

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF)	RESOLUTION NO. 86-651
ACCEPTING THE HEARINGS OFFICER'S)	
REPORT IN CONTESTED CASE NO. 85-9)	Introduced by the
(RIVIERA), FURTHERING ANNEXATION)	Executive Officer
OF THE AFFECTED PROPERTY TO METRO)	
AND EXPRESSING COUNCIL INTENT TO)	
AMEND THE URBAN GROWTH BOUNDARY)	

WHEREAS, Contested Case No. 85-9 is a petition from Riviera Motors, Inc. 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 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. 85-9 the Hearings Officer's Report and Recommendations in Exhibit B of this Ordinance, which is 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 12th day of June, 1986



Richard Waker, Presiding Officer

JH/gl
5732C/462-1
05/30/86

STAFF REPORT

Agenda Item No. 6.4

Meeting Date June 12, 1986

CONSIDERATION OF RESOLUTION NO. 86-651, ACCEPTING
THE HEARINGS OFFICER'S REPORT IN CONTESTED CASE
NO. 85-9 (RIVIERA), 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 Riviera Motors, Inc. proposes to include in the urban area some 450 acres north of Sunset Highway in Washington County as shown in Exhibit A (attached to Resolution No. 86-651). It is one of three petitions received this year requesting major amendments of the regional Urban Growth Boundary (UGB).

Under the applicable statewide goals, major UGB amendments may be approved only when shown to be needed to accommodate growth. Riviera 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 Kaiser's petition. Support of this argument and/or of 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 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 between Riviera Motors and 1000 Friends of Oregon that the property will be platted so as to make a 65-acre parcel available to a potential user for as long as needed.

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. 86-651.

JH/gl
5732C/462-1
05/30/86

EXHIBIT "A"

PARCEL I:

A tract of land in the Alex Zachary Donation Land Claim No. 52, Section 22, Township 1 North, Range 2 West, Willamette Meridian, Washington County, Oregon, described as follows:

Beginning at a point in the south line of Jacobson Road, which point is South $89^{\circ} 43' 22''$ East, 71.76 feet and South $0^{\circ} 16' 38''$ West, 20.00 feet from the Northwest corner of the Zachary D.L.C.; thence along the South line of the Jacobson Road, South $89^{\circ} 43' 22''$ East, 2,573.98 feet; thence South $0^{\circ} 22' 56''$ West, 1,714.10 feet to a point in the North line of the Sunset Highway; thence along said North line, as follows:

South $89^{\circ} 37' 23''$ West, 170.26 feet; thence North $61^{\circ} 55' 06''$ West, 999.99 feet; thence North $61^{\circ} 34' 29''$ West, 299.88 feet; thence North $56^{\circ} 55' 24''$ West, 351.20 feet; thence North $61^{\circ} 44'$ West, 350.12 feet; thence North $56^{\circ} 05' 23''$ West, 301.60 feet; thence North $35^{\circ} 09' 30''$ West, 223.40 feet; thence North $39^{\circ} 59' 30''$ West, 415.85 feet to a point in the East line of Helvetia Road; thence along said East line North $0^{\circ} 32' 38''$ East, 19.05 feet; thence on the arc of a curve right, having a radius of 1,362.40 feet and a central angle of $2^{\circ} 52' 02''$, the long chord bears North $1^{\circ} 59'$ East, 68.19 feet, an arc length of 68.19 feet to the point of beginning.

PARCEL II:

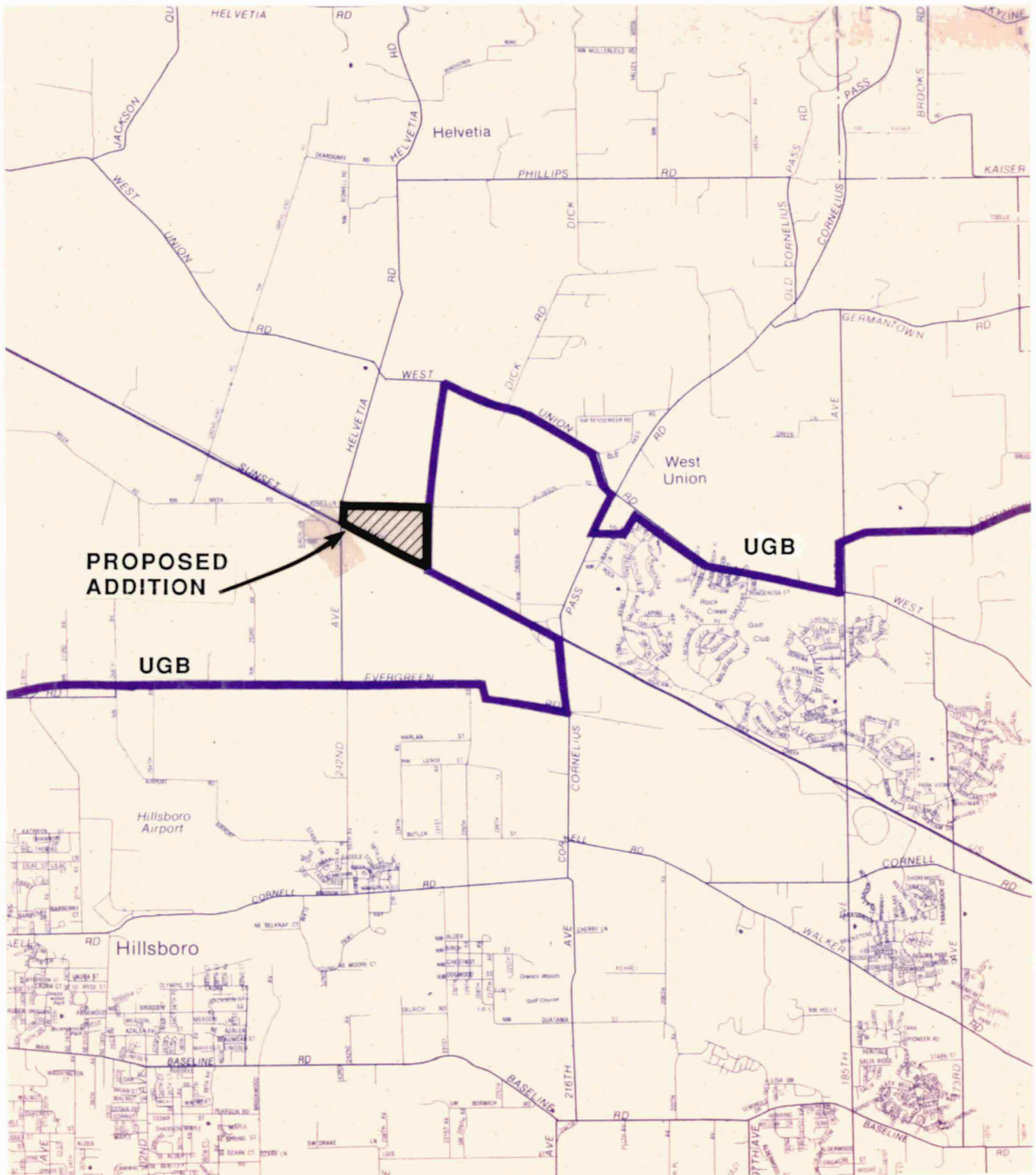
The following described property in Sections 15 and 22, Township 1 North, Range 1 West, Willamette Meridian, Washington County, Oregon:

Beginning at the Northwest corner of that certain tract conveyed to Albert L. Croeni, by Deed recorded in Book 129, page 34, Washington County Deed Records; thence East along the North line of said tract, 70 feet, more or less, to the West line of the Bonneville Power Administration right of way; thence South along said line, 1,800 feet, more or less, to the Northerly line of the Sunset Highway; thence Northwesterly 30 feet, more or less, to the West line of said Croeni Tract; thence North along said line, 1,800 feet, more or less, to the point of beginning.

BONNEVILLE POWER ADMINISTRATION RIGHT OF WAY
PARCEL III:

A strip of land 500 feet wide across a tract of land described as: Beginning at a point on the North line of DLC of Alexander Zachary and Sarah Zachary, his wife, in Sections 14, 15, 22 and 23, Township 1 North, Range 2 West, W.M. Washington County, Oregon, at a point 20 chains West of the Northeast corner of said DLC; thence South 19.999 chains; thence West 20 chains; thence North 19.999 chains to the North line of said Claim; thence East 20 chains to the place of beginning. The boundaries of said strip of land lie 75 feet westerly from and 425 feet easterly from and parallel with the survey line of the United States of America for its Bonneville Power Administration's Keeler-Allston No. 1 transmission line, said survey line is described as follows:

Beginning on the east line of said Donation Claim No. 52 at a point which is $N0^{\circ}24'00''E$, 75.9 feet from the southwest corner of the John S. White Donation Land Claim No. 51; thence $N58^{\circ}54'30''W$, 2999.9 feet; thence $N2^{\circ}18'40''E$, 2828.1 feet; thence $N8^{\circ}56'50''E$, 81.6 feet to the north line of the Alexander Zachary Donation Land Claim No. 52, said Township and Range, at a point which is $N88^{\circ}02'50''W$, 674.7 feet from the southwest corner of Donation Land Claim No. 65, said Township and Range.



Proposed Findings for
Petition for Amendment of

**METROPOLITAN
SERVICE DISTRICT
URBAN GROWTH
BOUNDARY**

RIVIERA MOTORS INC.

April 1986

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RIVIERA MOTORS

PROPOSED FINDINGS OF FACT AND CONCLUSIONS OF LAW

INTRODUCTION

On October 4, 1985, Riviera Motors petitioned the Metropolitan Service District to amend the Portland Metropolitan Urban Growth Boundary (UGB). Riviera Motors seeks to add the land adjacent to the Riviera Motors Five Oaks Industrial Park and contiguous to the existing UGB. A legal description is attached as Exhibit "A".

The proposed use of the Riviera Motors property is a large industrial tract electronics campus development integrated with the existing Five Oaks Industrial Park. The potential development could take advantage of consolidating the 71 acres currently inside of the Five Oaks Industrial Park and 65.5 of the 87.9 acres which are the subject of this petition. Twenty two and three tenths of the eighty seven and nine tenths acres are subject to the BPA right-of-way and can be used for the extension of roads, utility lines and open space. The testimony submitted by petitioners and supported by the Department of Land Conservation and Development, 1000 Friends of Oregon, and Washington County, stated the property will be held for large site users until such time as a need is identified for smaller sites.

The petitioner takes the position that the need requirements analyzed under Factor 1 of Goal 14 can be satisfied by showing an inadequate supply of parcels of 30 acres or larger within the Sunset Corridor, sub-region of the Portland Metropolitan UGB. Notwithstanding this conclusion, to comply with the requirements of OAR 660-04-010(1)(c)(B), the petitioner has proposed findings from evidence in the record which address each of the alternative sites raised by 1000 Friends of Oregon.

The findings address the seven factors of Goal 14 and the requirements of OAR 660-04-010 for a Goal 2 exception. The section which follows addresses these legal requirements.

NATURE OF PROCEEDINGS

The hearings officer, pursuant to the authority of Metro Ordinance No. 89-189, Section 5, ordered the consolidation of certain issues for hearing among the three (3) petitioners for a major amendment for the Urban Growth Boundary. The three (3) petitioners are:

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

The issues consolidated for hearing are:

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

THE LEGAL REQUIREMENTS

Introduction

In order to amend an acknowledged Urban Growth Boundary (UGB) a governing body must consider the seven factors of Statewide Planning Goal 14 and satisfy the requirements of the Goal 2, Part II exceptions process. 1000 Friends of Oregon v. Wasco County Court, 299 Or. 344, 364 (1985).

I. The Goal 14 Criteria.

In relevant part, Goal 14 provides:

Establishment and change of the boundaries shall be based upon considerations of the following factors:

- (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.

OAR 660-15-000 (14).

LCDC historically has viewed the first two factors as "need" factors which translate into the amount of land that may be included within a UGB. The last five factors are referred to

as "locational" factors and are utilized to determine which lands will be included within the UGB to satisfy the need demonstrated under factors (1) and (2). In short, factors (1) and (2) are intended to determine how much land will be included in a UGB and factors (3) through (7) determine where the UGB will be located. 1000 Friends v. Wasco County Court, 299 Or. at 363-64.

II. Goal 2 Exception Criteria applicable to an UGB amendment.

OAR 660-04-010(1)(c)(B) provides:

When a local government changes an established urban growth boundary it shall follow the procedures and requirements set forth in Goal 2 "Land Use Planning", Part II, Exceptions. An established urban growth boundary is one which has been acknowledged by the Commission under ORS 197.251. Revised findings and reasons in support of an amendment to an established urban growth boundary shall demonstrate compliance with the seven factors of Goal 14 and demonstrate 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.

THE GOAL 14 FACTORS

INTRODUCTION

To satisfy the requirements of Goal 14, Factors 1 and 2, the applicant must demonstrate a need for expansion of Metro's Regional Urban Growth Boundary (UGB). This need may be based upon demographic elements not foreseen at the time the initial UGB was adopted, a need to alter population assumptions that have proved unsatisfactory to meet longer term population needs, or a need to provide housing or employment opportunities not presently satisfied by existing land inventories within the acknowledged UGB. More particularly, LCDC has interpreted the "need" factors of Goal 14 in a manner that permits local governments to include acreage within a UGB such that alternative sites suitable for economic growth and expansion are present in the marketplace. Babb v. City of Veneta, LCDC 9-83 (1983).

The UGB amendment at issue in this case proposes addition of lands that will be designated for 30 acres or larger. In 1983, the Legislature enacted ORS 197.172 to emphasize to the LCDC the importance of Goal 9-Economy of the State, in decisions relating to the UGB land supplies. In relevant part, the statute provides:

(2) By the adoption of new goals or rules, or the application, interpretation or amendment of existing goals or rules, the commission shall implement all of the following:

(c) Comprehensive plans and land use regulations shall provide for at least an adequate supply of sites of suitable sizes, types, locations and service levels for industrial and commercial uses consistent with plan policies.

(g) Local government shall provide:

(B) Reasonable opportunities for urban, residential, commercial and industrial needs over time through changes to urban growth boundaries.

In a memorandum dated March 5, 1986, the director of the Department of Land Conservation and Development explained how DLDC views this statute in reference to its historical view of Goal 14:

. . . the Legislature intended that jurisdictions go further than they have, at least for those industrial or commercial uses that have a potential for expansion or locating in the economic region and that the community has policies to encourage. In the past, many jurisdictions developed 20-year employment needs generated from population projections, then determined raw industrial and commercial acreages necessary to support that employment base. The Legislature recognized that jurisdictions must consider parcel or site characteristics as well as the general supply of gross acreage. (Emphasis added.)

In addition, LCDC has found compliance with Goal 9 based on a local government's identification of particular commercial or industrial activities which the community considers attractive or suitable. [See: City of LaGrande Continuance Order, Staff Report, at 15 (LCDC, March 5, 1981) and City of Junction City Continuance Order, Staff Report, at 14 (LCDC, June 26, 1980).]

I. GOAL 14, FACTOR 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 criteria has been satisfied. The following is the evidence which supports this findings.

The Metropolitan Service District Urban Growth Boundary (UGB) is a regional boundary. The amount of land included within the boundary is a factor of region wide 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 region wide 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. Region wide 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, region wide 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 applicants contend there is a local 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 region wide basis, there is a need for additional large sites ranging in size from 30 to 60 acres 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 findings 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". (Exhibit "D")

The petitioners entered into the record the Leland & Hobson Report (Hobson Report) submitted by Kaiser Development, Inc. as part of its evidence. The Hobson Report documents the fact that the Sunset Corridor is virtually the only locational choice of emerging industrial high-tech firms in the Portland Metropolitan area.

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 school(s), 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. The Sunset Corridor includes the Oregon Graduate Research Center and has an established critical mass which also creates a diverse labor pool.

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 Sunset Corridor has become the location of choice for most high-tech industries locating in Oregon. In major part, the choice is the result of the "critical mass" of technology users that has been achieved in the corridor. Development within the Sunset Corridor has been promoted by Washington County (and supported by Special Industrial Overlay District zoning designation), the Oregon Economic Development Commission, the Portland Chamber of Commerce, the Sunset Corridor Association, and many other private and public organizations. Oregon has strived to promote the image of the Sunset Corridor as a primary location of choice for high-tech expansion, relocation and development.

The Metro UGB was adopted by Metro's predecessor, the Columbia Region Association of Governments (CRAG), in 1979 and acknowledged by LCDC in January, 1980 and reacknowledged in part in January, 1986. A primary function of the UGB is to provide sufficient land for the future growth in the Portland

region for a twenty year period. Metro initially intended that the boundary be relatively static until that time.

As demonstrated in the findings, unforeseen by planners was the pattern of the rapid economic development which has occurred over the last several years within the UGB generally, and particularly within the Sunset Corridor sub-region of the UGB. During that time, a large number of high-technology industries have consumed large tracts of land for production, research and development facilities. These industries also have encouraged development of related and support industries.

The need has been identified for a sufficient number of sites with a variety of attributes to allow businesses to locate in the Metro area an adequate choice among available sites of varying sizes, location and characteristics.

Richard Carson of the Oregon Economic Development Department states, "The Sunset Corridor sub-region needs its own special analysis to determine if the 'sizes, types, locations and service levels are adequate for the short-term needs'." (Source: Letter to Jill Hinckley dated September 12, 1985 from Richard Carson). Mr. Carson is of the opinion and the hearings officer finds, that there is an inadequate supply of large industrial sites to meet the short-term need within the Sunset Corridor. (Source: Testimony of Richard Carson on Alternative Sites).

When Riviera Motors was approached by Metheus Corporation in 1982, Metheus sought to purchase an option on 35 acres

within the Five Oaks Industrial Park. (Source: Testimony of Jim Thornburg and letter in Riviera Petition from Paul W. Carlson of Cushman & Wakefield). In 1982, Metheus was a start up high-tech company. The needs of start up high-tech companies like Metheus are not uncommon within the high-tech industry. These firms need to have the flexibility to provide for rapid expansion. The experience within the industry is for a very large production contract to be entered into once a firm has developed a proto-type product. For success, the firm must be positioned to accommodate immediate and rapid plant and facilities expansion to provide for massive product production. (Source: Testimony of Ralph Shaw and Senior Thesis of Eugenio Beaufrand).

The hearings officer also is persuaded by the following opinions regarding the need for additional large parcels within the Sunset Corridor:

(1) The Portland Chamber of Commerce is of the opinion that the Sunset Corridor area currently contains an inadequate quantity and variety of sites to maintain an efficient land market to accommodate the need of major new users. The Chamber considers it imperative that the Portland area maintain a large inventory of sites of varying sizes if we are to remain competitive for attracting new business as well as accommodating the siting needs of existing business. (Source: Letter from Dickwin D. Armstrong to Adrienne Brockman dated March 11, 1986).

(2) 1000 Friends of Oregon indicates that there is a shortage of 60 acres or larger sites for industrial development. (Source: Testimony of Robert Stacey).

(3) The Portland Development Commission (PDC) has commented that there is a shortage of large industrial sites within the Sunset Corridor. The PDC points out that this shortage of industrial land can have a long term negative effect on the growth potential of the entire region's high-technology industry. (Source: Portland Development Commission letter to Adrienne Brockman dated March 20, 1986).

(4) Floyd Bennet of the First Interstate Bank of Oregon states: "There is clearly a shortage of land ready for industrial development in the west Portland area." He states further, "[W]e believe it is important that the Portland area continues to have available a sufficient inventory of sites for industrial development by incoming companies and local firms which are expanding." (Source: First Interstate Bank letter to Adrienne Brockman dated March 14, 1986).

(5) Ken Johnson, the Director of Planning and Development for the Port of Portland is of the opinion that, "for the region to compete in the siting of large industrial facilities, a sufficient inventory of large industrial sites is needed for the region as a whole, as well as for the sub-regions which have experienced varying rates of growth and development." (Source: Letter from the Port of Portland to Adrienne Brockman dated March 19, 1986).

(6) Walter A. Swan of the National Association of Industrial and Office Parks states, "It is important that the Portland area continues to maintain an inventory of adequate zoned and serviced industrial properties for continued economic development purposes. Most, if not all, other cities we compete with have more land in inventory than Portland." (Source: Letter from Walter A. Swan, Jr. to Adrienne Brockman dated March 19, 1986).

