005. Further, the analysis by Metro staff on which the Hearings Officer relies shows that the approval of this petition will have a de minimum impact on the Portland road system.

Mr. Buttke's analysis assumed full buildout of the site by the year 2005 and compared this to Metro's forecast of traffic for 2005. Mr. Buttke's report represents a "worst case" analysis. His analysis assumed no additional public transit services and the absence of ride-sharing, both conservative assumptions. If traffic assignments were made using the figures estimated by Metro instead of Mr. Buttke's figures, volumes on all street segments would be the same or lower. Mr. Buttke's figures were used because his figures are used by the City of Hillsboro in its recently completed East Hillsboro Circulation Plan. The site will eventually be annexed to the City of Hillsboro, therefore it was most appropriate to employ a "worst case" scenario using the City's traffic assignments.

The site is in an area in which both the County and City share transportation interests. Even prior to the City's recent annexation of the area south of the site, the transportation role of Evergreen Road, Shute Road, Cornelius Pass, Cornell and the Sunset Highway, has been an important part

of the City's transportation planning since each provides an important linkage from the City to the east. With annexation, those facilities are now even more directly important to the City.

The City has recently completed an analysis of the existing and projected traffic circulation system for the eastern portion of the city, including the general area of the site. The analysis, the East Hillsboro Transportation Plan, did not assume urbanization of this site because the site is outside the UGB. Therefore, it was necessary to add the traffic generated by development of the site to the existing Plan assignments.

In analyzing the existing road system, the East Hillsboro Transportation Plan contains several significant conclusions:

1. The present circulation system, both in terms of the capacity of the existing roadways and intersections, and in terms of the overall adequacy of existing road corridors, is inadequate to meet the needs of urbanization through the year 2005;
2. Improvements will be required to many, if not most of the existing roadways including additional rights-of-way, lanes, intersections, and signals; and
3. New roadway corridors and facilities will be required in selected locations.

Therefore, with or without the development of this site, major transportation improvements will have to be made in the City in order to accommodate future growth. The applicant has indicated it will share its burden in working to achieve the solutions to the transportation problems. It is expected that the Hillsboro Plan will be adopted into its Comprehensive Plan within the next few months.

(2) Planned Improvements

The following improvements to transportation facilities are designated in the Hillsboro Plan:

1. The Evergreen Parkway will be expanded to a five lane facility.
2. Cornell Road will be expanded to a five to seven lane facility between Cornelius Pass and the intersection of 10th and Main Street.
3. Baseline will be expanded to a five lane facility east of Brookwood and a three lane facility west of Brookwood. This improvement is fully consistent with the Washington County Plan.
4. Shute Road and Brookwood will be expanded to a five lane facility down to approximately the Rock Creek area, where it would become a three lane facility between Rock Creek and the T-V Highway.
5. 231st and 229th will be expanded to a three lane facility between Evergreen and Cornell and will be expanded to a five lane facility between Cornell and the T-V Highway.
6. Cornelius Pass Road will be expanded to a five lane facility throughout its entire length.
7. In 1986, Shute Road will be expanded to a five lane facility between Evergreen and Airport Way.
8. In 1986, Brookwood will be expanded to become a five lane facility between Airport Way and Cornell.
9. In 1987, Brookwood will be further expanded to become a five lane facility between Airport Way and Shute Road.
10. An interchange between Shute Road and Highway 26 is near completion, which will permit future construction of a six lane freeway, if necessary.
11. An interchange at Cornelius Pass Road is scheduled for design in 1988.
12. An interchange at 185th is scheduled for design in 1989.
13. An interchange at Murray Blvd. is scheduled for construction in 1989.

14. An interchange at Cornell Road is scheduled for design in 1990.
15. There are several committed projects for improvement of transportation facilities. Cornell Road will be expanded to become a five lane facility between Hawthorn Farms and Cornelius Pass Road, where it will be widened to seven lanes. Cornell Road will also be expanded to become a five lane facility between 185th and 158th. 185th and Murray Blvd. are committed as five lane roadways.

(3) Accommodation of Traffic Impacts

Mr. Buttke's and the Metro Staff's analyses conclude that, with the implementation of the planned arterial improvements, the traffic flows will remain within acceptable levels, i.e., D level or acceptable E level. (Operations into the E level for approximately one-third of the p.m. peak hour are considered acceptable within Washington County.)

The only area with potentially unacceptable levels is Cornell Road, which falls into the E level from the D/E level as a consequence of site-generated traffic. Mr. Buttke's analysis found that this adverse impact is mainly the product of intersection conditions which can be relieved by right turn lanes.

The Hearings Officer finds that the expert testimonial and written evidence submitted by Mr. Buttke, substantially corroborated by the analysis of the Metro Staff, establishes that the traffic impacts from the site will be reasonably accommodated by planned arterial improvements through the year 2005.

(4) Metro Staff Analysis

The Metro Staff noted three areas which face potential adverse traffic impacts from development on the site. First, the

Staff initially recommended that the Sunset Highway between Highway 217 and 185th should be expanded to a six lane facility in order to accommodate traffic impacts from the site. Such an improvement would be obviated by the construction of an additional western bypass.

The staff's recommendation regarding the need for expansion of the Sunset Highway was modified in light of its recent capacity restraint assignment analysis. This analysis demonstrates that traffic would be diverted from the Sunset Highway to Cornell and Barnes Roads. Thus, the Sunset Highway would actually remain below capacity.

Mr. Buttke's analysis is substantially similar to that of the Metro Staff. It is notable that the capacity restraint assignment assumed Walker Road to be three lanes, whereas it is planned by Washington County to be a five lane facility. Thus, excess capacity beyond that indicated by the capacity restraint assignment exists.

The Hearings Officer finds that, given the planned arterial improvements and the analyses of the Metro Staff and Mr. Buttke, traffic impacts on the Sunset Highway will be maintained at acceptable levels.

The second area of concern raised by the Metro Staff is the traffic impacts on 216th and 231st. The Metro Staff and Mr. Buttke conclude that adverse impacts from the site can be accommodated by expansion of these roads to three lane facilities, as is presently planned in the East Hillsboro Plan. The Hearings Officer finds that, given the planned arterial

improvements, the traffic on 216th and 231st will remain within acceptable levels upon development of the site.

The final area of concern raised by Metro Staff is the traffic impacts on Shute and Brookwood Roads, which require expansion to five lane facilities to accommodate site-generated traffic. Since such improvements are scheduled in the East Hillsboro Plan, the Hearings Officer finds that the traffic impacts of the site on Shute and Brookwood Roads will be reasonably accommodated.

(5) Issues Raised by City of Portland

The City of Portland raises three issues which need discussion. First, the City questions whether annexation would require additional unplanned public investments and investments to be made prior to planned dates to already overburdened facilities within Washington County; e.g. Sunset Highway, Beaverton-Hillsdale Highway and Tualatin Valley Highway. The Hearings Officer finds that approval of this petition will not result in such situations because adequate arterial improvements are presently planned with or without the annexation.

Second, the City seeks clarification of the effect that the annexation would have on the mass transit system. The analysis of Mr. Buttke and the Metro Staff assumed that there would be no additional bus or light rail services provided to facilitate the site. The Hearings Officer finds that, because planned arterial improvements will accommodate potential development of the site, additional transit service is

unnecessary but, if provided, will further ameliorate traffic impacts and will support the land use pattern.

The third major issue raised by the City is the impact of the diversion of traffic from the Sunset Highway to Cornell Road and Burnside (in their Portland West Hills segments), as established by the capacity restraint assignment.

Mr. Buttke's analysis supported by Metro staff concluded that the diversion of traffic to Cornell or Burnside Road would be from 40 to 70 cars during the p.m. peak hours in the year 2005. The Hearings Officer finds that the inadequate capacities of Cornell and Burnside are regional problems since, as Mr. Buttke's analysis demonstrates, the excessive flow is traffic moving toward the site, rather than being site-generated. The Hearings Officer finds that the incidental westbound traffic arising from the site will not affect the outcome of the necessary regional solutions. The Hearings Officer further finds that the site will provide better utilization of the Sunset Highway by generating eastbound traffic at the p.m. peak hour. The Hearings Officer finds that with the reverse flow of the traffic generated by development of the site, the negligible impact of such traffic on Cornell/Burnside and dispersal of such traffic through other arterials will not place undue burdens on Cornell/Burnside. Furthermore, the Hearings Officer finds that the capacity constraints on Cornell/Burnside are regional and not site created.

(6) Funding Mechanisms

The Hearings Officer finds that a variety of funding mechanisms do exist to fund the continued development of the existing and planned roadway system. The various mechanisms for financing local road improvements include (1) federal aid urban monies, (2) state economic development monies, (3) current state gas taxes, (4) future state gas taxes (HB 2266) imposing .01¢ per gallon tax effective January 1, 1987, (5) Washington County gas tax, (6) Washington County traffic impact fee, (7) city or county sponsored general obligation bonds, (8) local improvement districts, (9) tax increment financing, and (10) developer financed improvements. The Hearings Officer therefore finds that, once the East Hillsboro Circulation Plan has been adopted, the City will have a basis for setting priorities to deal with the specific transportation improvement needs as development occurs.

The Hearings Officer finds that, in addition to funding for an upgrading of the existing and planned system, a funding system exists for improvements that may be required because of the special impacts associated with new development. Presently, Washington County's Development Code requires each project to analyze its traffic impacts to the local and regional transportation system. On the basis of those projected impacts, the County's Growth Management Ordinance requires that an individual project assure that improvements necessary to accommodate the projected impacts will be installed.

Over the last year, the county has developed an alternative system for assessing new development to help fund needed transportation system improvements. The adopted Fee-Based Traffic Impact System (TIF) provides assurances for the funding of development necessitated by transportation improvements. It provides for a fee to be paid by new development based on the number of trips to be generated by that particular development. Credits for off-site improvements financed by developers is also included. The fee schedule is as follows:

Residential	- \$100 per trip
Office	- \$ 91 per trip
Industrial	- \$ 96 per trip
Retail	- \$ 19 per trip
Institutional	- \$ 37 per trip

Thus an additional financing mechanism encouraging developers to provide needed road improvements in exchange for TIF credits exists.

4. Maximum Efficiency of Land Uses Within and on the Fringe of the Existing Urban Area

Factor 4 of Goal 14 requires consideration to be given to "Maximum efficiency of land uses within and on the fringe of the existing urban area" in analyzing a change to an urban growth boundary. The Hearings Officer finds the evidence supports a finding that this approval criteria has been satisfied. The following is a discussion of the evidence which supports this conclusion.

The Hearings Officer finds that the extension of the UGB to include the site results in the maximum efficient use of land and services because the site is surrounded on three sides

by urbanized or urbanizing property which is within the UGB. In addition, the foregoing discussion of the need for larger acreages capable of providing for high-tech uses and the availability of services supports the inclusion of this site into the UGB.

While this site is on the urban fringe, it is immediately adjacent on two sides to one of the most rapidly growing industrial area in the state. These findings document the history of development in this area. A need for the land has been demonstrated and the Hearings Officer finds that adding land in this location given its proximity to other land uses, the UGB and services results in a maximum efficient use of land.

(a) Logical Extension of Services

The Hearings Officer finds that the site is uniquely situated for inclusion into the UGB because of the possible efficient extension of existing urban services and the ability to utilize those services to their fullest ability without overly taxing the underlying infrastructure. This is particularly true with water, sanitary sewer, and transportation system improvements. Because of the natural slope of the land, those properties lying west of Shute Road cannot readily be served with sanitary sewer improvements since it would require the construction of a new trunk line. While the site is "on the fringe" of the present UGB, it is at a key location for future industrial development because of the capability to serve industrial uses.

The Hearings Officer finds that the addition of this property will facilitate the completion of improvements to the section of Evergreen Parkway between Shute Road and Cornelius Pass, thus completing a vital link in the local transportation network. This link will provide a direct connection ultimately through to 185th on a five-lane urban standard arterial.

(b) No Islands or Unserviceable Areas

With the inclusion of the entire 453 acres between Shute Road and Cornelius Pass Road into the UGB no islands or unserviceable areas are created within the boundary. The Hearings Officer finds that the entire area can be provided the full urban services referenced above and creates a logical boundary for the extension of most of the services.

With respect to traffic, the Shute Road interchange is a major north-south arterial which connects to the east-west arterial Highway 26. The Hearings Officer therefore finds that the site creates a logical edge to the boundary. With respect to sewer service, by topography this is within the Dawson Creek sewer service basin and the Hearings Officer therefore finds that it is logically serviceable by this district.

5. Environmental, Energy, Economic and Social Consequences

Factor 5 of Goal 14 requires consideration in changing or establishing a UGB, of the "environmental, energy, economic and social consequences" of the UGB. The Hearings Officer finds the evidence demonstrates there are no adverse environmental, energy, economic or social consequences and therefore this

approval criteria is satisfied. The following is a discussion of the evidence which supports this conclusion.

(a) Environmental Consequences

(1) Soil Conditions

Evidence was presented, upon which the Hearings Officer relies, demonstrating that soils in this part of Washington County are typically deep silty clays and loams. They range from poor to moderately well-drained soils comprised of alluvial deposits. Typically, the silty loams range to 60 inches or more in depth. The soils on the site are classified as moderate to high yield agricultural, Class I and II. The Dayton silty loams are good pasture and grass seed crop land. The Woodburn silt loams are good productive soils favored for filbert and nut orchards and will produce grain crops in the range of 80 to 100 bushels per acre. The Willamette silt loams are classed as excellent soils, better drained than the Woodburns, and capable of growing nearly everything.

Generally, it can be said that the soils in this area are good productive crop soils, with moderate drainage problems in some portions of the site. Typically, these are the lower lying areas near the agricultural ditch lines or drainage courses. Because of this problem, some of the land in the western portion of the site along Shute Road has recently been drain tiled. Based on the above evidence, the Hearings Officer finds that these soils are typical for the area and would be found on other comparable EFU sites with the immediate area. The use of these soils for urban uses will have no adverse

environmental consequences. The finding on Factor 6, Goal 14 will discuss the loss of these lands for their agricultural value.

(2) Wildlife

The evidence demonstrates, and the Hearings Officer finds that no significant fish or wildlife habitat or endangered species have been identified on the site. According to the Washington County Comprehensive Framework Plan, Volume I, Resource Document, the only identifiable habitat existing within the area support field non-significant rodent and non-game bird populations that would be found in any similar crop land or orchard. Therefore, there will be no adverse environmental consequences.

(3) Drainage

The site contains two relatively ill-defined drainage courses, one on the westerly portion of the site running east to west that consists of an agricultural ditch intercepting a storm drain line under the Sunset Highway. The second is the headwaters of Dawson Creek, a low swale-like area on the central easterly portion of the property that does have standing water during heavy rain and runoff periods. There are no permanent wetlands identified on the subject property. The Hearings Officer finds that, given the absence of well-defined drainage courses and wetlands, no significant impact to any wetlands or to drainage capacity will result from development of the site.

(4) Water Quality

The site has moderate to poor ground water bearing capacity according to the U.S. Geological Survey and well water records in the area. Virtually all urban uses within the subject area are serviced by domestic water systems. Shallow wells have historically been used for low volume agricultural yields such as stock ponds. The evidence shows that some attempts at deep wells have produced heavy concentrations of arsenic, salts, and other minerals making these sources unsuitable for domestic or processed water usage.

According to information from the City of Hillsboro, to accommodate urban uses, the site would be served by the Hillsboro Water System. Water quality within the area would be maintained by incorporating piped sewerage disposal systems for all domestic and processed waste water. Storm water is allowed to be discharged into open drainage courses where sufficient capacity exists to handle peak storm flows. The only other potential for ground water contamination is siltation during construction. Siltation problems are normally controlled by the City of Hillsboro during the building permit approval process when siltation entrapment and protection measures are required in sensitive and susceptible areas. The Hearings Officer finds that the Hillsboro Water System will ensure adequate water quality for the accommodation of urban uses.

(5) Air Quality

The site is located in the Portland Air Quality Maintenance Area, and Department of Environmental Quality ("DEQ")

is responsible for enforcing the National Ambient Air Quality Standards and other provisions of the Federal Clean Air Act of 1977. Most industrial development with potential air discharge must obtain an annual air contaminant discharge permit from DEQ. Any new major polluting source would be subject to stringent regulations. Unless a permit applicant can demonstrate that its emissions will not materially damage the quality of the air shed, it must design its facilities to reduce emissions below the maximum level.

Additionally, any major residential, commercial or industrial development that includes over 250 parking spaces must apply to DEQ for an Indirect Source Permit. This permit allows DEQ to monitor the impact of auto emissions within the airshed.

In general, air quality within this portion of the Air Quality Maintenance Area is high. In fact, DEQ is considering modifying its long range Indirect Source Permit Application for large acreage industrial properties because the present standards seem more stringent than required by the Ambient Air Quality Standards within the area.

The Hearings Officer finds that there are no indications that air quality will be rendered unacceptable by annexation and development of the site and DEQ standards will assure that any development is within acceptable limits.

(6) Noise

The site is located in a developing portion of Washington County. There are no major industrial noise polluters

in the immediate proximity, other than the Hillsboro Airport located approximately 1.5 miles southwest of the site. This is a general aviation airport, and the noise contours from flight patterns around the airport do not impact this site.

In addition, the site is surrounded on three sides by existing and planned industrial development. The Hearings Officer finds that industrial development on the site would have no detrimental impact on those areas, nor would it impact the agricultural practices on the west.

(7) Flooding

A small portion of the site is within the 100 year floodplain as defined by the Federal Emergency Management Administration (FEMA). The identified 100 year floodplain is a narrow sliver of land adjacent to the agricultural drainage ditch that runs east to west across the northwesterly portion of the site. The floodplain is approximately 50 feet wide. The 100 year flood elevation is set at 187.5 feet at culvert under Shute Road. Because the applicant has indicated that the floodplain area will be managed as a part of the development of the site by either construction of a piped system or creation of a storm retainage basin incorporating the agricultural ditch, the Hearings Officer finds that there is no indication that the development of the site will create flooding or adverse drainage impacts. Further, Washington County floodplain standards will assure that development does not reduce the flood storage area on the site.

(b) Energy Consequences

(1) Transportation

The site's location on the Sunset Highway provides for direct access to a freeway, resulting in less stop and go traffic and better fuel economy. The area is presently a net employee exporter. The county and City of Hillsboro have placed particular emphasis on the location of a variety of housing densities near the Sunset Corridor industrial areas. Significant housing development is occurring in the immediate area. This will minimize employee trips and will localize commuting.

The Hearings Officer finds that, as the area develops and more jobs are produced, the highway/arterial system will be more efficiently used with a better balance of trips in both directions. The Hearings Officer further finds that, as the employment opportunities expand, the area will approach a closer balance between residence and employment, thus creating opportunities for shorter home/work vehicle trips.

(2) Energy Consumption/Supply

Any urbanization of the site will result in greater energy consumption than the present use, although agriculture is a fairly energy intensive industry. Conversion of the site to urban use will increase demand for natural gas and electrical energy. The evidence submitted indicates that typical load factors for gas and electricity consumption in a large acreage industrial campus would be approximately:

800-900 cubic feet/hour - natural gas

130-150 KV/hour/acre - electricity

Northwest Natural Gas has lines in Cornelius Pass Road, Evergreen Parkway, Cornell Road, and Shute Road. The Hearings Officer therefore finds that natural gas can be extended to the site, and Northwest Natural Gas has sufficient capacity to service the additional load generated by the site. PGE provides electricity through an existing overhead grid of 12,500 kva lines. The Hearings Officer finds that the site can be fed from lines on Cornelius Pass Road or Evergreen Road. As load increases, PGE may seek a site for an additional substation in the area, which it is fully capable of installing. The development of this site for urban uses will increase energy consumption, but not in any greater amount than if the same development took place elsewhere within the Urban Growth Boundary. Further, it will result in a better use of the transportation system and will reduce work/home vehicle trips which will reduce energy consumption.

(c) Economic Consequences

The economic consequences of annexation have been addressed in detail in the Hearings Officer findings relating to Factor 2 of Goal 14. The Hearings Officer finds that the State of Oregon is in need of diversification of its basic industries. With the decline in the wood products industry this situation is acute. The creation of jobs from the location of high-tech and emerging industry in the Sunset Corridor is a primary way for the state to improve its economic status. The value of the payroll alone for industrial uses is likely to be in excess of \$90 million annually. The current land valuation is slightly under \$1 million whereas at full industrial development it will exceed

\$340 million. Without an adequate inventory of large industrial sites, the Sunset Corridor and Oregon cannot compete with other metropolitan areas for the location of new industries.

(d) Social Consequences

Historically, this area of Washington County has been a part of a farming community of small and medium size farms. The social structure of such communities tends to be close knit families centered on social connections through the church, schools, farm cooperatives and small community/commercial centers. These were the conditions in this area during the first half of the century. Hillsboro, Forest Grove, Cornelius, all served as the local market and social centers, with much smaller centers scattered at intersections such as West Union and Cornelius Pass.

In the late 1950's, Park City Corporation, a development company from Southern California, purchased over 6,000 acres of farm land including 45 acres in this petition now controlled by Standard Insurance. Several thousand acres were north of Sunset Highway including what is now the Rock Creek community. Almost 2,000 acres were in the area south of Sunset Highway, generally between Cornelius Pass and 158th, south as far as Baseline.

While no actual development occurred on these lands until the mid 1960's, the ownership change was the beginning of a change in the character, lifestyle and fabric of this historic rural/farming community. Upon purchase, people who once owned and farmed their lands became tenant farmers. Slowly, tenant

farmers retired or moved away from their homes, their farmlands were re-leased to non-tenant farmers and their farm homes leased as rental housing.

Despite the physical appearance that this area continued to be a "farm" community during the 1960's and 1970's, the change in ownership alone was sufficient to start the transition from a strong owner based rural, agriculturally oriented social system to a mixed farming/transient social system to an urban/suburban based community. The pace of change has matched the pace of development of the original Park City lands along with other properties in the area whose ownerships have also changed. The site is now flanked by major industrial development featuring large scale foreign and domestic users. The area has clearly become urbanized.

Today, only a few remnants of the original farming society exist within the immediate area. Even with the lands adjacent to the UGB, few residents on that land are engaged in full scale commercial farming. Most immediate area residents reflect a transitional social structure oriented around a semi-rural lifestyle of hobby or subsistence farming at the fringe of an urban area.

Unrefuted testimony by Kenneth Berger, a farmer for 43 years, upon which the Hearings Officer relies, established that the immediate area has undergone a transition from a rural to an urban social climate. Mr. Berger stated that he farms 3600 acres including this property, because of urbanization and the associated traffic, farming machinery is often difficult, if not

impossible, to maneuver. Typically, farmers in Washington County rent land and farm many different fields. This is the case with Mr. Berger.

The longer term, more complex urban/suburban social structure to which the area is evolving, is partially in place today. The growth of the Sunset Corridor will continue that evolution. The institutions that form the nucleus of this social structure are also partially in place, such as urban schools, public park and recreation systems, commercial centers, employment centers, commercial recreation facilities, day care, public libraries, public and private health facilities, and high capacity transportation systems. As growth occurs within the immediate urban area, more of these facilities and services will follow.

Of the six families who live on the site, only one (the Bergers) farms on a full scale commercial basis. However, their principal farming activities occur on several thousand acres elsewhere in the county. Their 19 acres included in this petition are used primarily as their residence. Of all farming activity on the property, only the hazelnut orchard owned by the Magwires is producing a crop that is contributing significantly to their income. Most other families engage in farming for subsistence and/or hobby purposes, and have sufficient acreage to allow that activity and enjoy the resultant lifestyle.

The social consequences of including the property in the designated urban area will be to the immediately affected families. None of them appeared in opposition to this petition.

This is not to say that their lifestyle will not be affected. Each will ultimately move and with the monies realized from the sale or development of their property, will have the opportunity to re-establish a lifestyle on other property.

The Hearings Officer finds that including this property in the urban area will not affect the transition in the social system in the area. That transition is well under way. The historic farming social system no longer exists within the immediate area. In its place a new, mature social system based on an urban/suburban lifestyle is evolving.

6. Retention of Agricultural Land

Factor 6 of Goal 14 requires consideration of:

"(6) Retention of agricultural land as defined, with Class I being the highest priority for retention and Class VI the lowest priority;"

The Hearings Officer finds the evidence supports a finding that this approval criteria is satisfied. The criteria has been satisfied in the sense that a need has been established, the consequences have been weighed, and the need cannot be satisfied on other lower class land within the Sunset Corridor. Therefore, when these factors are balanced with this factor, this factor is satisfied. The following is a discussion of the evidence which supports this conclusion.

The site contains soils that are considered Class I and II in agricultural capability. Within the definition of statewide planning Goal 3, these lands would be the highest priority for preservation. There are other factors which must be considered. First, this site is surrounded on three sides by

land which is within the UGB. Therefore, it is an efficient use of land. Second, the system of statewide goals is based on a balancing of the interests of the state and a local community as those goals are applied within specific areas. As will be discussed below, the application contains facts and evidence to support the taking of a Goal 2 Exception to Goal 3. The exceptions process was designed for situations such as this one where there is a demonstrated need for additional industrial land in the Sunset Corridor which must override the general state goal of protecting farmland.

As urban areas need to expand, they will inevitably expand into lands protected variously by other goals. Expansion of the UGB anywhere in the Sunset Corridor means expansion into Class I and II agricultural lands. Therefore, it is not possible to amend the Boundary to meet a need without imposing on Class I and II lands. The Hearings Officer finds that, by its very nature, large acreage industrial parcels in the Sunset Corridor portion of the County will consist of land that is classified as Class I and II soils. There was no evidence submitted to the contrary under the alternative sites approval criteria. The Hearings Officer gives particular emphasis to the testimony of 1000 Friends of Oregon on this issue. That testimony indicated support for this application.

The Hearings Officer has found a need for additional industrial land in the Sunset Corridor under Goal 14, Factor 1. It was also found that the amendment in this location is an efficient use of land under Factor 4 and there are no adverse

consequences under Factor 5. In addition, the evidence supports the fact that any amendment to the Urban Growth Boundary in the Sunset Corridor for industrial land will result in removal of Class I and II agricultural land. Therefore, when all of these factors are weighed, this approval criteria is satisfied.

7. Compatibility

Factor 7 of Goal 14 requires a consideration of "compatibility of the proposed urban uses with nearby agricultural activities." The Hearings Officer finds approval of this petition will not create any greater incompatibility between urban and agricultural uses than already exist. This conclusion is based on the following evidence.

The agricultural lands immediately west of the site across Shute Road are Class I and Class II agricultural soils with high productivity and yields. Potential conflicts from the industrial and agricultural uses would come from the following sources:

(a) DEQ imposes strict air discharge requirements on industrial users. Those standards would apply to the industrial development on the site. The Hearings Officer finds that no adverse emissions are anticipated from proposed industrial uses on the site. In addition, the prevailing winds at the site are from the west and, thus, would carry any potential contaminants away from the adjacent agricultural lands. In terms of ground water quality, most of the industrial users in the area, such as NEC, Fujitsu America, Inc., and Epson, install ground water monitoring wells to continually monitor the quality of ground

water for organic and inorganic contaminants. It is likely that any similar developer of this site would be required to do the same.

(b) Conflicts created by the use of agricultural chemicals on the agricultural lands which could migrate or drift into the industrial area may be a minor seasonal problem. Possible conflicts could arise from aerial spraying of herbicides, insecticides, and fertilizers and from dust generated during the planting and harvesting periods. However, it is anticipated that these would be very minor conflicts, and the Hearings Officer therefore finds that they would not create serious contamination problems to buildings or critical industrial operations.

(c) Development of the property in large acreage industrial parcels and parks will include large landscaped areas with extensive landscaped berms and screening along Shute Road. The Hearings Officer finds that this will create both an aesthetically pleasing environment for visitors and employees of the facility, as well as create a visual separation between the industrial area and the agricultural lands west of Shute Road.