The prospect for continued expansion in the high-tech field from 1984 through 1995 is projected to be very strong. The projected rates of annual growth for the nation in consumer purchases include 20.9% in the purchase of personal computers, 20% in telephone equipment, and 3.9% in the field of consumer electronics. Business investment in computers for the same time period is expected to grow at the rate of 8.5% per year. Business investment in communication equipment and services is expected to increase two to threefold from 1984 to 1995. (Source: Testimony of Ralph Shaw and Address of Ralph Shaw entitled "Which Industries Have the Best Potential For Investors?") The continued expansion and growth of these industries will require new plants and facilities. Any area seeking to attract these firms must be prepared to offer an adequate selection of sites. If a particular area cannot offer sites which will meet the needs of these industries, they will in all likelihood be removed from the site selection lists of these industries.

There was testimony that since 1978, 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 per 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 stated 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 totalling 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 establishes need for jobs. Portland and the Sunset Corridor will be competing with other areas for new industry. The question is whether seven sites totalling 629 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 communal uses. . . . " This site includes 65 acres and offers the opportunity for two 30 acre sites or one 65 acre site. In addition, it can be added to adjoining vacant land within the Urban Growth Boundary to create a 136.5 acre site.

The hearings officer finds there is a need for additional industrial land for high-tech development and in particular, for a variety of parcel sizes. The proposed zoning would allow 30 acre tracts. An examination of the distribution of available "unconstrained" parcels shows a need for parcels larger than 30 acres. In fact, petitioners recognized this need and stated on the record that the need for larger parcels would be satisfied through the following steps:

A. Promptly after entry of the Final Order granting said UGB amendment, Riviera Motors shall initiate the following proceedings with Washington County:

(1) An amendment to the Washington County Comprehensive Framework Plan to designate the property "industrial."

(2) Establishment of a Special Industrial Overlay District (SID) upon the property pursuant to the provisions of Article III, Section 377, of the Washington County Community Development Code (CDC), a copy of which is marked Exhibit "B" and attached hereto. The SID shall include the following elements:

(i) A Master Plan - Site Analysis shall be submitted which will provide, among other things, that the property shall be divided into two adjacent tracts of not less than 30 acres in size which tracts shall be retained as a single 65.5 acre parcel available as a single large-lot industrial parcel.

(ii) The size and configuration of the tracts and the 65.5 acre parcel within the SID may be re-evaluated on an annual basis at the request of Riviera Motors. The criteria for any such re-evaluation shall be the terms, conditions and criteria set forth in Section 377-1.1, CDC, and Strategy M under Policy No. 1 of the Washington County Comprehensive Framework Plan. A copy of Strategy M. is marked Exhibit "C" and attached hereto.

(iii) Any amendment to the SID Master Plan for the property may be made only after a public hearing conducted pursuant to the provisions of the Washington County Community Development Code as Type III proceeding.

B. For a period of not less than twelve months after addition of the property to the UGB, Riviera, in marketing the property, will describe and feature the opportunity to consolidate the 65.5 acre parcel with an undeveloped portion of Five Oaks Industrial Park to provide a 100 acre or greater parcel for a large-industrial tract end-user. The marketing opportunity for the 100 acre or greater parcel shall not be to the exclusion of the 65.5 acre or potential 30 acre or greater tracts.

Specifically, the hearings officer finds that the applicant's petition to add approximately 87.9 acres of land 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 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 an area 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.
 - (d) An internationally 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 1,400 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 the need is for 600 acres, the amendment of 87.9 acres to the Urban Growth Boundary will address the 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. The testimony and ORS 197.712(2)(c) require the provision of a range of parcel sizes. The applicant is proposing a parcel size combination ranging from 30 acres, 65.5 acres to 100 acres. This petition addresses part of the need for larger parcels.

II. FACTOR 2, GOAL 14, NEED FOR JOBS

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 in the Leland & Hobson Report 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. The report states that: "Manufacturing employment dropped not only in absolute numbers but also on a percentage of total employment. In 1979, manufacturing accounted for 21.6 percent of total wage and salary employment whereas in 1984, it accounts for 19.8 percent. In absolute numbers, 29,000 jobs in manufacturing were lost between 1979 and 1984 of which 15,200 were in lumber and wood products."

Evidence was submitted at the alternative sites consolidated hearing that between 1979 and 1982 the state lost 25,000 wage and salary jobs. (Source: Testimony of Susan Quick).

The Hobson Report states that a goal of the state is to diversify the economy. The state's program is two-fold: (1) to assist existing lagging sectors and (2) to attract new

industries to Oregon. Portland has become a high-tech center. In fact, testimony was given that high-tech is an emerging industry in the state. There are over 400 high-tech firms in Oregon, the vast majority of which are located in the Sunset Corridor of Washington County. This ranks Oregon 9th among all 50 states for the number of electronics firms. It was stated that the New York Times ranks Portland among the top 10 American cities in numbers of high-tech jobs, and Newsweek stated in the summer of 1985 that "Over the past two years, Oregon has become the hottest high-tech growth area in the nation." (Source: Testimony of Susan Quick).

The Hobson Report documents the history of high-tech growth in the Sunset Corridor. Metro projects that within the region there will be 22,048 new electronic manufacturing jobs between 1985-2005. Petitioners state that at a density of 16.4 employees per acre, there will be 1,076 new jobs created on this site.

The hearings officer finds that there is a need for jobs in Oregon. High-tech is an emerging industry and it has the potential of creating another dynamic sector to the economy.

III. FACTOR 3, GOAL 14, ORDERLY AND ECONOMIC PROVISIONS FOR PUBLIC FACILITIES AND SERVICES

A. Traffic Impact.

1. Consolidated Impacts.

The petition was evaluated by Metro staff assuming this petition, the petition by Kaiser 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 any one or all three of the petitions can be accommodated by proposed improvements. At Sylvan, however, Sunset is at capacity for west bound 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 8,000 cars at p.m. peak. This evidence was not refuted. The hearings officer finds that the traffic generated by this petition is minimal.

The Metro staff also found that the planned transportation system could accommodate the projected traffic with the addition of turn-lanes at the intersection of Helvetia Road, the Helvetia Road Interchange and Cornelius Pass Road.

2. Background Information.

a. The Study Area.

(1) The major roads providing access to the site include the Sunset Highway, Helvetia/Shute Road, Jacobson Road, and Cornelius Pass Road. The Sunset Highway is an east/west principal regional arterial designed to freeway standards; it serves regional transportation needs between Portland and western Washington County. Currently, Sunset Highway consists of two lanes in each direction of travel, with a grade separated interchange at both Cornelius Pass Road and Helvetia/Shute Road. (Source: Riviera Motors Petition Appendix B).

(2) Cornelius Pass Road is a minor arterial that provides for north-south travel through the study area. It connects between Cornell Road/216th Avenue on the south and U.S. 30 on the north, and within the study area, or the general vicinity of the Riviera Motors site, consists of one lane in each direction of travel. (Source: Riviera Motors Petition Appendix B).

(3) Helvetia/Shute Road also is classified as a minor arterial, and provides for north-south travel between Cornell Road and Helvetia. This roadway is named Helvetia Road north of its interchange with Sunset Highway, and Shute Road south of this interchange. Within the study area, Helvetia/Shute Road consists of one lane in each direction of travel; however, the recently completed Sunset Highway overpass

allows for an ultimate five lane cross section, consisting of two through travel lanes in each direction of travel plus a separate left turn lane in the median. (Source: Riviera Motors Petition Appendix B).

(4) Jacobson Road is classified as a major collector, and is the only roadway within the study area that provides direct access to the Riviera Motors property. It is an east-west roadway that connects between West Union Road/Cornelius Road on the east and Helvetia/Shute Road on the west. Originally consisting of one lane in each direction of travel, Jacobson Road has been upgraded between Helvetia Road and Croeni Road under Phase I of the West Union Local Improvement District established with Washington County. The improved Jacobson Road will consist of both two-lane and three-lane sections. (Source: Riviera Motors Petition Appendix B).

b. The Assumptions. The hearings officer relies upon the following assumptions concerning the study area.

(1) The traffic analysis conducted for the proposed project assumes the need for minor street improvements to the streets by construction of left turn or right turn pockets on one or more of the approaches surrounding the property and the construction of the identified improvements listed in section c. below. The analysis adopts Metro's projection as to the buildout of lands within the current UGB by the year 2005. Traffic volume information was obtained from

the Washington County transportation staff. The projected peak hour traffic impact is based upon weekday evening peak hour, which generally occurs in this area between the hours of 5:00 and 6:00 p.m.

(2) The estimated trips generated from the Riviera development are based upon the ITE Trip Generation Land Use Code Number 110 and the estimate of 1,076 employees working on the site. A 5% peak hour transit ridership is assumed. The total daily vehicle trips to and from the site has been estimated at 3,440. For the a.m. peak hour, a total of 680 trips will be generated with a breakdown of 580 inbound and 110 outbound. For the p.m. peak hour, a total of 670 trips will be generated with a breakdown of 230 inbound and 440 outbound. (Source: Riviera Motors Petition).

3. The Traffic Impact Generated by the Riviera Development. The hearings officer finds the following impacts upon planned transportation system at the intersections in the study area:

a. Helvetia/Jacobson Road Intersection will operate at a "B" level of service with a projected 56 percent degree of saturation without the Riviera Motors Development. With the development, the intersection will operate at a "C" level with a 73 percent degree of saturation.

b. Helvetia/Westbound Sunset Highway Intersection will operate at a "C" level of service with a 74 percent degree of saturation without the Riviera Development.

With the development, the intersection will operate at a "D" level of service with an 86 percent degree of saturation.

c. Shute/Eastbound Sunset Highway Intersection will operate at an "A" level of service with a 53 percent degree of saturation without the development. With the development, the intersection will operate a "C" level of service with a 73 percent degree of saturation.

d. Cornelius Pass Road/Jacobson Road Intersection will operate at a "D" level of service at an 81 percent degree of saturation with or without the development.

e. Cornelius Pass Road/Croeni Road Intersection will operate at a "B" level of service with a 66 percent degree of saturation with or without the development.

f. Cornelius Pass Road/Westbound Sunset Highway Intersection will operate at an "A" level of service with a 51 percent degree of saturation with or without the development.

g. Cornelius Pass Road/Eastbound Sunset Highway Intersection will operate at an "A" level of service with a 40 percent degree of saturation with or without the development.

4. Conclusions.

a. The transportation system for the area surrounding the Riviera Motors site can adequately accommodate projected traffic from the Riviera Motors development with the addition of sufficient turn lanes at the intersections of Helvetia Road, the Helvetia Road Interchange, and Cornelius Pass Road. (Source: Testimony of Wayne Kittleson and the Metro

Staff Report of Andrew Cotugno, January 14, 1986). "Based upon the data and analysis contained in the Traffic Report, it is concluded this annexation would not result in noticeable impacts to the Sunset Highway." (Source: Department of Transportation Highway Division Letter and Report to Jill Hinckley dated January 21, 1986).

b. Sufficient capacity exists upon the Sunset Highway and surrounding street system to accommodate the projected traffic if the pending Riviera Motors, Kaiser, and Benj. Fran UGB petitions are approved. (Testimony of Wayne Kittleson and the Riviera Motors Petition Appendix B). Primary contribution to traffic impacts on the Sunset Highway are from the Riviera and Kaiser developments. Forecast traffic from these developments overlayed on the MSD forecast background traffic shows that six lanes would be required on the Sunset Highway east of 185th Avenue. Currently, there is consideration as part of the regional plan to update and widen the Sunset Highway to six lanes east of 185th. If the Sunset Highway were widened to six lanes, adequate capacity would be available on this highway to adequately serve the proposed land development. (Source: Oregon Department of Transportation, Highway Division, Letter and report to Jill Hinckley dated January 21, 1986).

B. Fire Protection. The hearings officer finds that adequate fire suppression, fire protection, and emergency medical services to service this site can be provided for by

the Washington County Fire District Number 2. The response time to an emergency would be approximately two to three minutes from either the 22nd Avenue and Cornell Road station or the 185th Avenue and Highway 26 station. (Source: Letter from Washington County Fire District Number 2: Roger Messenbrink, Fire Marshall contained in the Supplement to the Riviera Petition).

C. Extension of the Existing Riviera Motors Facilities:

The hearings officer finds that the site is contiguous to the Riviera Motors Five Oaks Industrial Park, an existing industrial development. The amendment of the UGB at this location is a logical and efficient extension of those existing facilities at the Riviera Motors site upon which the hearings officer makes findings on pages 39 through 41.

D. Water Service:

1. Existing Conditions. The hearings officer finds that the Wolf Creek Highway Water District is the provider of water service to the area. Its service boundary is congruent with the UGB in the area. The present Riviera facility is served by an 18-inch line. The District also has a 20-inch system looped through the intersection of Cornelius Pass Road and West Union Road. The Water District currently has an adequate supply to service the Riviera property. (Source: Gordon Merseth of CH2M-Hill: Memorandum of March 13, 1986 and letter from Larry Pippin of the Wolf Creek Highway Water District, Exhibit "C" to the Riviera Motors Petition).

2. Capacity to Extend Services. The District has the ability to provide about one million gallons per day to the site, which appears adequate to accommodate the probable industrial uses and to ensure proper fire flows. The least costly, easiest and most direct option for water service is to extend the existing 18 inch line now serving the Riviera Motors facility. (Source: Letter of Larry Pippin of the Wolf Creek Highway Water District, Exhibit "C" to the Riviera Motors Petition).

E. Sanitary Sewer Service.

1. Existing Conditions. The hearings officer finds that sanitary sewers are provided to the area by the Unified Sewerage Agency of Washington County. As with the Water District, the area proposed for sanitary sewer service is adjacent to the Agency's existing service boundary. The Agency now provides sanitary sewer service to the adjacent developed Riviera Motors Five Oaks Industrial Park facility through the Bendemeer System, a local improvement district project constructed about one year ago. This system was designed to serve the properties owned by Riviera Motors, SeaPort, Burlington Northern, and Western International. The Bendemeer trunk line follows the UGB with an eight-inch line extending across the BPA right-of-way to the eastern edge of the Riviera Motors property. The Bendemeer local improvement district includes tax lot 103 even though this parcel currently is outside the

UGB. (Gordon Merseth of CH2M-Hill, Memorandum dated March 13, 1986).

2. Capacity to Extend Service. The Bendemeer system was designed using a general allowance of 6000 gallons per acre per day as a sizing criteria. Discussions with the agency staff and their experience in this area indicate that this allowance is adequate to serve the Riviera Motors property outside the existing UGB. In fact, it may be conservative given the BPA right-of-way and the low level of use imposed by the present land-extensive Riviera Motors development. Given the relative sizes of the two parcels, the design allowance could be reduced to about 4,000 gallons per acre for the Five Oaks Industrial Park acreage presently in the local improvement district and provide the same per acre allowance for use in the new parcel. Agency staff indicate that the systems have adequate capacity for this development at this time. (Source: Gordon Merseth of CH2M-Hill, Memorandum dated March 13, 1986).

F. Storm Sewers:

1. Existing Conditions. The hearings officer finds that responsibility for drainage of storm water rests with Washington County. At present, storm sewers exist only to provide drainage for the areas immediately adjacent to the Sunset Highway. They are sized assuming the area is farm land, and cause the Sunset Highway to act as a dam when rainfall occurs in excess of the culvert's capacity. County staff is of the opinion that development on the property will amplify

potential flooding north of the highway. (Source: Riviera Motors Petition).

2. Mitigating Measures. To mitigate this potential problem, on-site retention will be developed, such as the use of detention ponds in open space areas. The ponds would be sized to handle run-off flows from the property. Design of improvements on the site could help to minimize rapid run-off and thus, allow greater capacity in the on-site detention ponds. (Source: Riviera Motors Petition).

G. Solid Waste Disposal: The hearings officer finds that solid waste collection and disposal is franchised by Washington County. The site is located within the area served by Garberino Sanitary Service. (Source: Riviera Motors Petition).

H. Schools: The West Union School District and Hillsboro Union High School District both serve the area; however, the proposed use will not directly create any increase enrollment.

I. Other Major Utilities: Portland General Electric, General Telephone Company and Northwest Natural Gas currently provide utility service to the Five Oaks Industrial Park. Each of these utilities has indicated its ability to serve the site. The extension of service is subject to the specific needs of the users and satisfaction of conditions upon development. (Source: Appendix C of the Riviera Motors Petition contains letters from the various utilities indicating the availability of services).

J. Conclusion: The hearings officer concludes that the site, due to its proximity to existing facilities and services, can be rapidly developed with little public expenditure and can make efficient and economic use of the existing urban land facilities and services.

IV. FACTOR 4, GOAL 14; MAXIMUM EFFICIENCY OF LAND USE 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 the approval criteria have been satisfied. The following is a discussion of the evidence which supports that conclusion.

The hearings officer finds that the extension of the Urban Growth Boundary to include this site results in the maximum efficient use of land because the site is adjacent to a planned industrial area within the Urban Growth Boundary and within the Sunset Corridor. In addition, the foregoing discussion of need for larger acreages capable of providing for high-tech and the availability of services supports the inclusion of this site within the UGB. These findings document the history of development in the area. (Source: Hobson Report). A need for the land has been demonstrated and the hearings officer finds that adding land in this location given its proximity to other users, the UGB and services results in a maximum efficient use of the land.

A. Logical Extension of Services.

Services implement the land use plan and are not the basis for approving an amendment to the Urban Growth Boundary. The availability of services, however, is a factor which is

considered in determining whether a particular site should be included in the boundary. All of the services are at the site and, therefore, inclusion of this site results in an efficient use of services.

B. No Islands or Unserviceable Areas.

There will be no islands or unserviceable area created.

C. Efficient Use of Sunset Highway.

Inclusion of industrial land has been identified as having a positive impact on the regional transit corridor when it occurs within one-quarter mile of the designated route. The Sunset Highway is a designated route and the Riviera Project is located on the Sunset Highway. [Washington County Inter-Department Correspondence dated July 26, 1985 from Richard A. Daniels, Director of DLUT to the Board of County Commissioners, Subject: Review of Criteria for UGB Locational Adjustments, Page 2, Paragraph I(a)(3)(aa)].

V. FACTOR 5, GOAL 14; ENVIRONMENTAL, ENERGY, ECONOMIC AND SOCIAL CONSEQUENCES

Factor 5 of Goal 14 requires consideration of the "environmental, energy, economic and social consequences." The hearings officer finds the evidence demonstrates there are no adverse consequences and, therefore, this approval criteria is satisfied. The following is a discussion of the evidence which supports this conclusion.

A. Environmental Consequences.

1. The Surroundings. The Riviera Motors petition includes approximately 87.9 acres for inclusion in the UGB. The property is adjacent to the existing UGB and the Five Oaks Industrial Park. The Five Oaks Industrial Park is currently zoned as a Special Industrial District. Together, the Riviera Motors property (65.5 acres) and the BPA right-of-way total about 87.9 acres. Coupled with the Five Oaks Industrial Park, they include about 216.4 acres, of which 24.8 acres are now developed. The property is bordered on the north by Jacobson Road, on the west by Helvetia Road and the New Helvetia Road/Sunset Highway interchange, on the south by the Sunset Highway, and on the east by the existing Riviera Motors Five Oaks Industrial Park.

2. The Site. The area proposed for the UGB amendment is well suited to development. It is open and gently rolling to level land, with slopes generally under seven percent (7%) and with enough topographic variation to add

interest to development. Except for wetness in low-lying areas, a condition that is typical of much of the area, soils are suited to development.

3. Natural Development Constraints. The natural development constraints on the site include the floodplain, which is the only natural hazard inventoried on the site by Washington County. About four percent (4%) of the Riviera Motors property is within the 100-year flood plain of an intermittent creek, Waible Gulch. This area is ideally situated to serve as a storm water retention area and open space.

4. The Flora. The trees on the property do not segment or break up the site and, therefore, permit great flexibility in how development can occur. The historic Five Oaks area located in Block One of the Concept Plan will be preserved as an open space by the construction of a three-acre park. (Source: Testimony of Jim Thornburg). Development of the property can occur on large, unbroken blocks of land. Final parcel shapes can be determined by the internal road layout and the needs of the ultimate user of the land. The BPA right-of-way, although it cannot be intensively developed, allows development on the north half of the Riviera Motors property and in the Five Oaks Industrial Park to occur in a coordinated manner.

5. The Soils. The Soil Conservation Service (SCS) classified soils on the Riviera property and BPA right-of-way as Class I through IV. About thirty-six percent (36%) of the

site's Class I soils is Willamette silt loam (0-3% slope). Class II soils cover about fifty percent (50%) of the site and include Amity silt loam, Willamette silt loam (3-7% slope), and Woodburn silt loam. Class III soils cover about thirteen percent (13%) of the site and include Verboort silty clay loam. Class IV soils constitute about one percent (1%) of the site and include Dayton silt loam. Other industrial sites in the area are composed of similar quality soils which would be converted as development is approved, however, the priority in converting agricultural lands is a consideration under Goal 14, Factor 6. The conversion of agricultural land is not part of this factor.

6. Air Pollution.

(a) Site Generated. No negative air pollution problems have been identified for the use of this parcel as an industrial development. If a facility that locates on the site emits any air pollutants, an extensive review by the Department of Environmental Quality will be required before the plant may operate.

(b) Automobile Generated. Concentrations of particulates and carbon monoxide are expected to be less than the ambient air quality standards in the Sunset Corridor. Carbon monoxide concentrations will increase at locations adjacent to roadways with high traffic densities and low vehicle speeds. Existing levels of carbon monoxide should be lower at the western end of the corridor than at the eastern

end. For a development the size of the Riviera Motors property, an Indirect Source Construction Permit probably will be required by DEQ. During the indirect source review process, the transportation-related air quality impacts of development are evaluated for compliance with the regulations. Larger developments than are planned for the Riviera Motors property have located in the Sunset Corridor in the past two years and have been determined to have minor air quality impacts. Transportation analysis results indicate that congestion near the Riviera Motors property will be minimized as a result of planned road improvements. Based on the transportation analysis, the air quality impact from traffic near the Riviera Motors property should be no greater than at other sites in the corridor with similar traffic characteristics.

7. Noise Considerations. The property is bound on the south by the Sunset Highway. An industrial use is preferred to a residential land use because of the traffic noise created by the Sunset Highway. Highway noise will not detract from certain businesses which will locate at a highway interchange to gain high visibility.

B. Energy Consequences.

1. Industrial use upon the Riviera Motors property would increase energy use. However, the probable development on the site has favorable energy consequences relative to other industrial sites. The more efficient use of existing infrastructure is also energy efficient. Sewer and water lines

are available at the property line on the adjacent Five Oaks Industrial Park. The park is currently within the UGB and servicing Riviera Motors property will require minimal extension of existing lines. The property is adjacent to Sunset Highway. A more intensive development located along a high transportation corridor will lead to greater energy efficiency. It will result in providing jobs in Washington County and shorter work/home trips. Development of the entire Riviera Motors property as a cohesive unit maximizes the energy efficiency of buildings by taking advantage of the good solar orientation of the site.

C. Economic Consequences.

1. The Net Gain to the Surrounding Community Would be Beneficial. There would be a substantial net gain to the local economy from the proposed development of the Riviera site. It is estimated that the development would ultimately provide 1076 on-site jobs (based upon an average of 16.4 employees per acre on 65.6 acres). Significant additional economic benefits will accrue to the extent that firms new to the region or new firms with a start-up product choose to locate on the site. As this occurs, it is expected that indirect employment related to development on this site would be greater than indicated by the standard multipliers for industrial development.

2. The Current Use is Inefficient. The land is farmed by a single farmer as a portion of one very large

farming operation. The farmer who currently works this parcel has stated that it is unsafe for him to move his large farming machines to and from the property. Development for industrial use will provide greater employment opportunities for residents of Washington County and the region. Development will improve an existing adjacent industrial park. Inclusion of this property within the UGB will eliminate an acute shortage of large parcels within the Sunset Corridor. The property can be developed in a rapid fashion and an end user can expect development to be complete by the end of 1986. The Riviera property can be developed in a coordinated master plan to provide a public benefit to the area, including continued compatibility with adjacent agricultural activities.

D. Social Consequences.

1. No homes or other buildings currently are located upon the property. Therefore, there is no need to displace any persons or to demolish any buildings for the development of this parcel. The achievement of the electronic industry growth projected by Metro is in part dependent upon the availability of desirable locations for new firms and start-up companies in the region. If the Riviera property can help meet or exceed that projection, it represents an opportunity to improve upon the long-term seven percent (7%) unemployment rate that is assumed in Metro's employment projections. Decreasing the unemployment rate represents an increase in social well-being. (Source: Riviera Motors Petition).

2. See Findings under Goal 14 Factor 2: Employment and Livability incorporated herein.

VI. FACTOR 6, GOAL 14, RETENTION OF AGRICULTURAL LAND

Factor 6 of Goal 14 requires consideration of "Retention of agricultural land as defined, with Class I being the highest property 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 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 soil is Class I through IV. Approximately 36% of the site is Class I, 50% is Class II and 13% is Class III and 1% is Class IV. Within the definition of statewide planning Goal 3, these lands would be the highest priority for preservation. The system of statewide goals, however, 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. 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 Washington County generally means expansion into Class I and II agricultural lands. The hearings officer finds that, by its very nature, large acreage industrial parcels in the western half of the state will consist of land that is classified as Class I and II. 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 issues. That testimony indicated support for this application.

The farmer currently utilizing this property has indicated the increasing safety hazard the cultivation of this parcel poses. His large farming equipment cannot be efficiently or safely transported to the property without disrupting the normal traffic flows in the area.

The hearings officer has found a need for additional industrial land in the Sunset Corridor under Goal 14, Factor 1. It has been 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, the approval criteria is satisfied.

VII. FACTOR 7, GOAL 14; 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 Riviera Motors property is favorably situated for compatibility with surrounding agricultural uses. North of Jacobson Road, the land uses include agriculture and a mobile home park. To the west, stands of trees and a new freeway interchange buffer the site from residential and agricultural uses. The Sunset Highway buffers the south side of the property from a farmstead, open fields, and a filbert orchard. (Should the Kaiser petition be approved, these farm uses will be replaced by additional industrial development.) The BPA right-of-way, which will remain in agricultural or open space use indefinitely, is on the eastern edge of the property. The nature of the proposed use will also contribute to land use compatibility. Light industrial parks are designed to create attractive surroundings and to provide buffers for adjacent uses. The existing Five Oaks Industrial Park which has been in place for fifteen years has already demonstrated a high degree of land use compatibility with surrounding agricultural uses to the west and north. The proposed development of the property

would be consistent with the existing development of the Five Oaks Industrial Park.

For an additional discussion of compatibility, see Goal 2 Exception Criteria IV incorporated herein by this reference.

GOAL 2 EXCEPTION CRITERIA

Introduction

OAR 660-04-010(1)(c)(B) provides:

When a local government changes an established urban growth boundary it shall follow the procedures and requirements set forth in Goal 2 "Land Use Planning", Part II, Exceptions. An established urban growth boundary is one which has been acknowledged by the Commission under ORS 197.251. Revised findings and reasons in support of an amendment to an established urban growth boundary shall demonstrate compliance with the seven factors of Goal 14 and demonstrate 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 them 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.

I. FACTOR 1, GOAL 2; REASONS WHICH JUSTIFY WHY THE STATE
POLICY EMBODIED IN THE APPLICABLE GOALS SHOULD NOT APPLY

OAR 660-04-010(1)(c)(B)(i) provides that this Goal 2
Exception criteria is satisfied by addressing the seven factors
of Goal 14 factors in the first section of these findings. The
hearings officer finds that the seven factors have been
satisfied.

II. FACTOR 2, GOAL 2; AREAS WHICH DO NOT REQUIRE A NEW EXCEPTION CANNOT REASONABLY ACCOMMODATE THE USE

A. The Site. The hearings officer finds that development of the Riviera Motors site will take advantage of the economies of agglomeration in an area of concentrated high-technology research and development and production. The Riviera property is located in the Sunset Corridor. The site is also off-rail, an important consideration for some high-tech firms. The combination of special characteristics (i.e., located next to an existing industrial development, containing 65.5 acres with flexibility to include over 100 acres, and promptly developable) makes this site ideally suited for particular uses which can be accommodated by only a few sites within the current UGB. (Source: Alternative Site Analysis by Wes Reynolds of CH2M-Hill).

B. Alternative Sites.

This criterion requires an applicant to address "reasonable" alternative sites already in the urban growth boundary 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 area factors 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 proceedings. OAR 660-04-020(2)(b).

The hearings officer finds evidence supporting 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 the 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). Therefore, this map satisfies the exceptions requirement.

(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 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 users. The record includes substantial evidence which demonstrates that high-tech uses seek an area which has: (1) criteria mass, (2) known identity, (3) educational institutions, and (4) an available labor force. The Sunset Corridor has established that criteria 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; and

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

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

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 need 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 nonresource 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 users 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 for 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 of 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 locations 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 (TV 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, TV 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 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 TV 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 TV Highway would require construction of a left-turn lane and signalization in order to accommodate the high traffic volumes on TV 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 TV Highway at 234th Avenue, which bisects the parcel. It is rail-served and includes a small warehouse facility. Benj. Fran 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 TV 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 the 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 an alternative choice 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 his 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 relies, that the land available 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 1,400 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.

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 Riviera 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. Robert Stacey, Staff Attorney for 1000 Friends, testified that the annexation of the Riviera 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 ORA 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 located on the inventory, the remainder is available on a lease only basis.

(4) Ronler Acres. It is constrained.

(5) Wilsonville Property. It is outside the Sunset Corridor where a need has been demonstrated.

(6) Leviton Property. It is outside the Sunset Corridor where a need has been demonstrated. See Appendix I.

(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 on 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) Hawthorne Farm Property. It does not satisfy the need for 30 acres and larger parcels.

(15) Parkway Center Property. It is outside the Sunset Corridor.

(16) Tualatin Property. It is outside the Sunset Corridor.

(17) Beaverton 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.

C. 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 site except the site to the south of Sunset Highway known as the Kaiser 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 Kaiser site which

has been identified as an alternative. A need has been demonstrated for the Kaiser site. Therefore, it is not an alternative. This conclusion is based on the following evidence.

1. The findings under Goal 14, Factor 5 demonstrate the environmental, energy, economic and social consequences which will result from the proposed use upon the Riviera property. Petitioner incorporates the proposed findings under Goal 14, Factor 5 into this section as well as the following additional proposed findings.

2. Long term negative consequences of converting the Riviera property from an agricultural use to a light industrial use can be mitigated. The net benefit of the proposed use in terms of environmental, energy, economic and social consequences outweighs negative consequences.

3. The property contains no endangered species. The property will be developed with maximum consideration for the protection of the historic Five Oaks site located in the center of the property. This area will be set aside as a three acre park for use by the employees of the firm or firms that choose to locate on this site. The 100 year flood plain portion of the property will not be developed and retention ponds will be constructed within and around this portion of the property to mitigate any potential flood danger. (Source: Riviera Motors Petition and Testimony of Jim Thornburg).

4. The economic consequences of conversion of the Riviera property from an agricultural use to an industrial use

is best examined through an analysis of the potential gains. The current lease revenue from the farming operations barely cover the property taxes. The potential benefit of conversion of this property to an industrial use in terms of employment (1,076 jobs), tax revenues for the Federal, State and local governments and increased efficiency in the use of existing resources and services is impossible to measure. This property is located within Washington County and necessary public facilities and services can be efficiently provided to the site with little additional public expenditure. The existing facilities and services have capacity to adequately service the property.

5. The social consequences of conversion of the property from farm to industrial use, are considered in terms of employment opportunities generated and the impact upon the surrounding land uses. Industrial use would generate greatly needed employment opportunities within the Portland area. An industrial use would reduce the total acreage used by one farmer who currently farms this property in conjunction with many other properties in the Washington County area. A potential of 1,076 jobs can be created directly upon the property as well as an untold number of jobs from the potential multiplier effect upon the economy. No homes will be displaced by the conversion of this property into an industrial use. No residences will be adversely effected by the UGB amendment. Riviera has demonstrated a commitment to develop property in a

highly responsible manner, and the surrounding property owners have little to fear from the proposed development.

6. The energy consequences of the proposed use (as discussed in the proposed findings under Goal 14, Factor 5 and as set forth below), are considered in terms of traffic impact and the efficient use of existing public facilities in and around the property. The industrial use of this property will result in a more efficient use of the new Shute/Helvetia Road Freeway Interchange. Turning lanes have been identified as necessary, regardless of the outcome of this petition or development of the Riviera property. A more intensive development located along a high capacity transportation corridor will lead to greater energy efficiency. Development of the entire Riviera Motors property as a cohesive unit maximizes the energy efficiency of buildings by taking advantage of the good solar orientation of the site.

III. FACTOR 4, GOAL 2; 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 explained 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 criteria is satisfied. The following is a discussion of the evidence which supports this conclusion.

The Riviera Motors property is favorably situated for compatibility with surrounding land uses. North of Jacobson Road, the land uses include agriculture and a mobile home park. To the west, stands of trees and a new freeway interchange buffer the site from residential and agricultural uses. The Sunset Highway buffers the south side of the property from a farmstead, open fields, and a filbert orchard. The BPA right-of-way, which will remain in agricultural or open space use indefinitely, is on the eastern edge of the property. The nature of the proposed use will also contribute to land use compatibility. Light industrial parks are designed to create

attractive surroundings and to provide buffers for adjacent uses. The existing Five Oaks Industrial Park which has been in place for fifteen years has already demonstrated a high degree of land use compatibility. The proposed development of the property would be consistent with the existing development of the Five Oaks Industrial Park.

The Washington County comprehensive plan requires certain design requirements for Special Industrial Districts. These regulations and procedures thereunder can minimize potential unforeseen adverse impacts related to compatibility caused by inclusion of the property into the UGB.

As presented by the video tape presentation prepared for the Five Oaks Industrial Park, Riviera Motors has demonstrated a commitment to develop property with an emphasis upon landscaping and beauty. This commitment will be continued if these 65.5 acres are brought into the UGB.

The Decision

Based on the findings that each of the approval criteria are satisfied, the petition by Riviera Motors, Inc. is hereby approved. This approval is based on the petitioner's testimony by petitioners that the need for a variety of parcel sizes will be satisfied by the following steps:

A. Promptly after entry of the Final Order granting said UGB amendment, Riviera Motors shall initiate the following proceedings with Washington County:

(1) An amendment to the Washington County Comprehensive Framework Plan to designate the property "Industrial."

(2) Establishment of a Special Industrial Overlay District (SID) upon the property pursuant to the provisions of Article III, Section 377, of the Washington County Community Development Code (CDC), a copy of which is marked Exhibit "B" and attached hereto. The SID shall include the following elements:

(i) A Master Plan - Site Analysis shall be submitted which will provide, among other things, that the property shall be divided into two adjacent tracts of not less than 30 acres in size which tracts shall be retained as a single 65.5 acre parcel available as a single large-lot industrial parcel.

(ii) The size and configuration of the tracts and the 65.5 acre parcel within the SID may be re-evaluated on an annual basis at the request of Riviera Motors. The criteria for any such re-evaluation shall be the terms, conditions and criteria set forth in said Section 377-1.1, CDC, and Strategy M under Policy No. 1 of the Washington County Comprehensive Framework Plan. A copy of Strategy M is marked Exhibit "C" and attached hereto.

(iii) Any amendment to the SID Master Plan for the property may be made only after a public hearing conducted pursuant to the provisions of the Washington County Community Development Code as Type III proceeding.

377 SPECIAL INDUSTRIAL OVERLAY DISTRICT (SID)

377-1 Purpose and Intent

377-1.1 The purpose of the Special Industrial Overlay District is:

- A. To protect and enhance development opportunities for industrial uses which may require large sites in a planned campus industrial park setting;
- B. To provide the opportunity for small and medium size industrial uses to locate in proximity to large single user industrial uses;
- C. To provide an opportunity for the market place to demonstrate actual development through the industrial lot size requirements demanded by industrial uses.
- D. To preserve large lots for single major industrial uses until such a time as there is no demonstrated demand or need for such large lots.

377-1.2 The intent of the Special Industrial Overlay District is to recognize the need to provide large lots for single major industrial uses while recognizing that small and medium sized industrial uses may require siting in proximity to large uses in order to service such large uses. Additionally, the Special Industrial Overlay District recognizes the potential employment growth opportunities of small and medium industrial uses and provides a stable planned campus industrial park atmosphere which may accommodate such firms as employment and site size requirements change through time.

377-1.3 For the above reasons, development in the Special Industrial Overlay District is limited to the following categories of mutually compatible uses which require a park-like setting:

- A. High technology, light manufacturing, research and development, processing, storage and distribution;
- B. Freestanding offices, under Sections 377-5.2 and 377-5.3 only;
- C. Planned industrial parks containing light manufacturing uses and related service and trade activities.

8/19/85

377-2 Terms and Definitions

For the purposes of this Overlay District (Section 377), the following definitions shall apply:

377-2.1 Special Industrial Overlay District

An overlay district which may be applied in addition to the industrial designation in which additional provisions apply for the purpose of creating a unique setting.

377-2.2 SID Process

The procedure, as codified in the Special Industrial Overlay District Section, whereby tiers are established within the overlay district.

377-2.3 Committed Development

- A. An arms length transfer of ownership, or a lease or build-to-lease agreement between two (2) legal entities based upon fair market value, including term of payment, and not for the purposes of circumventing the requirements of this Code.
- (1) Fair market value will be based on demonstration by the applicant of the value of three comparable planned and designated industrial sites, comparable in size, services and natural features. The fair market value of the applicant's site must prove to be within twenty-five (25) percent of the average value of the three comparable sites; or
 - (2) For ground-lease arrangements or the transfer of ownership on lots of thirty (30) acres or greater, committed development may be demonstrated based upon the appraisal of real property. The appraisal shall be performed within the following conditions:
 - (a) Washington County shall make available to the applicant a list of three (3) M.A.I. certified appraisers;
 - (b) The applicant shall select one (1) from the list provided;

(c) Washington County shall contract the appraiser for the purposes of demonstrating compliance with the terms of Committed Development;

(d) The applicant shall reimburse Washington County for costs incurred on the appraisal.

(3) Approval of a Building Siting and Architectural Design application under the requirements of Section 406 of this Code that demonstrates full commitment of the subject area to complete urban development consistent with the provisions of the SID such that no further parcelization is or will be required.

B. The applicant may prove committed development, by demonstrating that the area has been physically improved, by providing copies of building permits for allowed buildings where such buildings demonstrate full commitment of the subject area to complete urban development consistent with the provisions of the SID such that no further parcelization is or will be required.

377-2.4 Tier

An area of land within a Special Industrial Overlay District delineated in the Master Plan-Site Analysis process and designated for a certain level of development activity according to prescribed conditions within the overlay district.

377-2.5 Industrial Park

A planned industrial development designed as a coordinated environment for a variety and mix of industrial and industrial support uses, having a comprehensive development plan which ensures compatibility among uses and with adjacent properties, which occurs on a parcel or adjacent parcels under single ownership or development control.

377-2.6 Gross Area

The total land area within the SID boundary, including development which existed prior to the establishment of the district, expressed in acres or fractions thereof.

377-2.7 Net Buildable Area

The total land area within the SID, excluding present and future rights-of-way, restricted hazard areas, public open space, flood plain, bodies of water, and restricted resource protection areas, expressed in acres or portions thereof.

377-3 Designation of Special Industrial Overlay District

The Special Industrial Overlay District shall be designated on the community plan maps through the community planning process, through the plan update process or through a plan amendment under the policies and criteria set forth in the Comprehensive Framework Plan.

377-4 Standards

These standards apply in addition to the general provisions of the Industrial District.

377-4.1 Within the Industrial District, a contiguous area of largely undeveloped land of fifty (50) or more acres may be designated "Special Industrial Overlay District" (SID) on the community plan map through line application of the overlay. Areas are considered contiguous even if separated by streets, roads, easements and natural features. Areas designated SID should have adequate and convenient access to an arterial and should have relatively few separate ownerships to facilitate consolidation.