(d) Approval of this petition will increase the traffic on Shute Road, however, as Mr. Ken Berger testified, current traffic levels make it very dangerous to move farm machinery. Therefore, the problem will not be increased over current levels by the approval of this petition.

B. Compliance With Goal 2

Pursuant to Goal 14 and the Supreme Court's ruling in Branscomb v. LCDC, 297 Or 142, 681 P2d 124 (1984), the application contains evidence to meet the requirements of a Goal 2 exception. Goal 14 provides:

"In the case of a change of a boundary, a governing body proposing such change in the boundary separating urbanizable land from rural land, shall follow the procedures and requirements as set forth in the Land Use Planing goal (Goal 2) for goal exceptions."

In Branscomb, the Supreme Court interpreted the above quoted language of Goal 14 as follows:

"The only reasonable interpretation of this last sentence is that Goal 2 exceptions are required only for a change of a boundary, and not for the establishment thereof."
Branscomb, 297 Or at 147.

Therefore, the applicant has taken a Goal 2 Exception. Although the site is not forested, nor is it designated for forest use, the applicant has taken an exception to Goal 4 because the site has soil classifications which make it potentially suitable for forest uses.

In determining what criteria are applicable in following the exceptions procedure in order to comply with Goal 14, the applicant followed the criteria set forth in LCDC's administrative rule pertaining to the exception criteria to be followed in an urban growth boundary amendment application. OAR 660-04-010 (1)(c)(B) requires findings and reasons which support the seven factors of Goal 14 and that the following standards are met:

"(i) Reasons justify why the state policy embodied in the applicable goals should not apply (This factor can be satisfied by compliance with the seven factors of Goal 14.);

(ii) Areas which do not require a new exception cannot reasonably accommodate the use;

(iii) The Long-term environmental, economic, social and energy consequences resulting from the use at the proposed site with measures designed to reduce adverse impacts are not significantly more adverse than would typically result from the same proposal being located in areas requiring a goal exception other than the proposed site; and

(iv) The proposed uses are compatible with other adjacent uses or will be so rendered through measures designed to reduce adverse impacts."

These four criteria are identical to the criteria contained in Goal 2 and ORS 197.732.

These four criteria for a Goal 2 exception are addressed below, together with the Hearings Officer's findings of compliance with each criterion.

1. Reasons

As set forth in the administrative rule, this criterion may be satisfied by compliance with the findings with respect to the seven factors of Goal 14. OAR 660-04-010(1)(c)(B)(i). The seven factors of Goal 14 are addressed in Section II A above, and the Hearings Officer finds the seven factors in Goal 14 have been satisfied, therefore, this approval criteria has been satisfied.

2. Alternative Sites

This criterion requires an applicant to address "reasonable" alternative sites which do not require an exception

to the goals. Because Goal 14 requires an applicant to follow Goal 2 procedures for an exception, the LCDC administrative rule pertaining to exceptions procedures is applicable. OAR 660-04-020 provides some explanation as to how an applicant can meet the "alternatives" criteria for a goal exception. It provides:

"(b) 'Areas which do not require a new exception cannot reasonably accommodate the use:'

(A) The exception shall indicate on a map or otherwise describe the location of possible alternative areas considered for the use, which do not require a new exception. The area for which the exception is taken shall be identified.

(B) To show why the particular site is justified, it is necessary to discuss why other areas which do not require a new exception cannot reasonably accommodate the proposed use. Economic factors can be considered along with other relevant factors in determining that the use cannot reasonably be accommodated in other areas. Under the alternative areas factor the following questions shall be addressed:

(i) Can the proposed use be reasonably accommodated on nonresource land that would not require an exception, including increasing the density of uses on nonresource land? If not, why not?

(ii) Can the proposed use be reasonably accommodated on resource land that is already irrevocably committed to nonresource uses, not allowed by the applicable goal, including resource land in existing rural centers, or by increasing the density of uses on committed lands? If not, why not?

(iii) Can the proposed use be reasonably accommodated inside an urban growth boundary? If not, why not?

(C) This alternative areas standard can be met by a broad review of similar types of

areas rather than a review of specific alternative sites. Initially, a local government adopting an exception need assess only whether those similar types of areas in the vicinity could not reasonably accommodate the proposed use. Site specific comparisons are not required of a local government taking an exception, unless another party to the local proceeding can describe why there are specific sites that can more reasonably accommodate the proposed use. A detailed evaluation of specific alternative sites is thus not required unless such sites are specifically described with facts to support the assertion that the sites are more reasonable by another party during the local exceptions proceeding." OAR 660-04-020(2)(b).

The Hearings Officer finds evidence supports a finding that this approval criteria has been satisfied. The following is a discussion of the evidence which supports this conclusion.

(a) Map of Alternatives

The applicant has submitted a map attached as Exhibit "B" in response to the requirement (A) above, that the exception provide locational alternatives on a map. OAR 660-04-020(2)(b)(A). Alternatives studied are both in and out of the urban growth boundary and both in and out of the Sunset Corridor.

The map is limited to sites within Washington County and the Sunset Corridor. The Hearings Officer finds there is a need for additional land for high-tech uses (see findings on Goal 14, Factor 1) and therefore, this map satisfies the Exceptions requirements.

(b) Why Other Areas Not Requiring An Exception Cannot Accommodate the Proposed Use

The directive of OAR 660-04-020(2)(b) requires the applicant to justify why "areas which do not require a new

exception cannot reasonably accommodate the use". The case law establishes that the scope of review in evaluating alternative sites is defined largely by the requirements of the "need" or "reasons" criterion. Gordon v. Clackamas County, 10 Or LUBA 240, 250 (1984); 1000 Friends of Oregon v. Douglas County, 4 Or LUBA 148, 160 (1981). The Hearings Officer has found that there is a localized shortage of land as a result of recent market activity, and that while other areas can in principle physically accommodate high-tech industries, the Sunset Corridor is the first (and basically the only) locational choice of most high-tech and emerging industries within the Oregon portion of the Portland Metropolitan Area. Therefore, the shortage of land will place constraints on local and state economic development goals.

The Hearings Officer finds that the demonstrated need is for additional land in the Sunset Corridor, therefore the issue is not whether other areas of Portland can "reasonably accommodate" high-tech uses. The record includes substantial evidence which demonstrates that high-tech uses seek an area which has: (1) critical mass, (2) known identity, (3) educational institutions, and (4) an available labor force. The Sunset Corridor has established that critical mass and has reached the point of second and third generation spin-offs. It is internationally known and has established international firms, and it is within a few miles of the Oregon Graduate Research Center. In addition, there is a large labor force. Therefore, the Hearings Officer finds that due to the uniqueness of the

requirements of the industry, this approval criteria is satisfied by a showing there are inadequate sites within the Sunset Corridor.

(c) Questions Posed by Administrative Rules

The rule sets out three questions which must be addressed as part of the alternatives analysis. These are addressed below.

- (1) "Can the proposed use be reasonably accommodated on nonresource land that would not require an exception, including increasing the density of uses on nonresource land? If not, why not?"
OAR 660-04-020 (2) (b) (B) i.

The first component of the alternative site analysis required by the administrative rule is two-pronged. The first element asks whether:

- (i) It is possible to reasonably accommodate the use on nonresource sites which would not require an exception which are located outside the UGB.

The second component of the analysis requires a finding on whether:

- (ii) The density of uses can be increased on nonresource lands.

(i) Outside Urban Growth Boundary

There are no nonresource lands which are contiguous to the urban growth boundary which are within the Sunset Corridor. It is not good planning to site spots of urbanization among the rural landscape. In addition, the record is complete with testimony that high-tech must create a "critical mass" to function. Further, the need for additional land is within the

Sunset Corridor, therefore the land cannot be satisfied outside the UGB.

- (2) "Can the proposed use be reasonably accommodated on resource land that is already irrevocably committed to nonresource uses, not allowed by the applicable goal, including resource land in existing rural centers, or by increasing the density of uses on committed lands? If not, why not?" OAR 660-04-020(2)(b)(B)(ii).

The applicant limited its search for alternative sites to those in the Sunset Corridor or adjacent to it. In analyzing sites in rural centers and sites on resource land but already committed to nonresource use the applicant found four possible sites. Four rural areas (outside the Urban Growth Boundary) in proximity to the UGB were identified as resource lands committed to non-resource uses; in this case single family homes on five 20 acre lots. All areas were zoned AF-5 or AF-20, neither of which allows for industrial development. Full service utilities are not available to any of these areas. All lack sewer according to Jeanne Hedrick, the Information Clerk for Unified Sewerage Agency. The extension of services would have the effect of creating urbanization pressures on intervening lands where the irrevocably committed lands are not contiguous to the boundary. High-tech uses require public sewer and water. It is not sound land use planning to spot urbanization among the rural landscape.

The areas are presently developed with large single family residents and farmsteads and each of the four areas is under multiple ownerships. From an economic standpoint, conversion of any of these areas to industrial uses would be

infeasible because of the time required for parcel assemblage, higher land value for improved parcels, and the absences of sewer.

Expert testimony was presented by Doug Anderson, upon which the Hearings Officer relies, that industrial firms will rarely enter into negotiations for a site with more than a very limited number of property owners properties that are not serviced. Once industrial firms have determined that market conditions support expanded production, they require an expeditious time frame for facility design and site permit approvals. High tech firms in particular are generally not held captive by a particular area of the country and if an appropriate variety and quantity of sites are not available, they will continue their site selection efforts elsewhere.

Additional constraints faced by all sites include inappropriate zoning, Urban Growth Boundary Amendment Annexation Processes, and lack of services (sewer). Also, two of the sites are not adjacent to the existing UGB and none are in the same proximity to urbanization as is the subject site of this application.

The Hearings Officer therefore finds that because of constraints of lack of proper zoning, lack of services, and multiple ownership, the proposed use cannot be reasonably accommodated by resource land that is irrevocably committed to nonresource uses. Further, it is not sound land use planning.

- (3) "Can the proposed use be reasonably accommodated inside an urban growth boundary? If not, why not?" OAR 660-04-020(2)(b)(B)(iii).

The final question asked by the administrative rule is related to the need question under Goal 14, Factor 1 in that the answer is found in the applicant's inventory of industrial land in the Sunset Corridor which concludes there is a lack of such land to serve the demand.

Nevertheless, the applicant analyzed additional sites adjacent to the Corridor and outside the Corridor which could possibly serve to meet some of the unmet demand for large acreage industrial land. Although the Sunset Corridor has been the attractor for a high percentage of the high-tech development activity in Oregon, other areas near the corridor are appropriate to consider because the users' agglomeration tendencies may spill over into adjacent areas. These sites are discussed in this section. The sites outside the Corridor are discussed in Appendix I.

Spillover effects to other areas in western Washington County may be a secondary benefit to high-tech location in the Sunset Corridor. The applicant does not contend there are shortages of industrial land in other areas besides western Washington County. The applicant did not study the entire SMSA industrial demand and supply, because the need for additional inventory of industrial land is limited to the Sunset Corridor. The focus of the investigation for alternative areas where growth could be accommodated was limited to the area that is the most crucial and is experiencing the greatest shortages of appropriate industrial land.

Because there has been some interest in areas just outside the Sunset Corridor, the applicant undertook a broader review of other possible Washington County locations that could attract high-tech development. This review was site specific, rather than a more general locational analysis, because of the specific site criteria and needs of the high-tech industry. There are many industrial sites in the Metro inventory which may be suitable for general light industrial development, but are unsuitable for high-tech development for a variety of reasons.

All large acre industrial sites in Washington County that were identified in Metro's 1985 draft Industrial Land Inventory were surveyed by the applicant in order to assess their potential for high-tech or emerging industries' development. Based on the results of this survey, the five sites surface with some potential for high-tech development. The Hearings Officer finds that this potential is limited for a variety of reasons set forth below.

1. Walnut Street North

This property consists of 57 acres of serviced land; however, nearly half of the site is in floodplain and therefore cannot be developed, thus reducing the effective size of the parcel to only 30 acres. The Hearings Officer finds that a constraint exists in that the site is located at the western boundary of the city limits of Hillsboro off S.E. Baseline Street, directly south of a K-Mart store and does not have direct access onto Tualatin Valley Highway ("T-V Highway"). The Hearings Officer finds that lack of visibility from a major

highway and the distance from the freeway system will inhibit its marketability. Furthermore, T-V Highway is ill-suited to deal with a large employment complex.

Other major constraints include an adjacent cement culvert manufacturer to the east, which greatly detracts from the image of the site, the small size of the parcel, the absence of any other high-tech development in the surrounding area. The inability of the area, due to land constraints, to accommodate a nucleus of high-tech activity at any time in the future is also a deterrent. The Hearings Officer therefore finds that this land parcel is unsuitable for a high-tech user and would not be considered.

2. Oregon Roses Property

The Oregon Roses site is located off T-V Highway near S.E. River Road at the southern boundary of the City of Hillsboro. It consists of 53 acres and currently includes a nursery. Access requirements from T-V Highway would require construction of a left-turn lane and signalization in order to accommodate the high traffic volumes on T-V Highway. The Hearings Officer finds that the cost of this site would be prohibitive since purchase would require the displacement of a financially viable operating nursery, which also raises Goal 3 and 4 issues of significance.

The Hearings Officer finds that this property is unsuitable because it is permanently isolated from other major high-tech development, the site size is too small for a major company, a railroad runs in front of the property which precludes

certain types of high-tech development, and the site is approximately six miles from the nearest freeway interchange at Highway 26 and Cornelius Pass Road. The Hearings Officer finds that the same deficiencies are present with the Oregon Roses Property as the previously discussed sites.

3. Roseway Industrial Park

This property totals 85 acres located on T-V Highway at 234th Avenue, which bisects the parcel. It is rail-served and includes a small warehouse facility. Benjamin Franklin Development Company is in the process of purchasing the site. Development plans have not been finalized.

The site is approximately six miles from the nearest freeway interchange at S.W. 185th and Highway 26. The 85-acre property is less desirable because it is divided into two smaller parcels by a county road. It also fronts on a railroad and is currently geographically isolated from other high-tech users. Traffic congestion on the T-V Highway and S.W. 185th further detracts from the overall desirability of this property. The Hearings Officer therefore finds that this property is not a reasonable alternative site.

The five properties described (the three properties in this section and the two in Appendix __) represent the best of the properties contained in Metro's Washington County industrial land inventory outside of the Sunset Corridor. In other words, these properties are more suitable for high-tech development than any of the other sites in this inventory. The Hearings Officer finds, however, that from the above description none of these

properties meet the needs of high-tech users as well as the needs of the Sunset Corridor.

(d) Metro Staff Analysis

The Metro Staff raised several questions regarding available alternative sites. First, the Staff asks whether there is a shortage of parcels 30 acres and larger in the Sunset Corridor.

The Hearings Officer has found that there exists only 629 acres of unconstrained land containing parcels 30 acres or more in the Sunset Corridor. The Hearings Officer has further found there are too few sites to provide alternative choices to new high-tech firms.

Second, the Staff asks whether larger parcels in industrial parks are properly considered removed from inventory.

Evidence submitted by the applicant, upon which the Hearings Officer relies, demonstrates that all such industrial park land has been rendered unavailable, with the exception of two areas in Tanasbourne Commerce Center in which a number of small lots could conceivably be reassembled into larger parcels. These parcels are more appropriate for small end users.

The Hearings Officer finds that there are no significant large parcels available from industrial parks for high-tech users in the Sunset Corridor.

Third, the Staff asks whether parcels purchased by end users but not yet developed or proposed for development should be distinguished from land actually developed in calculating and projecting absorption rates.

There is evidence in the record, upon which the Hearings Officer relies, that demonstrates that once purchased, such land is not available to other end users, whether or not the owner builds out its site immediately or phases in development over a period of time. The Hearings Officer therefore finds that land purchased by end users is, from a practical standpoint, removed from inventory for the purpose of siting a different firm or supporting employment generated from another source.

Fourth, the Staff asks whether land available only for lease should be excluded from the inventory of remaining lands, or whether such land meets a need for certain types of users.

The applicant has submitted evidence, upon which the Hearings Officer relied, that the land available only for lease should be differentiated from the general inventory. Very rarely will firms lease land because they have no long term control over the land, and there is no opportunity to realize the appreciation of value. The Hearings Officer therefore finds that land available only for lease is not generally suitable for the types of firms which are essential to the demonstrated need for economic development. Those which would lease land fall into a very limited category of user.

Fifth, the Staff asks whether the annual average absorption rates should be based only on the last two years, as the applicant has done in calculating the 1400 acre need, or on the seven years for which data is available.

The record demonstrates that the applicant calculated the absorption rate using both the two-year and the seven-year

averages. The Hearings Officer finds that the higher number which was chosen by the applicant is appropriate because of the position of the Sunset Corridor as the leader in economic growth for the Portland Metropolitan area. However, even if the seven year average is used, a need for 521 new acres of industrial land is indicated. The Hearings Officer reaffirms that the 629 acres available in the Sunset Corridor do not provide an adequate quantity or variety of industrial land to meet the demonstrated needs of high tech users or afford the type of market and locational choice necessary to encourage continued vitality in new development. The supply of vacant parcels, 30 acres or larger, in the Sunset Corridor is therefore less than five times an appropriate average annual absorption rate.

Sixth, the Metro Staff asks a two-fold question: whether there is a shortage of land for long term growth needs and whether a finding of long term need would be inconsistent with adopted employment projections for the region.

The Hearings Officer has already found that there exists a long term need for additional industrial sites in the Sunset Corridor. Table 3 entitled, "Employment Land Needs" submitted into the record by Metro shows a need for 882 acres of land to accommodate 22,048 projected high-tech workers. The actual on-site employment densities range from 12.5 to 17 employees per acre. This fact dramatically changes the amount of land needed. The Hearings Officer reaffirms that there is a localized shortage of land in the Sunset Corridor because of its unique status which constrains Portland's pursuit of its economic

goals in both the short and long term. The demonstrated need, however, does not invalidate the Metro projections when the density figures are compared.

The applicant has submitted evidence, upon which the Hearings Officer relies, that demonstrates that land absorption takes on a different historical profile than employment growth. The typical scenario is that land will first be purchased, after which employment growth will occur. The Hearings Officer finds that, because of this relation between land absorption and employment growth, it is necessary to maintain a sufficient inventory of sites in the short run so that firms can become established and begin creating jobs on the land over the long run. The Hearings Officer finds that approval of the application would be reconcilable with employment projections when the essential differences between the land market and the labor markets are recognized.

Seventh, the Metro Staff asked whether the applicant has demonstrated a regionwide need for more land in the Sunset Corridor. The Metro Staff notes that the Pope Report indicates that high tech development in Santa Clara County has spread over a much larger area, comparable to all of urban Washington County.

The Hearings Officer has already found that the applicant has demonstrated that high tech growth is (and will be) centered in the Sunset Corridor because such firms have demonstrated a preference for the Corridor and because of the economic value of proximity to other high tech firms. The Pope Report indicates that the growth in Santa Clara County has built

up over the course of a generation or more, and that development has simply outgrown its place of origin over time. The Pope Report itself states that the Sunset Corridor is the area that is known as the high tech center for the Pacific Northwest and that all possible effort should be made to encourage its development. As indicated by Mr. Carlson, the Sunset Corridor is basically the only Oregon area which is attractive to foreign and domestic users. The Hearings Officer therefore finds that the applicant has demonstrated a regionwide need for more land in the Sunset Corridor.

Finally, the Metro Staff asks whether there is a need for parcels 100 acres and more and how this need will be addressed by the Kaiser petition.

The applicant has agreed to certain development conditions in its testimony that will ensure that large parcels remain available for industrial development.

(e) Alternative sites described by 1000 Friends of Oregon

Under OAR 660-04-020(2)(C), a detailed evaluation of alternative sites is not required unless such sites are described by another party with facts which support the assertion that these sites are more reasonable than the proposed site. The alternative sites described by 1000 Friends are not purported by them to be alternative sites to the Kaiser site. Robert Stacey, Staff Attorney for 1000 Friends, testified that the annexation of the Kaiser site, as proposed by the applicant under Goal 14, Factor 1, will meet the need for sites 60 acres or larger in the Sunset Corridor. Nevertheless, the findings will address other

available sites because 1000 Friends set forth factual statements that the applicant considered to be contrary to the evidence presented by the applicant. Therefore, the applicant submitted rebuttal evidence pursuant to OAR 660-04-020(2)(C). The Hearings Officer has evaluated each site and the Hearings Officer's corresponding findings of fact are contained in Appendix II. In summary, the Hearings Officer finds:

1. Seaport Property. It is listed on the inventory.
2. Burlington Northern Railroad Property. It is listed on the inventory.
3. Dawson Creek. Except for 54 acres which are listed on the inventory, the remainder is available on a lease only basis.
4. Ronler Acres. It is constrained by hundreds of ownerships.
5. Wilsonville Property. It is outside the Sunset Corridor where a need has been demonstrated.
6. Leveton Property. It is outside the Sunset Corridor where a need has been demonstrated.
7. Kaiser/231st Property. It is listed on the inventory.
8. Wishing Well Property. It is constrained.
9. Tanasbourne Property. It is constrained.
10. Johnson/PacTrust Property. It is listed in the inventory.
11. Windolph Park Property. It is constrained.
12. Olin Industrial Park. It is outside the Sunset Corridor.
13. Five Oaks Property. It is listed on the inventory.
14. Hawthorn Farm Property. It does not satisfy the need for 30 acre or larger parcels.
15. Parkway Center Property. It is outside the Sunset Corridor.

16. Tualatin Area Property. It is outside the Sunset Corridor.

17. Beaverton Area Property. It is outside the Sunset Corridor.

18. Unincorporated Washington County Property. It is partially constrained and partially improperly zoned.

The above properties identified by 1000 Friends of Oregon do not add any additional alternative sites to the list submitted by the applicants and adopted by the Hearings Officer.

3. Consequences

Goal 2 and ORS 197.732(c) require that an applicant for an exception to one of the goals meet the following standard:

"the long-term environmental, economic, social and energy consequences resulting from the use 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 in areas requiring a goal exception other than the proposed site."

In addressing this standard, the Hearings Officer must find that the consequences of developing this site with measures which reduce the impacts are not more adverse than if the use were located on another site also requiring a goal exception. Therefore, the first question is what are the consequences and the second question is whether there are other sites which would have less consequences. The Hearings Officer finds there are no significant consequences other than those associated with development of any site and there is no other alternative sites except the site to the north of Sunset Highway known as the Riviera site. A need has been demonstrated also for that site in a separate petition. There was no evidence introduced which

identified any other potential site contiguous to the UGB in the Sunset Corridor. Therefore, this approval criteria is satisfied because there are no significant consequences and no other sites except the Riviera site which has been identified as an alternative. A need has been demonstrated for the Riviera site, therefore it is not an alternative. This conclusion is based on the following evidence.

(a) Environmental Consequences

The Hearings Officer has addressed the environmental conditions and consequences of industrial use of this site. In summary, the Hearings Officer finds that no significant environmental consequences are anticipated with the conversion of this site from agricultural to industrial uses. The impacts on agricultural land were considered under Goal 14, Factor 6 and are hereby incorporated.

The site contains no significant environmental characteristics, either in positive environmental values (e.g. valuable habitat) or negative environmental conditions (e.g. severe erosion problems). The Hearings Officer finds that the site is environmentally neutral since, except for a very small floodplain area, it contains no distinctive environmental features. The floodplain will be protected by the County or City standards. The statewide planning goals require protection of floodplain areas.

The Hearings Officer finds that, in comparison with other agricultural areas that might be considered as alternative areas to accommodate the need for industrial land, all will

either be equal in environmental distinction (or lack of in this case) or will have environmental values that exceed those of this site.

(b) Economic Consequences

Removal of the site from agricultural production will not adversely affect the economy of Washington County or the State of Oregon. In fact, the change in use has the potential of a tremendous enhancement in the regional economy.

The site is currently underutilized, that is, farmed with low value agricultural production as opposed to higher value food crops. Production on the subject site in 1984 totaled \$160,300 -- a minimal percentage of both county and state production totals. Of the 341 acres currently farmed, 73 acres will be unsuitable for industrial development and can reasonably be expected to remain in agricultural production. Thus, the lost agricultural production will be lower, approximately \$126,000.

Employment loss resulting from the removal of the site from agricultural production will be also minimal, accounting for one to two full time equivalent jobs. Industrial employment gains of approximately 6,460 jobs are expected. The Hearings Officer finds that, by virtue of the magnitude of difference, employment under industrial uses is incomparable with employment under agricultural uses.

The Hearings Officer finds that public sector revenues will be positively impacted with the advent of industrial development on the site. Property tax revenues accruing to local

jurisdictions, as well as personal and corporate income taxes accruing to the state will increase substantially.

(c) Social Consequences

The Hearings Officer has addressed the social conditions and consequences of industrial use of this site above. In summary, six households will be directly affected by the conversion to industrial uses on the site. While these individuals will experience a change in their lifestyle, except for one household, all others are co-signers of this petition and are anticipating this change.

Of the approximately five part-time agricultural jobs currently on site, some agricultural employment will be retained in the approximately 70 acres that will continue to be farmed in some capacity. In addition, most on site employment is by people who are working other lands elsewhere in the area. It is not anticipated that any total loss of employment will result from this conversion.

The addition of in excess of 6,000 jobs to the area will substantially affect the economy and character of the area. Many of these new jobs will be held by people who either live or will move into the area. The result will be a conversion from a rural character community to an urban/suburban community. The application enjoys full support of the City of Hillsboro. Significantly no one, save Western International Properties (developer of an industrial parcel across Sunset Highway from the site) opposed the application. Equally important, the "farm families" in the area have joined in the application.

The evidence demonstrates that this conversion is already occurring, however, as adjacent lands are now developing with industrial uses. The Hearings Officer finds that the addition of this site to the inventory of industrial lands will add to the volume of urbanization but will not change the fact that the area is already experiencing that conversion.

In comparison to other agricultural sites and areas, an on-going conversion from rural to urban lifestyles may not exist. The industrial development in the Sunset Corridor is unique within the region. While other industrial development is taking place in the region, few if any areas are at the periphery of the urban area and so the impact on the surrounding areas may not be as pronounced. Conversion of other sites at the edge of the urban area may therefore have much more pronounced impacts on the character of the immediate area than will the conversion of this site.

(d) Energy Consequences

An additional discussion of energy conditions and consequences is contained in Part II(A) (5) (b) and is incorporated in these findings. In summary, however, conversion of the site from agricultural to industrial uses will generally increase the level of energy consumption on the site. While agricultural activities are energy consumers, the anticipated industrial uses will consume considerably greater amounts of electrical and gas energy than the present uses.

However, given the need for industrial development, concentrating the major, large acre industrial users within an

area like the Sunset Corridor provides utilities to plan and construct facilities that will maximize the efficiency of energy distribution. As compared with other areas where such industrial concentrations are not present, conversion of this site benefits the cost effective use of the region's energy resources.

A similar condition exists with indirect energy consumption. Conversion of this site which is immediately adjacent to a major regional freeway, provides maximum transportation efficiency for workers and shipping of materials and products. In addition, the continued development of the Sunset Corridor including this site, begins to balance the directional flow of traffic on the transportation system. Whereas the majority of the morning trips from this area are eastbound into the central portion of the region, continued industrial development in this area will tend to equalize that traffic flow, again maximizing the efficiency of the transportation system and ultimately conserving energy resources.

The Hearings Officer finds that the continued development of the Sunset Corridor will provide primary job opportunities in a large area of historic and future residential development. The potential to decrease the length of work trips is substantial through industrial development of this site and area because of the area's balance land use pattern. A comparable balanced community plan and regional/local transportation network does not exist elsewhere in the region.

(e) Other Sites

There is no evidence there is any other site within the Sunset Corridor. Any other amendment to the boundary within the Sunset Corridor is going to involve the same consequences. The only other site is the Riviera site which is the subject of another petition and a need has been demonstrated for that site. The Kaiser site is surrounded on three sides by urban development and therefore will have less impacts.