377-4.2 Prior to the issuance of any development permit, the Master Plan-Site Analysis must be processed and approved for the entire SID. The Master Plan-Site Analysis is to be considered a schematic commitment of three (3) tier types to certain levels of use and minimum lot size. It does not require the legal partitioning of the three (3) tiers into three (3) lots, nor does it require the subdivision of lots with the tiers until such a time as development occurs.

A. This does not, however, preclude an applicant from submitting a Master Plan-Site Analysis for the SID which would include all possible tiers. Where such a Plan is submitted and approved, all remaining tiers shall be processed under a Type I procedure as long as the subsequent application is consistent with the Plan initially approved. If an application is determined to be inconsistent with the initial plan approval, a Type II procedure shall be followed.

- B. The Master Plan, once approved, is binding on the property and development may occur only under the conditions of the SID provisions, regardless of ownership.
- C. All variances under Section 435 (Variances and Hardship Relief) are specifically prohibited in this district.

377-4.3 Within the SID, development shall conform to the following requirements regardless of ownership pattern. Development within the SID may occur under only one (1) of the following two (2) options:

A. Option A - Thirty (30) Acre Minimum Lot Size:

Through the Site Analysis, processed as a Type II procedure, lots may be partitioned or subdivided to a thirty (30) acre minimum lot size for the use of a single major industrial user, a user which requires or will ultimately require a total of at least thirty (30) acres for its operation. Uses permitted on such parcels are those listed in Sections 377-5.1 through 377-5.2. Industrial Parks are not permitted.

B. Option B - SID Process:

Under the utilization of this option, a Site Analysis shall be submitted for the entire area covered by the SID which shall be processed through a Type III procedure without the flexibility permitted under that process but instead with the flexibility permitted herein. The Site Analysis shall designate three (3) tiers as described in "C" below.

C. Descriptions:

(1) Tier I

A maximum twenty (20) percent of the initial gross acreage of the SID as delineated on the community plan map with a two (2) acre minimum lot size and uses permitted as listed in Sections 377-5.1, 377-5.2 and 377-5.3.

(2) Tier II:

A maximum twenty (20) percent of the SID gross acreage with a minimum lot size of ten (10) acres and uses permitted as listed in Sections 377-5.1, 377-5.2 and 377-5.3.

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(3) Tier III

A minimum sixty (60) percent of the SID with a thirty (30) acre minimum lot size and uses permitted as listed in Sections 377-5.1 and 377-5.2.

377-4.4 Under Option B, SID Process (Section 377-4.3B), the following development conditions shall be available at the initiation of an applicant, once prescribed conditions have been met:

A. Committed Development Adjustment:

(1) Tier I

(a) Following the development of sixty-seven (67) percent of the net acreage in Tier I, an applicant may initiate a petition to permit land division down to a five (5) acre minimum lot size in Tier II. Uses permitted shall continue as prescribed for Tier II.

(b) The application shall be a Site Analysis application and shall be processed through a Type II procedure with the applicant demonstrating that the sixty-seven (67) percent development condition has been met and is in compliance with other applicable standards of this Code.

(2) Tier II

Following the development of sixty-seven (67) percent of the combined net acreage in Tier I and Tier II of the first SID, an applicant may petition for a second SID on any vacant area of fifty (50) acres or greater in Tier III. Such an application shall be made as a Site Analysis application and shall be processed through a Type II procedure unless previously approved under Section 377-4.2(A), then it shall be processed as a Type I. The burden of demonstrating that sixty-seven (67) percent development of Tier I and II has been met and is in compliance with the applicable standards of this Code rests on the applicant.

B. Additional Tiers:

The total number of times the SID process of creating new tiers may be applied is determined by the formula below:

Formula: $\frac{\text{Gross Acreage of SID}}{50 \text{ acres}} = \text{Maximum Number of times the SID Process may be applied.}$

Example: $\frac{210 \text{ Gross Acres}}{50 \text{ acres}} = 4.2 \text{ Times}$

Result: The SID process may be applied 4 times in this Special Industrial District creating a potential total of 9 final tiers.

Note: If the formula results in a fraction 0.5 or above, an additional SID process may occur if the conditions in Section 377-4.4(C) can be met.

C. Final SID:

When the SID has been legally applied, and when in subsequent applications, Tiers I and II have been sixty-seven (67) percent or more developed, and when the option of going through one additional SID process to create an additional set of tiers remains except the remaining acreage in Tier III is less than the fifty (50) acre minimum required for application of an SID, then any vacant buildable land remaining in Tiers I and II from previous tier phases may be added to Tier III to create a fifty (50) acre parcel for the application of an additional SID with the following limitations:

- (1) No more than a combined total of five (5) acres of vacant buildable land may be transferred from Tiers I and II of the previous phase for such purposes;
- (2) Land so transferred must be contiguous and incorporated into the overall design of the SID in a cohesive and comprehensive manner which lends itself to the orderly provision of services and creates compatible lotting patterns and uses of land; and
- (3) Such a transfer shall occur through a Type I lot line adjustment.

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D. Expansion of Existing, Contiguous Industrial Development

- (1) When an existing, approved industrial use requires expansion to a contiguous area, and when such expansion can only occur on the last remaining thirty (30) acre parcel within the SID as a result of other contiguous areas being fully committed to development, the use of the last remaining thirty (30) acre parcel within the SID for industrial expansion will be permitted under the following conditions:
 - (a) Expansion must be from a contiguous, existing industrial development;
 - (b) The proposed expansion involves a single-user industrial use;
 - (c) The proposed expansion will require a minimum of five (5) acres;
 - (d) The proposed expansion will not create a remaining lot of less than five (5) acres in the last remaining thirty (30) acre parcel; and
 - (e) No further parcelization of the lot used for expansion shall be permitted.
 - (f) The above described process shall occur through a Type II lot line adjustment. The expansion under these provisions shall not create a new, separate lot, but rather shall be an addition to the previous lot.
- (2) Once the entire SID, as designated by the Community Plan, has been developed to sixty-seven (67) percent of its potential and one (1) thirty (30) acre parcel in Tier III remains vacant and cannot meet the conditions set forth in 377-4.4 (C), the SID restrictions on that thirty (30) acre parcel and remaining buildable vacant land within the SID may be removed, with the exception of the use provisions of the SID, through the Plan Amendment process under the conditions of strategy M under Policy #1 of the Comprehensive Framework Plan.

377-4.5 Special Conditions

A. Pre-Existing Lots:

- (1) Pre-existing lots within the boundary of an SID shall be considered as a part of the appropriate Tier of the first SID based upon their lot size.
- (2) The lot size of any pre-existing lot shall be maintained until the Master Plan-Site Analysis for the entire SID is made, at which time it may be partitioned into lots which meet the minimum lot size permitted in the Tier in which it is included.
- (3) Development on pre-existing lots shall be preceded by a Master Plan-Site Analysis application for the entire SID.

B. Once the initial application of tiers within the SID process has occurred, that is, the Master Plan-Site Analysis has been approved, identifying the three (3) tiers, and once development occurs on any part of the SID under the approved Master Plan, the tiers become fixed and cannot be transferred or altered except as permitted by the provisions of the SID, with the following exceptions:

(1) Trades

In the event a landowner has an opportunity to sell, lease or lease-to-build a vacant parcel or vacant parcels previously approved as part of Tier I, II or III, and the purchaser or lessee desires the parcel(s) to be located in a tier of SID not previously contemplated and approved for that lot size or location, the landowner may petition for a lot location trade within the SID. A parcel location trade shall involve only vacant buildable lands and such a trade shall involve equal amounts of land such that the net results of potential lot parcelization is exactly equal to what it would be both before and after such a trade. The adjustment shall be approved if the parcel locations resulting from the trade can be incorporated into the overall design of the SID in a cohesive manner which lends itself to orderly provision of services and creates acceptable patterns and uses of land. Parcel location trades will be processed as a Type I

procedure. Notwithstanding any other procedure, lot line adjustments shall be processed as a trade.

C. Mortgage Lot in a Special Industrial District

The creation of a mortgage lot within the Special Industrial District may be considered through a Type I procedure subject to the following cited limitations:

- (1) The proposed mortgage lot shall be limited to and located in Tier III of an approved Special Industrial Overlay District;
- (2) The parent lot, from which the mortgage lot is to be created, shall be a lawfully created lot located in Tier III of an approved Special Industrial Overlay District;
- (3) The parent and mortgage lot shall both have legal access;
- (4) The proposed mortgage lot shall be a minimum of ten (10) acres in size;
- (5) An affidavit, approved as to form by County Counsel, shall be completed, signed, notarized and filed with the Director of Records and Elections for filing under Deed Records stating that the applicant agrees:
 - (a) That in the event of a sale or transfer, both lots will be sold simultaneously as a unit to the same buyer,
 - (b) That the mortgage lot and the balance of the parent lot will be consolidated into one (1) tax lot as soon as the applicant secures title to either, and in the event of foreclosure, the balance of the parent lot becomes unbuildable unless subject to the benefits accruing through a valid reiteration of a subsequent Special Industrial Overlay District approval.
- (6) A lawfully created lot in Tier III of an approved Special Industrial Overlay District shall be eligible for only one (1) mortgage lot at any point in time.

377-5 Uses Permitted:

The following lists of uses are uses which may be permitted under the review procedure indicated except when the particular use has been reviewed and approved through the Master Plan-Site Analysis process for a specific location within the SID, then the application for a development permit for the approved use shall be a Type I procedure unless the use has been changed in location, nature and size.

377-5.1 Uses Permitted Through a Type I Procedure:

- A. Accessory Use - Section 430-1
- B. Temporary Use - Section 430-135
- C. Bus Shelter - Section 430-23
- D. Recycle Drop Box - Section 430-113
- E. Uses which are exempt from the Public Facilities standards as specified in Section 501-2.1 of this Code.

377-5.2 Uses Permitted Through a Type II Procedure:

- A. Development, manufacture or assembly of:
 - (1) Communication equipment, electronic equipment and supplies;
 - (2) Scientific and precision instruments and equipment;
 - (3) Engineering laboratory, scientific and research instruments;
 - (4) Electro-medical apparatus, bio-medical, surgical and medical instruments, artificial limbs, hearing aids, dentures, ophthalmic goods, and other medical or dental devices.
- B. Research and Development:
 - (1) Research and development laboratories;
 - (2) Industrial trade or skill schools and training centers.

C. Processing and Storage of:

- (1) Photographic laboratories, blue printing, photo-engraving, photocopying, printing, publishing and bookbinding, including on-site commercial service associated with said use;
- (2) Wholesale business, storage buildings and warehouses;
- (3) Storage and distribution.

D. Ancillary Uses:

- (1) Cafeteria, cafe, restaurant or auditorium for employees, contained within the same business premise, accessory and incidental to the permitted use;
- (2) Parcel delivery service;
- (3) Administrative, professional, and business office uses accessory to and associated with permitted industrial uses on the site;
- (4) Retail outlets for warehousing or manufacturing operations, limited to ten (10) percent of total floor area;
- (5) Recreation facilities solely for employees;
- (6) Government and special district facilities;
- (7) Temporary Uses as provided for in Section 430-135.1(C)1, 2, 3 and 4 only;
- (8) Day care for employees' families - Section 430-53.2;
- (9) Transit stations or park and ride lots - Sections 430-89 and 430-139;
- (10) Public utility - Section 430-105;
- (11) Heliport, helistop - Sections 430-59 and 430-61;
- (12) Solid Waste Transfer Station - Section 430-129.

377-5.3 Uses Which May be Permitted Within an Industrial Park:

- A. Industrial parks may be established within the Special Industrial Overlay District on a minimum

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of ten (10) contiguous acres in Tier I or II under a Type III Master Plan-Primary Use Procedure with the flexibility of standards provided for in the Master Plan-Primary Uses provisions only. The application for the Industrial Park may be processed simultaneously with the application for establishing the tiers through the SID, as a Master Plan-Primary Use application.

- B. Specific uses may be approved through this process if the nature, size and location of the use is identified and the public facilities standards of Section 501 are met. If approved through the Master Plan application, such uses will be eligible for a development permit through a Type I procedure. Uses not approved in this manner or uses which are changed after approval of the Master Plan application shall be reviewed through a Type II Procedure prior to issuance of a development permit.
- C. All uses listed in Sections 377-5.1 and 377-5.2 may be permitted within industrial parks. Additional uses may also be permitted in industrial parks under the following conditions.
 - (1) The minimum lot size shall conform to the appropriate tier, except each SID as defined by the Community Plan is permitted one (1), one (1) acre minimum lot size lot for one use listed in Section 377-5.2C(3) and one (1), one (1) acre minimum lot size lot for one use listed in Section 377-5.3C(7)(a).
 - (2) The building floor area shall be determined based on buildings in existence at the time of application together with buildings for uses approved through the application.
 - (3) The maximum ground floor building area shall in no case exceed the maximum allowed by computing the total permitted building floor area in the industrial park based on the lot coverage allowed.
 - (4) No more than fifteen (15) percent of the combined total ground floor building area within the industrial park may be utilized for the uses specified in (6) and (7) below to insure the primary character of the district remains industrial.

- (5) Such uses shall be limited to a scale to serve persons working in the Special Industrial Overlay District and only secondarily to serve residents in the area. Such uses are limited to a maximum building floor area size of five-thousand (5,000) square feet per business premise.
- (6) Uses which may be permitted under the aforementioned conditions through a Type II procedure:
 - (a) Restaurant, delicatessen or cafeteria primarily for employees if located on an interior street within the industrial park;
 - (b) Recreation facilities, indoor or outdoor exercise facilities, primarily for employees;
 - (c) Day care facilities primarily for employee families.
- (7) No more than twenty-five (25) percent of the combined total ground floor building area within the industrial park may be utilized for the following office uses in order to maintain the primarily industrial character of the district. These uses shall be supportive of or related to the permitted industrial uses in the SID. Free standing office buildings must be occupied by a single tenant which utilizes at least twenty-five (25) percent of the gross building floor area. Uses which may be permitted under the above conditions through a Type II procedure:
 - (a) Offices for financial institutions, banks and credit unions.
 - (b) Professional offices for accounting, auditing and bookkeeping; architectural; engineering including surveying; medical; law; other professional uses.

4) Minor Adjustments

Those relatively insignificant adjustments to the alignments shown in the maps which regularly occur in the course of final engineering and construction of roads, bike paths or transit routes. Such adjustments primarily result from the fact that the exact conditions existing on a specific site cannot be taken into account when alignments are placed on a map. No formal public notice, hearing or action is required; and

- m. Provide for plan amendments which remove certain restrictions of the Special Industrial District (S.I.D.) as provided below:

Once the entire S.I.D., as designated by the Community Plan, has been developed to sixty-seven (67) percent of its potential and one thirty (30) acre parcel in Tier III remains vacant and cannot meet the conditions set forth in 377-4.4 (C), the S.I.D. restrictions on that 30 acre parcel and remaining buildable vacant land within the S.I.D. may be removed, with the exceptions of the use provisions of the S.I.D., under the following conditions:

The plan amendment proposal shall address the need for large industrial lots. Need for large industrial lots shall include, at a minimum, a detailed examination and analysis of the following:

- a. Demand for large lots: Analyze from a regional and county-wide perspective the projected demand for large industrial lots and the current supply of large vacant industrial lots;
- b. Absorption data and trends: Analyze large lot industrial land absorption data and trends in the region and county; such an analysis shall explicitly differentiate vacant land purchases from actual construction/use data;

- c. Specific industrial sector locational and operational characteristics: Determine through examination and analysis if changes in technology, development patterns or other industry-based changes have altered real land requirements for the range of allowed uses in Tier III. Such an examination shall be based on a substantial and objective analysis of specific industrial sector locational and operational characteristics, both current and projected; and
- d. Site Suitability: Analyse the suitability of the planning area and the specific site in: 1) Meeting the identified current and projected specific industrial sector locational and operational characteristics, and 2) In meeting the projected demand for large industrial lots.

The Review Authority shall approve the Plan Amendment only if it finds there is no need for the last remaining 30 acre parcel, based on the criteria listed above.

Summary Findings and Conclusions

The process for the development, adoption and implementation of the Urban Element of the Comprehensive Plan involves several steps, both to prepare the plan and to provide for the ongoing update and review of the plan over time to keep it current. The Comprehensive Plan is composed of the Comprehensive Framework Plan and site-specific Community Plans that are implemented by the Community Development Code and functional plans including Transportation and Capital Improvements.

Alternative Sites Inside the Urban Growth Boundary

APPENDIX I

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 with respect to size, access, and topography. Interstate-5 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. 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. 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 of 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.

3. 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.

4. 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.

5. 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 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.

Alternative Sites Described by 1000 Friends of Oregon

APPENDIX II

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 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 in Appendix I and need not be addressed here.

7. Cornell/Cornelius Pass Property

This 48 acre site is already constrained 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 on 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. Parkwest 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

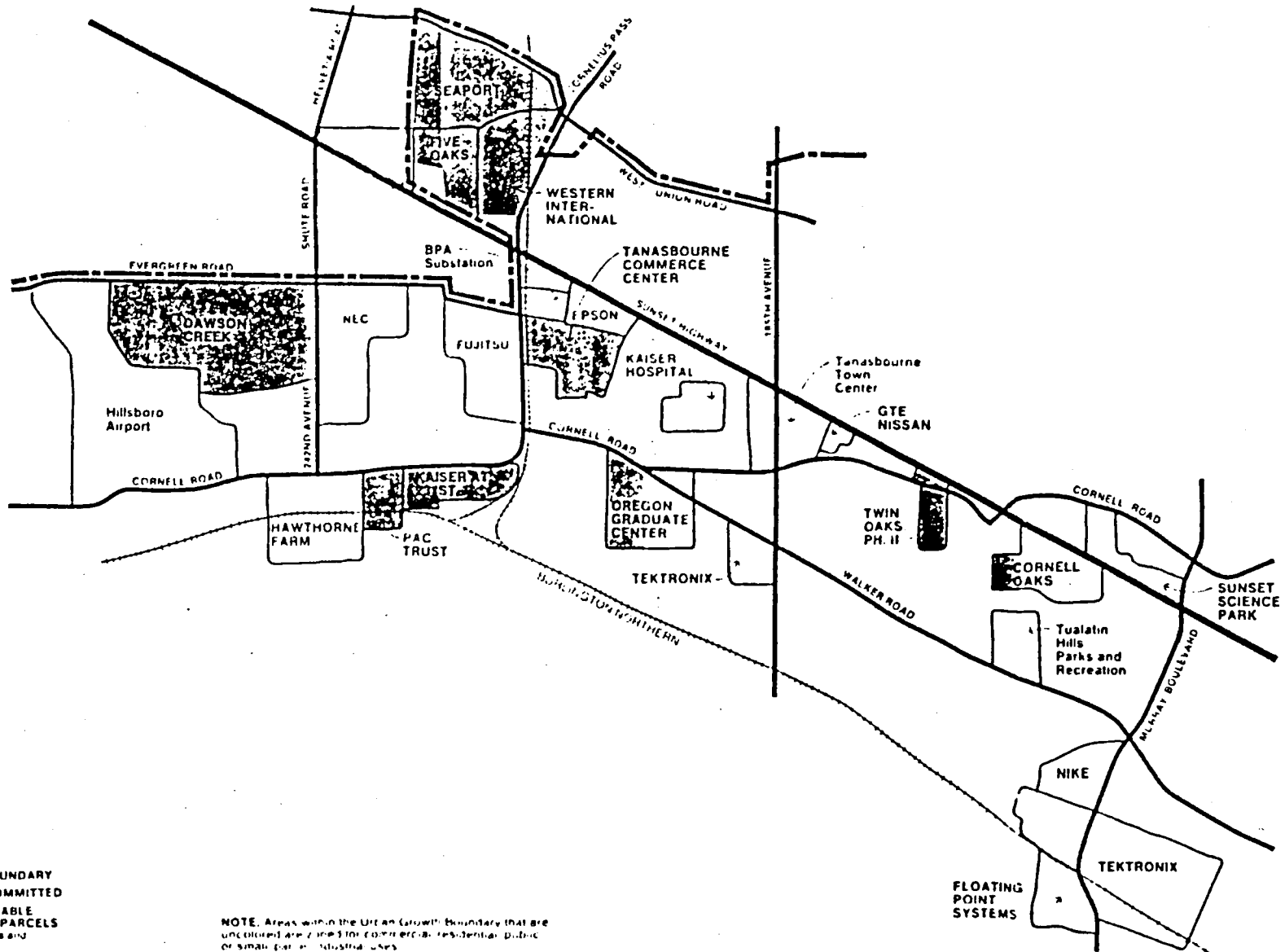
All property in this area is located outside of the Sunset Corridor. There is evidence in the record, upon which the hearings officer relies, that there exists constraints in the form of soil, sewer and water extension problems. Because of these constraints and the location of the property, the hearings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

20. Unincorporated Washington County Property

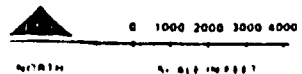
1000 Friends has not provided evidence showing how this property would provide reasonable alternatives to the proposed site. There is evidence in the record, upon which the hearings officer relies, that a number of the parcels on this property are not amenable to the provision of sewer and water services. 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.



Legend:

- URBAN GROWTH BOUNDARY
- DEVELOPED AND COMMITTED
- POTENTIALLY AVAILABLE LARGE INDUSTRIAL PARCELS (includes industrial parcels and subdivided areas)

NOTE: Areas within the Urban Growth Boundary that are uncolored are zoned for commercial, residential, public or small parcel industrial uses.



SUNSET CORRIDOR
LARGE INDUSTRIAL PARCELS

EXHIBIT C

A tract of land in the Alex Zachary Donation Land Claim No. 52, in Sections 15 and 22, Township 1 North, Range 2 West of the Willamette Meridian, in the County of Washington and State of Oregon, described as follows:

Beginning at a point in the South line of Jacobson Road, which point is South $89^{\circ} 43' 22''$ East, 71.76 feet and South $0^{\circ} 16' 38''$ West, 20.00 feet from the Northwest corner of the Zachary Donation Land Claim; thence along the South line of the Jacobson Road, South $89^{\circ} 43' 22''$ East, 2,573.98 feet to the Northwest corner of the Albert L. Croeni tract described in deed recorded in Deed Book 129 at page 34, Washington County Records; thence continuing South $89^{\circ} 43' 22''$ East along said South line 570 feet, more or less, to the East line of the Bonneville Power Administration tract described in notice of Lis Pendens recorded in Deed Book 733, page 728, being also the West line of the tract described in the deed to Riviera Motors, Inc., et al, recorded January 25, 1974 in Book 960 at page 659; thence South $7^{\circ} 13' 52''$ West 88 feet, more or less, to an angle point in said West line; thence South $0^{\circ} 35' 56''$ West 1983.40 feet along said West line to the Northerly line of the Sunset Highway; thence North $61^{\circ} 47' 28''$ West along said Northerly line 590 feet, more or less, to an angle point in said Northerly line; thence North 85 feet, more or less, to an angle point in said Northerly line; thence continuing along said Northerly line South $89^{\circ} 37' 23''$ West, 170.26 feet; thence North $61^{\circ} 55' 06''$ West, 999.99 feet; thence North $61^{\circ} 34' 29''$ West, 299.88 feet; thence North $56^{\circ} 55' 24''$ West, 351.20 feet; thence North $61^{\circ} 44'$ West, 350.12 feet; thence North $56^{\circ} 05' 23''$ West, 301.60 feet; thence North $35^{\circ} 09' 30''$ West, 223.40 feet; thence North $39^{\circ} 59' 30''$ West, 415.85 feet to a point in the East line of Helvetia Road; thence along said East line of said road, North $0^{\circ} 32' 38''$ East, 19.05 feet; thence on the arc of a curve right, having a radius of 1,362.40 feet and a central angle of $2^{\circ} 52' 02''$ (the long chord bears North $1^{\circ} 59'$ East, 68.19 feet,) an arc length of 68.19 feet to the point of beginning.

Proposed Findings for
Petition for Amendment of

**METROPOLITAN
SERVICE DISTRICT
URBAN GROWTH
BOUNDARY**

RIVIERA MOTORS INC.

April 1986

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The petitioner takes the position that the need requirements analyzed under Factor 1 of Goal 14 can be satisfied by showing an inadequate supply of parcels of 30 acres or larger within the Sunset Corridor, sub-region of the Portland Metropolitan UGB. Notwithstanding this conclusion, to comply with the requirements of OAR 660-04-010(1)(c)(B), the petitioner has proposed findings from evidence in the record which address each of the alternative sites raised by 1000 Friends of Oregon.

The findings address the seven factors of Goal 14 and the requirements of OAR 660-04-010 for a Goal 2 exception. The section which follows addresses these legal requirements.

NATURE OF PROCEEDINGS

The hearings officer, pursuant to the authority of Metro Ordinance No. 89-189, Section 5, ordered the consolidation of certain issues for hearing among the three (3) petitioners for a major amendment for the Urban Growth Boundary. The three (3) petitioners are:

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

The issues consolidated for hearing are:

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

RIVIERA MOTORS

PROPOSED FINDINGS OF FACT AND CONCLUSIONS OF LAW

INTRODUCTION

On October 4, 1985, Riviera Motors petitioned the Metropolitan Service District to amend the Portland Metropolitan Urban Growth Boundary (UGB). Riviera Motors seeks to add the land adjacent to the Riviera Motors Five Oaks Industrial Park and contiguous to the existing UGB. A legal description is attached as Exhibit "A".

The proposed use of the Riviera Motors property is a large industrial tract electronics campus development integrated with the existing Five Oaks Industrial Park. The potential development could take advantage of consolidating the 71 acres currently inside of the Five Oaks Industrial Park and 65.5 of the 87.9 acres which are the subject of this petition. Twenty two and three tenths of the eighty seven and nine tenths acres are subject to the BPA right-of-way and can be used for the extension of roads, utility lines and open space. The testimony submitted by petitioners and supported by the Department of Land Conservation and Development, 1000 Friends of Oregon, and Washington County, stated the property will be held for large site users until such time as a need is identified for smaller sites.

as "locational" factors and are utilized to determine which lands will be included within the UGB to satisfy the need demonstrated under factors (1) and (2). In short, factors (1) and (2) are intended to determine how much land will be included in a UGB and factors (3) through (7) determine where the UGB will be located. 1000 Friends v. Wasco County Court, 299 Or. at 363-64.

II. Goal 2 Exception Criteria applicable to an UGB amendment.

OAR 660-04-010(1)(c)(B) provides:

When a local government changes an established urban growth boundary it shall follow the procedures and requirements set forth in Goal 2 "Land Use Planning", Part II, Exceptions. An established urban growth boundary is one which has been acknowledged by the Commission under ORS 197.251. Revised findings and reasons in support of an amendment to an established urban growth boundary shall demonstrate compliance with the seven factors of Goal 14 and demonstrate 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.

THE LEGAL REQUIREMENTS

Introduction

In order to amend an acknowledged Urban Growth Boundary (UGB) a governing body must consider the seven factors of Statewide Planning Goal 14 and satisfy the requirements of the Goal 2, Part II exceptions process. 1000 Friends of Oregon v. Wasco County Court, 299 Or. 344, 364 (1985).

I. The Goal 14 Criteria.

In relevant part, Goal 14 provides:

Establishment and change of the boundaries shall be based upon considerations of the following factors:

- (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.

OAR 660-15-000 (14).

LCDC historically has viewed the first two factors as "need" factors which translate into the amount of land that may be included within a UGB. The last five factors are referred to

(c) Comprehensive plans and land use regulations shall provide for at least an adequate supply of sites of suitable sizes, types, locations and service levels for industrial and commercial uses consistent with plan policies.

(g) Local government shall provide:

(B) Reasonable opportunities for urban, residential, commercial and industrial needs over time through changes to urban growth boundaries.

In a memorandum dated March 5, 1986, the director of the Department of Land Conservation and Development explained how DLDC views this statute in reference to its historical view of Goal 14:

. . . the Legislature intended that jurisdictions go further than they have, at least for those industrial or commercial uses that have a potential for expansion or locating in the economic region and that the community has policies to encourage. In the past, many jurisdictions developed 20-year employment needs generated from population projections, then determined raw industrial and commercial acreages necessary to support that employment base. The Legislature recognized that jurisdictions must consider parcel or site characteristics as well as the general supply of gross acreage. (Emphasis added.)

In addition, LCDC has found compliance with Goal 9 based on a local government's identification of particular commercial or industrial activities which the community considers attractive or suitable. [See: City of LaGrande Continuance Order, Staff Report, at 15 (LCDC, March 5, 1981) and City of Junction City Continuance Order, Staff Report, at 14 (LCDC, June 26, 1980).]

THE GOAL 14 FACTORS

INTRODUCTION

To satisfy the requirements of Goal 14, Factors 1 and 2, the applicant must demonstrate a need for expansion of Metro's Regional Urban Growth Boundary (UGB). This need may be based upon demographic elements not foreseen at the time the initial UGB was adopted, a need to alter population assumptions that have proved unsatisfactory to meet longer term population needs, or a need to provide housing or employment opportunities not presently satisfied by existing land inventories within the acknowledged UGB. More particularly, LCDC has interpreted the "need" factors of Goal 14 in a manner that permits local governments to include acreage within a UGB such that alternative sites suitable for economic growth and expansion are present in the marketplace. Babb v. City of Veneta, LCDC 9-83 (1983).

The UGB amendment at issue in this case proposes addition of lands that will be designated for 30 acres or larger. In 1983, the Legislature enacted ORS 197.172 to emphasize to the LCDC the importance of Goal 9-Economy of the State, in decisions relating to the UGB land supplies. In relevant part, the statute provides:

(2) By the adoption of new goals or rules, or the application, interpretation or amendment of existing goals or rules, the commission shall implement all of the following:

The applicants contend there is a local 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 region wide basis, there is a need for additional large sites ranging in size from 30 to 60 acres 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 findings 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". (Exhibit "D")

The petitioners entered into the record the Leland & Hobson Report (Hobson Report) submitted by Kaiser Development, Inc. as part of its evidence. The Hobson Report documents the fact that the Sunset Corridor is virtually the only locational choice of emerging industrial high-tech firms in the Portland Metropolitan area.

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

I. GOAL 14, FACTOR 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 criteria has been satisfied. The following is the evidence which supports this findings.

The Metropolitan Service District Urban Growth Boundary (UGB) is a regional boundary. The amount of land included within the boundary is a factor of region wide 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 region wide 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. Region wide 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, region wide 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.

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 Sunset Corridor has become the location of choice for most high-tech industries locating in Oregon. In major part, the choice is the result of the "critical mass" of technology users that has been achieved in the corridor. Development within the Sunset Corridor has been promoted by Washington County (and supported by Special Industrial Overlay District zoning designation), the Oregon Economic Development Commission, the Portland Chamber of Commerce, the Sunset Corridor Association, and many other private and public organizations. Oregon has strived to promote the image of the Sunset Corridor as a primary location of choice for high-tech expansion, relocation and development.

The Metro UGB was adopted by Metro's predecessor, the Columbia Region Association of Governments (CRAG), in 1979 and acknowledged by LCDC in January, 1980 and reacknowledged in part in January, 1986. A primary function of the UGB is to provide sufficient land for the future growth in the Portland

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 school(s), 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. The Sunset Corridor includes the Oregon Graduate Research Center and has an established critical mass which also creates a diverse labor pool.

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

within the Five Oaks Industrial Park. (Source: Testimony of Jim Thornburg and letter in Riviera Petition from Paul W. Carlson of Cushman & Wakefield). In 1982, Metheus was a start up high-tech company. The needs of start up high-tech companies like Metheus are not uncommon within the high-tech industry. These firms need to have the flexibility to provide for rapid expansion. The experience within the industry is for a very large production contract to be entered into once a firm has developed a proto-type product. For success, the firm must be positioned to accommodate immediate and rapid plant and facilities expansion to provide for massive product production. (Source: Testimony of Ralph Shaw and Senior Thesis of Eugenio Beaufrand).

The hearings officer also is persuaded by the following opinions regarding the need for additional large parcels within the Sunset Corridor:

(1) The Portland Chamber of Commerce is of the opinion that the Sunset Corridor area currently contains an inadequate quantity and variety of sites to maintain an efficient land market to accommodate the need of major new users. The Chamber considers it imperative that the Portland area maintain a large inventory of sites of varying sizes if we are to remain competitive for attracting new business as well as accommodating the siting needs of existing business. (Source: Letter from Dickwin D. Armstrong to Adrienne Brockman dated March 11, 1986).

region for a twenty year period. Metro initially intended that the boundary be relatively static until that time.

As demonstrated in the findings, unforeseen by planners was the pattern of the rapid economic development which has occurred over the last several years within the UGB generally, and particularly within the Sunset Corridor sub-region of the UGB. During that time, a large number of high-technology industries have consumed large tracts of land for production, research and development facilities. These industries also have encouraged development of related and support industries.

The need has been identified for a sufficient number of sites with a variety of attributes to allow businesses to locate in the Metro area an adequate choice among available sites of varying sizes, location and characteristics.

Richard Carson of the Oregon Economic Development Department states, "The Sunset Corridor sub-region needs its own special analysis to determine if the 'sizes, types, locations and service levels are adequate for the short-term needs'." (Source: Letter to Jill Hinckley dated September 12, 1985 from Richard Carson). Mr. Carson is of the opinion and the hearings officer finds, that there is an inadequate supply of large industrial sites to meet the short-term need within the Sunset Corridor. (Source: Testimony of Richard Carson on Alternative Sites).

When Riviera Motors was approached by Metheus Corporation in 1982, Metheus sought to purchase an option on 35 acres

(6) Walter A. Swan of the National Association of Industrial and Office Parks states, "It is important that the Portland area continues to maintain an inventory of adequate zoned and serviced industrial properties for continued economic development purposes. Most, if not all, other cities we compete with have more land in inventory than Portland." (Source: Letter from Walter A. Swan, Jr. to Adrienne Brockman dated March 19, 1986).

The prospect for continued expansion in the high-tech field from 1984 through 1995 is projected to be very strong. The projected rates of annual growth for the nation in consumer purchases include 20.9% in the purchase of personal computers, 20% in telephone equipment, and 3.9% in the field of consumer electronics. Business investment in computers for the same time period is expected to grow at the rate of 8.5% per year. Business investment in communication equipment and services is expected to increase two to threefold from 1984 to 1995. (Source: Testimony of Ralph Shaw and Address of Ralph Shaw entitled "Which Industries Have the Best Potential For Investors?") The continued expansion and growth of these industries will require new plants and facilities. Any area seeking to attract these firms must be prepared to offer an adequate selection of sites. If a particular area cannot offer sites which will meet the needs of these industries, they will in all likelihood be removed from the site selection lists of these industries.

(2) 1000 Friends of Oregon indicates that there is a shortage of 60 acres or larger sites for industrial development. (Source: Testimony of Robert Stacey).

(3) The Portland Development Commission (PDC) has commented that there is a shortage of large industrial sites within the Sunset Corridor. The PDC points out that this shortage of industrial land can have a long term negative effect on the growth potential of the entire region's high-technology industry. (Source: Portland Development Commission letter to Adrienne Brockman dated March 20, 1986).

(4) Floyd Bennet of the First Interstate Bank of Oregon states: "There is clearly a shortage of land ready for industrial development in the west Portland area." He states further, "[W]e believe it is important that the Portland area continues to have available a sufficient inventory of sites for industrial development by incoming companies and local firms which are expanding." (Source: First Interstate Bank letter to Adrienne Brockman dated March 14, 1986).

(5) Ken Johnson, the Director of Planning and Development for the Port of Portland is of the opinion that, "for the region to compete in the siting of large industrial facilities, a sufficient inventory of large industrial sites is needed for the region as a whole, as well as for the sub-regions which have experienced varying rates of growth and development." (Source: Letter from the Port of Portland to Adrienne Brockman dated March 19, 1986).

parcels totalling 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 establishes need for jobs. Portland and the Sunset Corridor will be competing with other areas for new industry. The question is whether seven sites totalling 629 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

There was testimony that since 1978, 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 per 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 stated 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

(ii) The size and configuration of the tracts and the 65.5 acre parcel within the SID may be re-evaluated on an annual basis at the request of Riviera Motors. The criteria for any such re-evaluation shall be the terms, conditions and criteria set forth in Section 377-1.1, CDC, and Strategy M under Policy No. 1 of the Washington County Comprehensive Framework Plan. A copy of Strategy M. is marked Exhibit "C" and attached hereto.

(iii) Any amendment to the SID Master Plan for the property may be made only after a public hearing conducted pursuant to the provisions of the Washington County Community Development Code as Type III proceeding.

B. For a period of not less than twelve months after addition of the property to the UGB, Riviera, in marketing the property, will describe and feature the opportunity to consolidate the 65.5 acre parcel with an undeveloped portion of Five Oaks Industrial Park to provide a 100 acre or greater parcel for a large-industrial tract end-user. The marketing opportunity for the 100 acre or greater parcel shall not be to the exclusion of the 65.5 acre or potential 30 acre or greater tracts.

Specifically, the hearings officer finds that the applicant's petition to add approximately 87.9 acres of land 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 one place in the region

industrial and communal uses. . . . " This site includes 65 acres and offers the opportunity for two 30 acre sites or one 65 acre site. In addition, it can be added to adjoining vacant land within the Urban Growth Boundary to create a 136.5 acre site.

The hearings officer finds there is a need for additional industrial land for high-tech development and in particular, for a variety of parcel sizes. The proposed zoning would allow 30 acre tracts. An examination of the distribution of available "unconstrained" parcels shows a need for parcels larger than 30 acres. In fact, petitioners recognized this need and stated on the record that the need for larger parcels would be satisfied through the following steps:

A. Promptly after entry of the Final Order granting said UGB amendment, Riviera Motors shall initiate the following proceedings with Washington County:

(1) An amendment to the Washington County Comprehensive Framework Plan to designate the property "industrial."

(2) Establishment of a Special Industrial Overlay District (SID) upon the property pursuant to the provisions of Article III, Section 377, of the Washington County Community Development Code (CDC), a copy of which is marked Exhibit "B" and attached hereto. The SID shall include the following elements:

(i) A Master Plan - Site Analysis shall be submitted which will provide, among other things, that the property shall be divided into two adjacent tracts of not less than 30 acres in size which tracts shall be retained as a single 65.5 acre parcel available as a single large-lot industrial parcel.

quality of land to maintain an efficient and nationally competitive market. Assuming the need is for 600 acres, the amendment of 87.9 acres to the Urban Growth Boundary will address the 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. The testimony and ORS 197.712(2)(c) require the provision of a range of parcel sizes. The applicant is proposing a parcel size combination ranging from 30 acres, 65.5 acres to 100 acres. This petition addresses part of the need for larger parcels.

which satisfies the locational criteria. High-tech requires:

- (a) A large labor force pool. Therefore, it looks to locate in an area 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.
 - (d) An internationally 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 1,400 acres of additional land available for industrial development is needed to provide the adequate quantity and

industries to Oregon. Portland has become a high-tech center. In fact, testimony was given that high-tech is an emerging industry in the state. There are over 400 high-tech firms in Oregon, the vast majority of which are located in the Sunset Corridor of Washington County. This ranks Oregon 9th among all 50 states for the number of electronics firms. It was stated that the New York Times ranks Portland among the top 10 American cities in numbers of high-tech jobs, and Newsweek stated in the summer of 1985 that "Over the past two years, Oregon has become the hottest high-tech growth area in the nation." (Source: Testimony of Susan Quick).

The Hobson Report documents the history of high-tech growth in the Sunset Corridor. Metro projects that within the region there will be 22,048 new electronic manufacturing jobs between 1985-2005. Petitioners state that at a density of 16.4 employees per acre, there will be 1,076 new jobs created on this site.

The hearings officer finds that there is a need for jobs in Oregon. High-tech is an emerging industry and it has the potential of creating another dynamic sector to the economy.