4. Compatibility

Pursuant to Goal 2 and ORS 197.732, an applicant must demonstrate that

"The proposed uses are compatible with other adjacent uses or will be so rendered through measures designed to reduce adverse impacts."

Further explanation of this standard is provided in OAR 660-04-020(2)(d) which requires an applicant to describe how the use is situated in such a manner as to be compatible with surrounding natural resources and production practices. The rule explains that "'compatible' is not intended to be an absolute term meaning no interference or adverse impacts of any type with adjacent uses." OAR 660-04-020(2)(d). The Hearings Officer finds that the use will be compatible and that this approval is satisfied. The following is a discussion of the evidence which supports this conclusion.

(a) Adjacent Uses

North of the site is the Sunset Highway and the Five Oaks Industrial Park. The eastern half of the park is presently

the active development area. The westerly portion of the Five Oaks Industrial Park is presently outside the urban growth boundary and zoned EFU. The property is under an agricultural lease and is actively farmed.

To the east of the site, adjacent to Cornelius Pass Road, is the Keeler Substation, a major regional distribution substation for the Bonneville Power Administration, and the Tanasbourne Commerce Center, a 200-acre planned industrial park. Within Tanasbourne Commerce Center, the first two phases comprising 120 acres, have been constructed with full site improvements. Major industrial facilities, including Epson, are now under construction.

South of the site, along Evergreen Road, are Technology Centers One and Two. One Technology Center, a 50,000 square foot flextype office facility is completed; Two Tech is at the construction stage.

To the south and west of the Technology Center is the Fujitsu America, Inc., site. The first phase building of 145,000 square feet is under construction. Later phases in this project include eight buildings to be constructed over the next five to ten years.

West of Fujitsu is Ronler Acres, an existing unimproved residential plat comprised of multiple small parcel ownerships, which has undergone a total rezoning by the City of Hillsboro, providing a variety of uses including residential, commercial and industrial. West of Ronler Acres and immediately south of the westerly most portion of the site is the NEC America Property, a

210-acre industrial development with the phase one building containing approximately 163,000 square feet nearing completion. NEC's plans for the balance of this property include construction of up to 10 buildings over the next seven to 10 years.

Southwest of the site, extending southwest from the intersection of Shute Road and Evergreen Road, is the Tektronix Employee's Trust property (Dawson Creek Industrial Park). This industrial park will be developed under a land lease arrangement similar to the Oregon Graduate Center.

Immediately west of the site, across Shute Road, are productive agricultural fields planted predominately in grains and legumes. In addition, there are two farmhouses on Shute Road, one at the corner of Shute and Evergreen and the other approximately mid-way between Evergreen and the Sunset Highway. In addition, a small rural subdivision has developed over the years at the southwesterly corner of the Shute Road/Sunset Highway Interchange. It is comprised of several residences on one-half to two-acre lots.

With the exception of the agricultural frontage along Shute Road, the Hearings Officer finds that the proposed amendment is more compatible with surrounding uses than the existing EFU designation. This will be increasingly true as the area develops, when potential conflicts between urban and rural uses could arise such as dust and wind drift of spraying from the agricultural areas over the urban areas.

(b) Use of Buffering

In order to insure compatibility between the site and adjacent uses, the applicant has indicated that landscape buffering will be used, particularly along Shute Road where it abuts the agricultural farm lands and adjacent to the Imbrie Farmstead Restaurant in the southeast corner of the site.

III. DECISION

Based on the findings that each of the approval criteria are satisfied, the petition by Kaiser Development Corporation and co-petitioners is hereby approved. This approval is based on the petitioners' testimony that the need for a variety of parcel sizes will be satisfied by the following steps:

A. Upon approval of the UGB amendment, the applicant shall initiate annexation proceedings for the Kaiser property to the City of Hillsboro.

B. The applicant will apply for a zoning designation of Industrial Park ("IP") under the City of Hillsboro's Zoning Ordinance for the Kaiser property.

C. The applicant agrees to special conditions upon rezoning of any portion of the Kaiser property by the City of Hillsboro as follows:

1. The site will be considered a Specially Regulated Area (SRA) under the City of Hillsboro Comprehensive Plan.

2. Pursuant to the City of Hillsboro Comprehensive Plan, the applicant will demonstrate consistency with Metro Resolution No. 82-348 prior to annexation.

3. A master plan for the applicant's property shall be prepared consistent with the City of Hillsboro's Comprehensive Plan. The master plan shall include the following elements:

(a) The property will be divided into master planning parcels of approximately 30 acres in size, consistent with the applicant's final zoning approval from the City of Hillsboro.

(b) The applicant will take measures to assure that two contiguous 30 acre parcels will be available to the marketplace as a single large lot industrial parcel. Such measures shall include but are not limited to the marketing, design, and master planning of the overall site.

4. The configuration for development of the master plan may be re-evaluated on an annual basis at the request of the applicant in order to determine the continued advisability of retaining the large parcels in their then current sizes and configuration. An amendment may be made to the master plan only after public hearing.

The review authority shall apply standards for an amendment to the Master Plan substantially similar to those set forth under the conditions of strategy M under Policy #1 of the Washington County Comprehensive Framework Plan, which are the standards for an amendment to an SID restriction in Washington County. Any amendments of the Master Plan shall be reviewed under the City of Hillsboro procedures and shall not be subject to further review by Metro.

D. The eastern half of the site, not controlled by the applicant, shall be subject to these same conditions at such time as any portion of the eastern half of the site initiates annexation proceedings with the City of Hillsboro or initiates a development request from Washington County.

05/01/0014/01

APPENDIX I

Alternative Sites Inside The Urban Growth Boundary

1. Leveton Site

This site is located on S.W. Tualatin Road and offers 240 acres of serviced and properly zoned land. The site is gently sloping and does not present any topographic site constraints. It is segregated from the other sites in Tualatin and has access onto Highway 99W. It is also closer to the services of the Tigard business community which gives this site an important advantage over the other industrial properties in the Tualatin area.

Of all the sites visited, the Leveton site probably has the best potential for high-tech development outside of properties in the Sunset Corridor, at least from a physical standpoint with respect to size, access, and topography. RCA/Sharp considered this site, but opted for a parcel in Clark County, Washington.

The Hearings Officer finds that the principal deterrent to consideration of the Leveton parcel by high-tech users is the distance from a major freeway interchange which is either approximately four miles northeast on Pacific Highway (99W) to Highway 217, or approximately four miles east on Durham Road to Interstate 5 and Upper Boones Ferry Road. These distances are further from a major interchange than the high-tech sites in the Sunset Corridor.

The Hearings Officer further finds that the main locational disadvantage of the site is the absence of any other

high-tech plants in the vicinity. As previously discussed, the agglomeration effect of the high-tech industry is an extremely important aspect of a high-tech company's site location criteria. The multiplicity of major high-tech companies in close proximity to one another is an important factor relating to the image and attraction of an area to a high-tech company. The Hearings Officer therefore finds that the Leveton site is not a reasonable alternative to the proposed site.

2. Zidell Site

The Zidell site is 63 net acres and is located on S.W. Boones Ferry Road, near Nyberg Road on the western outskirts of the Tualatin business district. Like the Leveton property, it is at the periphery of Tualatin's industrial core. Freeway access is good due to the Tualatin-Sherwood Highway bypass to Interstate-5, and it is close to support services in downtown Tualatin.

The Hearings Officer finds that the primary weakness of the Zidell site is its size. Sixty-three acres is small with respect to the needs of a major company and affords little opportunity for peripheral development. Furthermore, the site suffers from the same condition as the Leveton parcel as far as being in close proximity to other high-tech companies. Furthermore, there are no suitable adjacent or nearby industrial properties to form a nucleus of high-tech firms in this area and thus establish a high-tech presence. Any high-tech company locating on the site will be permanently isolated from other high-tech development. Evidence also was submitted, upon which

the Hearings Officer relies, demonstrating that this site contains severe soil problems which have precluded development to date.

The Hearings Officer further finds that rail service on the northern portion of the property would also eliminate certain types of high-tech companies, such as silicon wafer producers, because of ground vibration problems. The Hearings Officer therefore finds that the Zidell site is not a reasonable alternative to the proposed site.

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APPENDIX II

Alternative Sites Described By 1000 Friends of Oregon

(1) Seaport Property

The Seaport property, containing 197 acres, has already been included in the applicant's inventory of unconstrained land. There is testimony from Jack McConnell, Vice President of Norris, Beggs & Simpson, upon which the Hearings Officer relies, that this site should be considered constrained because a railroad line exists on the property. National Semiconductor and RCA Sharp indicated that, because the vibration from the railroad could interfere with their operations, they would not develop a site with a rail line located on it. Thus, while it is unnecessary for the Hearings Officer to make a finding that the Seaport property is constrained, there is evidence in the record demonstrating that this property is less desirable than originally indicated.

(2) Burlington Northern Railroad/Western Union Property

This parcel is in the applicant's inventory of unconstrained land. Again, testimony was submitted that the existence of a rail line on this parcel constitutes a constraint.

(3) Dawson Creek Industrial Park Property

The 54 acre portion of this parcel, available for sale, is in the applicant's inventory. The remainder of this parcel, 252 acres, is available on a lease only basis. Much evidence has been submitted in the record that property available on a lease only basis is a substantial marketing constraint to high tech

development. The evidence has shown that there are no high tech users on leased property. There is also evidence in the record, upon which the Hearings Officer relies, demonstrating that the portion of the property available on a lease only basis will remain in the lease only category indefinitely. The Hearings Officer therefore finds that the 252 acre portion of the Dawson Creek property available on a lease only basis does not constitute a reasonable alternative site.

(4) Ronler Acres

This 400 acre site was originally platted as a residential subdivision. Evidence was submitted, upon which the Hearings Officer relies, demonstrating that there are approximately 600 individual owners of this parcel. The Hearings Officer therefore finds that, because of the significant impediments to development arising out of such multiple ownership and constraints posed by a set of restrictive covenants, Ronler Acres does not constitute a reasonable alternative site.

(5) Wilsonville Property

This 350 acre parcel is not located in the Sunset Corridor. Much evidence has been submitted in the record from which the Hearings Officer has already found that the demand for industrial land for high tech uses is focused almost exclusively on the Sunset Corridor. There is evidence in the record, upon which the Hearings Officer relies, that demonstrates that the synergism developing near the Wilsonville property is in the distribution industry, not the high tech industry. The Hearings Officer therefore finds that the location of the Wilsonville

property precludes it from being a reasonable alternative to the proposed site.

(6) Leveton Property

The constraints existing on this property have been discussed above and need not be addressed here.

(7) Cornell/Cornelius Pass Property

This 48 acre site is already contained within the applicant's inventory of unconstrained property.

(8) Kaiser/231st Property

This 77 acre parcel is contained in the applicant's inventory of unconstrained property.

(9) Wishing Well Property

This 32 acre site has recently been split into four different parcels as a consequence of road realignments. For these reasons, it has been removed from Metro's and the applicant's inventories of available land. The Hearings Officer therefore finds that, because of size constraints on the Wishing Well property, it does not constitute a reasonable alternative site.

(10) Tanasbourne Property

This property consists of three parcels, 30 acres, 35 acres, and 39 acres, respectively. The constraints on the 30 acre parcel have been discussed above.

The 35 acre parcel would require the consolidation of four lots and contains configuration constraints. There is evidence in the record, upon which the Hearings Officer relies, that demonstrates that the configuration constraints on the

Tanasbourne property would impose severe marketing obstacles on attempts to secure high tech development on these properties.

The 39 acre parcel is composed of 13 lots and possesses configuration constraints. This parcel is listed by Metro as constrained.

Because of the need to assemble finished parcels together and the existence of configuration constraints, the Hearings Officer finds that the Tanasbourne Property does not constitute a reasonable alternative site.

(11) Johnson/PacTrust Property

This site is contained in the applicant's inventory of available alternative sites. Evidence was submitted by Mr. McConnell that the rail line that bisects the property could be a deterrent to high tech development.

(12) Windolph Park Property

This 107 acre parcel is available on a lease only basis. The developer of the property, Glacier Park Development Company, has indicated that this property will remain as lease only for an indefinite period of time. For the reasons already discussed with respect to lease only property, the Hearings Officer finds that the Windolph Park parcel is unavailable for high tech use.

(13) Olin Industrial Park and Sealy Complex Properties

Neither of these parcels is located in the Sunset Corridor. 1000 Friends has suggested that these parcels have a good potential for high tech spinoffs. Virtually all of the high tech spinoffs, such as Mentor Graphics, Sequent and Planar

Systems have remained in the Sunset Corridor. Based on the extensive evidence on the need for critical mass to foster high tech development, the Hearings Officer finds that these parcels would not provide good potential for high tech spinoffs and therefore do not constitute reasonable alternative sites.

(14) Five Oaks Property

This parcel is listed in the applicant's inventory of available sites.

(15) Baywest Property

This 29 acre parcel is undergoing subdivision and a road will split the property into small parcels. This property has been removed from Metro's and the applicant's inventory. Because of size constraints, the Hearings Officer finds that the Baywest Property does not constitute a reasonable alternative site.

(16) Hawthorn Farm Property

The total acreage of this site is 35 acres. There is evidence in the record, upon which the Hearings Officer relies, demonstrating that the largest contiguous stretch of property is 9.8 acres. The Hearings Officer therefore finds that this property does not provide adequate large acreage land for high tech development. The large parcels are committed for development, especially by Metheus Corporation.

(17) Parkway Center Property

The largest contiguous parcel on this property is 43.6 acres. This parcel is severed by a BPA easement which reduces

the net usable land to approximately 25 acres. Because of the size of this parcel and its location outside of the Sunset Corridor, the Hearings Officer finds that this property does not provide a reasonable alternative site.

(18) Tualatin Area Property

All property in this area is located outside of the Sunset Corridor. There is evidence in the record, upon which the Hearings Officer relies, that there exists constraints in the form of soil, sewer and water extension problems. Because of these constraints and the location of the property, the Hearings Officer finds that the Tualatin area property does not constitute a reasonable alternative site.

(19) Beaverton Area Property

All property in this area is located outside of the Sunset Corridor. Three hundred and seventy-six acres of this property is under development by other developers, leaving only 34 acres of light industrial available for development. Because this property is not located in the Sunset Corridor, the Hearings Officer finds that it does not provide a reasonable alternative site.

(20) Unincorporated Washington County Property

1000 Friends has not provided evidence showing how this property would provide reasonable alternatives to the proposed site. There is evidence in the record, upon which the Hearings Officer relies, that a number of the parcels on this property are not amenable to the provision of sewer and water services. This is typical for an unincorporated area. Further, much of the

property is zoned for agriculturally oriented uses. For these reasons, the Hearings Officer finds that the unincorporated Washington County property does not provide reasonable alternative sites.

05/01/0014-II/01

8. RESOLUTIONS

8.1 Consideration of Resolution No. 86-650, for the Purpose of Accepting the Hearings Officer's Report in Contested Case No. 85-7 (Kaiser), Furthering Annexation of the Affected Property to Metro and Expressing Council Intent to Amend the Urban Growth Boundary

Jill Hinckley, Land Use Coordinator, reported when the Council considered the Resolution at its June 12 meeting, it voted to remand the matter to staff to work with the petitioners on providing better assurance the property would be used to meet large parcel needs. She also explained the proposed action was a resolution to: 1) join in a "triple majority" petition for annexation to Metro; and 2) express the Council's intent to amend the Urban Growth Boundary (UGB) as requested once the property was within Metro's jurisdiction. Ms. Hinckley then reviewed staff's proposed language to amend the Hearings Officer's Report as contained in Exhibit D (the exhibit distributed was erroneously marked "C").

Motion: Councilor Kafoury moved to adopt Resolution No. 86-650 as published in the staff report with the following revisions: 1) change "Exhibit C" to read "Exhibit D" ("Amendments to the Hearings Officer's Findings of Fact and Conclusions of Law for Application of Kaiser Development Corporation and Co-Petitioners") under the fourth "whereas" and the first "be it resolved" in the Resolution; 2) include the new language in Exhibit D with the following changes; a) in Exhibit D, item 5, change the reference to "Resolution No. 86-6571" to read "Resolution No. 86-651"; b) in Exhibit D, item 6, delete the word "givs" (sic) from the first sentence; c) in Exhibit D, item 6, fourth line, change the word "district" to read "distinct." Councilor Van Bergen seconded the motion.

A discussion followed about whether it was the Council's intent to encourage large lot preservation for all cases or for this case only. The Presiding Officer noted the need for large lots was not universal throughout the District. Councilor Frewing suggested staff schedule a workshop for Councilors, developers and local government planners to offer instruction on UGB issues. The Presiding Officer said a workshop could be scheduled.

Vote: A vote on the motion resulted in:

Ayes: Councilors DeJardin, Frewing, Gardner, Hansen, Kafoury, Kelley, Kirkpatrick, Oleson, Van Bergen and Waker

Absent: Councilors Cooper and Myers

The motion carried and Resolution No. 86-650 was adopted as revised.

8.2 Consideration of Resolution No. 86-658, for the Purpose of Granting Public and Commercial Rate Increases at the Killingsworth Fast Disposal Landfill

Rich McConaghy, Solid Waste Analyst, introduced Gary Newbore of Killingsworth Fast Disposal Landfill (KFD) and presented information relating to the rate increase request. He first noted KFD's request had been evaluated by Metro's Rate Review Committee (RRC) according to the rate review guidelines previously reviewed by the Council. Mr. McConaghy then discussed the specific formula for calculating franchise rate fees as contained in the printed agenda materials.

George Hubel, RRC Chair, reviewed the process by which the RRC evaluated KFD's rate increase request. Special issues of concern included the fact that no funds had been set aside for post closure costs and that KFD received some income from salvage and recycling efforts. He said the RRC determined KFD should receive a financial incentive to encourage recycling.

A discussion followed regarding KFD's post closure fund. Presiding Officer Waker asked what assurance the Council had that KFD would actually spend the fund on that activity. Mr. McConaghy explained recent Department of Environmental Quality (DEQ) regulations required the fund and governed its use.

Councilor Gardner said he was concerned that increased rates at KFD would divert more business to St. Johns Landfill. Mr. Hubel assured the Council the rate increases were modest and would not have a negative effect on St. Johns.

The Council then discussed the proposed rate incentives for recycling. Presiding Officer Waker said he objected to granting KFD an incentive when it was questionable how much material was actually being diverted from landfills as a result of their efforts. Councilor Kelley said she was very concerned about granting KFD a rate increase in addition to a generous break for recycling. Councilor Frewing said he had no problems with the recycling incentive but thought such a policy should apply to all franchises on a District--wide basis.

The motion carried and Resolution Nos. 86-652, 86-649 and 86-655 were adopted.

6.3 Consideration of Resolution No. 86-650, for the Purpose of Accepting the Hearings Officer's Report in Contested Case No. 85-7 (Kaiser), Furthering Annexation of the Affected Property to Metro and Expressing Council Intent to Amend the Urban Growth Boundary

Consideration of Exception to the Hearings Officer's Report filed by BenjFran. Jill Hinckley, Land Use Coordinator, said an exception had been filed by BenjFran regarding the hearings officer's report for the BenjFran, Kaiser and Riviera cases by the the Petitioners for the BenjFran. She said staff would present its report on this matter, make its recommendation, and then the petitioners would be given an opportunity to address the Council. She requested to Council determine how it wanted to handle the expectations before it proceeded to the merits of the case.

Ms. Hinckley explained the Hearings Officer, Adrienne Brockman, had consolidated alternative site and transportation issues which related to the BenjFran, Kaiser and Riviera petitions. Those issues were heard jointly for a joint record. At the time of that joint hearing, BenjFran did not object to any material entered as evidence by Kaiser or Riviera. Subsequently, at the end of April, the Hearings Officer's report was released which recommended the Kaiser and Riviera petitions be approved and the BenjFran petition be denied. Ms. Hinckley said staff had originally scheduled all three cases to be heard by the Council on June 12. May 22 was initially set as the deadline by which exceptions to the Hearings Officer's report could be filed. She then discussed the problem with Metro's Code regarding deadlines for exceptions. The Council, not the Executive Officer, was authorized to set deadline for exceptions. Therefore, when deadlines were set by staff, staff had no authority to deny those exceptions would be heard by the Council.

Ms. Hinckley further explained that after the May 22 deadline was established, the three petitioners appeared before the Council on May 15, all represented by Susan Quick, requesting the BenjFran petition be separated out from the other two and be considered on June 26. The reasons for the delay were to give BenjFran more time to prepare their exceptions and to not overload the Council by having the three issues considered on one evening. When that request was presented to the Council on May 15, staff advised the Council that an extension of Council consideration would also mean the deadline for filing exceptions would be extended two weeks. Ms. Hinckley noted the Council's action to extend the date of consideration represented the recognition of staff extending the

exceptions deadline. Staff also advised the Council that all parties had been consulted about the possibility of a new Council consideration date and that Bob Stacey, representing the 1000 Friends of Oregon, would be out of town throughout the month of July. Therefore, delay in Council consideration beyond June 26 would mean the item would have to be set forward to August for all parties to participate.

Ms. Hinckley reported that BenjFran filed non-specific exceptions to the Hearings Officers report on all three cases after staff's established deadline. She said BenjFran's representative was appearing at this meeting with a more specific supplement to the exceptions previously noted which went into more detail regarding the problems previously filed. Ms. Hinckley said she received those supplements to the exceptions after 6:00 p.m. at this meeting (June 12).

Ms. Hinckley noted the two choices before the Council regarding the exceptions received by BenjFran were: 1) to refuse to accept the additional material submitted by BenjFran at this meeting and not hear oral argument on the exception received last week on that grounds no specific issues had been identified in the exception; or 2) to set the Kaiser and Riviera matters over to June 26 to be considered with the BenjFran matter. The second option would allow all parties to be considered at the same time and all parties would have an opportunity to review and respond to the materials submitted by BenjFran. Staff recommended the Council take the course outlined in option 1) above because BenjFran had ample opportunity to submit exceptions in a timely manner and to delay the consideration of the Kaiser and Riviera matters would be inconsiderate to those petitioners.

Presiding Officer Waker declared that although he worked for BenjFran from time to time, he had no involvement with the BenjFran property in question, had no direct interests in that property and could make an unbiased decision on the matter.

The Presiding Officer invited other parties to comment on BenjFran's request for the Council to accept further exceptions to the Hearings Officer's report.

Greg Hathaway, 421 S.W. Sixth Avenue, Portland, an attorney representing BenjFran Development, agreed the exceptions filed on June 5 were general in nature. He explained, however, that Metro's rules did not indicate the exceptions had to be specific in nature. BenjFran's exception was stated in general terms in order to provide notice that his client had concerns with the Hearings Officer's findings on the three petitions. He said he intended to file a more specific exceptions at this evening's meeting that he could use as a

basis for oral argument. Mr. Hathaway asked the Council to honor his request stating it was important BenjFran's specific concerns be part of the record. Finally, he emphasized his interested was to have the proceedings progress as smoothly as possible.

Susan Quick, an attorney representing Kaiser Development Company, 101 S.W. Main Street, Portland, stated Kaiser agreed with staff's recommendation that the Council disallow the exceptions filed by BenjFran. She explained the Kaiser application had received support from the Portland Chamber of Commerce, the LCDC, the State Office of Economic Development, the Governor's Office, Portland Development Commission, Port of Portland, Sunset Corridor Association, 1000 Friends of Oregon and others, and noted her disappointment that BenjFran, a fellow developer, was not also supportive and had submitted exceptions for Council consideration at the eleventh hour. She appealed to the Council to employ it's rules of reasonable and fundamental fairness and deny admission of BenjFran's new evidence. Ms. Quick then cited examples of how BenjFran had not complied with the established administrative process. Finally, she questioned whether BenjFran could be considered a party under Metro's rules, noting only parties could file exceptions. BenjFran, she said, had not participated in Kaiser's hearing, did not take a position on the merits and did not testify. She proposed BenjFran be given the opportunity to present their arguments when their case was heard before the Council on June 26. There was no benefit in the Council hearing the same argument as part of Kaiser's case, she said. In closing, Ms. Quick submitted a motion to deny BenjFran's exceptions.

Councilor Oleson asked staff to explain why the BenjFran's case was related to the Kaiser and Riviera Motors cases. Ms. Hinckley said it was the position of BenjFran that the Hearings Officer applied a different evidentiary standard - the way in which evidence was accepted - to their case than was applied to the Kaiser and Riviera cases.

DeMar Batchelor, representing Riviera Motors, supported staff's recommendation that the Council not receive exceptions filed by BenjFran relating to the Kaiser and Riviera Motors petitions. He said Metro Code Section 2.05 set the standard for opportunity for filing exceptions. Mr. Batchelor said staff May 2 notification to all parties had defined the process for filing the exceptions, the function of the exceptions and that the purpose of the deadline was to give an opportunity to the staff and Council to respond to the exceptions. That notice, he acknowledged, was later amended as was requested by the petitioners and a June 5 filing date was established to accommodate the later hearing date for BenjFran. Mr. Batchelor said BenjFran had not, until this evening, given notice that the

established deadlines were unfair, too short or in any way prejudicial to them. In conclusion, Mr. Batchelor acknowledged that BenjFran was an experienced developer and therefore, it was difficult to conceive they did not understand the process for filing petitions to the Urban Growth Boundary. He urged the Council to deny BenjFran's request.

In response to the Presiding Officer's question, Mr. Betchelor said he had no legal concerns about the matter beyond those relating to the Council proceedings.

Councilor Frewing asked if it were clear that each petitioner was not a party in the other two cases and that the joint hearings were held merely for convenience of the hearings officer and the separate parties. Mr. Batchelor said there were consolidated issues upon which a consolidated record was developed. Each petitioner was a party to that consolidated proceeding, he said. Mr. Batchelor agreed with the Councilor's assessment that BenjFran could be a party to the hearing without being a party to the final decision process because they did not participate in a way that would demonstrate adverse interest in Kaiser's petition.

Eleanore Baxendale said staff's interpretation of Section 2.05 of the Code was similar to that explained by Mr. Batchelor. The issue, however, would not be whether the petitioner demonstrated an adverse interest at the hearing. The exception would depend of whether the issues were raised at those consolidated hearings. Ms. Hinckley said she had not yet read BenjFran's exceptions submitted June 12 so she could not speak to that issue.

Mr. Batchelor said it was clear that at the hearing BenjFran did not suggest any opposition to the positions of Kaiser Development and Riviera Motors.

Mr. Hathaway, again addressing the Council, explained BenjFran had standing as a party because they participated in the consolidated hearings. The exceptions submitted were related to those hearings, he said. He explained he was advised by staff that BenjFran could file exceptions by June 5 and once the exceptions were filed, they would be given the opportunity to establish a relationship between the exceptions and the Kaiser and Riviera petitions. Mr. Hathaway said he was concerned that if it were not established how the Hearings Officer applied burden of proof in the other two cases, BenjFran could, from a legal standpoint, waive its right to raise that argument at their own hearing. He noted it was certainly not his intent the Council deny the other two applications based on BenjFran's exceptions filed at this meeting.

Ms. Baxendale explained the purpose of the consolidated hearings was to make sure the Council not be put in a position of making inconsistent decisions on the three cases. She said she had advised Mr. Hathaway that he could file exceptions. To the extent the exceptions in his own case raised issues which were also issues of fact in the other two cases, they would be considered in the other two cases. This, she said, would aid the Council in making a consistent decision. She explained, however, the exceptions that were actually filed were of a very general nature and did not conform to the standard explained previously to Mr. Hathaway.

In response to Councilor Oleson's question, Ms. Baxendale said based on the general nature of the exceptions filed to date by BenjFran, it did not appear BenjFran would lose any advantage by waiting to raise their issues on the date their case was heard before the Council.

At the Presiding Officer's request, Ms. Hinckly again summarized the Council's options: 1) to refuse to accept the additional material submitted by BenjFran at this meeting and not hear oral argument on the exception received last week on the grounds no specific issues had been identified in the exception; or 2) to hear the exceptions and to set the Kaiser and Riviera matters over to June 26 to be considered with the BenjFran matter. The second option would allow all parties to be considered at the same time and all parties would have an opportunity to review and respond to the materials submitted by BenjFran. She also recommended the Council establish a deadline for receiving further exceptions and information related to the petitions. Staff recommended the Council take the course outlined in option 1) above because BenjFran had ample opportunity to submit exceptions in a timely manner and to delay the consideration of the Kaiser and Riviera matters would be inconsiderate to those petitioners.

Motion: Councilor Kafoury moved the Council decline to accept supplemental exception materials submitted the evening of June 12, 1986, and to hear oral argument on the exceptions submitted June 5, 1986, related to the Kaiser petition. Councilor Oleson seconded the motion.

Councilor Van Bergen questioned why the three petitions were heard together. Ms. Hinckley explained the petitions were consolidated at the Council's request to allow them to be examined according to common criteria, she said.

Vote: A vote on the motion resulted in:

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Ayes: Councilors Cooper, DeJardin, Frewing, Gardner,
Hansen, Kafoury, Kelley, Kirkpatrick, Oleson,
Van Bergen and Waker

Absent: Councilor Myers

The motion carried.

Ms. Hinckley asked the Council to determine when the BenjFran matter would be heard before the Council. Due to scheduling conflicts and deadlines for submitting written materials for the Council agenda, staff recommended the matter be set over to August 28, 1986.

Mr. Hathaway explained BenjFran would prefer the case be heard in July.

Bob Stacey, representing 1000 Friends of Oregon and a party to the BenjFran case, requested the matter be heard June 26. He noted BenjFran had been granted extensions and now they were reluctant to accommodate the schedules of others.

Ms. Hinckley said it would be impossible to schedule the case on June 26 due to the time needed to prepare written exceptions, to allow other parties to respond and to have those reports printed in the meeting agenda packet.

The Councilors discussed the merits of holding the proceedings on the various dates under consideration.

Motion: Councilor Kelley moved to postpone consideration of the BenjFran matter to August 28, 1986, and Councilor DeJardin seconded the motion.

Vote: A vote on the motion resulted in:

Ayes: Councilors Cooper, DeJardin, Frewing, Gardner,
Hansen, Kafoury, Kelley, Kirkpatrick, Oleson,
Van Bergen and Waker

Absent: Councilor Myers

The motion carried.

At 7:20 p.m., Presiding Officer Waker called a ten minute recess. The Council reconvened at 7:30 p.m.

Consideration of Resolution No. 86-650. Ms. Hinckley introduced Adrienne Brockman, Hearings Officer for the Kaiser Development

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Ayes: Councilors Cooper, DeJardin, Frewing, Gardner,
Hansen, Kafoury, Kelley, Kirkpatrick, Oleson,
Van Bergen and Waker

Absent: Councilor Myers

The motion carried.

Ms. Hinckley asked the Council to determine when the BenjFran matter would be heard before the Council. Due to scheduling conflicts and deadlines for submitting written materials for the Council agenda, staff recommended the matter be set over to August 28, 1986.

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Ms. Hinckley said it would be impossible to schedule the case on June 26 due to the time needed to prepare written exceptions, to allow other parties to respond and to have those reports printed in the meeting agenda packet.

The Councilors discussed the merits of holding the proceedings on the various dates under consideration.

Motion: Councilor Kelley moved to postpone consideration of the BenjFran matter to August 28, 1986, and Councilor DeJardin seconded the motion.

Vote: A vote on the motion resulted in:

Ayes: Councilors Cooper, DeJardin, Frewing, Gardner,
Hansen, Kafoury, Kelley, Kirkpatrick, Oleson,
Van Bergen and Waker

Absent: Councilor Myers

The motion carried.

At 7:20 p.m., Presiding Officer Waker called a ten minute recess. The Council reconvened at 7:30 p.m.

Consideration of Resolution No. 86-650. Ms. Hinckley introduced Adrienne Brockman, Hearings Officer for the Kaiser Development

Company's petition for a locational adjustment to the Urban Growth Boundary (UGB). Ms. Brockman explained after comparing all the important arguments, it became apparent two arguments should be consolidated for the Kaiser, Riviera Motors and BenjFran cases. Transportation issues were consolidated because many of the same roads were proposed to be used by all petitioners and she was concerned about whether the system would accommodate planned traffic. Because the petitioners are all proposed the same alternate site, that question was also considered at the consolidated hearing. Other matters, such as need and compatibility, were heard individually. At the close of the hearing, Ms. Brockman said she asked each petitioner to prepare a set of findings. Those findings were compared with the Hearings Officer's detailed notes and tape recordings of the proceedings and the final findings were then prepared.

Ms. Brockman then addressed the need argument for both the Kaiser and Riviera petitions. She explained she had posed the question, "was there a regional need?" The applicants presented facts to support a case for providing a variety of land parcels in the Sunset Corridor. The Hobson Report, she said, indicated high tech businesses tended to locate near one another and located near large labor forces and large educational institutions. The report also indicated large quantities of land would be needed to attract future high tech businesses in the Sunset Corridor. If the Kaiser petition were approved, two 60-acre and eight 30-acre parcels would be added to the UGB and the opportunity would exist for Kaiser to put together larger parcels. The Riviera petition, if approved, was more flexible in parcel size. In summary, Ms. Brockman said in her judgment the petitioner met the locational criteria.

Regarding the transportation element, Ms. Brockman said staff reviewed the petitioner's application and found the planned transportation system could accommodate all three of the applications. She cited figures provided on projected traffic impact to support her findings.

At the Presiding Officer's request, Ms. Brockman related her previous work history which included extensive education and experience in urban planning and law.

Councilor Frewing questioned why the applications had not included plans for bus transportation. Ms. Brockman explained no bus use could be assumed because the level of service and implementation schedule could not be determined with any sense of certainty. She said to include bus use would cause an opportunity for argument over assumptions.

Councilor Van Bergen asked Ms. Brockman to define the use of the word "high tech" as used in her findings. Ms. Brockman said the term was defined as part of the hearing process to mean a business that manufactured electronic parts. A more precise definition was contained in the findings. The Councilor was concerned other petitioners would want to apply the same standard and that a clear criteria be established in defining the term. Ms. Brockman explained that very clear criteria for the term existed under the provisions of Goal 14.

Councilor Kafoury said she was concerned about the lack of large lots available for development in the region. It had been demonstrated, she said, that large high tech businesses were looking to buy those type of lots. She did not think Kaiser and Riviera Motors had provided adequate assurance that large lot parcels would be preserved.

A discussion followed on the lot size issue. Councilor Kafoury said she needed more assurance on lot size before she could consider approving Kaiser's request. Presiding Officer Waker suggested drafting a separate policy statement which would be forward to the city of Hillsboro and Washington County instructing them of the Council's likelihood to entertain expanding the Boundary and under what general circumstances it would be amended. Councilor Frewing questioned whether the Council consider land use issues in these cases. Ms. Baxendale, responding the Councilor Frewing's question, explained certain needs were usually demonstrated as part of the petitioner's application. She said in the past, the Council had been very reluctant to enforce conditions on petitioners because those conditions were difficult to monitor and enforce. Councilor Van Bergen said he was interested in taking action that would increase regional employment but he was reluctant to take any action without clear criteria that would apply equally to all petitions.

Susan Quick explained the lot size issue was researched as part of Kaiser's permit process. Kaiser had planned for large lots as much as land constraints would allow, she said. The need study was based on 30 acres lots, she explained, because the city of Hillsboro had requested this increment be used. She said the combinations of two and three 30 acre parcels could certainly occur.

Ms. Hinckly advised the Council could address Councilor Kafoury's concern by amending the Hearings Officer's findings to include how the need for large lots would be met. She said a recently adopted LCDC rule relating to Goal 3 and needs based exceptions would provide for that type of condition. She said staff could study the record before recommending specific language and suggest language for an amendment at the June 26 Council meeting.

Councilor Cooper thought that requiring large lots would put unreasonable strains on land owners.

Motion: Councilor Kelley moved to adopt Resolution No. 86-650 and Councilor Cooper seconded the motion.

Councilor Cooper said that although he was not anti-growth, he would not support the Resolution in protest of actions by Sunset Corridor parties against the West Transfer and Recycling Center.

Councilor Kafoury urged the Council not to support adoption of the Resolution unless the issue of large lots could be resolved.

Councilor Van Bergen said he would support the Resolution although he would like not to support the petition for the reason stated by Councilor Cooper.

In response to Councilor Frewing's question, Ms. Hinckley said if the motion failed, the Council could consider the Resolution another time.

Vote: A vote on the motion resulted in:

Ayes: Councilors Hansen, Kelley, Van Bergen and Waker

Nays: Councilors Cooper, Frewing, Gardner, Kafoury, Kirkpatrick and Oleson

Absent: Councilor DeJardin and Myers

The motion failed.

Motion: Councilor Kafoury moved to delay consideration of the Resolution to June 26 and to remand the matter back to the Hearings Officer to amend the report to guarantee large lots. Councilor Kirkpatrick seconded the motion.

Vote: A vote on the motion resulted in:

Ayes: Councilors Cooper, Frewing, Gardner, Hansen, Kafoury, Kelley, Kirkpatrick, Oleson, Van Bergen and Waker

Absent: Councilors DeJardin and Myers

The motion carried.

EXHIBIT B

FINDINGS OF FACT
AND CONCLUSIONS OF LAW FOR APPLICATION OF
KAISER DEVELOPMENT CORPORATION AND CO-PETITIONERS

Submitted:
April 30, 1986

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FINDINGS OF FACT
AND CONCLUSIONS OF LAW FOR APPLICATION OF
KAISER DEVELOPMENT CORPORATION AND CO-PETITIONERS

I. INTRODUCTION

A. Nature of the Proceeding

This case involves a petition by Kaiser Development Corporation and co-petitioners ("applicant") to amend the Metropolitan Service District ("Metro") Urban Growth Boundary ("UGB") to include approximately 453 acres located in Washington County on the western edge of what is known as the Sunset Corridor. The legal description of the affected property is attached as Exhibit A. The property is located south of the Sunset Highway immediately east of Shute Road, north of Evergreen Road, and west of Cornelius Pass Road (the "site"). The site abuts the present UGB on three sides. The co-petitioners and their respective ownerships of the subject property are as follows:

<u>Co-Petitioners</u>	<u>Approximate Acreage</u>
Kenneth and Ruth Berger	19.45 acres
Elmer and Florence Croeni	1.55 acres
Barbara Ann Berger and Daughters	76.16 acres
Richard Girt, Eugene and Beverly Seibel	57.68 acres
Claycamp, Moore & Seiffert	17.57 acres
Juanita Goodin and Family	58.92 acres
Ko Chang Cheng	9.33 acres
Craig and Janet Magwire	49.97 acres
John Hare	46.88 acres
Frank Imbrie	1.99 acres
Billie Herman, Ogden Barn, Inc.	4.13 acres
Standard Insurance Company	47.77 acres

In addition to the properties referenced above, the following additional property is included within this Order, however the owners did not petition for inclusion. The property

and owners are: Floyd and Frances Severson (4.6 acres), the Bonneville Power Administration (57.23 acres), Paul and Joyce Hales (1.7 acres), and Louis and Marilyn Topinka (.57 acres).

The Hearings Officer, pursuant to the authority of Metro Ordinance No. 85-189, Section S, ordered the consolidation of certain issues for hearing among the three (3) petitioners for a major amendment to the Urban Growth Boundary. The three (3) petitioners are:

1. Riviera Motor Inc., No. 85-6;
2. Kaiser Development Co. and co-petitioners, No. 85-7;
3. Benj Fran Development, Inc. and co-petitioners, No. 85-8;

The issues consolidated for hearing were:

1. Transportation, Goal 14, Factor 3; and
2. Other available sites, Goal 2, Exceptions Process Factor 2.

B. Intended Use of the Site

Amendment of the UGB will allow the site to be developed for a variety of acreages for industrial purposes, including large sites in the 30 acre to 60 acre range. It is anticipated that the Kaiser Development properties will be master planned and will be made available to the market to satisfy demand for large acreage industrial parcels of 30 acres or more as well as smaller acreage parcels as the needs of the market dictate. The petitioners, the City of Hillsboro, and 1000 Friends of Oregon have agreed upon certain actions which will take place subsequent to the approval of this petition. The

Hearings Officer has relied upon these representations made as part of petitioners' testimony and they are the basis on which the decision rests. These representations include testimony that the applicant will take measures to assure that two contiguous 30-acre parcels will be available to the market place as a single large lot industrial tract on the Kaiser property and on the property owned by the other co-petitioners.

C. Physical Characteristics

The site is located in the Tualatin Valley adjacent to the northeastern corner of the City of Hillsboro. There are no predominant natural features which define the property, other than a small agricultural ditch that extends east and west across the northern edge of the property and the upper reaches of Dawson Creek in the eastern third of the site. Both drainageways flow only during the rainy season.

Approximately one-quarter of the site is presently in hazelnut orchards, with the balance being in field crops and pasture. The property is approximately 6,600 feet long and 4,200 feet at its widest point. It is an approximate trapezoidal shape. The terrain is generally flat with slopes of two to five percent. Elevations range from 185 feet to 210 feet above sea level. Only a very narrow strip, defined by a ditch across the northwest corner, lies within the 100 year floodplain.

Existing services include the Dawson Creek trunk sewer line which terminates in the Evergreen Road right-of-way adjacent to the property, approximately mid-way between Shute Road and

Cornelius Pass Road. A 12-inch water line in Evergreen Road extends from Cornelius Pass to approximately 229th Avenue.

The site is bounded by Shute Road, a two-lane county facility being upgraded to a three-lane arterial between Sunset Highway and Evergreen through a federally funded project being carried out by the Oregon Department of Transportation. Sunset Highway, which forms the northern boundary of the site, is a four-lane expressway with full interchange at Cornelius Pass Road and a new interchange at Shute Road. Evergreen Road, which forms the southern boundary of the site, is a two-lane gravel base road, scheduled for improvement by the City of Hillsboro to Cornelius Pass Road, on the eastern edge of the site, is a three-lane arterial.

D. Planning Issues

1. Existing Planning and Zoning Designations

The site is presently designated EFU (Exclusive Farm Use) on the Washington County Comprehensive Plan. Upon amendment to the UGB, a petition will be submitted to the Metropolitan Boundary Commission requesting annexation of the site to the City of Hillsboro. The City of Hillsboro has recommended, by City Resolution No. 1308, that the site be included in the UGB. Upon annexation, a request will be made to rezone the site for industrial use under the City's Comprehensive Plan. Under the proposed conditions for the amendment to the UGB, the applicant will apply for a zoning designation of Industrial Park ("IP") under the City of Hillsboro's zoning ordinance for the Kaiser

Development property. Prior to annexation, the site will remain EFU under the County's plan.

2. Planning History

In January 1980, after a lengthy process, the Portland Metropolitan Area Regional Urban Growth Boundary was acknowledged by the State Land Conservation and Development Commission. The site, even though previously included for urban development in early comprehensive plans, within the Unified Sewerage Agency Master Plan, and in the original adopted urban growth boundary in 1976, was not included in the final urban growth boundary as acknowledged in 1980. 1000 Friends of Oregon challenged the 1976 acknowledgment of the UGB as inadequate bringing suit in circuit court. On July 22, 1985 the Marion County Circuit Court finally issued its opinion in the UGB acknowledgment. The circuit court found that the findings supporting the acknowledgment order for certain areas of the UGB were not sufficient and the acknowledgment was remanded to LCDC for further findings. 1000 Friends of Oregon v. LCDC (Marion Cir Ct No 118213 July, 1985). The area in which this site is located was not one of the contested areas in that case. With the exception of a small area, the Urban Growth Boundary was reacknowledged by LCDC in January 1986. All of the land contiguous to this site is within the area reacknowledged.

3. Recent Area Developments

Until 1982, the only significant development within the immediate vicinity of the site was the Riviera Motors complex, north of Sunset Highway, west of Cornelius Pass Road.

In 1982, however, Standard Insurance Company sought development approval for the Tanasbourne Commerce Center, a 200 acre industrial park on the east side of Cornelius Pass Road. In 1984, Epson Corporation announced the purchase of 40 acres in that center.

Also in 1984, the NEC Corporation purchased 210 acres immediately south of the site (including the old Hillsboro High School site) and it is presently under construction with the first phase of its development.

In 1984, Fujitsu America announced plans for a 120 acre industrial campus, which touches the southern border of the site, that will eventually house seven fabrication and assembly plants and office building and related facilities. Also at the same time, ground was broken on the One Technology Center Building located at Cornelius Pass Road and Evergreen Parkway.

4. Required Future Land Use and Development Approvals

Upon amendment to the UGB, numerous additional land use and development approvals must be obtained before actual development of the site can occur. These additional steps include:

(a) Annexation - Metro. Before Metro acts on this Petition for a UGB Amendment, the property must be brought within the Metro district. A district boundary change proposal must be presented to the Portland Area Local Government Boundary Commission.

(b) Annexation - Hillsboro. Annexation to the City of Hillsboro will require the submittal of an annexation application petition to the Boundary Commission. Public hearings will be

conducted on the petition prior to approval by the Boundary Commission. It is expected that such a process will take three to six months.

(c) Preliminary Master Plan Approval. After annexation, the property owners will prepare a preliminary plan to determine the phasing, site planning, preliminary engineering, and mix of land uses for the property. A preliminary master plan must be submitted to the City of Hillsboro and will be the basis for rezoning the property to MP (Manufacturing Park). It is anticipated that such a process will require three to six months.

(d) Comprehensive Plan Amendment and Zone Change Application. In conjunction with the submittal of the Preliminary Master Plan, a comprehensive plan amendment and zone change application will be made to the City of Hillsboro. Until the plan amendment and zone change occur, the site will remain EFU in accordance with the Urban Planning Area Agreement between Washington County and the City of Hillsboro. It is anticipated that the plan amendment and zone change process will require six to nine months.

(e) Development Application. Once a zone change has been approved, a development application consistent with the Preliminary Master Plan will be submitted. The development application identifies the particular phase of development, the magnitude of development, the traffic impacts, and other urban service impacts and must be approved by the city prior to proceeding with the development.

(f) Engineering Approvals. Prior to construction, the City of Hillsboro, the Unified Sewerage Agency, and other public agencies will need to review and approve the engineering design for the roads, sewer, and water system improvements. It is anticipated that this process will require approximately three to six months.

(g) Architectural Review. It is anticipated that, once property has been acquired for development, it will take approximately six months for specific architectural designs to be prepared and approved.

(h) Construction. It is estimated that construction activities on the land will require a minimum of one year before any facility would be ready for occupancy.

Based on the estimated time required for future land use and development approvals, the site will not be ready for actual development for a period of between two and three years after the date on which the UGB is amended. Accordingly, consideration of this amendment petition requires an evaluation of the applicable criteria for amendment to the boundary for development which would occur in the late 1980's.

II. GOAL 14 AMENDMENT CRITERIA

A. Compliance With Goal 14

The criteria of LCDC Goal 14 are applicable to this petition to amend the UGB because Goal 14 provides that "establishment and change of the boundary shall be based upon

consideration" of the factors enumerated in the goal. The seven factors of Goal 14 which must be considered are as follows:

"(1) Demonstrated need to accommodate long-range urban population growth requirements consistent with LCDC goals;

(2) Need for housing, employment opportunities and livability;

(3) Orderly and economic provision for public facilities and services;

(4) Maximum efficiency of land uses within and on the fringe of the existing urban area;

(5) Environmental, energy, economic and social consequences;

(6) Retention of agricultural land as defined, with Class I being the highest priority for retention and Class VI the lowest priority; and

(7) Compatibility of the proposed urban uses with nearby agricultural activities."

The factors of Goal 14 are addressed below.

1. Demonstrated Need

Factor 1 of Goal 14 requires consideration of "[d]emonstrated need to accommodate long-range urban population growth requirements consistent with LCDC goals." The Hearings Officer finds the evidence supports a finding that this approval criterion has been satisfied. The following is a discussion of the evidence which supports this conclusion.

The Metropolitan Service District urban growth boundary (UGB) is a regional boundary. The amount of land included within the boundary is a factor of regionwide land use needs. Therefore, the starting place in the analysis of whether

additional land is needed within the boundary is to examine whether there is a regionwide need for additional land.

The Metropolitan Service District has prepared an industrial lands inventory which is a part of the record. The inventory is an inventory of vacant parcels of 30 acres and larger. Regionwide there are: 1,502 acres which are committed; 3,379 acres available with no constraints and 4,602 acres available which have development constraints. Therefore, regionwide there are 3,379 developable acres. An examination of the developable land on a by-county basis shows there are 624 acres in Clackamas County, 1,421 acres in Multnomah County, and 1,334 acres within Washington County. Within the Sunset Corridor there are 694 acres.

The applicant contends there is a localized need for additional vacant developable parcels of 30 acres or larger within the Sunset Corridor. It has been their position throughout the hearing that high tech is a unique industry, and despite the fact there is adequate land on a regionwide basis, there is a need for additional land within the Sunset Corridor. The Hearings Officer finds that high tech is a unique industry having unique locational criteria and based on these factors there is a localized need for additional industrial land. This finding is supported by the needs finding included within this section of the findings and the findings with regard to alternative sites.

The Sunset Corridor for the purpose of these findings is defined as the area generally shown on the map entitled "Sunset Corridor, Large Industrial Parcels."

The applicant's evidence supports the fact there is a need for additional industrial land in the Sunset Corridor for the high-tech sector of the market area, the Sunset Corridor. The applicant demonstrated that there is a localized shortfall of land as a result of recent market activity, and that while other areas can in principle physically accommodate high-tech industries, the Sunset Corridor is virtually the only locational choice of emerging industrial high-tech firms (both foreign and domestic) in the Portland Metropolitan area.

Evidence on the demand of high-tech users for land in the Sunset Corridor was submitted in a report prepared by Douglas R. Anderson, senior associate and consulting economist with Hobson & Associates ("Hobson Report"), upon which the Hearings Officer relies.

The Hobson Report establishes that, by far, the highest concentration of growth in high-tech activity has occurred in the Sunset Corridor. The Hobson Report cites a survey and study of 691 high-tech firms commissioned by the Joint Economic Committee of the U.S. Congress ("JEC Report") as revealing the tendency of high-tech firms to locate near each other. The JEC Report states that high-tech companies are mobile

"in that access to raw materials, access to markets and transportation are not major locational determinants. . . . In contrast to other manufacturing companies, high technology companies are drawn more to highly specialized resources such as labor skills

and education and to factors that make it easier to attract and maintain a skilled labor force, most notably state and local taxes. . . . The clustering of high technology companies in an urban environment may generate agglomeration economies that make the high technology centers even more attractive. The agglomeration economies could occur in the form of improved public and private infrastructure (e.g, roads and schools), a diverse pool of skilled labor, and an improved technology transfer among the companies." (Premus, Robert: Location of High Technology Firms and Regional Economic Development; GPO, 1982, page 16.)

The Hobson Report defines "agglomeration economies" as the economist's term for the "critical mass" necessary to sustain growth. The Hobson Report adds to the list of agglomeration factors the existence of a support network of vendor firms, skilled developers, attorneys, accountants, bankers and sources of venture capital, advertising and public relations firms specializing in the needs of high-tech companies.

A report submitted by Robert J. Pope & Associates ("Pope Report"), a real estate and facilities consulting company upon which the Hearings Officer relies states there are several important locational considerations. High-tech industries will consider the fact that this site is in close proximity to the Oregon Graduate Research Center and to the critical mass of other high-tech firms. In addition, the Sunset Corridor is nationally known. He states that the locational pattern of electronics firms is consolidating. The Pope Report states:

"Critical mass is becoming the key to electronics plant location. Large new technical centers, such as Phoenix and Austin, are doing well. These centers will gain both the new branch plants and the services necessary to support new startups.

Key services include venture capital, marketing support, contract programming, and contract manufacturing." Pope Report, at 7.

The Pope Report goes on to state that the clustering tendency of high-tech firms contributed to the success of Stanford Industrial Park, Silicon Valley, "and is the reason why an area such as the Sunset Corridor is so essential to a region that would seek to be a high-tech center." Pope Report, at 20.

Testimony was offered by Richard Carlson, Vice President of QED Research in Palo Alto, California, upon which the Hearings Officer relies. From a survey of 500 California electronic firms conducted by Mr. Carlson, the firms indicated that the most important criterion in their choice of new sites is the existence of a large pool of trained people. In other words, firms want to be part of the "critical mass" of existing firms located in an area. The third most important criterion is "accessibility" to other firms and the corollary support services available from such firms.

Mr. Carlson stated that the "critical mass" issue has become increasingly important for two major reasons. First, employees of firms that went to isolated sites found that if, for whatever reason, they lose their jobs, there are no firms in the immediate area to which they can readily transfer. Thus, individuals trained for high-tech employment are less willing to join firms located in isolated sites.

The second reason for the trend toward maintaining this "critical mass" is that it encourages the useful exchange of information among employees of different firms. This in turn

encourages start-up firms that develop new products in new industries.

Mr. Carlson concluded that the result of this trend is that high-tech firms are now locating predominantly in at least medium size, recognized high-tech centers. This phenomenon is particularly true with respect to Japanese and European firms.

Mr. Carlson testified that the Sunset Corridor constitutes the area of "critical Mass" in Oregon for high-tech industrial growth. Mr. Carlson further testified that additional land is needed to maintain the Sunset Corridor's competitive position in attracting high-tech firms to this region.

He also stated that foreign companies want to be in a place which has a well known name. He also made the point that adequate land should be available for spin-off companies. Spinoff companies are locally owned and add stability to the economy. Major international firms may move, but local "spinoff" companies remain. To support this point he cited the Coyote Valley experience.

The Hearings Officer finds that the history of the Sunset Corridor supports and exemplifies the clustering tendency of high-tech firms. Major high-tech firms in the Sunset Corridor include Tektronix, Intel, Lattice Semiconductor, Metheus Corporation, Wilbanks International, SoloFlex, Epson Corporation, Nippon Electronics Company (NEC), Fujitsu America, Eyedentify, Flight Dynamics, Sentrol, Oregon Software, Periphicon, Sequent, and others.

The undisputed evidence establishes that there exists a strong tendency of high-tech firms to cluster and to generate their own "agglomeration economies." The Hearings Officer further finds that the determination of need for land to develop high-tech and emerging industrial uses is appropriately focused on the Sunset Corridor.

The record also establishes that there is a demonstrated need for additional land in the Sunset Corridor. The UGB was established to accommodate urban development to the year 2000. The planning process for defining the UGB took into account forecasts on population and employment as the basis for determining the amount of land that would be necessary to accommodate orderly growth. Metro assumed that the vacant land inventory (which included a "market factor" of 15 percent to insure market choice) was sufficient to accommodate growth requirements.

Recent developments in the Sunset Corridor have led to absorption of approximately 69 percent of the large parcels of industrial land in the Sunset Corridor. The extent of recent development is demonstrated by the following chronology of key events in the Sunset Corridor submitted by the applicant:

Late 1960's	Standard Insurance Company purchases approximately 300 acres from Park City Corporation near the Sunset Highway and 185th.
1971	Standard and Riviera Motors jointly finance construction of Wolf Creek Highway Water District 20-inch main transmission line from N.W. Cornell Road to Riviera Motors on Cornelius Pass Road.

1973 Standard builds 340 condominium units at Tanasbrook on 50 acres south of N.W. Cornell, west of N.W. 185th.

1974-75 Standard builds the Tanasbourne Mall, a 140,000 square foot retail center at the intersection of Sunset Highway and N.W. 185th.

1975 The Quadrant Corporation purchases 22 acres at 173rd and Cornell (Twin Oaks) from Park City Corporation. Quadrant petitions to have the property designation upgraded from Urban Intermediate to Urban.

1976 The Quadrant Corporation begins development of Hawthorn Farms Industrial Park, a 220-acre industrial park with Intel as an anchor tenant.