II. FACTOR 2, GOAL 14, NEED FOR JOBS

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 in the Leland & Hobson Report 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. The report states that: "Manufacturing employment dropped not only in absolute numbers but also on a percentage of total employment. In 1979, manufacturing accounted for 21.6 percent of total wage and salary employment whereas in 1984, it accounts for 19.8 percent. In absolute numbers, 29,000 jobs in manufacturing were lost between 1979 and 1984 of which 15,200 were in lumber and wood products."

Evidence was submitted at the alternative sites consolidated hearing that between 1979 and 1982 the state lost 25,000 wage and salary jobs. (Source: Testimony of Susan Quick).

The Hobson Report states that a goal of the state is to diversify the economy. The state's program is two-fold: (1) to assist existing lagging sectors and (2) to attract new

III. FACTOR 3, GOAL 14, ORDERLY AND ECONOMIC PROVISIONS FOR PUBLIC FACILITIES AND SERVICES

A. Traffic Impact.

1. Consolidated Impacts.

The petition was evaluated by Metro staff assuming this petition, the petition by Kaiser 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 any one or all three of the petitions can be accommodated by proposed improvements. At Sylvan, however, Sunset is at capacity for west bound 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 8,000 cars at p.m. peak. This evidence was not refuted. The hearings officer finds that the traffic generated by this petition is minimal.

The Metro staff also found that the planned transportation system could accommodate the projected traffic with the addition of turn-lanes at the intersection of Helvetia Road, the Helvetia Road Interchange and Cornelius Pass Road.

allows for an ultimate five lane cross section, consisting of two through travel lanes in each direction of travel plus a separate left turn lane in the median. (Source: Riviera Motors Petition Appendix B).

(4) Jacobson Road is classified as a major collector, and is the only roadway within the study area that provides direct access to the Riviera Motors property. It is an east-west roadway that connects between West Union Road/Cornelius Road on the east and Helvetia/Shute Road on the west. Originally consisting of one lane in each direction of travel, Jacobson Road has been upgraded between Helvetia Road and Croeni Road under Phase I of the West Union Local Improvement District established with Washington County. The improved Jacobson Road will consist of both two-lane and three-lane sections. (Source: Riviera Motors Petition Appendix B).

b. The Assumptions. The hearings officer relies upon the following assumptions concerning the study area.

(1) The traffic analysis conducted for the proposed project assumes the need for minor street improvements to the streets by construction of left turn or right turn pockets on one or more of the approaches surrounding the property and the construction of the identified improvements listed in section c. below. The analysis adopts Metro's projection as to the buildout of lands within the current UGB by the year 2005. Traffic volume information was obtained from

2. Background Information.

a. The Study Area.

(1) The major roads providing access to the site include the Sunset Highway, Helvetia/Shute Road, Jacobson Road, and Cornelius Pass Road. The Sunset Highway is an east/west principal regional arterial designed to freeway standards; it serves regional transportation needs between Portland and western Washington County. Currently, Sunset Highway consists of two lanes in each direction of travel, with a grade separated interchange at both Cornelius Pass Road and Helvetia/Shute Road. (Source: Riviera Motors Petition Appendix B).

(2) Cornelius Pass Road is a minor arterial that provides for north-south travel through the study area. It connects between Cornell Road/216th Avenue on the south and U.S. 30 on the north, and within the study area, or the general vicinity of the Riviera Motors site, consists of one lane in each direction of travel. (Source: Riviera Motors Petition Appendix B).

(3) Helvetia/Shute Road also is classified as a minor arterial, and provides for north-south travel between Cornell Road and Helvetia. This roadway is named Helvetia Road north of its interchange with Sunset Highway, and Shute Road south of this interchange. Within the study area, Helvetia/Shute Road consists of one lane in each direction of travel; however, the recently completed Sunset Highway overpass

With the development, the intersection will operate at a "D" level of service with an 86 percent degree of saturation.

c. Shute/Eastbound Sunset Highway Intersection will operate at an "A" level of service with a 53 percent degree of saturation without the development. With the development, the intersection will operate a "C" level of service with a 73 percent degree of saturation.

d. Cornelius Pass Road/Jacobson Road Intersection will operate at a "D" level of service at an 81 percent degree of saturation with or without the development.

e. Cornelius Pass Road/Croeni Road Intersection will operate at a "B" level of service with a 66 percent degree of saturation with or without the development.

f. Cornelius Pass Road/Westbound Sunset Highway Intersection will operate at an "A" level of service with a 51 percent degree of saturation with or without the development.

g. Cornelius Pass Road/Eastbound Sunset Highway Intersection will operate at an "A" level of service with a 40 percent degree of saturation with or without the development.

4. Conclusions.

a. The transportation system for the area surrounding the Riviera Motors site can adequately accommodate projected traffic from the Riviera Motors development with the addition of sufficient turn lanes at the intersections of Helvetia Road, the Helvetia Road Interchange, and Cornelius Pass Road. (Source: Testimony of Wayne Kittleson and the Metro

the Washington County transportation staff. The projected peak hour traffic impact is based upon weekday evening peak hour, which generally occurs in this area between the hours of 5:00 and 6:00 p.m.

(2) The estimated trips generated from the Riviera development are based upon the ITE Trip Generation Land Use Code Number 110 and the estimate of 1,076 employees working on the site. A 5% peak hour transit ridership is assumed. The total daily vehicle trips to and from the site has been estimated at 3,440. For the a.m. peak hour, a total of 680 trips will be generated with a breakdown of 580 inbound and 110 outbound. For the p.m. peak hour, a total of 670 trips will be generated with a breakdown of 230 inbound and 440 outbound. (Source: Riviera Motors Petition).

3. The Traffic Impact Generated by the Riviera Development. The hearings officer finds the following impacts upon planned transportation system at the intersections in the study area:

a. Helvetia/Jacobson Road Intersection will operate at a "B" level of service with a projected 56 percent degree of saturation without the Riviera Motors Development. With the development, the intersection will operate at a "C" level with a 73 percent degree of saturation.

b. Helvetia/Westbound Sunset Highway Intersection will operate at a "C" level of service with a 74 percent degree of saturation without the Riviera Development.

the Washington County Fire District Number 2. The response time to an emergency would be approximately two to three minutes from either the 22nd Avenue and Cornell Road station or the 185th Avenue and Highway 26 station. (Source: Letter from Washington County Fire District Number 2: Roger Messenbrink, Fire Marshall contained in the Supplement to the Riviera Petition).

C. Extension of the Existing Riviera Motors Facilities:

The hearings officer finds that the site is contiguous to the Riviera Motors Five Oaks Industrial Park, an existing industrial development. The amendment of the UGB at this location is a logical and efficient extension of those existing facilities at the Riviera Motors site upon which the hearings officer makes findings on pages 39 through 41.

D. Water Service:

1. Existing Conditions. The hearings officer finds that the Wolf Creek Highway Water District is the provider of water service to the area. Its service boundary is congruent with the UGB in the area. The present Riviera facility is served by an 18-inch line. The District also has a 20-inch system looped through the intersection of Cornelius Pass Road and West Union Road. The Water District currently has an adequate supply to service the Riviera property. (Source: Gordon Merseeth of CH2M-Hill: Memorandum of March 13, 1986 and letter from Larry Pippin of the Wolf Creek Highway Water District, Exhibit "C" to the Riviera Motors Petition).

Staff Report of Andrew Cotugno, January 14, 1986). "Based upon the data and analysis contained in the Traffic Report, it is concluded this annexation would not result in noticeable impacts to the Sunset Highway." (Source: Department of Transportation Highway Division Letter and Report to Jill Hinckley dated January 21, 1986).

b. Sufficient capacity exists upon the Sunset Highway and surrounding street system to accommodate the projected traffic if the pending Riviera Motors, Kaiser, and Benj. Fran UGB petitions are approved. (Testimony of Wayne Kittleson and the Riviera Motors Petition Appendix B). Primary contribution to traffic impacts on the Sunset Highway are from the Riviera and Kaiser developments. Forecast traffic from these developments overlayed on the MSD forecast background traffic shows that six lanes would be required on the Sunset Highway east of 185th Avenue. Currently, there is consideration as part of the regional plan to update and widen the Sunset Highway to six lanes east of 185th. If the Sunset Highway were widened to six lanes, adequate capacity would be available on this highway to adequately serve the proposed land development. (Source: Oregon Department of Transportation, Highway Division, Letter and report to Jill Hinckley dated January 21, 1986).

B. Fire Protection. The hearings officer finds that adequate fire suppression, fire protection, and emergency medical services to service this site can be provided for by

UGB. (Gordon Merseeth of CH2M-Hill, Memorandum dated March 13, 1986).

2. Capacity to Extend Service. The Bendemeer system was designed using a general allowance of 6000 gallons per acre per day as a sizing criteria. Discussions with the agency staff and their experience in this area indicate that this allowance is adequate to serve the Riviera Motors property outside the existing UGB. In fact, it may be conservative given the BPA right-of-way and the low level of use imposed by the present land-extensive Riviera Motors development. Given the relative sizes of the two parcels, the design allowance could be reduced to about 4,000 gallons per acre for the Five Oaks Industrial Park acreage presently in the local improvement district and provide the same per acre allowance for use in the new parcel. Agency staff indicate that the systems have adequate capacity for this development at this time. (Source: Gordon Merseeth of CH2M-Hill, Memorandum dated March 13, 1986).

F. Storm Sewers:

1. Existing Conditions. The hearings officer finds that responsibility for drainage of storm water rests with Washington County. At present, storm sewers exist only to provide drainage for the areas immediately adjacent to the Sunset Highway. They are sized assuming the area is farm land, and cause the Sunset Highway to act as a dam when rainfall occurs in excess of the culvert's capacity. County staff is of the opinion that development on the property will amplify

2. Capacity to Extend Services. The District has the ability to provide about one million gallons per day to the site, which appears adequate to accommodate the probable industrial uses and to ensure proper fire flows. The least costly, easiest and most direct option for water service is to extend the existing 18 inch line now serving the Riviera Motors facility. (Source: Letter of Larry Pippin of the Wolf Creek Highway Water District, Exhibit "C" to the Riviera Motors Petition).

E. Sanitary Sewer Service.

1. Existing Conditions. The hearings officer finds that sanitary sewers are provided to the area by the Unified Sewerage Agency of Washington County. As with the Water District, the area proposed for sanitary sewer service is adjacent to the Agency's existing service boundary. The Agency now provides sanitary sewer service to the adjacent developed Riviera Motors Five Oaks Industrial Park facility through the Bendemeer System, a local improvement district project constructed about one year ago. This system was designed to serve the properties owned by Riviera Motors, SeaPort, Burlington Northern, and Western International. The Bendemeer trunk line follows the UGB with an eight-inch line extending across the BPA right-of-way to the eastern edge of the Riviera Motors property. The Bendemeer local improvement district includes tax lot 103 even though this parcel currently is outside the

J. Conclusion: The hearings officer concludes that the site, due to its proximity to existing facilities and services, can be rapidly developed with little public expenditure and can make efficient and economic use of the existing urban land facilities and services.

potential flooding north of the highway. (Source: Riviera Motors Petition).

2. Mitigating Measures. To mitigate this potential problem, on-site retention will be developed, such as the use of detention ponds in open space areas. The ponds would be sized to handle run-off flows from the property. Design of improvements on the site could help to minimize rapid run-off and thus, allow greater capacity in the on-site detention ponds. (Source: Riviera Motors Petition).

G. Solid Waste Disposal: The hearings officer finds that solid waste collection and disposal is franchised by Washington County. The site is located within the area served by Garberino Sanitary Service. (Source: Riviera Motors Petition).

H. Schools: The West Union School District and Hillsboro Union High School District both serve the area; however, the proposed use will not directly create any increase enrollment.

I. Other Major Utilities: Portland General Electric, General Telephone Company and Northwest Natural Gas currently provide utility service to the Five Oaks Industrial Park. Each of these utilities has indicated its ability to serve the site. The extension of service is subject to the specific needs of the users and satisfaction of conditions upon development. (Source: Appendix C of the Riviera Motors Petition contains letters from the various utilities indicating the availability of services).

considered in determining whether a particular site should be included in the boundary. All of the services are at the site and, therefore, inclusion of this site results in an efficient use of services.

B. No Islands or Unserviceable Areas.

There will be no islands or unserviceable area created.

C. Efficient Use of Sunset Highway.

Inclusion of industrial land has been identified as having a positive impact on the regional transit corridor when it occurs within one-quarter mile of the designated route. The Sunset Highway is a designated route and the Riviera Project is located on the Sunset Highway. [Washington County Inter-Department Correspondence dated July 26, 1985 from Richard A. Daniels, Director of DLUT to the Board of County Commissioners, Subject: Review of Criteria for UGB Locational Adjustments, Page 2, Paragraph I(a)(3)(aa)].

IV. FACTOR 4, GOAL 14; MAXIMUM EFFICIENCY OF LAND USE 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 the approval criteria have been satisfied. The following is a discussion of the evidence which supports that conclusion.

The hearings officer finds that the extension of the Urban Growth Boundary to include this site results in the maximum efficient use of land because the site is adjacent to a planned industrial area within the Urban Growth Boundary and within the Sunset Corridor. In addition, the foregoing discussion of need for larger acreages capable of providing for high-tech and the availability of services supports the inclusion of this site within the UGB. These findings document the history of development in the area. (Source: Hobson Report). A need for the land has been demonstrated and the hearings officer finds that adding land in this location given its proximity to other users, the UGB and services results in a maximum efficient use of the land.

A. Logical Extension of Services.

Services implement the land use plan and are not the basis for approving an amendment to the Urban Growth Boundary. The availability of services, however, is a factor which is

V. FACTOR 5, GOAL 14; ENVIRONMENTAL, ENERGY, ECONOMIC AND site's SOCIAL CONSEQUENCES Willamette silt loam (0-3% slope).

Class Factor will cover about fifty percent of the safe and
inadequate site energy, even though it is a sequence of, The
woodings office found the evidence demonstrates that there are
previous consequences and therefore their approval criteria loans
classified so the following is a discussion of the evidence which
supports this conclusion. loan. Other industrial sites in the
area are composed of similar quality soils which would be
converted as development improves. The Riviera Motors property
contains approximately 180 acres considered under the UGB,
the property is adjacent to the existing UGB and has five oaks
industrial park. The Five Oaks Industrial Park is currently
zoned as a Special Production District. Together, the Riviera
Motors property (a) 65 Site generated the negative airway pollution
problems have been identified with the Five Oaks Industrial Park
they still develop 26.4 if a facility which locates on the new
developed. The property, is bordered on the north by the
San Antonio River, to the west by Wilshire Road and to the east by
Sunset Highway interchange, on the south by the Sunset
Highway, and on the east by the Generation Riviera Motors Five
Oaks Industrial Park. Carbon monoxide are expected to be less than
the ambient at the Safety Team's proposed four UGB and
carbon monoxide concentrations will increase up to and possibly
as low as two level ways and with high speeds affected areas and seven
percent speeds and existing levels topographic variations should be
lower at the western end of the corridor than at the eastern

interest to development. Except for wetness in low-lying areas, a condition that is typical of much of the area, soils are suited to development.

3. Natural Development Constraints. The natural development constraints on the site include the floodplain, which is the only natural hazard inventoried on the site by Washington County. About four percent (4%) of the Riviera Motors property is within the 100-year flood plain of an intermittent creek, Waible Gulch. This area is ideally situated to serve as a storm water retention area and open space.

4. The Flora. The trees on the property do not segment or break up the site and, therefore, permit great flexibility in how development can occur. The historic Five Oaks area located in Block One of the Concept Plan will be preserved as an open space by the construction of a three-acre park. (Source: Testimony of Jim Thornburg). Development of the property can occur on large, unbroken blocks of land. Final parcel shapes can be determined by the internal road layout and the needs of the ultimate user of the land. The BPA right-of-way, although it cannot be intensively developed, allows development on the north half of the Riviera Motors property and in the Five Oaks Industrial Park to occur in a coordinated manner.

5. The Soils. The Soil Conservation Service (SCS) classified soils on the Riviera property and BPA right-of-way as Class I through IV. About thirty-six percent (36%) of the

are available at the property line on the adjacent Five Oaks Industrial Park. The park is currently within the UGB and servicing Riviera Motors property will require minimal extension of existing lines. The property is adjacent to Sunset Highway. A more intensive development located along a high transportation corridor will lead to greater energy efficiency. It will result in providing jobs in Washington County and shorter work/home trips. Development of the entire Riviera Motors property as a cohesive unit maximizes the energy efficiency of buildings by taking advantage of the good solar orientation of the site.

C. Economic Consequences.

1. The Net Gain to the Surrounding Community Would be Beneficial. There would be a substantial net gain to the local economy from the proposed development of the Riviera site. It is estimated that the development would ultimately provide 1076 on-site jobs (based upon an average of 16.4 employees per acre on 65.6 acres). Significant additional economic benefits will accrue to the extent that firms new to the region or new firms with a start-up product choose to locate on the site. As this occurs, it is expected that indirect employment related to development on this site would be greater than indicated by the standard multipliers for industrial development.

2. The Current Use is Inefficient. The land is farmed by a single farmer as a portion of one very large

end. For a development the size of the Riviera Motors property, an Indirect Source Construction Permit probably will be required by DEQ. During the indirect source review process, the transportation-related air quality impacts of development are evaluated for compliance with the regulations. Larger developments than are planned for the Riviera Motors property have located in the Sunset Corridor in the past two years and have been determined to have minor air quality impacts. Transportation analysis results indicate that congestion near the Riviera Motors property will be minimized as a result of planned road improvements. Based on the transportation analysis, the air quality impact from traffic near the Riviera Motors property should be no greater than at other sites in the corridor with similar traffic characteristics.

7. Noise Considerations. The property is bound on the south by the Sunset Highway. An industrial use is preferred to a residential land use because of the traffic noise created by the Sunset Highway. Highway noise will not detract from certain businesses which will locate at a highway interchange to gain high visibility.

B. Energy Consequences.

1. Industrial use upon the Riviera Motors property would increase energy use. However, the probable development on the site has favorable energy consequences relative to other industrial sites. The more efficient use of existing infrastructure is also energy efficient. Sewer and water lines

2. See Findings under Goal 14 Factor 2: Employment and Livability incorporated herein.

farming operation. The farmer who currently works this parcel has stated that it is unsafe for him to move his large farming machines to and from the property. Development for industrial use will provide greater employment opportunities for residents of Washington County and the region. Development will improve an existing adjacent industrial park. Inclusion of this property within the UGB will eliminate an acute shortage of large parcels within the Sunset Corridor. The property can be developed in a rapid fashion and an end user can expect development to be complete by the end of 1986. The Riviera property can be developed in a coordinated master plan to provide a public benefit to the area, including continued compatibility with adjacent agricultural activities.

D. Social Consequences.

1. No homes or other buildings currently are located upon the property. Therefore, there is no need to displace any persons or to demolish any buildings for the development of this parcel. The achievement of the electronic industry growth projected by Metro is in part dependent upon the availability of desirable locations for new firms and start-up companies in the region. If the Riviera property can help meet or exceed that projection, it represents an opportunity to improve upon the long-term seven percent (7%) unemployment rate that is assumed in Metro's employment projections. Decreasing the unemployment rate represents an increase in social well-being. (Source: Riviera Motors Petition).

As urban areas need to expand, they will inevitably expand into lands protected variously by other goals. Expansion of the UGB anywhere in Washington County generally means expansion into Class I and II agricultural lands. The hearings officer finds that, by its very nature, large acreage industrial parcels in the western half of the state will consist of land that is classified as Class I and II. 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 issues. That testimony indicated support for this application.

The farmer currently utilizing this property has indicated the increasing safety hazard the cultivation of this parcel poses. His large farming equipment cannot be efficiently or safely transported to the property without disrupting the normal traffic flows in the area.

The hearings officer has found a need for additional industrial land in the Sunset Corridor under Goal 14, Factor 1. It has been 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, the approval criteria is satisfied.

VI. FACTOR 6, GOAL 14, RETENTION OF AGRICULTURAL LAND

Factor 6 of Goal 14 requires consideration of "Retention of agricultural land as defined, with Class I being the highest property 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 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 soil is Class I through IV. Approximately 36% of the site is Class I, 50% is Class II and 13% is Class III and 1% is Class IV. Within the definition of statewide planning Goal 3, these lands would be the highest priority for preservation. The system of statewide goals, however, 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. 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.