1978 Standard sells parcel to GTE for development of first corporate headquarters in the Sunset Corridor.

1979 Local improvement district (LID) proposed to improve Cornell Road east of 185th.

1979 The 185th East/West Land Use Study is launched to replan land uses in the Sunset Corridor.

1980 Cornell Road/173rd LID was formed to make road improvements necessary for development.

1981 Federal aid project approved for 158th and 185th Avenue road improvements.

1982 A task force from the private and public sector is appointed to study the area's transportation facilities. The resulting "Growth Management Policy" and the 185th East/West Plan are adopted in April 1982.

1982 Cornell Road reconstruction begins.

April 1982 Construction begins on 158th and 185th. Open for traffic in October 1982.

August 25, 1982 First organizational meeting of the Sunset Corridor Association held at the Oregon Graduate Center.

August 1982 SoloFlex and Wilbanks construct facilities in Hawthorn Farms.

August 1983 Quadrant Corporation celebrates the groundbreaking of Twin Oaks Business Center.

September 1983 Standard Insurance Company purchases Park City Corporation's remaining 300+ acres between Sunset Highway and N.W. Cornell Road, N.W. 185th, and N.W. Cornelius Pass Road.

Planar Systems, Inc., a Tektronix spin-off, breaks ground on the first building at the OGC Science Park.

Hearings begin on Westside Corridor project, in which Tri-Met and Metro study transportation issues in the county. A light rail plan is proposed and adopted.

Metheus begins construction of facility in Hawthorn Farms.

November 1983 The Congressional Office of Technology Assessment visits the Sunset Corridor as part of a study on emerging high-tech areas.

December 1983 \$20 million in construction and improvement is spent in the corridor during 1983. This figure includes construction of 385,000 square feet of building space on more than 500 acres.

Lattice SemiConductor Corporation leases 50,000 square feet of space for 15 years in the Cornell Oaks Corporate Center.

Standard Insurance receives approval for construction of Phase I, Tanasbourne Commerce Center, and approval of the 397-acre Tanasbourne Community master plan.

1984 Nippon Electric Corporation (NEC America) begins construction on a \$25 million, 163,000 square foot fiber optics manufacturing plant on a 30-acre portion of a 210-acre site located along Shute Road north of N.W. Cornell Road.

In November, Epson America announces their intention to build a \$10 million printer manufacturing facility on 17 acres purchased from Standard in the Tanasbourne Commerce Center. Epson has an option on an additional 23 acres for anticipated growth.

Fujitsu America, Inc., announces a \$40 million, 150,000 square foot disk drive manufacturing plant on a 22 acre portion of the 120 acre parcel they purchased west of Cornelius Pass Road, south of the Sunset Highway.

Standard Insurance sells 50 acres to Kaiser Permanente for a clinic and hospital, 20 acres of industrial property to B.N.W., 56 acres of residential land to A&G Builders, and completes construction of the Washington Federal Building at the Tanasbourne Town Center.

Standard also completes on-site improvement for the first two phases, 120 acres, of the Tanasbourne Commerce Center.

Quadrant Corporation constructs a total of 15 buildings, a total of 360,000 square feet, in 1985. Twin Oaks Phase I is completed. Twin Oaks Phase II, a 30 acre office/industrial park is approved and construction begun.

Oregon Graduate Center, developed by Rembold Corporation, constructs the BiPolar Integrated Technology and D-3 buildings, bringing the total amount of space in the Science Park to 160,000 square feet. In October, Rembold breaks ground on a 78,000 square foot building at the Science Park.

The Koll Company acquires the Burlington Northern and Franklin Services parcels at 158th and Walker for Koll Woodside, where construction is underway. Phase I at Woodside is 216,000 square feet of space. Sequent Computer Systems will occupy 86,000 square feet of space.

Landsing Property Corporation completes Cornell Oaks Phase II, a 163,000 square foot building. Lattice Semiconductor, the principal tenant, occupies 90,000 square feet in the Phase II building.

1985

The Colorado-based Clarion Hotels chain announces they will construct the first Class A hotel in the Sunset Corridor at the S.W. corner of the Sunset Highway and N.W. Cornell Road interchange. The \$22.7 million hotel will be a 320-room project with a 56,000 square foot conference center.

April 1985

The northern alignment for the proposed realignment of N.W. Cornell Road west of 185th is selected as the preferred alternative. The DEIS is expected to be through public hearings by December.

May 1985

Hosts of America, Best Western Motel, opens across from Hillsboro Airport.

June 1985 Landsing Property Corporation breaks ground on Phase III of Cornell Oaks which will include four buildings totalling 128,000 square feet.

Fall 1985 Standard completes construction of Evergreen Blvd. Evergreen is a \$2 million, five-lane, one-mile long road connecting 185th Avenue to Cornelius Pass Road.

Standard also builds N.W. 188th, Walker Road, and 206th through the Tanasbourne P.U.D. Cornell Square, a 40,000 square foot retail center developed by Dant Development Co. is completed.

There was testimony that since 1978, the year the UGB was initially adopted, 1,614 acres of large acreage sites (30+ acres) have been removed from the land inventory in the Sunset Corridor. This is a rate of 230 acres per year. Over one-half of this acreage -- 874 acres -- has been absorbed since 1983. This is a rate of 437 acres/year. If the trend since 1978 continues, the 694 remaining acres will be absorbed in less than three years. If the trend since 1983 continues, the Sunset Corridor's supply of large acre parcels will be absorbed in less than two years. The testimony was that in seven years, over 15 years' worth of Metro's 20-year industrial supply of large acre industrial sites has been absorbed. The Oregon Economic Development Department states in a letter that vacant land inventories equivalent to three to five times annual absorption be maintained. If the high end of this range were utilized, a need for over 1,400 acres of additional land in the Sunset Corridor is indicated. If the low end of this range were utilized, a need for approximately 600 acres of additional land is indicated. These figures demonstrate a need, however; the Hearings Officer does not find it necessary to determine the

exact amount of the need in terms of number of acres because the Hearings Officer finds the need to be for a variety of large acreage parcels -- this need is demonstrated as follows.

The need for a variety of large parcels was established by the testimony of Doug Anderson at the "Alternative Sites" hearing. Mr. Anderson's report documented there are only seven parcels totaling 629 acres which are available within the Sunset Corridor, and there are no finished lots of 30 acres or larger. If these seven parcels are deemed sufficient for the next 20 years' growth, it will allow only one new firm every three years, on the average.

The findings for Goal 14, Factor 2 establish a need for jobs. Portland and the Sunset Corridor will be competing with other areas for new industry. The question is whether seven sites totalling 6290 acres is competitive.

A second question is whether there is a sufficient variety of site sizes for the region to be competitive. Mr. Wes Reynolds testified that within the entire urban growth boundary there are only 15 "unconstrained" light industrial sites of 60 acres or more. Eight sites are located on the west side and only four sites are located within the Sunset Corridor. The sites are discussed in detail under the "Alternative Sites" approval criteria (Goal 2). The available sites are as follows:

Seaport	197 acres
Burlington Northern	147 acres
Dawson Creek	54 acres
PacTrust/Johnson	35 acres
Five Oaks Industrial Park	71 acres
Kaiser/231st	77 acres
Tanasbourne	39 acres

A point made throughout the testimony is the need for a variety of parcel sizes. In fact, ORS 197.712(2)(c) requires local governments to "provide for at least an adequate supply of suitable sizes, types, locations and service levels for industrial and commercial uses" Having examined the distribution of the existing "unconstrained" parcels, the Hearings Officer finds that the creation of all 30-acre parcels which the proposed zoning would allow will leave an unmet need for larger parcels. In fact, the petitioners recognized this need and stated on the record that the need for larger parcels would be satisfied through the following steps:

A. Upon approval of the UGB amendment, the applicant shall initiate annexation proceedings for the Kaiser property to the City of Hillsboro.

B. The applicant will apply for a zoning designation of Industrial Park ("IP") under the City of Hillsboro's Zoning Ordinance for the Kaiser property.

C. The applicant agrees to special conditions upon rezoning of any portion of the Kaiser property by the City of Hillsboro as follows:

1. The site will be considered a Specially Regulated Area (SRA) under the City of Hillsboro Comprehensive Plan.

2. Pursuant to the City of Hillsboro Comprehensive Plan, the applicant will demonstrate consistency with Metro Resolution No. 82-348 prior to annexation.

3. A master plan for the applicant's property shall be prepared consistent with the City of Hillsboro's Comprehensive Plan. The master plan shall include the following elements:

(a) The property will be divided into master planning parcels of approximately 30 acres in size, consistent with the applicant's final zoning approval from the City of Hillsboro.

(b) The applicant will take measures to assure that two contiguous 30 acre parcels will be available to the marketplace as a single large lot industrial parcel. Such measures shall include but are not limited to the marketing, design, and master planning of the overall site.

4. The configuration for development of the master plan may be re-evaluated on an annual basis at the request of the applicant in order to determine the continued advisability of retaining the large parcels in their then current sizes and configuration. An amendment may be made to the master plan only after public hearing.

The review authority shall apply standards for an amendment to the Master Plan substantially similar to those set forth under the conditions of strategy M under Policy #1 of the Washington County Comprehensive Framework Plan, which are the standards for an amendment to an SID restriction in Washington County. Any amendments of the Master Plan shall be reviewed under the City of Hillsboro procedures and shall not be subject to further review by Metro.

D. The eastern half of the site, not controlled by the applicant, shall be subject to these same conditions at such time as any portion of the eastern half of the site initiates annexation proceedings with the City of Hillsboro or initiates a development request from Washington County.

The Hearings Officer finds that the applicant's petition to add approximately 453 acres of land which will be in tracts of 30 acres and larger to the UGB addresses a demonstrated need for additional large acreage industrial land in a variety of parcel sizes for the following reasons:

- (1) The Sunset Corridor is the only area for which there exists a material demand for high-technology industrial sites, because it is the one place in the region which satisfies the locational criteria. High-tech requires:
 - (a) A large labor force pool. Therefore, it looks to locate in areas where it can draw upon a trained labor force. The area has a large high-tech labor pool.
 - (b) Educational facilities in close proximity. The Oregon Graduate Center is located within the Corridor.
 - (c) Critical Mass. The development trend in the area demonstrates that high-tech firms locate within close proximity to other firms. The reasons for this are that it makes it easier to develop a support network, they can easily transfer technology among companies and they can attract

highly trained people. People with narrow specialized skills will not move to an area which has limited job opportunities. Where there are a number of firms, the risk is less should they want to change employers.

(d) A naturally known area. The number of international firms demonstrates that the Sunset Corridor has an international reputation.

(2) The statistical evidence demonstrates that, based on recent absorption trends, from 600 to 1400 acres of additional land available for industrial development is needed to provide the adequate quantity and quality of land to maintain an efficient and nationally competitive market. Assuming there is a need for 600 acres, the amendment of 453 acres to the UGB will address this need for additional industrial land within the Sunset Corridor. The Hearings Officer, however, views these numbers as a guide and as reflecting the fact there is a present need in the Sunset Corridor given the "critical mass" which has been established. There was testimony that property has been purchased in other areas of the region by high-tech firms, however, to date little development has taken place. Therefore, the need in the future may be met in other areas by already planned industrial land.

(3) The testimony demonstrates there are only seven parcels of 30 acres or larger in the Sunset Corridor. The

testimony and ORS 197.712(2)(c) require the provision of a range of parcel sizes. The applicant is proposing 30 acre and larger sized parcels. This proposal addresses the need for a variety of parcels and satisfies that need in part since it will result in two 60-acre parcels and approximately 8 to 10 30-acre parcels.

2. Need for Housing, Employment Opportunities and Community Livability

Factor 2 of Goal 14 requires a consideration of the "need for housing, employment opportunities and community livability" in establishing an urban growth boundary. In addressing Factor 2, the applicant analyzed the need for employment opportunities in the state, region and locality. The Hearings Officer finds the evidence supports a finding that this approval criteria has been satisfied. The following is a discussion of the evidence which supports this conclusion.

Evidence was submitted on the impact of the recent recession on Oregon's economy. Historically, Oregon's economy has been anchored by agriculture and the lumber and wood products industry. Between 1979 and 1982, 95,000 jobs were lost in Oregon. Almost 43,000 of those jobs were in manufacturing, and wood products alone lost over 25,000 jobs. At present, there are 30,000 fewer wage and salary jobs in Oregon than at the peak in September of 1979.

Although total employment in Oregon has rebounded to pre-recession levels, most of the new jobs have been created or recovered in non-basic, non-manufacturing industries. They have

been created in service industries. High-tech is a basic industry. In 1979, manufacturing employment accounted for 21.6 percent of total wage and salary employment, whereas in 1984, it accounted for 19.8 percent. The share of non-manufacturing employment in the Portland area has steadily increased to 81.7 percent in 1983.

Expert testimony was submitted by Doug Anderson, upon which the Hearings Officer relies, on the need to rebuild and diversify the state's basic, manufacturing industries. Manufacturing firms are basic to the economy in that they provide exportable goods and create an economic multiplier effect in support and service jobs. On average, for every manufacturing job, approximately 1.8 support and service jobs are created. As Portland is a regional trade center which is essential to buttress the statewide economy, a decline in basic industries or primary employment in the Portland metropolitan area leads to overall economic contraction.

The State Employment Division has raised the issue of the critical need for rebuilding Oregon's manufacturing industries:

"It is questionable as to how much longer the non-manufacturing sector can generate additional employment growth in the face of stagnant manufacturing activity. Certainly the economy will not grow indefinitely simply by taking in each other's laundry, although this is about what happened during the past year. Continued expansion of local as well as national economic activity will need much more than just growth of the trade and service industries if further, substantial economic growth is to be achieved." Portland Metropolitan Labor Trends, May, 1985, p. 3.

In recent years, only five of Oregon's 19 basic industries have shown any significant signs of growth. Four of these basic industries are related to the high-tech industry.

Thus, Oregon's economic and employment needs are two-fold: (1) to replace jobs lost through the erosion of traditional employment bases; and (2) the need to rebuild and diversify the state's basic industries.

The evidence submitted showed that high-tech industries are significant generators of new jobs. Nationwide, high-tech firms accounted for 75 percent of new employment and manufacturing between 1955 and 1980. The electronics industry in the Silicon Valley is adding more than 40,000 jobs per year, more than the entire U.S. midwest has added in the past decade. The high-tech industry constitutes the most rapidly growing manufacturing sector in the Oregon economy. In 1983 alone, at least 15 new electronic companies began operations in the Sunset Corridor. Private venture capital placed in local start-up firms went from nearly zero in 1982 to over \$100,000,000 in 1984. The Oregon chapter of the American Electronic Association had the fastest growing roster in the U.S. during 1983 and 1984 with the number of members rising over 80 percent to 386.

Beginning in 1984, the growth of local start-up industries was paralleled by the entrance and expansion of major high-tech companies from outside the region. The announcement in the winter of 1984 by NEC of its intention to enter the Sunset Corridor with an initial investment of \$25,000,000 was followed by similar announcements from Epson and Fujitsu.

The Hearings Officer finds that the statistical evidence demonstrates that there has been an erosion of jobs in traditional employment bases and there exists the need to replace jobs as a consequence of the recession. The Hearings Officer finds that the statistical evidence demonstrates that there has been a decline in the state's basic industries, and that because manufacturing industries are needed to generate further growth, there exists the need to rebuild and diversify the state's basic industries. The Hearings Officer finds that, because high-tech industries are basic growth industries nationwide and in Oregon, fostering high-tech growth serves the dual needs of generating jobs and rebuilding the state's basic industries. The Hearings Officer therefore finds that the amendment to the UGB, the purpose of which is to develop high-tech industries, addresses the need for employment opportunities and livability in the state. Approving the application supports Factor 2 by securing an adequate supply of land in the area's prime high-tech corridor which will encourage location of new companies in the area.

3. Orderly and Economic Provision for Public Facilities and Services

Factor 3 of Goal 14 requires a consideration of the "orderly and economic provision for public facilities and services" in establishing or when changing an urban growth boundary. One of the long-standing planning principles in the growth and development of urban areas is that public facilities and services should be provided in support of that growth in ways that are efficient and cost effective. The Hearings Officer finds the evidence supports a finding that this approval criteria

has been satisfied. The following is a discussion of the evidence which supports this conclusion.

At this juncture of the land use process, there are no specific development proposals for the site. The UGB amendment is the first step in the land use process. It will be followed by: the district boundary change, annexation to the City of Hillsboro, preliminary master plan approval, comprehensive plan amendment and zone change, approval of the development application, approval of the engineering design for roads, sewer and water system improvements, approval of architectural designs, and construction activities. The case law recognizes that the accommodation of future development may be satisfied on an incremental basis, increasing in specificity as the land use process advances to later stages. See 1000 Friends of Oregon v. Wasco County Court, 299 Or 344, 359-60 (1985); Lee v. City of Portland, 57 Or App 798, 807, 656 P2d 662 (1982); Meyer v. City of Portland, 7 Or LUBA 184, 188 (1983) 67 Or App 274, 678 P2d 741 (1984). Thus, specific solutions for the provision of public facilities and services are not necessary or feasible at this stage of the proceedings. Rather, it need only be established that there are measures which can reasonably accommodate future development on the site.

(a) Police Service

Police services will be provided to the site by the City of Hillsboro either under contract if the site is not annexed to the City or directly by the City if annexation occurs.

The City of Hillsboro has a current total staff in its police department of 47 personnel. While their service varies from day to day according to the time of day, they operate from a patrol standard of five patrols and one supervisor. The city has indicated that as additional development occurs within the area with or without the annexation of the site, patrols will be increased through the area.

Because of the nature of industrial and office development, considerably less police services are required per acre than in residential or commercial areas. In part this is because of the more "private" nature of the activities that take place in such development and in part because industrial and office development often hire their own private security services. They also install security systems which significantly deter property crimes and obviate the need for frequent patrolling by police. Given the intended high-tech nature of the development of this site, private, on-site security measures will be from moderate to extremely tight and will operate on a 24 hour basis. Such services, while generally taking care of most security problems, also provide high levels of coordination and cooperation with public police services, thereby maximizing the effectiveness of those public services.

Sheriff Probstfield, Washington County Sheriff, and Hillsboro City Manager, Eldon Mills, have indicated that the addition of this site will not impair the provision of police services.

The Hearings Officer finds that adequate police service will be provided by private on-site security and by the City of Hillsboro, particularly since the representatives of the County and City have indicated that the continued level of demand could be handled by the current level of manpower.

(b) Fire Protection

Fire protection services will be provided by the City of Hillsboro if the area is annexed. At present, the area is served by Rural Fire District No. 2 and is under a mutual aid agreement with the City of Hillsboro and Rural Fire Protection District No. 1. A new fire station site is proposed on Port of Portland property near the intersection of Dawson Creek and Cornell Road. The proposed extension of Brookwood Road to intersect with 242nd and Shute Road will provide direct connection between the proposed location of the new fire station and the intersection of Shute and Evergreen Roads. At present, District No. 2 has a pumper and a hose truck at the station located at 228th and Dogwood on Orenco. This is less than 2½ miles from the site. The response time to the site is less than five minutes.

As with police services, the nature of industrial development will mandate high levels of internal fire suppression facilities and measures and sensitivity to flammable or toxic substances and on-the-job industrial injury. In addition, personnel safety practices of most industry require regular training and drills to deal with a variety of emergency situations within the industrial facility. The Hearings Officer

finds that such measures, while not eliminating the potential for fire, ensure that high levels of public safety are maintained, public fire suppression facilities are augmented with private, on-site facilities, and that there is a high level of cooperation with public fire services. In addition, the on-site private security measures ensure rapid reporting of fires, thereby maximizing the effectiveness of public services.

(c) Water Availability for Domestic, Processed Water, and Fire Protection

Water service is adjacent to or within 1000 feet of the site. A 16 inch water line has been constructed across the property to the south, terminating at a point approximately 1000 feet south of Evergreen Road, which is immediately south of the site. This City of Hillsboro line was financed with major contributions from both NEC and PacTrust as a part of their development programs. The City indicates that adequate capacity exists within that line and within their storage system (current storage capacity is 180 percent of peak day usage) to handle the needs of the development of this site.

A 20 inch Wolf Creek Highway Water District line is adjacent to the property in Cornelius Pass Highway. This line services the Riviera Motors property north of Sunset Highway and was installed and financed by Standard Insurance and Riviera Motors to support the eventual development of their properties, including Standard's 45 acres which are a part of this site.

A 12 inch water line extends east along Evergreen Road immediately adjacent to the site, from approximately 229th to Cornelius Pass Road.

While capacities are adequate within existing systems to handle the development of the site, the Hearings Officer finds that some improvements will be required to provide final service. These improvements include:

- a. The 16 inch line would be extended north to Evergreen and connected with the existing 12 inch line. This extension would be adequate to provide water service to the first phases of development of the site.
- b. In later phases, the water system would be extended west toward Shute Road, connecting south into the Dawson Creek Industrial Park system and/or along Shute Road.
- c. A cost sharing arrangement will provide the basis for connecting into existing systems. The site developer will provide primary financing for the extension of the new system.
- d. An interconnect between the City of Hillsboro system and the Wolf Creek System would ultimately provide improved capacities and flow pressures.

The Hearings Officer finds that existing water facilities and proposed improvements will ensure water availability for domestic use, processed water, and fire protection. The specific contours of these improvements will be shaped as the development process continues.

(d) Storm Sewer

No regional storm sewerage system exists within this area. The present system to handle stormwater runoff is a combination of on-site retention and natural stream flows.

The site drains into two established drainage courses. The westerly portion of the site drains in a northerly direction to an existing agricultural ditch running east-west across the northwestern corner of the site. The central and eastern

portions of the site drain to Dawson Creek, which has its present origins in the northeast corner of the site.

As development occurs, the applicant has indicated that a detailed stormwater analysis will be conducted and provide the basis for evaluating potential on and off-site improvements. The Hearings Officer recognizes that in general, industrial development, particularly large site, high tech facilities, does not generate substantial off-site flows because of the large areas committed to landscaping, the relatively small amount of paved road surface per acre of development (as compared with residential or commercial development), and the relative ease of dealing with stormwater on-site.

Since the natural drainage systems cross within both the jurisdiction of Washington County and the City of Hillsboro, the final stormwater system improvements will be designed in coordination with the requirements of both jurisdictions. Such improvements will be completed as a part of the development of the site.

The Hearings Officer finds that, given the relative ease of addressing storm water needs on a large high-tech facility, adequate storm water services have been identified by the applicant.

(e) Sanitary Sewer

At present, the Unified Sewerage Agency, which provides sewerage service within this area of Washington County, does not have plans to provide service for the site. Under that agency's original 1969 Master Plan, this site was planned for service

through the Dawson Creek Trunk. With the adoption of the UGB in 1980, the agency's legal service area was restricted to areas within the UGB and plans for service to areas outside the UGB were terminated.

In response to the possibility of amending the UGB to include this site, a study was recently undertaken by the Unified Sewerage Agency, the City of Hillsboro and representatives of the site to determine a sewerage system design to service the site.

On the basis of that system design, the Hearings Officer finds that the following improvements will assure full service to the site:

(1) The Orenco Trunk must be extended north and east to serve 876 acres north of the present alignment of Cornell Road (west of Cornelius Pass Road).

(2) The Orenco pump station will be taken off line and a trunk sewer line built from the western edge of Fujitsu America to Rock Creek.

(3) An extension of the present Dawson Creek Trunk will be built west from its present terminous at Evergreen Road to serve the eastern portion of the "site".

(4) The total cost of the Orenco Trunk is estimated at \$738,060. Under the agreement reached, USA will provide \$150,000; the City of Hillsboro will contribute \$300,000; Kaiser Development Co., Pacific Realty Associates, and Standard Insurance will contribute \$750/acre of land under their respective control; for a total of \$825,000. This will also include the cost of an eastern branch of the Orenco Trunk. This

method of financing has been approved by the City of Hillsboro and agreed to by the major property owners.

(5) The southerly two-thirds of the site (Area II) is designed to be served by gravity from the Phase D of the Dawson Creek Trunk Line (already constructed to Evergreen Road). The northwesterly portion of the site will gravity feed to a pump station located near Highway 26 and the BPA right-of-way and then be pumped into the gravity portion of the system. Assuming average flow rates of 1,500 gallons per acre per day, a peaking factor of three, and an infiltration and inflow rate of 1,500 gal./ac./day, the Dawson Creek Trunk has a design capacity of 8.5 million gallons per day at Cornell Road. The Dawson Creek Sewer has adequate capacity to service the proposed amendment area. However, as the area develops to full capacity, system improvements will be needed south of Cornell Road. Most likely, a parallel line of at least 12 inches would be laid from Rock Creek to Cornell Road. This would be financed by future hook-up fees and direct user financing. The petitioners propose to provide a pro rata share of the financing of the Orenco Trunk Improvements. In a formula agreed to by USA, Hillsboro, and the petitioners, the following cost assessments are proposed:

SEWER ASSESSMENT

ORENCO TRUNK COST ESTIMATE

Trunk line south of pump station 6,900 l.f.

Estimated Cost	\$370,344.00
Admin/Engineering @ 15%	<u>55,552.00</u>
	\$425,896.00
USA share @ 35%	<u>(149,063.00)</u>
	\$276,833.00

Trunk line north of pump station
(no USA participation)

Estimated Cost	\$271,447.00
Admin./Engineering @ 15%	<u>40,717.00</u>
	\$312,164.00
 Total Costs	 \$738,060.00
USA Share	<u>(149,063.00)</u>
	\$588,997.00

Total benefiting area, excluding
Fujitsu America - 1,278 acres.

Assume balance financed on a per
acre assessment = \$461.00 per acre

Based on the above system design and sewer assessment,
the Hearings Officer finds that there are specific proposals for
the provision of an adequate sanitary sewer system as development
occurs.

(f) School Service

While the site is proposed to be developed for
industrial use and would, thus, have no direct impact on schools,
it would have an indirect impact through the generation of jobs
and corresponding increased demand for residential units in the
area. Hillsboro Union High School District 3JT has four junior
high schools and two high schools serving the area with plans to
construct an additional high school on a site they own on Shute
Road immediately south of the subject property. The District
indicates, and the Hearings Officer finds, that ample classroom
space will be available with the completion of the third school
to accommodate additional students that might move into the area
because of such development.

Elementary school children are served by West Union
School District No. 1. Since West Union School presently has an

enrollment of 260 students in K-6 with a capacity for 500 students, the Hearings Officer finds that there is adequate elementary school service to accommodate the proposed development.

(g) Transit Availability

Only the eastern portion of the site is presently served by transit. The existing service is an express commuter run, Line 57, between Portland and Forest Grove which runs on Cornelius Pass Road in the mornings and evenings. There is no transit service available at present on Shute Road.

(h) Electrical Service

The Hearings Officer finds that electrical service will be adequate because electrical service is presently provided to the area by Portland General Electric from substations located on 219th at Quatama and at Jacobson at West Union. Additional substations and transmission lines will be provided by PGE as demand requires. All substations and transmission lines are extended as a utility financed expense.

(i) Natural Gas

The Hearings Officer finds that natural gas service will be adequate because Northwest Natural Gas Company presently supplies gas to the eastern portions of the site through lines in Cornelius Pass Road and Evergreen Parkway and gas lines will be extended along Evergreen Road to service the western portion of the site as demand requires.

(j) Transportation Facilities

(1) Analysis

As discussed above, at this juncture of the land use process, it is neither necessary nor feasible for the applicant to provide specific solutions to potential development impacts. Thus, in evaluating the accommodation of traffic impacts, it is only necessary for the Hearings Officer to find that reasonable solutions for potential adverse traffic impacts exist.