VII. FACTOR 7, GOAL 14; 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 Riviera Motors property is favorably situated for compatibility with surrounding agricultural uses. North of Jacobson Road, the land uses include agriculture and a mobile home park. To the west, stands of trees and a new freeway interchange buffer the site from residential and agricultural uses. The Sunset Highway buffers the south side of the property from a farmstead, open fields, and a filbert orchard. (Should the Kaiser petition be approved, these farm uses will be replaced by additional industrial development.) The BPA right-of-way, which will remain in agricultural or open space use indefinitely, is on the eastern edge of the property. The nature of the proposed use will also contribute to land use compatibility. Light industrial parks are designed to create attractive surroundings and to provide buffers for adjacent uses. The existing Five Oaks Industrial Park which has been in place for fifteen years has already demonstrated a high degree of land use compatibility with surrounding agricultural uses to the west and north. The proposed development of the property

would be consistent with the existing development of the Five Oaks Industrial Park.

For an additional discussion of compatibility, see Goal 2 Exception Criteria IV incorporated herein by this reference.

I. FACTOR 1, GOAL 2; REASONS WHICH JUSTIFY WHY THE STATE
POLICY EMBODIED IN THE APPLICABLE GOALS SHOULD NOT APPLY

OAR 660-04-010(1)(c)(B)(i) provides that this Goal 2
Exception criteria is satisfied by addressing the seven factors
of Goal 14 factors in the first section of these findings. The
hearings officer finds that the seven factors have been
satisfied.

GOAL 2 EXCEPTION CRITERIA

Introduction

OAR 660-04-010(1)(c)(B) provides:

When a local government changes an established urban growth boundary it shall follow the procedures and requirements set forth in Goal 2 "Land Use Planning", Part II, Exceptions. An established urban growth boundary is one which has been acknowledged by the Commission under ORS 197.251. Revised findings and reasons in support of an amendment to an established urban growth boundary shall demonstrate compliance with the seven factors of Goal 14 and demonstrate 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 them 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.

(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 area factors 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 proceedings. OAR 660-04-020(2)(b).

II. FACTOR 2, GOAL 2; AREAS WHICH DO NOT REQUIRE A NEW EXCEPTION CANNOT REASONABLY ACCOMMODATE THE USE

A. The Site. The hearings officer finds that development of the Riviera Motors site will take advantage of the economies of agglomeration in an area of concentrated high-technology research and development and production. The Riviera property is located in the Sunset Corridor. The site is also off-rail, an important consideration for some high-tech firms. The combination of special characteristics (i.e., located next to an existing industrial development, containing 65.5 acres with flexibility to include over 100 acres, and promptly developable) makes this site ideally suited for particular uses which can be accommodated by only a few sites within the current UGB. (Source: Alternative Site Analysis by Wes Reynolds of CH2M-Hill).

B. Alternative Sites.

This criterion requires an applicant to address "reasonable" alternative sites already in the urban growth boundary 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;'

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 users. The record includes substantial evidence which demonstrates that high-tech uses seek an area which has: (1) criteria mass, (2) known identity, (3) educational institutions, and (4) an available labor force. The Sunset Corridor has established that criteria 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 hearings officer finds evidence supporting 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 the 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). Therefore, this map satisfies the exceptions requirement.

(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 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.

sites. Four rural areas (outside the Urban Growth Boundary) in proximity to the UGB were identified as resource lands committed to nonresource 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 users 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 for 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.

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; and

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

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

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 need 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

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 locations 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

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 of the Corridor which could possibly serve to meet some of the unmet demand for large acreage industrial land. Although the Sunset Corridor has been

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 TV 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 TV Highway would require construction of a left-turn lane and signalization in order to accommodate the high traffic volumes on TV 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.

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 (TV 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, TV 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 parcel, the absence of any other

(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 an alternative choice 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.

3. Roseway Industrial Park

This property totals 85 acres located on TV Highway at 234th Avenue, which bisects the parcel. It is rail-served and includes a small warehouse facility. Benj. Fran 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 TV 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 the 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.

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

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 his 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 relies, that the land available 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 1,400 acre need, or on the seven years for which data is available.

(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. Robert Stacey, Staff Attorney for 1000 Friends, testified that the annexation of the Riviera 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 located on the inventory, the remainder is available on a lease only basis.

(4) Ronler Acres. It is constrained.

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.

C. 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 site except the site to the south of Sunset Highway known as the Kaiser 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 Kaiser site which

(5) Wilsonville Property. It is outside the Sunset Corridor where a need has been demonstrated.

(6) Leviton Property. It is outside the Sunset Corridor where a need has been demonstrated. See Appendix I.

(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 on 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) Hawthorne Farm Property. It does not satisfy the need for 30 acres and larger parcels.

(15) Parkway Center Property. It is outside the Sunset Corridor.

(16) Tualatin Property. It is outside the Sunset Corridor.

(17) Beaverton Property. It is outside the Sunset Corridor.

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

is best examined through an analysis of the potential gains. The current lease revenue from the farming operations barely cover the property taxes. The potential benefit of conversion of this property to an industrial use in terms of employment (1,076 jobs), tax revenues for the Federal, State and local governments and increased efficiency in the use of existing resources and services is impossible to measure. This property is located within Washington County and necessary public facilities and services can be efficiently provided to the site with little additional public expenditure. The existing facilities and services have capacity to adequately service the property.

5. The social consequences of conversion of the property from farm to industrial use, are considered in terms of employment opportunities generated and the impact upon the surrounding land uses. Industrial use would generate greatly needed employment opportunities within the Portland area. An industrial use would reduce the total acreage used by one farmer who currently farms this property in conjunction with many other properties in the Washington County area. A potential of 1,076 jobs can be created directly upon the property as well as an untold number of jobs from the potential multiplier effect upon the economy. No homes will be displaced by the conversion of this property into an industrial use. No residences will be adversely effected by the UGB amendment. Riviera has demonstrated a commitment to develop property in a

has been identified as an alternative. A need has been demonstrated for the Kaiser site. Therefore, it is not an alternative. This conclusion is based on the following evidence.

1. The findings under Goal 14, Factor 5 demonstrate the environmental, energy, economic and social consequences which will result from the proposed use upon the Riviera property. Petitioner incorporates the proposed findings under Goal 14, Factor 5 into this section as well as the following additional proposed findings.

2. Long term negative consequences of converting the Riviera property from an agricultural use to a light industrial use can be mitigated. The net benefit of the proposed use in terms of environmental, energy, economic and social consequences outweighs negative consequences.

3. The property contains no endangered species. The property will be developed with maximum consideration for the protection of the historic Five Oaks site located in the center of the property. This area will be set aside as a three acre park for use by the employees of the firm or firms that choose to locate on this site. The 100 year flood plain portion of the property will not be developed and retention ponds will be constructed within and around this portion of the property to mitigate any potential flood danger. (Source: Riviera Motors Petition and Testimony of Jim Thornburg).

4. The economic consequences of conversion of the Riviera property from an agricultural use to an industrial use

highly responsible manner, and the surrounding property owners have little to fear from the proposed development.

6. The energy consequences of the proposed use (as discussed in the proposed findings under Goal 14, Factor 5 and as set forth below), are considered in terms of traffic impact and the efficient use of existing public facilities in and around the property. The industrial use of this property will result in a more efficient use of the new Shute/Helvetia Road Freeway Interchange. Turning lanes have been identified as necessary, regardless of the outcome of this petition or development of the Riviera property. A more intensive development located along a high capacity transportation corridor will lead to greater energy efficiency. Development of the entire Riviera Motors property as a cohesive unit maximizes the energy efficiency of buildings by taking advantage of the good solar orientation of the site.

attractive surroundings and to provide buffers for adjacent uses. The existing Five Oaks Industrial Park which has been in place for fifteen years has already demonstrated a high degree of land use compatibility. The proposed development of the property would be consistent with the existing development of the Five Oaks Industrial Park.

The Washington County comprehensive plan requires certain design requirements for Special Industrial Districts. These regulations and procedures thereunder can minimize potential unforeseen adverse impacts related to compatibility caused by inclusion of the property into the UGB.

As presented by the video tape presentation prepared for the Five Oaks Industrial Park, Riviera Motors has demonstrated a commitment to develop property with an emphasis upon landscaping and beauty. This commitment will be continued if these 65.5 acres are brought into the UGB.

The Decision

Based on the findings that each of the approval criteria are satisfied, the petition by Riviera Motors, Inc. is hereby approved. This approval is based on the petitioner's testimony by petitioners that the need for a variety of parcel sizes will be satisfied by the following steps:

A. Promptly after entry of the Final Order granting said UGB amendment, Riviera Motors shall initiate the following proceedings with Washington County:

III. FACTOR 4, GOAL 2; 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 explained 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 criteria is satisfied. The following is a discussion of the evidence which supports this conclusion.

The Riviera Motors property is favorably situated for compatibility with surrounding land uses. North of Jacobson Road, the land uses include agriculture and a mobile home park. To the west, stands of trees and a new freeway interchange buffer the site from residential and agricultural uses. The Sunset Highway buffers the south side of the property from a farmstead, open fields, and a filbert orchard. The BPA right-of-way, which will remain in agricultural or open space use indefinitely, is on the eastern edge of the property. The nature of the proposed use will also contribute to land use compatibility. Light industrial parks are designed to create

(1) An amendment to the Washington County Comprehensive Framework Plan to designate the property "Industrial."

(2) Establishment of a Special Industrial Overlay District (SID) upon the property pursuant to the provisions of Article III, Section 377, of the Washington County Community Development Code (CDC), a copy of which is marked Exhibit "B" and attached hereto. The SID shall include the following elements:

(i) A Master Plan - Site Analysis shall be submitted which will provide, among other things, that the property shall be divided into two adjacent tracts of not less than 30 acres in size which tracts shall be retained as a single 65.5 acre parcel available as a single large-lot industrial parcel.

(ii) The size and configuration of the tracts and the 65.5 acre parcel within the SID may be re-evaluated on an annual basis at the request of Riviera Motors. The criteria for any such re-evaluation shall be the terms, conditions and criteria set forth in said Section 377-1.1, CDC, and Strategy M under Policy No. 1 of the Washington County Comprehensive Framework Plan. A copy of Strategy M is marked Exhibit "C" and attached hereto.

(iii) Any amendment to the SID Master Plan for the property may be made only after a public hearing conducted pursuant to the provisions of the Washington County Community Development Code as Type III proceeding.

BONNEVILLE POWER ADMINISTRATION RIGHT OF WAY
PARCEL III:

A strip of land 500 feet wide across a tract of land described as: Beginning at a point on the North line of DLC of Alexander Zachary and Sarah Zachary, his wife, in Sections 14, 15, 22 and 23, Township 1 North, Range 2 West, W.M. Washington County, Oregon, at a point 20 chains West of the Northeast corner of said DLC; thence South 19.999 chains; thence West 20 chains; thence North 19.999 chains to the North line of said Claim; thence East 20 chains to the place of beginning. The boundaries of said strip of land lie 75 feet westerly from and 425 feet easterly from and parallel with the survey line of the United States of America for its Bonneville Power Administration's Keeler-Allston No. 1 transmission line, said survey line is described as follows:

Beginning on the east line of said Donation Claim No. 52 at a point which is $N0^{\circ}24'00''E$, 75.9 feet from the southwest corner of the John S. White Donation Land Claim No. 51; thence $N58^{\circ}54'30''W$, 2999.9 feet; thence $N2^{\circ}18'40''E$, 2828.1 feet; thence $N8^{\circ}56'50''E$, 81.6 feet to the north line of the Alexander Zachary Donation Land Claim No. 52, said Township and Range, at a point which is $N88^{\circ}02'50''W$, 674.7 feet from the southwest corner of Donation Land Claim No. 65, said Township and Range.

EXHIBIT "A"

PARCEL I:

A tract of land in the Alex Zachary Donation Land Claim No. 52, Section 22, Township 1 North, Range 2 West, Willamette Meridian, Washington County, Oregon, described as follows:

Beginning at a point in the south line of Jacobson Road, which point is South $89^{\circ} 43' 22''$ East, 71.76 feet and South $0^{\circ} 16' 38''$ West, 20.00 feet from the Northwest corner of the Zachary D.L.C.; thence along the South line of the Jacobson Road, South $89^{\circ} 43' 22''$ East, 2,573.98 feet; thence South $0^{\circ} 22' 56''$ West, 1,714.10 feet to a point in the North line of the Sunset Highway; thence along said North line, as follows:

South $89^{\circ} 37' 23''$ West, 170.26 feet; thence North $61^{\circ} 55' 06''$ West, 999.99 feet; thence North $61^{\circ} 34' 29''$ West, 299.88 feet; thence North $56^{\circ} 55' 24''$ West, 351.20 feet; thence North $61^{\circ} 44'$ West, 350.12 feet; thence North $56^{\circ} 05' 23''$ West, 301.60 feet; thence North $35^{\circ} 09' 30''$ West, 223.40 feet; thence North $39^{\circ} 59' 30''$ West, 415.85 feet to a point in the East line of Helvetia Road; thence along said East line North $0^{\circ} 32' 38''$ East, 19.05 feet; thence on the arc of a curve right, having a radius of 1,362.40 feet and a central angle of $2^{\circ} 52' 02''$, the long chord bears North $1^{\circ} 59'$ East, 68.19 feet, an arc length of 68.19 feet to the point of beginning.

PARCEL II:

The following described property in Sections 15 and 22, Township 1 North, Range 1 West, Willamette Meridian, Washington County, Oregon:

Beginning at the Northwest corner of that certain tract conveyed to Albert L. Croeni, by Deed recorded in Book 129, page 34, Washington County Deed Records; thence East along the North line of said tract, 70 feet, more or less, to the West line of the Bonneville Power Administration right of way; thence South along said line, 1,800 feet, more or less, to the Northerly line of the Sunset Highway; thence Northwesterly 30 feet, more or less, to the West line of said Croeni Tract; thence North along said line, 1,800 feet, more or less, to the point of beginning.

377-2 Terms and Definitions

For the purposes of this Overlay District (Section 377), the following definitions shall apply:

377-2.1 Special Industrial Overlay District

An overlay district which may be applied in addition to the industrial designation in which additional provisions apply for the purpose of creating a unique setting.

377-2.2 SID Process

The procedure, as codified in the Special Industrial Overlay District Section, whereby tiers are established within the overlay district.

377-2.3 Committed Development

A. An arms length transfer of ownership, or a lease or build-to-lease agreement between two (2) legal entities based upon fair market value, including term of payment, and not for the purposes of circumventing the requirements of this Code.

(1) Fair market value will be based on demonstration by the applicant of the value of three comparable planned and designated industrial sites, comparable in size, services and natural features. The fair market value of the applicant's site must prove to be within twenty-five (25) percent of the average value of the three comparable sites; or

(2) For ground-lease arrangements or the transfer of ownership on lots of thirty (30) acres or greater, committed development may be demonstrated based upon the appraisal of real property. The appraisal shall be performed within the following conditions:

(a) Washington County shall make available to the applicant a list of three (3) M.A.I. certified appraisers;

(b) The applicant shall select one (1) from the list provided;

377 - SPECIAL INDUSTRIAL OVERLAY DISTRICT (SID)

377-1 Purpose and Intent

377-1.1 The purpose of the Special Industrial Overlay District is:

- A. To protect and enhance development opportunities for industrial uses which may require large sites in a planned campus industrial park setting;
- B. To provide the opportunity for small and medium size industrial uses to locate in proximity to large single user industrial uses;
- C. To provide an opportunity for the market place to demonstrate actual development through the industrial lot size requirements demanded by industrial uses.
- D. To preserve large lots for single major industrial uses until such a time as there is no demonstrated demand or need for such large lots.

377-1.2 The intent of the Special Industrial Overlay District is to recognize the need to provide large lots for single major industrial uses while recognizing that small and medium sized industrial uses may require siting in proximity to large uses in order to service such large uses. Additionally, the Special Industrial Overlay District recognizes the potential employment growth opportunities of small and medium industrial uses and provides a stable planned campus industrial park atmosphere which may accommodate such firms as employment and site size requirements change through time.

377-1.3 For the above reasons, development in the Special Industrial Overlay District is limited to the following categories of mutually compatible uses which require a park-like setting:

- A. High technology, light manufacturing, research and development, processing, storage and distribution;
- B. Freestanding offices, under Sections 377-5.2 and 377-5.3 only;
- C. Planned industrial parks containing light manufacturing uses and related service and trade activities.

8/19/85

377-2.7 Net Buildable Area

The total land area within the SID, excluding present and future rights-of-way, restricted hazard areas, public open space, flood plain, bodies of water, and restricted resource protection areas, expressed in acres or portions thereof.

377-3 Designation of Special Industrial Overlay District

The Special Industrial Overlay District shall be designated on the community plan maps through the community planning process, through the plan update process or through a plan amendment under the policies and criteria set forth in the Comprehensive Framework Plan.

377-4 Standards

These standards apply in addition to the general provisions of the Industrial District.

377-4.1 Within the Industrial District, a contiguous area of largely undeveloped land of fifty (50) or more acres may be designated "Special Industrial Overlay District" (SID) on the community plan map through line application of the overlay. Areas are considered contiguous even if separated by streets, roads, easements and natural features. Areas designated SID should have adequate and convenient access to an arterial and should have relatively few separate ownerships to facilitate consolidation.

377-4.2 Prior to the issuance of any development permit, the Master Plan-Site Analysis must be processed and approved for the entire SID. The Master Plan-Site Analysis is to be considered a schematic commitment of three (3) tier types to certain levels of use and minimum lot size. It does not require the legal partitioning of the three (3) tiers into three (3) lots, nor does it require the subdivision of lots with the tiers until such a time as development occurs.

A. This does not, however, preclude an applicant from submitting a Master Plan-Site Analysis for the SID which would include all possible tiers. Where such a Plan is submitted and approved, all remaining tiers shall be processed under a Type I procedure as long as the subsequent application is consistent with the Plan initially approved. If an application is determined to be inconsistent with the initial plan approval, a Type II procedure shall be followed.

- (c) Washington County shall contract the appraiser for the purposes of demonstrating compliance with the terms of Committed Development;
- (d) The applicant shall reimburse Washington County for costs incurred on the appraisal.

(3) Approval of a Building Siting and Architectural Design application under the requirements of Section 406 of this Code that demonstrates full commitment of the subject area to complete urban development consistent with the provisions of the SID such that no further parcelization is or will be required.

B. The applicant may prove committed development, by demonstrating that the area has been physically improved, by providing copies of building permits for allowed buildings where such buildings demonstrate full commitment of the subject area to complete urban development consistent with the provisions of the SID such that no further parcelization is or will be required.

377-2.4 Tier

An area of land within a Special Industrial Overlay District delineated in the Master Plan-Site Analysis process and designated for a certain level of development activity according to prescribed conditions within the overlay district.

377-2.5 Industrial Park

A planned industrial development designed as a coordinated environment for a variety and mix of industrial and industrial support uses, having a comprehensive development plan which ensures compatibility among uses and with adjacent properties, which occurs on a parcel or adjacent parcels under single ownership or development control.

377-2.6 Gross Area

The total land area within the SID boundary, including development which existed prior to the establishment of the district, expressed in acres or fractions thereof.

- (c) Washington County shall contract the appraiser for the purposes of demonstrating compliance with the terms of Committed Development;
 - (d) The applicant shall reimburse Washington County for costs incurred on the appraisal.
- (3) Approval of a Building Siting and Architectural Design application under the requirements of Section 406 of this Code that demonstrates full commitment of the subject area to complete urban development consistent with the provisions of the SID such that no further parcelization is or will be required.
- B. The applicant may prove committed development, by demonstrating that the area has been physically improved, by providing copies of building permits for allowed buildings where such buildings demonstrate full commitment of the subject area to complete urban development consistent with the provisions of the SID such that no further parcelization is or will be required.

377-2.4 Tier

An area of land within a Special Industrial Overlay District delineated in the Master Plan-Site Analysis process and designated for a certain level of development activity according to prescribed conditions within the overlay district.

377-2.5 Industrial Park

A planned industrial development designed as a coordinated environment for a variety and mix of industrial and industrial support uses, having a comprehensive development plan which ensures compatibility among uses and with adjacent properties, which occurs on a parcel or adjacent parcels under single ownership or development control.