The petition was evaluated by Metro staff assuming this petition, the petition by Riviera and the petition by Benj Fran were each approved. The approval of any one of the applications will affect Sunset Highway, however the traffic generated by anyone or all three of the petitions can be accommodated by proposed improvements. At Sylvan, however, Sunset is at capacity for westbound p.m. peak traffic. This means that traffic will be redistributed to the Cornell and Burnside corridors which are also at capacity. Metro staff testified that the approval of each of the applications will generate the following: Riviera, 30 cars; Kaiser, 70-80 cars; and Benj Fran 90 cars. The Corridor carries approximately 8000 cars at p.m. peak. This evidence was not refuted. The Hearings Officer finds that the traffic generated by this petition is minimal.

Expert testimony and a written report on traffic impacts were submitted by Carl Buttke, a consulting transportation engineer. No contradictory evidence was submitted by the State, Washington County or the City of Hillsboro at the hearing. The City of Portland did submit a letter stating that approval of

this proposal will adversely affect City of Portland road systems. This letter is addressed in these findings. Mr. Buttke's analysis, upon which the Hearings Officer relies, concludes that the transportation system set forth in the East Hillsboro Circulation Plan and the Washington County Plan will function within acceptable standards through the year 2005. Further, the analysis by Metro staff on which the Hearings Officer relies shows that the approval of this petition will have a de minimum impact on the Portland road system.

Mr. Buttke's analysis assumed full buildout of the site by the year 2005 and compared this to Metro's forecast of traffic for 2005. Mr. Buttke's report represents a "worst case" analysis. His analysis assumed no additional public transit services and the absence of ride-sharing, both conservative assumptions. If traffic assignments were made using the figures estimated by Metro instead of Mr. Buttke's figures, volumes on all street segments would be the same or lower. Mr. Buttke's figures were used because his figures are used by the City of Hillsboro in its recently completed East Hillsboro Circulation Plan. The site will eventually be annexed to the City of Hillsboro, therefore it was most appropriate to employ a "worst case" scenario using the City's traffic assignments.

The site is in an area in which both the County and City share transportation interests. Even prior to the City's recent annexation of the area south of the site, the transportation role of Evergreen Road, Shute Road, Cornelius Pass, Cornell and the Sunset Highway, has been an important part

of the City's transportation planning since each provides an important linkage from the City to the east. With annexation, those facilities are now even more directly important to the City.

The City has recently completed an analysis of the existing and projected traffic circulation system for the eastern portion of the city, including the general area of the site. The analysis, the East Hillsboro Transportation Plan, did not assume urbanization of this site because the site is outside the UGB. Therefore, it was necessary to add the traffic generated by development of the site to the existing Plan assignments.

In analyzing the existing road system, the East Hillsboro Transportation Plan contains several significant conclusions:

1. The present circulation system, both in terms of the capacity of the existing roadways and intersections, and in terms of the overall adequacy of existing road corridors, is inadequate to meet the needs of urbanization through the year 2005;
2. Improvements will be required to many, if not most of the existing roadways including additional rights-of-way, lanes, intersections, and signals; and
3. New roadway corridors and facilities will be required in selected locations.

Therefore, with or without the development of this site, major transportation improvements will have to be made in the City in order to accommodate future growth. The applicant has indicated it will share its burden in working to achieve the solutions to the transportation problems. It is expected that the Hillsboro Plan will be adopted into its Comprehensive Plan within the next few months.

(2) Planned Improvements

The following improvements to transportation facilities are designated in the Hillsboro Plan:

1. The Evergreen Parkway will be expanded to a five lane facility.
2. Cornell Road will be expanded to a five to seven lane facility between Cornelius Pass and the intersection of 10th and Main Street.
3. Baseline will be expanded to a five lane facility east of Brookwood and a three lane facility west of Brookwood. This improvement is fully consistent with the Washington County Plan.
4. Shute Road and Brookwood will be expanded to a five lane facility down to approximately the Rock Creek area, where it would become a three lane facility between Rock Creek and the T-V Highway.
5. 231st and 229th will be expanded to a three lane facility between Evergreen and Cornell and will be expanded to a five lane facility between Cornell and the T-V Highway.
6. Cornelius Pass Road will be expanded to a five lane facility throughout its entire length.
7. In 1986, Shute Road will be expanded to a five lane facility between Evergreen and Airport Way.
8. In 1986, Brookwood will be expanded to become a five lane facility between Airport Way and Cornell.
9. In 1987, Brookwood will be further expanded to become a five lane facility between Airport Way and Shute Road.
10. An interchange between Shute Road and Highway 26 is near completion, which will permit future construction of a six lane freeway, if necessary.
11. An interchange at Cornelius Pass Road is scheduled for design in 1988.
12. An interchange at 185th is scheduled for design in 1989.
13. An interchange at Murray Blvd. is scheduled for construction in 1989.

14. An interchange at Cornell Road is scheduled for design in 1990.
15. There are several committed projects for improvement of transportation facilities. Cornell Road will be expanded to become a five lane facility between Hawthorn Farms and Cornelius Pass Road, where it will be widened to seven lanes. Cornell Road will also be expanded to become a five lane facility between 185th and 158th. 185th and Murray Blvd. are committed as five lane roadways.

(3) Accommodation of Traffic Impacts

Mr. Buttke's and the Metro Staff's analyses conclude that, with the implementation of the planned arterial improvements, the traffic flows will remain within acceptable levels, i.e., D level or acceptable E level. (Operations into the E level for approximately one-third of the p.m. peak hour are considered acceptable within Washington County.)

The only area with potentially unacceptable levels is Cornell Road, which falls into the E level from the D/E level as a consequence of site-generated traffic. Mr. Buttke's analysis found that this adverse impact is mainly the product of intersection conditions which can be relieved by right turn lanes.

The Hearings Officer finds that the expert testimonial and written evidence submitted by Mr. Buttke, substantially corroborated by the analysis of the Metro Staff, establishes that the traffic impacts from the site will be reasonably accommodated by planned arterial improvements through the year 2005.

(4) Metro Staff Analysis

The Metro Staff noted three areas which face potential adverse traffic impacts from development on the site. First, the

Staff initially recommended that the Sunset Highway between Highway 217 and 185th should be expanded to a six lane facility in order to accommodate traffic impacts from the site. Such an improvement would be obviated by the construction of an additional western bypass.

The staff's recommendation regarding the need for expansion of the Sunset Highway was modified in light of its recent capacity restraint assignment analysis. This analysis demonstrates that traffic would be diverted from the Sunset Highway to Cornell and Barnes Roads. Thus, the Sunset Highway would actually remain below capacity.

Mr. Buttke's analysis is substantially similar to that of the Metro Staff. It is notable that the capacity restraint assignment assumed Walker Road to be three lanes, whereas it is planned by Washington County to be a five lane facility. Thus, excess capacity beyond that indicated by the capacity restraint assignment exists.

The Hearings Officer finds that, given the planned arterial improvements and the analyses of the Metro Staff and Mr. Buttke, traffic impacts on the Sunset Highway will be maintained at acceptable levels.

The second area of concern raised by the Metro Staff is the traffic impacts on 216th and 231st. The Metro Staff and Mr. Buttke conclude that adverse impacts from the site can be accommodated by expansion of these roads to three lane facilities, as is presently planned in the East Hillsboro Plan. The Hearings Officer finds that, given the planned arterial

improvements, the traffic on 216th and 231st will remain within acceptable levels upon development of the site.

The final area of concern raised by Metro Staff is the traffic impacts on Shute and Brookwood Roads, which require expansion to five lane facilities to accommodate site-generated traffic. Since such improvements are scheduled in the East Hillsboro Plan, the Hearings Officer finds that the traffic impacts of the site on Shute and Brookwood Roads will be reasonably accommodated.

(5) Issues Raised by City of Portland

The City of Portland raises three issues which need discussion. First, the City questions whether annexation would require additional unplanned public investments and investments to be made prior to planned dates to already overburdened facilities within Washington County; e.g. Sunset Highway, Beaverton-Hillsdale Highway and Tualatin Valley Highway. The Hearings Officer finds that approval of this petition will not result in such situations because adequate arterial improvements are presently planned with or without the annexation.

Second, the City seeks clarification of the effect that the annexation would have on the mass transit system. The analysis of Mr. Buttke and the Metro Staff assumed that there would be no additional bus or light rail services provided to facilitate the site. The Hearings Officer finds that, because planned arterial improvements will accommodate potential development of the site, additional transit service is

unnecessary but, if provided, will further ameliorate traffic impacts and will support the land use pattern.

The third major issue raised by the City is the impact of the diversion of traffic from the Sunset Highway to Cornell Road and Burnside (in their Portland West Hills segments), as established by the capacity restraint assignment.

Mr. Buttke's analysis supported by Metro staff concluded that the diversion of traffic to Cornell or Burnside Road would be from 40 to 70 cars during the p.m. peak hours in the year 2005. The Hearings Officer finds that the inadequate capacities of Cornell and Burnside are regional problems since, as Mr. Buttke's analysis demonstrates, the excessive flow is traffic moving toward the site, rather than being site-generated. The Hearings Officer finds that the incidental westbound traffic arising from the site will not affect the outcome of the necessary regional solutions. The Hearings Officer further finds that the site will provide better utilization of the Sunset Highway by generating eastbound traffic at the p.m. peak hour. The Hearings Officer finds that with the reverse flow of the traffic generated by development of the site, the negligible impact of such traffic on Cornell/Burnside and dispersal of such traffic through other arterials will not place undue burdens on Cornell/Burnside. Furthermore, the Hearings Officer finds that the capacity constraints on Cornell/Burnside are regional and not site created.

(6) Funding Mechanisms

The Hearings Officer finds that a variety of funding mechanisms do exist to fund the continued development of the existing and planned roadway system. The various mechanisms for financing local road improvements include (1) federal aid urban monies, (2) state economic development monies, (3) current state gas taxes, (4) future state gas taxes (HB 2266) imposing .01¢ per gallon tax effective January 1, 1987, (5) Washington County gas tax, (6) Washington County traffic impact fee, (7) city or county sponsored general obligation bonds, (8) local improvement districts, (9) tax increment financing, and (10) developer financed improvements. The Hearings Officer therefore finds that, once the East Hillsboro Circulation Plan has been adopted, the City will have a basis for setting priorities to deal with the specific transportation improvement needs as development occurs.

The Hearings Officer finds that, in addition to funding for an upgrading of the existing and planned system, a funding system exists for improvements that may be required because of the special impacts associated with new development. Presently, Washington County's Development Code requires each project to analyze its traffic impacts to the local and regional transportation system. On the basis of those projected impacts, the County's Growth Management Ordinance requires that an individual project assure that improvements necessary to accommodate the projected impacts will be installed.

Over the last year, the county has developed an alternative system for assessing new development to help fund needed transportation system improvements. The adopted Fee-Based Traffic Impact System (TIF) provides assurances for the funding of development necessitated by transportation improvements. It provides for a fee to be paid by new development based on the number of trips to be generated by that particular development. Credits for off-site improvements financed by developers is also included. The fee schedule is as follows:

Residential	- \$100 per trip
Office	- \$ 91 per trip
Industrial	- \$ 96 per trip
Retail	- \$ 19 per trip
Institutional	- \$ 37 per trip

Thus an additional financing mechanism encouraging developers to provide needed road improvements in exchange for TIF credits exists.

4. Maximum Efficiency of Land Uses Within and on the Fringe of the Existing Urban Area

Factor 4 of Goal 14 requires consideration to be given to "Maximum efficiency of land uses within and on the fringe of the existing urban area" in analyzing a change to an urban growth boundary. The Hearings Officer finds the evidence supports a finding that this approval criteria has been satisfied. The following is a discussion of the evidence which supports this conclusion.

The Hearings Officer finds that the extension of the UGB to include the site results in the maximum efficient use of land and services because the site is surrounded on three sides

by urbanized or urbanizing property which is within the UGB. In addition, the foregoing discussion of the need for larger acreages capable of providing for high-tech uses and the availability of services supports the inclusion of this site into the UGB.

While this site is on the urban fringe, it is immediately adjacent on two sides to one of the most rapidly growing industrial area in the state. These findings document the history of development in this area. A need for the land has been demonstrated and the Hearings Officer finds that adding land in this location given its proximity to other land uses, the UGB and services results in a maximum efficient use of land.

(a) Logical Extension of Services

The Hearings Officer finds that the site is uniquely situated for inclusion into the UGB because of the possible efficient extension of existing urban services and the ability to utilize those services to their fullest ability without overly taxing the underlying infrastructure. This is particularly true with water, sanitary sewer, and transportation system improvements. Because of the natural slope of the land, those properties lying west of Shute Road cannot readily be served with sanitary sewer improvements since it would require the construction of a new trunk line. While the site is "on the fringe" of the present UGB, it is at a key location for future industrial development because of the capability to serve industrial uses.

The Hearings Officer finds that the addition of this property will facilitate the completion of improvements to the section of Evergreen Parkway between Shute Road and Cornelius Pass, thus completing a vital link in the local transportation network. This link will provide a direct connection ultimately through to 185th on a five-lane urban standard arterial.

(b) No Islands or Unserviceable Areas

With the inclusion of the entire 453 acres between Shute Road and Cornelius Pass Road into the UGB no islands or unserviceable areas are created within the boundary. The Hearings Officer finds that the entire area can be provided the full urban services referenced above and creates a logical boundary for the extension of most of the services.

With respect to traffic, the Shute Road interchange is a major north-south arterial which connects to the east-west arterial Highway 26. The Hearings Officer therefore finds that the site creates a logical edge to the boundary. With respect to sewer service, by topography this is within the Dawson Creek sewer service basin and the Hearings Officer therefore finds that it is logically serviceable by this district.

5. Environmental, Energy, Economic and Social Consequences

Factor 5 of Goal 14 requires consideration in changing or establishing a UGB, of the "environmental, energy, economic and social consequences" of the UGB. The Hearings Officer finds the evidence demonstrates there are no adverse environmental, energy, economic or social consequences and therefore this

approval criteria is satisfied. The following is a discussion of the evidence which supports this conclusion.

(a) Environmental Consequences

(1) Soil Conditions

Evidence was presented, upon which the Hearings Officer relies, demonstrating that soils in this part of Washington County are typically deep silty clays and loams. They range from poor to moderately well-drained soils comprised of alluvial deposits. Typically, the silty loams range to 60 inches or more in depth. The soils on the site are classified as moderate to high yield agricultural, Class I and II. The Dayton silty loams are good pasture and grass seed crop land. The Woodburn silt loams are good productive soils favored for filbert and nut orchards and will produce grain crops in the range of 80 to 100 bushels per acre. The Willamette silt loams are classed as excellent soils, better drained than the Woodburns, and capable of growing nearly everything.

Generally, it can be said that the soils in this area are good productive crop soils, with moderate drainage problems in some portions of the site. Typically, these are the lower lying areas near the agricultural ditch lines or drainage courses. Because of this problem, some of the land in the western portion of the site along Shute Road has recently been drain tiled. Based on the above evidence, the Hearings Officer finds that these soils are typical for the area and would be found on other comparable EFU sites with the immediate area. The use of these soils for urban uses will have no adverse

environmental consequences. The finding on Factor 6, Goal 14 will discuss the loss of these lands for their agricultural value.

(2) Wildlife

The evidence demonstrates, and the Hearings Officer finds that no significant fish or wildlife habitat or endangered species have been identified on the site. According to the Washington County Comprehensive Framework Plan, Volume I, Resource Document, the only identifiable habitat existing within the area support field non-significant rodent and non-game bird populations that would be found in any similar crop land or orchard. Therefore, there will be no adverse environmental consequences.

(3) Drainage

The site contains two relatively ill-defined drainage courses, one on the westerly portion of the site running east to west that consists of an agricultural ditch intercepting a storm drain line under the Sunset Highway. The second is the headwaters of Dawson Creek, a low swale-like area on the central easterly portion of the property that does have standing water during heavy rain and runoff periods. There are no permanent wetlands identified on the subject property. The Hearings Officer finds that, given the absence of well-defined drainage courses and wetlands, no significant impact to any wetlands or to drainage capacity will result from development of the site.

(4) Water Quality

The site has moderate to poor ground water bearing capacity according to the U.S. Geological Survey and well water records in the area. Virtually all urban uses within the subject area are serviced by domestic water systems. Shallow wells have historically been used for low volume agricultural yields such as stock ponds. The evidence shows that some attempts at deep wells have produced heavy concentrations of arsenic, salts, and other minerals making these sources unsuitable for domestic or processed water usage.

According to information from the City of Hillsboro, to accommodate urban uses, the site would be served by the Hillsboro Water System. Water quality within the area would be maintained by incorporating piped sewerage disposal systems for all domestic and processed waste water. Storm water is allowed to be discharged into open drainage courses where sufficient capacity exists to handle peak storm flows. The only other potential for ground water contamination is siltation during construction. Siltation problems are normally controlled by the City of Hillsboro during the building permit approval process when siltation entrapment and protection measures are required in sensitive and susceptible areas. The Hearings Officer finds that the Hillsboro Water System will ensure adequate water quality for the accommodation of urban uses.

(5) Air Quality

The site is located in the Portland Air Quality Maintenance Area, and Department of Environmental Quality ("DEQ")

is responsible for enforcing the National Ambient Air Quality Standards and other provisions of the Federal Clean Air Act of 1977. Most industrial development with potential air discharge must obtain an annual air contaminant discharge permit from DEQ. Any new major polluting source would be subject to stringent regulations. Unless a permit applicant can demonstrate that its emissions will not materially damage the quality of the air shed, it must design its facilities to reduce emissions below the maximum level.

Additionally, any major residential, commercial or industrial development that includes over 250 parking spaces must apply to DEQ for an Indirect Source Permit. This permit allows DEQ to monitor the impact of auto emissions within the airshed.

In general, air quality within this portion of the Air Quality Maintenance Area is high. In fact, DEQ is considering modifying its long range Indirect Source Permit Application for large acreage industrial properties because the present standards seem more stringent than required by the Ambient Air Quality Standards within the area.

The Hearings Officer finds that there are no indications that air quality will be rendered unacceptable by annexation and development of the site and DEQ standards will assure that any development is within acceptable limits.

(6) Noise

The site is located in a developing portion of Washington County. There are no major industrial noise polluters

in the immediate proximity, other than the Hillsboro Airport located approximately 1.5 miles southwest of the site. This is a general aviation airport, and the noise contours from flight patterns around the airport do not impact this site.

In addition, the site is surrounded on three sides by existing and planned industrial development. The Hearings Officer finds that industrial development on the site would have no detrimental impact on those areas, nor would it impact the agricultural practices on the west.

(7) Flooding

A small portion of the site is within the 100 year floodplain as defined by the Federal Emergency Management Administration (FEMA). The identified 100 year floodplain is a narrow sliver of land adjacent to the agricultural drainage ditch that runs east to west across the northwesterly portion of the site. The floodplain is approximately 50 feet wide. The 100 year flood elevation is set at 187.5 feet at culvert under Shute Road. Because the applicant has indicated that the floodplain area will be managed as a part of the development of the site by either construction of a piped system or creation of a storm retainage basin incorporating the agricultural ditch, the Hearings Officer finds that there is no indication that the development of the site will create flooding or adverse drainage impacts. Further, Washington County floodplain standards will assure that development does not reduce the flood storage area on the site.

(b) Energy Consequences

(1) Transportation

The site's location on the Sunset Highway provides for direct access to a freeway, resulting in less stop and go traffic and better fuel economy. The area is presently a net employee exporter. The county and City of Hillsboro have placed particular emphasis on the location of a variety of housing densities near the Sunset Corridor industrial areas. Significant housing development is occurring in the immediate area. This will minimize employee trips and will localize commuting.

The Hearings Officer finds that, as the area develops and more jobs are produced, the highway/arterial system will be more efficiently used with a better balance of trips in both directions. The Hearings Officer further finds that, as the employment opportunities expand, the area will approach a closer balance between residence and employment, thus creating opportunities for shorter home/work vehicle trips.

(2) Energy Consumption/Supply

Any urbanization of the site will result in greater energy consumption than the present use, although agriculture is a fairly energy intensive industry. Conversion of the site to urban use will increase demand for natural gas and electrical energy. The evidence submitted indicates that typical load factors for gas and electricity consumption in a large acreage industrial campus would be approximately:

800-900 cubic feet/hour - natural gas

130-150 KV/hour/acre - electricity

Northwest Natural Gas has lines in Cornelius Pass Road, Evergreen Parkway, Cornell Road, and Shute Road. The Hearings Officer therefore finds that natural gas can be extended to the site, and Northwest Natural Gas has sufficient capacity to service the additional load generated by the site. PGE provides electricity through an existing overhead grid of 12,500 kva lines. The Hearings Officer finds that the site can be fed from lines on Cornelius Pass Road or Evergreen Road. As load increases, PGE may seek a site for an additional substation in the area, which it is fully capable of installing. The development of this site for urban uses will increase energy consumption, but not in any greater amount than if the same development took place elsewhere within the Urban Growth Boundary. Further, it will result in a better use of the transportation system and will reduce work/home vehicle trips which will reduce energy consumption.

(c) Economic Consequences

The economic consequences of annexation have been addressed in detail in the Hearings Officer findings relating to Factor 2 of Goal 14. The Hearings Officer finds that the State of Oregon is in need of diversification of its basic industries. With the decline in the wood products industry this situation is acute. The creation of jobs from the location of high-tech and emerging industry in the Sunset Corridor is a primary way for the state to improve its economic status. The value of the payroll alone for industrial uses is likely to be in excess of \$90 million annually. The current land valuation is slightly under \$1 million whereas at full industrial development it will exceed

\$340 million. Without an adequate inventory of large industrial sites, the Sunset Corridor and Oregon cannot compete with other metropolitan areas for the location of new industries.

(d) Social Consequences

Historically, this area of Washington County has been a part of a farming community of small and medium size farms. The social structure of such communities tends to be close knit families centered on social connections through the church, schools, farm cooperatives and small community/commercial centers. These were the conditions in this area during the first half of the century. Hillsboro, Forest Grove, Cornelius, all served as the local market and social centers, with much smaller centers scattered at intersections such as West Union and Cornelius Pass.

In the late 1950's, Park City Corporation, a development company from Southern California, purchased over 6,000 acres of farm land including 45 acres in this petition now controlled by Standard Insurance. Several thousand acres were north of Sunset Highway including what is now the Rock Creek community. Almost 2,000 acres were in the area south of Sunset Highway, generally between Cornelius Pass and 158th, south as far as Baseline.

While no actual development occurred on these lands until the mid 1960's, the ownership change was the beginning of a change in the character, lifestyle and fabric of this historic rural/farming community. Upon purchase, people who once owned and farmed their lands became tenant farmers. Slowly, tenant

farmers retired or moved away from their homes, their farmlands were re-leased to non-tenant farmers and their farm homes leased as rental housing.

Despite the physical appearance that this area continued to be a "farm" community during the 1960's and 1970's, the change in ownership alone was sufficient to start the transition from a strong owner based rural, agriculturally oriented social system to a mixed farming/transient social system to an urban/suburban based community. The pace of change has matched the pace of development of the original Park City lands along with other properties in the area whose ownerships have also changed. The site is now flanked by major industrial development featuring large scale foreign and domestic users. The area has clearly become urbanized.

Today, only a few remnants of the original farming society exist within the immediate area. Even with the lands adjacent to the UGB, few residents on that land are engaged in full scale commercial farming. Most immediate area residents reflect a transitional social structure oriented around a semi-rural lifestyle of hobby or subsistence farming at the fringe of an urban area.

Unrefuted testimony by Kenneth Berger, a farmer for 43 years, upon which the Hearings Officer relies, established that the immediate area has undergone a transition from a rural to an urban social climate. Mr. Berger stated that he farms 3600 acres including this property, because of urbanization and the associated traffic, farming machinery is often difficult, if not

impossible, to maneuver. Typically, farmers in Washington County rent land and farm many different fields. This is the case with Mr. Berger.

The longer term, more complex urban/suburban social structure to which the area is evolving, is partially in place today. The growth of the Sunset Corridor will continue that evolution. The institutions that form the nucleus of this social structure are also partially in place, such as urban schools, public park and recreation systems, commercial centers, employment centers, commercial recreation facilities, day care, public libraries, public and private health facilities, and high capacity transportation systems. As growth occurs within the immediate urban area, more of these facilities and services will follow.

Of the six families who live on the site, only one (the Bergers) farms on a full scale commercial basis. However, their principal farming activities occur on several thousand acres elsewhere in the county. Their 19 acres included in this petition are used primarily as their residence. Of all farming activity on the property, only the hazelnut orchard owned by the Magwires is producing a crop that is contributing significantly to their income. Most other families engage in farming for subsistence and/or hobby purposes, and have sufficient acreage to allow that activity and enjoy the resultant lifestyle.

The social consequences of including the property in the designated urban area will be to the immediately affected families. None of them appeared in opposition to this petition.

This is not to say that their lifestyle will not be affected. Each will ultimately move and with the monies realized from the sale or development of their property, will have the opportunity to re-establish a lifestyle on other property.

The Hearings Officer finds that including this property in the urban area will not affect the transition in the social system in the area. That transition is well under way. The historic farming social system no longer exists within the immediate area. In its place a new, mature social system based on an urban/suburban lifestyle is evolving.

6. Retention of Agricultural Land

Factor 6 of Goal 14 requires consideration of:

"(6) Retention of agricultural land as defined, with Class I being the highest priority for retention and Class VI the lowest priority;"

The Hearings Officer finds the evidence supports a finding that this approval criteria is satisfied. The criteria has been satisfied in the sense that a need has been established, the consequences have been weighed, and the need cannot be satisfied on other lower class land within the Sunset Corridor. Therefore, when these factors are balanced with this factor, this factor is satisfied. The following is a discussion of the evidence which supports this conclusion.

The site contains soils that are considered Class I and II in agricultural capability. Within the definition of statewide planning Goal 3, these lands would be the highest priority for preservation. There are other factors which must be considered. First, this site is surrounded on three sides by

land which is within the UGB. Therefore, it is an efficient use of land. Second, the system of statewide goals is based on a balancing of the interests of the state and a local community as those goals are applied within specific areas. As will be discussed below, the application contains facts and evidence to support the taking of a Goal 2 Exception to Goal 3. The exceptions process was designed for situations such as this one where there is a demonstrated need for additional industrial land in the Sunset Corridor which must override the general state goal of protecting farmland.

As urban areas need to expand, they will inevitably expand into lands protected variously by other goals. Expansion of the UGB anywhere in the Sunset Corridor means expansion into Class I and II agricultural lands. Therefore, it is not possible to amend the Boundary to meet a need without imposing on Class I and II lands. The Hearings Officer finds that, by its very nature, large acreage industrial parcels in the Sunset Corridor portion of the County will consist of land that is classified as Class I and II soils. There was no evidence submitted to the contrary under the alternative sites approval criteria. The Hearings Officer gives particular emphasis to the testimony of 1000 Friends of Oregon on this issue. That testimony indicated support for this application.

The Hearings Officer has found a need for additional industrial land in the Sunset Corridor under Goal 14, Factor 1. It was also found that the amendment in this location is an efficient use of land under Factor 4 and there are no adverse

consequences under Factor 5. In addition, the evidence supports the fact that any amendment to the Urban Growth Boundary in the Sunset Corridor for industrial land will result in removal of Class I and II agricultural land. Therefore, when all of these factors are weighed, this approval criteria is satisfied.

7. Compatibility

Factor 7 of Goal 14 requires a consideration of "compatibility of the proposed urban uses with nearby agricultural activities." The Hearings Officer finds approval of this petition will not create any greater incompatibility between urban and agricultural uses than already exist. This conclusion is based on the following evidence.

The agricultural lands immediately west of the site across Shute Road are Class I and Class II agricultural soils with high productivity and yields. Potential conflicts from the industrial and agricultural uses would come from the following sources:

(a) DEQ imposes strict air discharge requirements on industrial users. Those standards would apply to the industrial development on the site. The Hearings Officer finds that no adverse emissions are anticipated from proposed industrial uses on the site. In addition, the prevailing winds at the site are from the west and, thus, would carry any potential contaminants away from the adjacent agricultural lands. In terms of ground water quality, most of the industrial users in the area, such as NEC, Fujitsu America, Inc., and Epson, install ground water monitoring wells to continually monitor the quality of ground

water for organic and inorganic contaminants. It is likely that any similar developer of this site would be required to do the same.

(b) Conflicts created by the use of agricultural chemicals on the agricultural lands which could migrate or drift into the industrial area may be a minor seasonal problem. Possible conflicts could arise from aerial spraying of herbicides, insecticides, and fertilizers and from dust generated during the planting and harvesting periods. However, it is anticipated that these would be very minor conflicts, and the Hearings Officer therefore finds that they would not create serious contamination problems to buildings or critical industrial operations.

(c) Development of the property in large acreage industrial parcels and parks will include large landscaped areas with extensive landscaped berms and screening along Shute Road. The Hearings Officer finds that this will create both an aesthetically pleasing environment for visitors and employees of the facility, as well as create a visual separation between the industrial area and the agricultural lands west of Shute Road.

(d) Approval of this petition will increase the traffic on Shute Road, however, as Mr. Ken Berger testified, current traffic levels make it very dangerous to move farm machinery. Therefore, the problem will not be increased over current levels by the approval of this petition.

B. Compliance With Goal 2

Pursuant to Goal 14 and the Supreme Court's ruling in Branscomb v. LCDC, 297 Or 142, 681 P2d 124 (1984), the application contains evidence to meet the requirements of a Goal 2 exception. Goal 14 provides:

"In the case of a change of a boundary, a governing body proposing such change in the boundary separating urbanizable land from rural land, shall follow the procedures and requirements as set forth in the Land Use Planing goal (Goal 2) for goal exceptions."

In Branscomb, the Supreme Court interpreted the above quoted language of Goal 14 as follows:

"The only reasonable interpretation of this last sentence is that Goal 2 exceptions are required only for a change of a boundary, and not for the establishment thereof."
Branscomb, 297 Or at 147.

Therefore, the applicant has taken a Goal 2 Exception. Although the site is not forested, nor is it designated for forest use, the applicant has taken an exception to Goal 4 because the site has soil classifications which make it potentially suitable for forest uses.

In determining what criteria are applicable in following the exceptions procedure in order to comply with Goal 14, the applicant followed the criteria set forth in LCDC's administrative rule pertaining to the exception criteria to be followed in an urban growth boundary amendment application. OAR 660-04-010 (1)(c)(B) requires findings and reasons which support the seven factors of Goal 14 and that the following standards are met:

"(i) Reasons justify why the state policy embodied in the applicable goals should not apply (This factor can be satisfied by compliance with the seven factors of Goal 14.);

(ii) Areas which do not require a new exception cannot reasonably accommodate the use;

(iii) The Long-term environmental, economic, social and energy consequences resulting from the use at the proposed site with measures designed to reduce adverse impacts are not significantly more adverse than would typically result from the same proposal being located in areas requiring a goal exception other than the proposed site; and

(iv) The proposed uses are compatible with other adjacent uses or will be so rendered through measures designed to reduce adverse impacts."

These four criteria are identical to the criteria contained in Goal 2 and ORS 197.732.

These four criteria for a Goal 2 exception are addressed below, together with the Hearings Officer's findings of compliance with each criterion.

1. Reasons

As set forth in the administrative rule, this criterion may be satisfied by compliance with the findings with respect to the seven factors of Goal 14. OAR 660-04-010(1)(c)(B)(i). The seven factors of Goal 14 are addressed in Section II A above, and the Hearings Officer finds the seven factors in Goal 14 have been satisfied, therefore, this approval criteria has been satisfied.

2. Alternative Sites

This criterion requires an applicant to address "reasonable" alternative sites which do not require an exception

to the goals. Because Goal 14 requires an applicant to follow Goal 2 procedures for an exception, the LCDC administrative rule pertaining to exceptions procedures is applicable. OAR 660-04-020 provides some explanation as to how an applicant can meet the "alternatives" criteria for a goal exception. It provides:

"(b) 'Areas which do not require a new exception cannot reasonably accommodate the use:'

(A) The exception shall indicate on a map or otherwise describe the location of possible alternative areas considered for the use, which do not require a new exception. The area for which the exception is taken shall be identified.

(B) To show why the particular site is justified, it is necessary to discuss why other areas which do not require a new exception cannot reasonably accommodate the proposed use. Economic factors can be considered along with other relevant factors in determining that the use cannot reasonably be accommodated in other areas. Under the alternative areas factor the following questions shall be addressed:

(i) Can the proposed use be reasonably accommodated on nonresource land that would not require an exception, including increasing the density of uses on nonresource land? If not, why not?

(ii) Can the proposed use be reasonably accommodated on resource land that is already irrevocably committed to nonresource uses, not allowed by the applicable goal, including resource land in existing rural centers, or by increasing the density of uses on committed lands? If not, why not?

(iii) Can the proposed use be reasonably accommodated inside an urban growth boundary? If not, why not?

(C) This alternative areas standard can be met by a broad review of similar types of

areas rather than a review of specific alternative sites. Initially, a local government adopting an exception need assess only whether those similar types of areas in the vicinity could not reasonably accommodate the proposed use. Site specific comparisons are not required of a local government taking an exception, unless another party to the local proceeding can describe why there are specific sites that can more reasonably accommodate the proposed use. A detailed evaluation of specific alternative sites is thus not required unless such sites are specifically described with facts to support the assertion that the sites are more reasonable by another party during the local exceptions proceeding." OAR 660-04-020(2)(b).

The Hearings Officer finds evidence supports a finding that this approval criteria has been satisfied. The following is a discussion of the evidence which supports this conclusion.

(a) Map of Alternatives

The applicant has submitted a map attached as Exhibit "B" in response to the requirement (A) above, that the exception provide locational alternatives on a map. OAR 660-04-020(2)(b)(A). Alternatives studied are both in and out of the urban growth boundary and both in and out of the Sunset Corridor.

The map is limited to sites within Washington County and the Sunset Corridor. The Hearings Officer finds there is a need for additional land for high-tech uses (see findings on Goal 14, Factor 1) and therefore, this map satisfies the Exceptions requirements.

(b) Why Other Areas Not Requiring An Exception Cannot Accommodate the Proposed Use

The directive of OAR 660-04-020(2)(b) requires the applicant to justify why "areas which do not require a new

exception cannot reasonably accommodate the use". The case law establishes that the scope of review in evaluating alternative sites is defined largely by the requirements of the "need" or "reasons" criterion. Gordon v. Clackamas County, 10 Or LUBA 240, 250 (1984); 1000 Friends of Oregon v. Douglas County, 4 Or LUBA 148, 160 (1981). The Hearings Officer has found that there is a localized shortage of land as a result of recent market activity, and that while other areas can in principle physically accommodate high-tech industries, the Sunset Corridor is the first (and basically the only) locational choice of most high-tech and emerging industries within the Oregon portion of the Portland Metropolitan Area. Therefore, the shortage of land will place constraints on local and state economic development goals.

The Hearings Officer finds that the demonstrated need is for additional land in the Sunset Corridor, therefore the issue is not whether other areas of Portland can "reasonably accommodate" high-tech uses. The record includes substantial evidence which demonstrates that high-tech uses seek an area which has: (1) critical mass, (2) known identity, (3) educational institutions, and (4) an available labor force. The Sunset Corridor has established that critical mass and has reached the point of second and third generation spin-offs. It is internationally known and has established international firms, and it is within a few miles of the Oregon Graduate Research Center. In addition, there is a large labor force. Therefore, the Hearings Officer finds that due to the uniqueness of the

requirements of the industry, this approval criteria is satisfied by a showing there are inadequate sites within the Sunset Corridor.

(c) Questions Posed by Administrative Rules

The rule sets out three questions which must be addressed as part of the alternatives analysis. These are addressed below.

- (1) "Can the proposed use be reasonably accommodated on nonresource land that would not require an exception, including increasing the density of uses on nonresource land? If not, why not?"
OAR 660-04-020(2)(b)(B)i.

The first component of the alternative site analysis required by the administrative rule is two-pronged. The first element asks whether:

- (i) It is possible to reasonably accommodate the use on nonresource sites which would not require an exception which are located outside the UGB.

The second component of the analysis requires a finding on whether:

- (ii) The density of uses can be increased on nonresource lands.

(i) Outside Urban Growth Boundary

There are no nonresource lands which are contiguous to the urban growth boundary which are within the Sunset Corridor. It is not good planning to site spots of urbanization among the rural landscape. In addition, the record is complete with testimony that high-tech must create a "critical mass" to function. Further, the need for additional land is within the

Sunset Corridor, therefore the land cannot be satisfied outside the UGB.

- (2) "Can the proposed use be reasonably accommodated on resource land that is already irrevocably committed to nonresource uses, not allowed by the applicable goal, including resource land in existing rural centers, or by increasing the density of uses on committed lands? If not, why not?" OAR 660-04-020 (2) (b) (B) (ii).

The applicant limited its search for alternative sites to those in the Sunset Corridor or adjacent to it. In analyzing sites in rural centers and sites on resource land but already committed to nonresource use the applicant found four possible sites. Four rural areas (outside the Urban Growth Boundary) in proximity to the UGB were identified as resource lands committed to non-resource uses; in this case single family homes on five 20 acre lots. All areas were zoned AF-5 or AF-20, neither of which allows for industrial development. Full service utilities are not available to any of these areas. All lack sewer according to Jeanne Hedrick, the Information Clerk for Unified Sewerage Agency. The extension of services would have the effect of creating urbanization pressures on intervening lands where the irrevocably committed lands are not contiguous to the boundary. High-tech uses require public sewer and water. It is not sound land use planning to spot urbanization among the rural landscape.

The areas are presently developed with large single family residents and farmsteads and each of the four areas is under multiple ownerships. From an economic standpoint, conversion of any of these areas to industrial uses would be

infeasible because of the time required for parcel assemblage, higher land value for improved parcels, and the absences of sewer.

Expert testimony was presented by Doug Anderson, upon which the Hearings Officer relies, that industrial firms will rarely enter into negotiations for a site with more than a very limited number of property owners properties that are not serviced. Once industrial firms have determined that market conditions support expanded production, they require an expeditious time frame for facility design and site permit approvals. High tech firms in particular are generally not held captive by a particular area of the country and if an appropriate variety and quantity of sites are not available, they will continue their site selection efforts elsewhere.

Additional constraints faced by all sites include inappropriate zoning, Urban Growth Boundary Amendment Annexation Processes, and lack of services (sewer). Also, two of the sites are not adjacent to the existing UGB and none are in the same proximity to urbanization as is the subject site of this application.

The Hearings Officer therefore finds that because of constraints of lack of proper zoning, lack of services, and multiple ownership, the proposed use cannot be reasonably accommodated by resource land that is irrevocably committed to nonresource uses. Further, it is not sound land use planning.

- (3) "Can the proposed use be reasonably accommodated inside an urban growth boundary? If not, why not?" OAR 660-04-020(2)(b)(B)(iii).

The final question asked by the administrative rule is related to the need question under Goal 14, Factor 1 in that the answer is found in the applicant's inventory of industrial land in the Sunset Corridor which concludes there is a lack of such land to serve the demand.

Nevertheless, the applicant analyzed additional sites adjacent to the Corridor and outside the Corridor which could possibly serve to meet some of the unmet demand for large acreage industrial land. Although the Sunset Corridor has been the attractor for a high percentage of the high-tech development activity in Oregon, other areas near the corridor are appropriate to consider because the users' agglomeration tendencies may spill over into adjacent areas. These sites are discussed in this section. The sites outside the Corridor are discussed in Appendix I.

Spillover effects to other areas in western Washington County may be a secondary benefit to high-tech location in the Sunset Corridor. The applicant does not contend there are shortages of industrial land in other areas besides western Washington County. The applicant did not study the entire SMSA industrial demand and supply, because the need for additional inventory of industrial land is limited to the Sunset Corridor. The focus of the investigation for alternative areas where growth could be accommodated was limited to the area that is the most crucial and is experiencing the greatest shortages of appropriate industrial land.

Because there has been some interest in areas just outside the Sunset Corridor, the applicant undertook a broader review of other possible Washington County locations that could attract high-tech development. This review was site specific, rather than a more general locational analysis, because of the specific site criteria and needs of the high-tech industry. There are many industrial sites in the Metro inventory which may be suitable for general light industrial development, but are unsuitable for high-tech development for a variety of reasons.

All large acre industrial sites in Washington County that were identified in Metro's 1985 draft Industrial Land Inventory were surveyed by the applicant in order to assess their potential for high-tech or emerging industries' development. Based on the results of this survey, the five sites surface with some potential for high-tech development. The Hearings Officer finds that this potential is limited for a variety of reasons set forth below.

1. Walnut Street North

This property consists of 57 acres of serviced land; however, nearly half of the site is in floodplain and therefore cannot be developed, thus reducing the effective size of the parcel to only 30 acres. The Hearings Officer finds that a constraint exists in that the site is located at the western boundary of the city limits of Hillsboro off S.E. Baseline Street, directly south of a K-Mart store and does not have direct access onto Tualatin Valley Highway ("T-V Highway"). The Hearings Officer finds that lack of visibility from a major

highway and the distance from the freeway system will inhibit its marketability. Furthermore, T-V Highway is ill-suited to deal with a large employment complex.

Other major constraints include an adjacent cement culvert manufacturer to the east, which greatly detracts from the image of the site, the small size of the parcel, the absence of any other high-tech development in the surrounding area. The inability of the area, due to land constraints, to accommodate a nucleus of high-tech activity at any time in the future is also a deterrent. The Hearings Officer therefore finds that this land parcel is unsuitable for a high-tech user and would not be considered.

2. Oregon Roses Property

The Oregon Roses site is located off T-V Highway near S.E. River Road at the southern boundary of the City of Hillsboro. It consists of 53 acres and currently includes a nursery. Access requirements from T-V Highway would require construction of a left-turn lane and signalization in order to accommodate the high traffic volumes on T-V Highway. The Hearings Officer finds that the cost of this site would be prohibitive since purchase would require the displacement of a financially viable operating nursery, which also raises Goal 3 and 4 issues of significance.

The Hearings Officer finds that this property is unsuitable because it is permanently isolated from other major high-tech development, the site size is too small for a major company, a railroad runs in front of the property which precludes

certain types of high-tech development, and the site is approximately six miles from the nearest freeway interchange at Highway 26 and Cornelius Pass Road. The Hearings Officer finds that the same deficiencies are present with the Oregon Roses Property as the previously discussed sites.

3. Roseway Industrial Park

This property totals 85 acres located on T-V Highway at 234th Avenue, which bisects the parcel. It is rail-served and includes a small warehouse facility. Benjamin Franklin Development Company is in the process of purchasing the site. Development plans have not been finalized.

The site is approximately six miles from the nearest freeway interchange at S.W. 185th and Highway 26. The 85-acre property is less desirable because it is divided into two smaller parcels by a county road. It also fronts on a railroad and is currently geographically isolated from other high-tech users. Traffic congestion on the T-V Highway and S.W. 185th further detracts from the overall desirability of this property. The Hearings Officer therefore finds that this property is not a reasonable alternative site.

The five properties described (the three properties in this section and the two in Appendix __) represent the best of the properties contained in Metro's Washington County industrial land inventory outside of the Sunset Corridor. In other words, these properties are more suitable for high-tech development than any of the other sites in this inventory. The Hearings Officer finds, however, that from the above description none of these

properties meet the needs of high-tech users as well as the needs of the Sunset Corridor.

(d) Metro Staff Analysis

The Metro Staff raised several questions regarding available alternative sites. First, the Staff asks whether there is a shortage of parcels 30 acres and larger in the Sunset Corridor.

The Hearings Officer has found that there exists only 629 acres of unconstrained land containing parcels 30 acres or more in the Sunset Corridor. The Hearings Officer has further found there are too few sites to provide alternative choices to new high-tech firms.

Second, the Staff asks whether larger parcels in industrial parks are properly considered removed from inventory.

Evidence submitted by the applicant, upon which the Hearings Officer relies, demonstrates that all such industrial park land has been rendered unavailable, with the exception of two areas in Tanasbourne Commerce Center in which a number of small lots could conceivably be reassembled into larger parcels. These parcels are more appropriate for small end users.

The Hearings Officer finds that there are no significant large parcels available from industrial parks for high-tech users in the Sunset Corridor.

Third, the Staff asks whether parcels purchased by end users but not yet developed or proposed for development should be distinguished from land actually developed in calculating and projecting absorption rates.

There is evidence in the record, upon which the Hearings Officer relies, that demonstrates that once purchased, such land is not available to other end users, whether or not the owner builds out its site immediately or phases in development over a period of time. The Hearings Officer therefore finds that land purchased by end users is, from a practical standpoint, removed from inventory for the purpose of siting a different firm or supporting employment generated from another source.

Fourth, the Staff asks whether land available only for lease should be excluded from the inventory of remaining lands, or whether such land meets a need for certain types of users.

The applicant has submitted evidence, upon which the Hearings Officer relied, that the land available only for lease should be differentiated from the general inventory. Very rarely will firms lease land because they have no long term control over the land, and there is no opportunity to realize the appreciation of value. The Hearings Officer therefore finds that land available only for lease is not generally suitable for the types of firms which are essential to the demonstrated need for economic development. Those which would lease land fall into a very limited category of user.

Fifth, the Staff asks whether the annual average absorption rates should be based only on the last two years, as the applicant has done in calculating the 1400 acre need, or on the seven years for which data is available.

The record demonstrates that the applicant calculated the absorption rate using both the two-year and the seven-year

averages. The Hearings Officer finds that the higher number which was chosen by the applicant is appropriate because of the position of the Sunset Corridor as the leader in economic growth for the Portland Metropolitan area. However, even if the seven year average is used, a need for 521 new acres of industrial land is indicated. The Hearings Officer reaffirms that the 629 acres available in the Sunset Corridor do not provide an adequate quantity or variety of industrial land to meet the demonstrated needs of high tech users or afford the type of market and locational choice necessary to encourage continued vitality in new development. The supply of vacant parcels, 30 acres or larger, in the Sunset Corridor is therefore less than five times an appropriate average annual absorption rate.

Sixth, the Metro Staff asks a two-fold question: whether there is a shortage of land for long term growth needs and whether a finding of long term need would be inconsistent with adopted employment projections for the region.

The Hearings Officer has already found that there exists a long term need for additional industrial sites in the Sunset Corridor. Table 3 entitled, "Employment Land Needs" submitted into the record by Metro shows a need for 882 acres of land to accommodate 22,048 projected high-tech workers. The actual on-site employment densities range from 12.5 to 17 employees per acre. This fact dramatically changes the amount of land needed. The Hearings Officer reaffirms that there is a localized shortage of land in the Sunset Corridor because of its unique status which constrains Portland's pursuit of its economic

goals in both the short and long term. The demonstrated need, however, does not invalidate the Metro projections when the density figures are compared.

The applicant has submitted evidence, upon which the Hearings Officer relies, that demonstrates that land absorption takes on a different historical profile than employment growth. The typical scenario is that land will first be purchased, after which employment growth will occur. The Hearings Officer finds that, because of this relation between land absorption and employment growth, it is necessary to maintain a sufficient inventory of sites in the short run so that firms can become established and begin creating jobs on the land over the long run. The Hearings Officer finds that approval of the application would be reconcilable with employment projections when the essential differences between the land market and the labor markets are recognized.

Seventh, the Metro Staff asked whether the applicant has demonstrated a regionwide need for more land in the Sunset Corridor. The Metro Staff notes that the Pope Report indicates that high tech development in Santa Clara County has spread over a much larger area, comparable to all of urban Washington County.

The Hearings Officer has already found that the applicant has demonstrated that high tech growth is (and will be) centered in the Sunset Corridor because such firms have demonstrated a preference for the Corridor and because of the economic value of proximity to other high tech firms. The Pope Report indicates that the growth in Santa Clara County has built

up over the course of a generation or more, and that development has simply outgrown its place of origin over time. The Pope Report itself states that the Sunset Corridor is the area that is known as the high tech center for the Pacific Northwest and that all possible effort should be made to encourage its development. As indicated by Mr. Carlson, the Sunset Corridor is basically the only Oregon area which is attractive to foreign and domestic users. The Hearings Officer therefore finds that the applicant has demonstrated a regionwide need for more land in the Sunset Corridor.

Finally, the Metro Staff asks whether there is a need for parcels 100 acres and more and how this need will be addressed by the Kaiser petition.

The applicant has agreed to certain development conditions in its testimony that will ensure that large parcels remain available for industrial development.

(e) Alternative sites described by 1000 Friends of Oregon

Under OAR 660-04-020(2)(C), a detailed evaluation of alternative sites is not required unless such sites are described by another party with facts which support the assertion that these sites are more reasonable than the proposed site. The alternative sites described by 1000 Friends are not purported by them to be alternative sites to the Kaiser site. Robert Stacey, Staff Attorney for 1000 Friends, testified that the annexation of the Kaiser site, as proposed by the applicant under Goal 14, Factor 1, will meet the need for sites 60 acres or larger in the Sunset Corridor. Nevertheless, the findings will address other

available sites because 1000 Friends set forth factual statements that the applicant considered to be contrary to the evidence presented by the applicant. Therefore, the applicant submitted rebuttal evidence pursuant to OAR 660-04-020(2)(C). The Hearings Officer has evaluated each site and the Hearings Officer's corresponding findings of fact are contained in Appendix II. In summary, the Hearings Officer finds:

1. Seaport Property. It is listed on the inventory.
2. Burlington Northern Railroad Property. It is listed on the inventory.
3. Dawson Creek. Except for 54 acres which are listed on the inventory, the remainder is available on a lease only basis.
4. Ronler Acres. It is constrained by hundreds of ownerships.
5. Wilsonville Property. It is outside the Sunset Corridor where a need has been demonstrated.
6. Leveton Property. It is outside the Sunset Corridor where a need has been demonstrated.
7. Kaiser/231st Property. It is listed on the inventory.
8. Wishing Well Property. It is constrained.
9. Tanasbourne Property. It is constrained.
10. Johnson/PacTrust Property. It is listed in the inventory.
11. Windolph Park Property. It is constrained.
12. Olin Industrial Park. It is outside the Sunset Corridor.
13. Five Oaks Property. It is listed on the inventory.
14. Hawthorn Farm Property. It does not satisfy the need for 30 acre or larger parcels.
15. Parkway Center Property. It is outside the Sunset Corridor.

16. Tualatin Area Property. It is outside the Sunset Corridor.

17. Beaverton Area Property. It is outside the Sunset Corridor.

18. Unincorporated Washington County Property. It is partially constrained and partially improperly zoned.

The above properties identified by 1000 Friends of Oregon do not add any additional alternative sites to the list submitted by the applicants and adopted by the Hearings Officer.

3. Consequences

Goal 2 and ORS 197.732(c) require that an applicant for an exception to one of the goals meet the following standard:

"the long-term environmental, economic, social and energy consequences resulting from the use 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 in areas requiring a goal exception other than the proposed site."

In addressing this standard, the Hearings Officer must find that the consequences of developing this site with measures which reduce the impacts are not more adverse than if the use were located on another site also requiring a goal exception. Therefore, the first question is what are the consequences and the second question is whether there are other sites which would have less consequences. The Hearings Officer finds there are no significant consequences other than those associated with development of any site and there is no other alternative sites except the site to the north of Sunset Highway known as the Riviera site. A need has been demonstrated also for that site in a separate petition. There was no evidence introduced which

identified any other potential site contiguous to the UGB in the Sunset Corridor. Therefore, this approval criteria is satisfied because there are no significant consequences and no other sites except the Riviera site which has been identified as an alternative. A need has been demonstrated for the Riviera site, therefore it is not an alternative. This conclusion is based on the following evidence.

(a) Environmental Consequences

The Hearings Officer has addressed the environmental conditions and consequences of industrial use of this site. In summary, the Hearings Officer finds that no significant environmental consequences are anticipated with the conversion of this site from agricultural to industrial uses. The impacts on agricultural land were considered under Goal 14, Factor 6 and are hereby incorporated.

The site contains no significant environmental characteristics, either in positive environmental values (e.g. valuable habitat) or negative environmental conditions (e.g. severe erosion problems). The Hearings Officer finds that the site is environmentally neutral since, except for a very small floodplain area, it contains no distinctive environmental features. The floodplain will be protected by the County or City standards. The statewide planning goals require protection of floodplain areas.

The Hearings Officer finds that, in comparison with other agricultural areas that might be considered as alternative areas to accommodate the need for industrial land, all will

either be equal in environmental distinction (or lack of in this case) or will have environmental values that exceed those of this site.

(b) Economic Consequences

Removal of the site from agricultural production will not adversely affect the economy of Washington County or the State of Oregon. In fact, the change in use has the potential of a tremendous enhancement in the regional economy.

The site is currently underutilized, that is, farmed with low value agricultural production as opposed to higher value food crops. Production on the subject site in 1984 totaled \$160,300 -- a minimal percentage of both county and state production totals. Of the 341 acres currently farmed, 73 acres will be unsuitable for industrial development and can reasonably be expected to remain in agricultural production. Thus, the lost agricultural production will be lower, approximately \$126,000.

Employment loss resulting from the removal of the site from agricultural production will be also minimal, accounting for one to two full time equivalent jobs. Industrial employment gains of approximately 6,460 jobs are expected. The Hearings Officer finds that, by virtue of the magnitude of difference, employment under industrial uses is incomparable with employment under agricultural uses.

The Hearings Officer finds that public sector revenues will be positively impacted with the advent of industrial development on the site. Property tax revenues accruing to local

jurisdictions, as well as personal and corporate income taxes accruing to the state will increase substantially.

(c) Social Consequences

The Hearings Officer has addressed the social conditions and consequences of industrial use of this site above. In summary, six households will be directly affected by the conversion to industrial uses on the site. While these individuals will experience a change in their lifestyle, except for one household, all others are co-signers of this petition and are anticipating this change.

Of the approximately five part-time agricultural jobs currently on site, some agricultural employment will be retained in the approximately 70 acres that will continue to be farmed in some capacity. In addition, most on site employment is by people who are working other lands elsewhere in the area. It is not anticipated that any total loss of employment will result from this conversion.

The addition of in excess of 6,000 jobs to the area will substantially affect the economy and character of the area. Many of these new jobs will be held by people who either live or will move into the area. The result will be a conversion from a rural character community to an urban/suburban community. The application enjoys full support of the City of Hillsboro. Significantly no one, save Western International Properties (developer of an industrial parcel across Sunset Highway from the site) opposed the application. Equally important, the "farm families" in the area have joined in the application.

The evidence demonstrates that this conversion is already occurring, however, as adjacent lands are now developing with industrial uses. The Hearings Officer finds that the addition of this site to the inventory of industrial lands will add to the volume of urbanization but will not change the fact that the area is already experiencing that conversion.

In comparison to other agricultural sites and areas, an on-going conversion from rural to urban lifestyles may not exist. The industrial development in the Sunset Corridor is unique within the region. While other industrial development is taking place in the region, few if any areas are at the periphery of the urban area and so the impact on the surrounding areas may not be as pronounced. Conversion of other sites at the edge of the urban area may therefore have much more pronounced impacts on the character of the immediate area than will the conversion of this site.

(d) Energy Consequences

An additional discussion of energy conditions and consequences is contained in Part II(A) (5) (b) and is incorporated in these findings. In summary, however, conversion of the site from agricultural to industrial uses will generally increase the level of energy consumption on the site. While agricultural activities are energy consumers, the anticipated industrial uses will consume considerably greater amounts of electrical and gas energy than the present uses.

However, given the need for industrial development, concentrating the major, large acre industrial users within an

area like the Sunset Corridor provides utilities to plan and construct facilities that will maximize the efficiency of energy distribution. As compared with other areas where such industrial concentrations are not present, conversion of this site benefits the cost effective use of the region's energy resources.

A similar condition exists with indirect energy consumption. Conversion of this site which is immediately adjacent to a major regional freeway, provides maximum transportation efficiency for workers and shipping of materials and products. In addition, the continued development of the Sunset Corridor including this site, begins to balance the directional flow of traffic on the transportation system. Whereas the majority of the morning trips from this area are eastbound into the central portion of the region, continued industrial development in this area will tend to equalize that traffic flow, again maximizing the efficiency of the transportation system and ultimately conserving energy resources.

The Hearings Officer finds that the continued development of the Sunset Corridor will provide primary job opportunities in a large area of historic and future residential development. The potential to decrease the length of work trips is substantial through industrial development of this site and area because of the area's balance land use pattern. A comparable balanced community plan and regional/local transportation network does not exist elsewhere in the region.

(e) Other Sites

There is no evidence there is any other site within the Sunset Corridor. Any other amendment to the boundary within the Sunset Corridor is going to involve the same consequences. The only other site is the Riviera site which is the subject of another petition and a need has been demonstrated for that site. The Kaiser site is surrounded on three sides by urban development and therefore will have less impacts.

4. Compatibility

Pursuant to Goal 2 and ORS 197.732, an applicant must demonstrate that

"The proposed uses are compatible with other adjacent uses or will be so rendered through measures designed to reduce adverse impacts."

Further explanation of this standard is provided in OAR 660-04-020(2)(d) which requires an applicant to describe how the use is situated in such a manner as to be compatible with surrounding natural resources and production practices. The rule explains that "'compatible' is not intended to be an absolute term meaning no interference or adverse impacts of any type with adjacent uses." OAR 660-04-020(2)(d). The Hearings Officer finds that the use will be compatible and that this approval is satisfied. The following is a discussion of the evidence which supports this conclusion.

(a) Adjacent Uses

North of the site is the Sunset Highway and the Five Oaks Industrial Park. The eastern half of the park is presently

the active development area. The westerly portion of the Five Oaks Industrial Park is presently outside the urban growth boundary and zoned EFU. The property is under an agricultural lease and is actively farmed.

To the east of the site, adjacent to Cornelius Pass Road, is the Keeler Substation, a major regional distribution substation for the Bonneville Power Administration, and the Tanasbourne Commerce Center, a 200-acre planned industrial park. Within Tanasbourne Commerce Center, the first two phases comprising 120 acres, have been constructed with full site improvements. Major industrial facilities, including Epson, are now under construction.

South of the site, along Evergreen Road, are Technology Centers One and Two. One Technology Center, a 50,000 square foot flextype office facility is completed; Two Tech is at the construction stage.

To the south and west of the Technology Center is the Fujitsu America, Inc., site. The first phase building of 145,000 square feet is under construction. Later phases in this project include eight buildings to be constructed over the next five to ten years.

West of Fujitsu is Ronler Acres, an existing unimproved residential plat comprised of multiple small parcel ownerships, which has undergone a total rezoning by the City of Hillsboro, providing a variety of uses including residential, commercial and industrial. West of Ronler Acres and immediately south of the westerly most portion of the site is the NEC America Property, a

210-acre industrial development with the phase one building containing approximately 163,000 square feet nearing completion. NEC's plans for the balance of this property include construction of up to 10 buildings over the next seven to 10 years.

Southwest of the site, extending southwest from the intersection of Shute Road and Evergreen Road, is the Tektronix Employee's Trust property (Dawson Creek Industrial Park). This industrial park will be developed under a land lease arrangement similar to the Oregon Graduate Center.

Immediately west of the site, across Shute Road, are productive agricultural fields planted predominately in grains and legumes. In addition, there are two farmhouses on Shute Road, one at the corner of Shute and Evergreen and the other approximately mid-way between Evergreen and the Sunset Highway. In addition, a small rural subdivision has developed over the years at the southwesterly corner of the Shute Road/Sunset Highway Interchange. It is comprised of several residences on one-half to two-acre lots.

With the exception of the agricultural frontage along Shute Road, the Hearings Officer finds that the proposed amendment is more compatible with surrounding uses than the existing EFU designation. This will be increasingly true as the area develops, when potential conflicts between urban and rural uses could arise such as dust and wind drift of spraying from the agricultural areas over the urban areas.

(b) Use of Buffering

In order to insure compatibility between the site and adjacent uses, the applicant has indicated that landscape buffering will be used, particularly along Shute Road where it abuts the agricultural farm lands and adjacent to the Imbrie Farmstead Restaurant in the southeast corner of the site.

III. DECISION

Based on the findings that each of the approval criteria are satisfied, the petition by Kaiser Development Corporation and co-petitioners is hereby approved. This approval is based on the petitioners' testimony that the need for a variety of parcel sizes will be satisfied by the following steps:

A. Upon approval of the UGB amendment, the applicant shall initiate annexation proceedings for the Kaiser property to the City of Hillsboro.

B. The applicant will apply for a zoning designation of Industrial Park ("IP") under the City of Hillsboro's Zoning Ordinance for the Kaiser property.

C. The applicant agrees to special conditions upon rezoning of any portion of the Kaiser property by the City of Hillsboro as follows:

1. The site will be considered a Specially Regulated Area (SRA) under the City of Hillsboro Comprehensive Plan.

2. Pursuant to the City of Hillsboro Comprehensive Plan, the applicant will demonstrate consistency with Metro Resolution No. 82-348 prior to annexation.

3. A master plan for the applicant's property shall be prepared consistent with the City of Hillsboro's Comprehensive Plan. The master plan shall include the following elements:

(a) The property will be divided into master planning parcels of approximately 30 acres in size, consistent with the applicant's final zoning approval from the City of Hillsboro.

(b) The applicant will take measures to assure that two contiguous 30 acre parcels will be available to the marketplace as a single large lot industrial parcel. Such measures shall include but are not limited to the marketing, design, and master planning of the overall site.

4. The configuration for development of the master plan may be re-evaluated on an annual basis at the request of the applicant in order to determine the continued advisability of retaining the large parcels in their then current sizes and configuration. An amendment may be made to the master plan only after public hearing.

The review authority shall apply standards for an amendment to the Master Plan substantially similar to those set forth under the conditions of strategy M under Policy #1 of the Washington County Comprehensive Framework Plan, which are the standards for an amendment to an SID restriction in Washington County. Any amendments of the Master Plan shall be reviewed under the City of Hillsboro procedures and shall not be subject to further review by Metro.

CONSIDERATION OF RESOLUTION NO. 86-650, ACCEPTING
THE HEARINGS OFFICER'S REPORT IN CONTESTED CASE
NO. 85-7 (KAISER) AS AMENDED; FURTHERING
ANNEXATION OF THE AFFECTED PROPERTY TO METRO; AND
EXPRESSING COUNCIL INTENT TO AMEND THE URBAN
GROWTH BOUNDARY

Date: June 18, 1986

Presented by: Jill Hinckley

FACTUAL BACKGROUND AND ANALYSIS

The petition from Kaiser Development Company is one of three petitions received this year requesting major amendments of the regional Urban Growth Boundary (UGB). The petition proposes the addition of some 450 acres south of Sunset Highway in Washington County as shown in Exhibit A (attached to Resolution No. 86-650).

Under the applicable statewide goals, major UGB amendments may be approved only when shown to be needed to accommodate growth. Kaiser states that its petition should be approved in order to meet what it asserts to be a need for additional land in the Sunset Corridor attractive to so-called "hi tech" industries.

The Hearings Officer recommended that the petition be approved. Her findings emphasized the need for large parcels 30 to 60 acres. Her conclusion that the petition will meet this need was based in part upon an agreement among Kaiser, the city of Hillsboro, and 1000 Friends of Oregon that the property will be zoned and platted predominantly for 30-acre parcels, with two pairs of such parcels maintained for a 60-acre user for as long as necessary.

When the Council considered this case at its June 12 meeting, it voted to remand the matter to staff to work with the petitioners on providing better assurance that the property would be used to meet large parcel needs. Response to Council direction will be provided in the form of proposed amendments to the Hearings Officer's report, which will be mailed separately to the Council prior to its June 26 meeting. The resolution has been revised to reference these amendments.

Since the property is not now within Metro's jurisdictional boundaries, the action proposed is a resolution to: (1) join in a "triple majority" petition for annexation to Metro; and (2) express the Council's intent to amend the UGB as requested once the property is within its jurisdiction.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer supports the Hearings Officer's Report and recommends adoption of Resolution No. 86-650.

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D. The eastern half of the site, not controlled by the applicant, shall be subject to these same conditions at such time as any portion of the eastern half of the site initiates annexation proceedings with the City of Hillsboro or initiates a development request from Washington County.

05/01/0014/01

APPENDIX I

Alternative Sites Inside The Urban Growth Boundary

1. Leveton Site

This site is located on S.W. Tualatin Road and offers 240 acres of serviced and properly zoned land. The site is gently sloping and does not present any topographic site constraints. It is segregated from the other sites in Tualatin and has access onto Highway 99W. It is also closer to the services of the Tigard business community which gives this site an important advantage over the other industrial properties in the Tualatin area.

Of all the sites visited, the Leveton site probably has the best potential for high-tech development outside of properties in the Sunset Corridor, at least from a physical standpoint with respect to size, access, and topography. RCA/Sharp considered this site, but opted for a parcel in Clark County, Washington.

The Hearings Officer finds that the principal deterrent to consideration of the Leveton parcel by high-tech users is the distance from a major freeway interchange which is either approximately four miles northeast on Pacific Highway (99W) to Highway 217, or approximately four miles east on Durham Road to Interstate 5 and Upper Boones Ferry Road. These distances are further from a major interchange than the high-tech sites in the Sunset Corridor.

The Hearings Officer further finds that the main locational disadvantage of the site is the absence of any other

high-tech plants in the vicinity. As previously discussed, the agglomeration effect of the high-tech industry is an extremely important aspect of a high-tech company's site location criteria. The multiplicity of major high-tech companies in close proximity to one another is an important factor relating to the image and attraction of an area to a high-tech company. The Hearings Officer therefore finds that the Leveton site is not a reasonable alternative to the proposed site.

2. Zidell Site

The Zidell site is 63 net acres and is located on S.W. Boones Ferry Road, near Nyberg Road on the western outskirts of the Tualatin business district. Like the Leveton property, it is at the periphery of Tualatin's industrial core. Freeway access is good due to the Tualatin-Sherwood Highway bypass to Interstate-5, and it is close to support services in downtown Tualatin.

The Hearings Officer finds that the primary weakness of the Zidell site is its size. Sixty-three acres is small with respect to the needs of a major company and affords little opportunity for peripheral development. Furthermore, the site suffers from the same condition as the Leveton parcel as far as being in close proximity to other high-tech companies. Furthermore, there are no suitable adjacent or nearby industrial properties to form a nucleus of high-tech firms in this area and thus establish a high-tech presence. Any high-tech company locating on the site will be permanently isolated from other high-tech development. Evidence also was submitted, upon which

the Hearings Officer relies, demonstrating that this site contains severe soil problems which have precluded development to date.

The Hearings Officer further finds that rail service on the northern portion of the property would also eliminate certain types of high-tech companies, such as silicon wafer producers, because of ground vibration problems. The Hearings Officer therefore finds that the Zidell site is not a reasonable alternative to the proposed site.

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APPENDIX II

Alternative Sites Described By 1000 Friends of Oregon

(1) Seaport Property

The Seaport property, containing 197 acres, has already been included in the applicant's inventory of unconstrained land. There is testimony from Jack McConnell, Vice President of Norris, Beggs & Simpson, upon which the Hearings Officer relies, that this site should be considered constrained because a railroad line exists on the property. National Semiconductor and RCA Sharp indicated that, because the vibration from the railroad could interfere with their operations, they would not develop a site with a rail line located on it. Thus, while it is unnecessary for the Hearings Officer to make a finding that the Seaport property is constrained, there is evidence in the record demonstrating that this property is less desirable than originally indicated.

(2) Burlington Northern Railroad/Western Union Property

This parcel is in the applicant's inventory of unconstrained land. Again, testimony was submitted that the existence of a rail line on this parcel constitutes a constraint.

(3) Dawson Creek Industrial Park Property

The 54 acre portion of this parcel, available for sale, is in the applicant's inventory. The remainder of this parcel, 252 acres, is available on a lease only basis. Much evidence has been submitted in the record that property available on a lease only basis is a substantial marketing constraint to high tech

development. The evidence has shown that there are no high tech users on leased property. There is also evidence in the record, upon which the Hearings Officer relies, demonstrating that the portion of the property available on a lease only basis will remain in the lease only category indefinitely. The Hearings Officer therefore finds that the 252 acre portion of the Dawson Creek property available on a lease only basis does not constitute a reasonable alternative site.

(4) Ronler Acres

This 400 acre site was originally platted as a residential subdivision. Evidence was submitted, upon which the Hearings Officer relies, demonstrating that there are approximately 600 individual owners of this parcel. The Hearings Officer therefore finds that, because of the significant impediments to development arising out of such multiple ownership and constraints posed by a set of restrictive covenants, Ronler Acres does not constitute a reasonable alternative site.

(5) Wilsonville Property

This 350 acre parcel is not located in the Sunset Corridor. Much evidence has been submitted in the record from which the Hearings Officer has already found that the demand for industrial land for high tech uses is focused almost exclusively on the Sunset Corridor. There is evidence in the record, upon which the Hearings Officer relies, that demonstrates that the synergism developing near the Wilsonville property is in the distribution industry, not the high tech industry. The Hearings Officer therefore finds that the location of the Wilsonville

property precludes it from being a reasonable alternative to the proposed site.

(6) Leveton Property

The constraints existing on this property have been discussed above and need not be addressed here.

(7) Cornell/Cornelius Pass Property

This 48 acre site is already contained within the applicant's inventory of unconstrained property.

(8) Kaiser/231st Property

This 77 acre parcel is contained in the applicant's inventory of unconstrained property.

(9) Wishing Well Property

This 32 acre site has recently been split into four different parcels as a consequence of road realignments. For these reasons, it has been removed from Metro's and the applicant's inventories of available land. The Hearings Officer therefore finds that, because of size constraints on the Wishing Well property, it does not constitute a reasonable alternative site.

(10) Tanasbourne Property

This property consists of three parcels, 30 acres, 35 acres, and 39 acres, respectively. The constraints on the 30 acre parcel have been discussed above.

The 35 acre parcel would require the consolidation of four lots and contains configuration constraints. There is evidence in the record, upon which the Hearings Officer relies, that demonstrates that the configuration constraints on the

Tanasbourne property would impose severe marketing obstacles on attempts to secure high tech development on these properties.

The 39 acre parcel is composed of 13 lots and possesses configuration constraints. This parcel is listed by Metro as constrained.

Because of the need to assemble finished parcels together and the existence of configuration constraints, the Hearings Officer finds that the Tanasbourne Property does not constitute a reasonable alternative site.

(11) Johnson/PacTrust Property

This site is contained in the applicant's inventory of available alternative sites. Evidence was submitted by Mr. McConnell that the rail line that bisects the property could be a deterrent to high tech development.

(12) Windolph Park Property

This 107 acre parcel is available on a lease only basis. The developer of the property, Glacier Park Development Company, has indicated that this property will remain as lease only for an indefinite period of time. For the reasons already discussed with respect to lease only property, the Hearings Officer finds that the Windolph Park parcel is unavailable for high tech use.

(13) Olin Industrial Park and Sealy Complex Properties

Neither of these parcels is located in the Sunset Corridor. 1000 Friends has suggested that these parcels have a good potential for high tech spinoffs. Virtually all of the high tech spinoffs, such as Mentor Graphics, Sequent and Planar

Systems have remained in the Sunset Corridor. Based on the extensive evidence on the need for critical mass to foster high tech development, the Hearings Officer finds that these parcels would not provide good potential for high tech spinoffs and therefore do not constitute reasonable alternative sites.

(14) Five Oaks Property

This parcel is listed in the applicant's inventory of available sites.

(15) Baywest Property

This 29 acre parcel is undergoing subdivision and a road will split the property into small parcels. This property has been removed from Metro's and the applicant's inventory. Because of size constraints, the Hearings Officer finds that the Baywest Property does not constitute a reasonable alternative site.

(16) Hawthorn Farm Property

The total acreage of this site is 35 acres. There is evidence in the record, upon which the Hearings Officer relies, demonstrating that the largest contiguous stretch of property is 9.8 acres. The Hearings Officer therefore finds that this property does not provide adequate large acreage land for high tech development. The large parcels are committed for development, especially by Metheus Corporation.

(17) Parkway Center Property

The largest contiguous parcel on this property is 43.6 acres. This parcel is severed by a BPA easement which reduces

the net usable land to approximately 25 acres. Because of the size of this parcel and its location outside of the Sunset Corridor, the Hearings Officer finds that this property does not provide a reasonable alternative site.

(18) Tualatin Area Property

All property in this area is located outside of the Sunset Corridor. There is evidence in the record, upon which the Hearings Officer relies, that there exists constraints in the form of soil, sewer and water extension problems. Because of these constraints and the location of the property, the Hearings Officer finds that the Tualatin area property does not constitute a reasonable alternative site.

(19) Beaverton Area Property

All property in this area is located outside of the Sunset Corridor. Three hundred and seventy-six acres of this property is under development by other developers, leaving only 34 acres of light industrial available for development. Because this property is not located in the Sunset Corridor, the Hearings Officer finds that it does not provide a reasonable alternative site.

(20) Unincorporated Washington County Property

1000 Friends has not provided evidence showing how this property would provide reasonable alternatives to the proposed site. There is evidence in the record, upon which the Hearings Officer relies, that a number of the parcels on this property are not amenable to the provision of sewer and water services. This is typical for an unincorporated area. Further, much of the

property is zoned for agriculturally oriented uses. For these reasons, the Hearings Officer finds that the unincorporated Washington County property does not provide reasonable alternative sites.

05/01/0014-II/01

STAFF REPORT

Agenda Item No. 6.3

Meeting Date June 12, 1986

CONSIDERATION OF RESOLUTION NO. 86-650, ACCEPTING
THE HEARINGS OFFICER'S REPORT IN CONTESTED CASE
NO. 85-7 (KAISER), FURTHERING ANNEXATION OF THE
AFFECTED PROPERTY TO METRO AND EXPRESSING COUNCIL
INTENT TO AMEND THE URBAN GROWTH BOUNDARY

Date: May 30, 1986

Presented by: Jill Hinckley

FACTUAL BACKGROUND AND ANALYSIS

The petition from Kaiser Development Company is one of three petitions received this year requesting major amendments of the regional Urban Growth Boundary (UGB). The petition proposes the addition of some 450 acres south of Sunset Highway in Washington County as shown in Exhibit A (attached to Resolution No. 86-650).

Under the applicable statewide goals, major UGB amendments may be approved only when shown to be needed to accommodate growth. Kaiser states that its petition should be approved in order to meet what it asserts to be a need for additional land in the Sunset Corridor attractive to so-called "hi tech" industries. This is basically the same need identified in Riviera's petition. Support for this argument and/or for petition approval included testimony from, among others, the Governor's Office, the Department of Land Conservation and Development Commission (DLCD), the Economic Development Department (EDD), and 1000 Friends of Oregon. Due to limited time and staff resources, the Washington County Board of Commissioners did not take a position on any of the three petitions. The city of Hillsboro supports the petition and will seek to annex the property if the petition is approved.

The Hearings Officer recommends that the petition be approved. Her findings emphasize the need for large parcels (30 to 60 acres). Her conclusion that the petition will meet this need is based in part upon an agreement among Kaiser, the city of Hillsboro, and 1000 Friends of Oregon that the property will be zoned and platted predominantly for 30-acre parcels, with two pairs of such parcels maintained for a 60-acre user for as long as necessary.

Since the property is not now within Metro's jurisdictional boundaries, the action proposed is a resolution to: (1) join in a "triple majority" petition for annexation to Metro; and (2) express the Council's intent to amend the UGB as requested once the property is within its jurisdiction.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer supports the Hearings Officer's Report and recommends adoption of Resolution No. 86-650.

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05/30/86

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

Certified A True Copy of the Original Thereof
[Signature]
Clerk of the Council

FOR THE PURPOSE OF A RESOLUTION)	RESOLUTION NO. 86-650
ACCEPTING THE HEARINGS OFFICER'S)	
REPORT IN CONTESTED CASE NO. 85-7)	Introduced by the
(KAISER) AS AMENDED; FURTHERING)	Executive Officer
ANNEXATION OF THE AFFECTED)	
PROPERTY TO METRO; AND EXPRESSING)	
COUNCIL INTENT TO AMEND THE URBAN)	
GROWTH BOUNDARY)	

WHEREAS, Contested Case No. 85-7 is a petition from Kaiser Development Company and others to the Metropolitan Service District (Metro) for an amendment of the regional Urban Growth Boundary (UGB) to include the property shown as the "proposed addition" in Exhibit A and described in Exhibit C (hereafter called "the property"); and

WHEREAS, Hearings on this petition were held before a Metro Hearings Officer on March 21, 24, and 31, 1986; and

WHEREAS, The Hearings Officer has issued her report on this case (Exhibit B), which finds that all applicable requirements have been met and recommends that the petition be approved; and

WHEREAS, The Council finds the amendments to the Hearings Officer's report shown in Exhibit D, clarify its intent regarding its approval of the petition; and

WHEREAS, The property lies outside but is contiguous to Metro's boundaries; and

WHEREAS, "Consents" in the form of a petition have been presented to Metro requesting annexation of the property; and

WHEREAS, The consents in the form of a petition were signed by owners of the property; and

WHEREAS, Metro has reviewed the consents and set the final boundary for the annexation, as required by ORS 199.490(2); and

WHEREAS, Subsequent to the setting of the final boundary the consents for land contained therein represent "more than half the owners of the land in the territory, who also own more than half of the land in the contiguous territory and of real property therein representing more than half of the assessed value of all real property in the contiguous territory"; and

WHEREAS, The proposed annexation therefore is in accordance with ORS 199.490(2) and constitutes a so-called "triple majority" annexation and a "minor boundary change" under Boundary Commission law, ORS 199.410 to 199.510; and

WHEREAS, Section 2 of Ordinance No. 85-189 provides that action to approve a petition including land outside the District shall be by resolution expressing intent to amend the UGB when the property is annexed to the Metropolitan Service District; now, therefore,

BE IT RESOLVED,

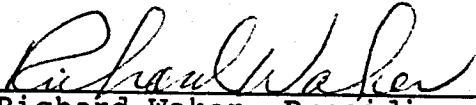
1. That the Council hereby accepts and adopts as the Final Order in Contested Case No. 85-7 the Hearings Officer's Report and Recommendations in Exhibit B of this Ordinance, amended as shown in Exhibit D, which are both incorporated by this reference.

2. That the petition for annexation to the Metropolitan Service District is hereby approved and the petitioners directed to file the necessary fee and forms, including this resolution, with the Portland Metropolitan Area Local Government Boundary Commission.

3. That the Council of the Metropolitan Service District expresses its intent to adopt an ordinance amending the Urban Growth Boundary as shown in Exhibit A within thirty (30) days of receiving

notification that the property has been annexed to the Metropolitan Service District, provided such ratification is received within six (6) months of the date on which this resolution is adopted.

ADOPTED by the Council of the Metropolitan Service District
this 26th day of June, 1986


Richard Waker, Presiding Officer

JH/gl
5680C/462-6
06/18/86

EXHIBIT D

Amendments to the Hearings Officer's Findings of Fact
and Conclusions of Law for
Application of Kaiser Development Corporation
and Co-Petitioners

The Council hereby adopts the following amendments to the Hearings Officer's Report:

1. Page 20. Amend the second and third paragraphs to read as follows:

"The need for a variety of large parcels was established by the testimony of Doug Anderson at the 'Alternative Sites' hearing. Mr. Anderson's report documented there are only seven parcels totaling 629 acres which are available within the Sunset Corridor to meet the identified need. The remaining large parcels identified in Metro's inventory are constrained by unavailability for purchase or by design features that impair suitability for a single user. [, and t]There are no finished lots of 30 acres or larger. If these seven parcels are deemed sufficient for the next 20 years' growth, it will allow only one new firm every three years, on the average.

"The findings for Goal 14, Factor 2, establish a need for jobs. Portland and the Sunset Corridor will be competing with other areas for new industry. The question is whether seven sites totaling 629[0] acres is competitive."

2. Page 24. Amend the first sentence of item (3) to read as follows:

"The testimony demonstrates that there are only seven parcels of 30 acres or larger in the Sunset Corridor that are suitable for purchase and development by individual end users."

3. Page 25. Add the following after the first paragraph, before Factor 2:

"(4) The above findings are sufficient to justify petition approval. However, the Council has also identified a further specific need for parcels larger than 60 acres. This need is indicated by the fact that five of the seventeen total land sales and eight sales to end users listed in Table 3 of the Hobson Report were to high tech industries purchasing more than sixty acres and as much as 210 acres (NEC).

"The Council is particularly concerned about this need for larger parcels because: (a) such very large parcels appear to be most attractive to the major new high tech users the Council wishes to continue to attract to this region; and (b) such very large parcels will always be in the most limited supply, since it is always easier to subdivide land to create smaller parcels as needed than to aggregate smaller parcels into a large undeveloped block.

"To address the Council's concern, the petitioners have committed to develop a marketing program that includes marketing to users seeking parcels larger than 60 acres and that encourages the consolidation of parcels to the extent practicable."

4. Page 93. Add the following after item 4:

"5. A marketing program will be developed that includes marketing to users seeking parcels larger than 60 acres and that encourages consolidation of parcels to the extent practicable."

5. Page 94. Add the following after item D:

"E. If the supply of parcels in the Sunset Corridor that are larger than 60 acres is depleted by the division through sale or development of the existing inventory of such parcels as identified herein, including the two pairs of lots 30 acres or larger to be made available through approval of this petition and the 65 acre parcel to be made available through approval of the petition from Riviera Motors, as provided by Resolution No. 86-651 and if subsequent petitions for UGB amendment are received that seek to demonstrate need solely on the basis of a shortage of parcels larger than 60 acres for high tech users, the Council hereby expresses its disinclination to accept such a demonstration as sufficient to meet the applicable goal requirements. To be effective, such petitions should include further findings to demonstrate that no other practicable alternatives exist for meeting this need without immediate UGB amendment. Such findings should include discussion of what measures have been taken, are planned, or could be taken by local and state government, together with the development community, to: (1) make other industrial areas of the region in addition to the Sunset Corridor more attractive to new high tech industries; (2) preserve large parcels undivided to the fullest extent practicable.

"F. The Council expresses its interest in investigating ways the UGB amendment process could be revised to

EXHIBIT B

Due to the length of the Hearings Officer's Report, this item has not been included in your packet. If you would like a copy, please call Council Clerk Marie Nelson at 221-1646 and she will see that you are sent one promptly.

5680C/462

WILSEY & HAM

521 S.W. Eleventh Avenue / Portland, Oregon 97205
(503) 227-0455

Exhibit C

October 2, 1985

Legal Description for Kaiser property

A parcel of land located in Section 22 and the S.W. 1/4 of Section 23, Township 1 North, Range 2 West, Willamette Meridian, Washington County, Oregon being more particularly described as follows:

Beginning at the intersection of the West right-of-way of Cornelius Pass Road (C.R. No. 1172), and the south line of the E.H. Lennox D.L.C. No. 50; thence westerly along the south line of said D.L.C. No. 50 a distance of 2500 feet more or less to the east line of the Wm. Bennett D.L.C. No. 47; thence North along said east line of D.L.C. No. 47 a distance of 430 feet more or less to the N.E. corner of the Wm. Bennett D.L.C. No. 47 and the south line of the Alexander Zachary D.L.C. No. 52; thence west along the south line of said Zachary D.L.C. 4330 feet more or less to the east right-of-way of N.W. Shute Road (C.R. No. A-100); thence North along the east right-of-way of said Shute Road 4600 feet more or less to the southerly right-of-way of Sunset Highway (U.S. No. 26); thence Easterly along the southerly right-of-way of said Sunset Highway to the west right-of-way at Cornelius Pass Road (C.R. No. 1172); thence South along said west right-of-way of Cornelius Pass Road 1500 feet more or less to the Point of Beginning.