377-2.6 Gross Area

The total land area within the SID boundary, including development which existed prior to the establishment of the district, expressed in acres or fractions thereof.

- B. The Master Plan, once approved, is binding on the property and development may occur only under the conditions of the SID provisions, regardless of ownership.
- C. All variances under Section 435 (Variances and Hardship Relief) are specifically prohibited in this district.

377-4.3 Within the SID, development shall conform to the following requirements regardless of ownership pattern. Development within the SID may occur under only one (1) of the following two (2) options:

A. Option A - Thirty (30) Acre Minimum Lot Size:

Through the Site Analysis, processed as a Type II procedure, lots may be partitioned or subdivided to a thirty (30) acre minimum lot size for the use of a single major industrial user, a user which requires or will ultimately require a total of at least thirty (30) acres for its operation. Uses permitted on such parcels are those listed in Sections 377-5.1 through 377-5.2. Industrial Parks are not permitted.

B. Option B - SID Process:

Under the utilization of this option, a Site Analysis shall be submitted for the entire area covered by the SID which shall be processed through a Type III procedure without the flexibility permitted under that process but instead with the flexibility permitted herein. The Site Analysis shall designate three (3) tiers as described in "C" below.

C. Descriptions:

(1) Tier I

A maximum twenty (20) percent of the initial gross acreage of the SID as delineated on the community plan map with a two (2) acre minimum lot size and uses permitted as listed in Sections 377-5.1, 377-5.2 and 377-5.3.

(2) Tier II:

A maximum twenty (20) percent of the SID gross acreage with a minimum lot size of ten (10) acres and uses permitted as listed in Sections 377-5.1, 377-5.2 and 377-5.3.

(3) Tier III

A minimum sixty (60) percent of the SID with a thirty (30) acre minimum lot size and uses permitted as listed in Sections 377-5.1 and 377-5.2.

377-4.4 Under Option B, SID Process (Section 377-4.3B), the following development conditions shall be available at the initiation of an applicant, once prescribed conditions have been met:

A. Committed Development Adjustment:

(1) Tier I

(a) Following the development of sixty-seven (67) percent of the net acreage in Tier I, an applicant may initiate a petition to permit land division down to a five (5) acre minimum lot size in Tier II. Uses permitted shall continue as prescribed for Tier II.

(b) The application shall be a Site Analysis application and shall be processed through a Type II procedure with the applicant demonstrating that the sixty-seven (67) percent development condition has been met and is in compliance with other applicable standards of this Code.

(2) Tier II

Following the development of sixty-seven (67) percent of the combined net acreage in Tier I and Tier II of the first SID, an applicant may petition for a second SID on any vacant area of fifty (50) acres or greater in Tier III. Such an application shall be made as a Site Analysis application and shall be processed through a Type II procedure unless previously approved under Section 377-4.2(A), then it shall be processed as a Type I. The burden of demonstrating that sixty-seven (67) percent development of Tier I and II has been met and is in compliance with the applicable standards of this Code rests on the applicant.

D. Expansion of Existing, Contiguous Industrial Development

- (1) When an existing, approved industrial use requires expansion to a contiguous area, and when such expansion can only occur on the last remaining thirty (30) acre parcel within the SID as a result of other contiguous areas being fully committed to development, the use of the last remaining thirty (30) acre parcel within the SID for industrial expansion will be permitted under the following conditions:
 - (a) Expansion must be from a contiguous, existing industrial development;
 - (b) The proposed expansion involves a single-user industrial use;
 - (c) The proposed expansion will require a minimum of five (5) acres;
 - (d) The proposed expansion will not create a remaining lot of less than five (5) acres in the last remaining thirty (30) acre parcel; and
 - (e) No further parcelization of the lot used for expansion shall be permitted.
 - (f) The above described process shall occur through a Type II lot line adjustment. The expansion under these provisions shall not create a new, separate lot, but rather shall be an addition to the previous lot.
- (2) Once the entire SID, as designated by the Community Plan, has been developed to sixty-seven (67) percent of its potential and one (1) thirty (30) acre parcel in Tier III remains vacant and cannot meet the conditions set forth in 377-4.4 (C), the SID restrictions on that thirty (30) acre parcel and remaining buildable vacant land within the SID may be removed, with the exception of the use provisions of the SID, through the Plan Amendment process under the conditions of strategy M under Policy #1 of the Comprehensive Framework Plan.

B. Additional Tiers:

The total number of times the SID process of creating new tiers may be applied is determined by the formula below:

Formula: $\frac{\text{Gross Acreage of SID}}{50 \text{ acres}} = \text{Maximum Number of times the SID Process may be applied.}$

Example: $\frac{210 \text{ Gross Acres}}{50 \text{ acres}} = 4.2 \text{ Times}$

Result: The SID process may be applied 4 times in this Special Industrial District creating a potential total of 9 final tiers.

Note: If the formula results in a fraction 0.5 or above, an additional SID process may occur if the conditions in Section 377-4.4(C) can be met.

C. Final SID:

When the SID has been legally applied, and when in subsequent applications, Tiers I and II have been sixty-seven (67) percent or more developed, and when the option of going through one additional SID process to create an additional set of tiers remains except the remaining acreage in Tier III is less than the fifty (50) acre minimum required for application of an SID, then any vacant buildable land remaining in Tiers I and II from previous tier phases may be added to Tier III to create a fifty (50) acre parcel for the application of an additional SID with the following limitations:

- (1) No more than a combined total of five (5) acres of vacant buildable land may be transferred from Tiers I and II of the previous phase for such purposes;
- (2) Land so transferred must be contiguous and incorporated into the overall design of the SID in a cohesive and comprehensive manner which lends itself to the orderly provision of services and creates compatible lotting patterns and uses of land; and
- (3) Such a transfer shall occur through a Type I lot line adjustment.

8/19/85

procedure. Notwithstanding any other procedure, lot line adjustments shall be processed as a trade.

C. Mortgage Lot in a Special Industrial District

The creation of a mortgage lot within the Special Industrial District may be considered through a Type I procedure subject to the following cited limitations:

- (1) The proposed mortgage lot shall be limited to and located in Tier III of an approved Special Industrial Overlay District;
- (2) The parent lot, from which the mortgage lot is to be created, shall be a lawfully created lot located in Tier III of an approved Special Industrial Overlay District;
- (3) The parent and mortgage lot shall both have legal access;
- (4) The proposed mortgage lot shall be a minimum of ten (10) acres in size;
- (5) An affidavit, approved as to form by County Counsel, shall be completed, signed, notarized and filed with the Director of Records and Elections for filing under Deed Records stating that the applicant agrees:
 - (a) That in the event of a sale or transfer, both lots will be sold simultaneously as a unit to the same buyer,
 - (b) That the mortgage lot and the balance of the parent lot will be consolidated into one (1) tax lot as soon as the applicant secures title to either, and in the event of foreclosure, the balance of the parent lot becomes unbuildable unless subject to the benefits accruing through a valid reiteration of a subsequent Special Industrial Overlay District approval.
- (6) A lawfully created lot in Tier III of an approved Special Industrial Overlay District shall be eligible for only one (1) mortgage lot at any point in time.

377-4.5 Special Conditions

A. Pre-Existing Lots:

- (1) Pre-existing lots within the boundary of an SID shall be considered as a part of the appropriate Tier of the first SID based upon their lot size.
- (2) The lot size of any pre-existing lot shall be maintained until the Master Plan-Site Analysis for the entire SID is made, at which time it may be partitioned into lots which meet the minimum lot size permitted in the Tier in which it is included.
- (3) Development on pre-existing lots shall be preceded by a Master Plan-Site Analysis application for the entire SID.

B. Once the initial application of tiers within the SID process has occurred, that is, the Master Plan-Site Analysis has been approved, identifying the three (3) tiers, and once development occurs on any part of the SID under the approved Master Plan, the tiers become fixed and cannot be transferred or altered except as permitted by the provisions of the SID, with the following exceptions:

(1) Trades

In the event a landowner has an opportunity to sell, lease or lease-to-build a vacant parcel or vacant parcels previously approved as part of Tier I, II or III, and the purchaser or lessee desires the parcel(s) to be located in a tier of SID not previously contemplated and approved for that lot size or location, the landowner may petition for a lot location trade within the SID. A parcel location trade shall involve only vacant buildable lands and such a trade shall involve equal amounts of land such that the net results of potential lot parcelization is exactly equal to what it would be both before and after such a trade. The adjustment shall be approved if the parcel locations resulting from the trade can be incorporated into the overall design of the SID in a cohesive manner which lends itself to orderly provision of services and creates acceptable patterns and uses of land. Parcel location trades will be processed as a Type I

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- (2) The lot size of any pre-existing lot shall be maintained until the Master Plan-Site Analysis for the entire SID is made, at which time it may be partitioned into lots which meet the minimum lot size permitted in the Tier in which it is included.
- (3) Development on pre-existing lots shall be preceded by a Master Plan-Site Analysis application for the entire SID.

B. Once the initial application of tiers within the SID process has occurred, that is, the Master Plan-Site Analysis has been approved, identifying the three (3) tiers, and once development occurs on any part of the SID under the approved Master Plan, the tiers become fixed and cannot be transferred or altered except as permitted by the provisions of the SID, with the following exceptions:

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In the event a landowner has an opportunity to sell, lease or lease-to-build a vacant parcel or vacant parcels previously approved as part of Tier I, II or III, and the purchaser or lessee desires the parcel(s) to be located in a tier of SID not previously contemplated and approved for that lot size or location, the landowner may petition for a lot location trade within the SID. A parcel location trade shall involve only vacant buildable lands and such a trade shall involve equal amounts of land such that the net results of potential lot parcelization is exactly equal to what it would be both before and after such a trade. The adjustment shall be approved if the parcel locations resulting from the trade can be incorporated into the overall design of the SID in a cohesive manner which lends itself to orderly provision of services and creates acceptable patterns and uses of land. Parcel location trades will be processed as a Type I

D. Expansion of Existing, Contiguous Industrial Development

- (1) When an existing, approved industrial use requires expansion to a contiguous area, and when such expansion can only occur on the last remaining thirty (30) acre parcel within the SID as a result of other contiguous areas being fully committed to development, the use of the last remaining thirty (30) acre parcel within the SID for industrial expansion will be permitted under the following conditions:
 - (a) Expansion must be from a contiguous, existing industrial development;
 - (b) The proposed expansion involves a single-user industrial use;
 - (c) The proposed expansion will require a minimum of five (5) acres;
 - (d) The proposed expansion will not create a remaining lot of less than five (5) acres in the last remaining thirty (30) acre parcel; and
 - (e) No further parcelization of the lot used for expansion shall be permitted.
 - (f) The above described process shall occur through a Type II lot line adjustment. The expansion under these provisions shall not create a new, separate lot, but rather shall be an addition to the previous lot.
- (2) Once the entire SID, as designated by the Community Plan, has been developed to sixty-seven (67) percent of its potential and one (1) thirty (30) acre parcel in Tier III remains vacant and cannot meet the conditions set forth in 377-4.4 (C), the SID restrictions on that thirty (30) acre parcel and remaining buildable vacant land within the SID may be removed, with the exception of the use provisions of the SID, through the Plan Amendment process under the conditions of strategy M under Policy #1 of the Comprehensive Framework Plan.

procedure. Notwithstanding any other procedure, lot line adjustments shall be processed as a trade.

C. Mortgage Lot in a Special Industrial District

The creation of a mortgage lot within the Special Industrial District may be considered through a Type I procedure subject to the following cited limitations:

- (1) The proposed mortgage lot shall be limited to and located in Tier III of an approved Special Industrial Overlay District;
- (2) The parent lot, from which the mortgage lot is to be created, shall be a lawfully created lot located in Tier III of an approved Special Industrial Overlay District;
- (3) The parent and mortgage lot shall both have legal access;
- (4) The proposed mortgage lot shall be a minimum of ten (10) acres in size;
- (5) An affidavit, approved as to form by County Counsel, shall be completed, signed, notarized and filed with the Director of Records and Elections for filing under Deed Records stating that the applicant agrees:
 - (a) That in the event of a sale or transfer, both lots will be sold simultaneously as a unit to the same buyer,
 - (b) That the mortgage lot and the balance of the parent lot will be consolidated into one (1) tax lot as soon as the applicant secures title to either, and in the event of foreclosure, the balance of the parent lot becomes unbuildable unless subject to the benefits accruing through a valid reiteration of a subsequent Special Industrial Overlay District approval.
- (6) A lawfully created lot in Tier III of an approved Special Industrial Overlay District shall be eligible for only one (1) mortgage lot at any point in time.

377-5 Uses Permitted:

The following lists of uses are uses which may be permitted under the review procedure indicated except when the particular use has been reviewed and approved through the Master Plan-Site Analysis process for a specific location within the SID, then the application for a development permit for the approved use shall be a Type I procedure unless the use has been changed in location, nature and size.

377-5.1 Uses Permitted Through a Type I Procedure:

- A. Accessory Use - Section 430-1
- B. Temporary Use - Section 430-135
- C. Bus Shelter - Section 430-23
- D. Recycle Drop Box - Section 430-113
- E. Uses which are exempt from the Public Facilities standards as specified in Section 501-2.1 of this Code.

377-5.2 Uses Permitted Through a Type II Procedure:

- A. Development, manufacture or assembly of:
 - (1) Communication equipment, electronic equipment and supplies;
 - (2) Scientific and precision instruments and equipment;
 - (3) Engineering laboratory, scientific and research instruments;
 - (4) Electro-medical apparatus, bio-medical, surgical and medical instruments, artificial limbs, hearing aids, dentures, ophthalmic goods, and other medical or dental devices.
- B. Research and Development:
 - (1) Research and development laboratories;
 - (2) Industrial trade or skill schools and training centers.

of ten (10) contiguous acres in Tier I or II under a Type III Master Plan-Primary Use Procedure with the flexibility of standards provided for in the Master Plan-Primary Uses provisions only. The application for the Industrial Park may be processed simultaneously with the application for establishing the tiers through the SID, as a Master Plan-Primary Use application.

- B. Specific uses may be approved through this process if the nature, size and location of the use is identified and the public facilities standards of Section 501 are met. If approved through the Master Plan application, such uses will be eligible for a development permit through a Type I procedure. Uses not approved in this manner or uses which are changed after approval of the Master Plan application shall be reviewed through a Type II Procedure prior to issuance of a development permit.
- C. All uses listed in Sections 377-5.1 and 377-5.2 may be permitted within industrial parks. Additional uses may also be permitted in industrial parks under the following conditions.
 - (1) The minimum lot size shall conform to the appropriate tier, except each SID as defined by the Community Plan is permitted one (1), one (1) acre minimum lot size lot for one use listed in Section 377-5.2C(3) and one (1), one (1) acre minimum lot size lot for one use listed in Section 377-5.3C(7)(a).
 - (2) The building floor area shall be determined based on buildings in existence at the time of application together with buildings for uses approved through the application.
 - (3) The maximum ground floor building area shall in no case exceed the maximum allowed by computing the total permitted building floor area in the industrial park based on the lot coverage allowed.
 - (4) No more than fifteen (15) percent of the combined total ground floor building area within the industrial park may be utilized for the uses specified in (6) and (7) below to insure the primary character of the district remains industrial.

C. Processing and Storage of:

- (1) Photographic laboratories, blue printing, photo-engraving, photocopying, printing, publishing and bookbinding, including on-site commercial service associated with said use;
- (2) Wholesale business, storage buildings and ware houses;
- (3) Storage and distribution.

D. Ancillary Uses:

- (1) Cafeteria, cafe, restaurant or auditorium for employees, contained within the same business premise, accessory and incidental to the permitted use;
- (2) Parcel delivery service;
- (3) Administrative, professional, and business office uses accessory to and associated with permitted industrial uses on the site;
- (4) Retail outlets for warehousing or manufacturing operations, limited to ten (10) percent of total floor area;
- (5) Recreation facilities solely for employees;
- (6) Government and special district facilities;
- (7) Temporary Uses as provided for in Section 430-135.1(C)1, 2, 3 and 4 only;
- (8) Day care for employees' families - Section 430-53.2;
- (9) Transit stations or park and ride lots - Sections 430-89 and 430-139;
- (10) Public utility - Section 430-105;
- (11) Heliport, helistop - Sections 430-59 and 430-61;
- (12) Solid Waste Transfer Station - Section 430-129.

377-5.3 Uses Which May be Permitted Within an Industrial Park:

- A. Industrial parks may be established within the Special Industrial Overlay District on a minimum

- (5) Such uses shall be limited to a scale to serve persons working in the Special Industrial Overlay District and only secondarily to serve residents in the area. Such uses are limited to a maximum building floor area size of five-thousand (5,000) square feet per business premise.
- (6) Uses which may be permitted under the aforementioned conditions through a Type II procedure:
 - (a) Restaurant, delicatessen or cafeteria primarily for employees if located on an interior street within the industrial park;
 - (b) Recreation facilities, indoor or outdoor exercise facilities, primarily for employees;
 - (c) Day care facilities primarily for employee families.
- (7) No more than twenty-five (25) percent of the combined total ground floor building area within the industrial park may be utilized for the following office uses in order to maintain the primarily industrial character of the district. These uses shall be supportive of or related to the permitted industrial uses in the SID. Free standing office buildings must be occupied by a single tenant which utilizes at least twenty-five (25) percent of the gross building floor area. Uses which may be permitted under the above conditions through a Type II procedure:
 - (a) Offices for financial institutions, banks and credit unions.
 - (b) Professional offices for accounting, auditing and bookkeeping; architectural; engineering including surveying; medical; law; other professional uses.

4) Minor Adjustments

Those relatively insignificant adjustments to the alignments shown in the maps which regularly occur in the course of final engineering and construction of roads, bike paths or transit routes. Such adjustments primarily result from the fact that the exact conditions existing on a specific site cannot be taken into account when alignments are placed on a map. No formal public notice, hearing or action is required; and

- m. Provide for plan amendments which remove certain restrictions of the Special Industrial District (S.I.D.) as provided below:

Once the entire S.I.D., as designated by the Community Plan, has been developed to sixty-seven (67) percent of its potential and one thirty (30) acre parcel in Tier III remains vacant and cannot meet the conditions set forth in 377-4.4 (C), the S.I.D. restrictions on that 30 acre parcel and remaining buildable vacant land within the S.I.D. may be removed, with the exceptions of the use provisions of the S.I.D., under the following conditions:

The plan amendment proposal shall address the need for large industrial lots. Need for large industrial lots shall include, at a minimum, a detailed examination and analysis of the following:

- a. Demand for large lots: Analyze from a regional and county-wide perspective the projected demand for large industrial lots and the current supply of large vacant industrial lots;
- b. Absorption data and trends: Analyze large lot industrial land absorption data and trends in the region and county; such an analysis shall explicitly differentiate vacant land purchases from actual construction/use data;

- c. Specific industrial sector locational and operational characteristics: Determine through examination and analysis if changes in technology, development patterns or other industry-based changes have altered real land requirements for the range of allowed uses in Tier III. Such an examination shall be based on a substantial and objective analysis of specific industrial sector locational and operational characteristics, both current and projected; and
- d. Site Suitability: Analyse the suitability of the planning area and the specific site in: 1) Meeting the identified current and projected specific industrial sector locational and operational characteristics, and 2) In meeting the projected demand for large industrial lots.

The Review Authority shall approve the Plan Amendment only if it finds there is no need for the last remaining 30 acre parcel, based on the criteria listed above.

Summary Findings and Conclusions

The process for the development, adoption and implementation of the Urban Element of the Comprehensive Plan involves several steps, both to prepare the plan and to provide for the ongoing update and review of the plan over time to keep it current. The Comprehensive Plan is composed of the Comprehensive Framework Plan and site-specific Community Plans that are implemented by the Community Development Code and functional plans including Transportation and Capital Improvements.

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. 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 of 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

Alternative Sites Inside the Urban Growth Boundary

APPENDIX I

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 with respect to size, access, and topography. Interstate-5 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. Evidence also was submitted, upon which the hearings officer relies,

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.

3. 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

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.

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 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.

deterrent. The Hearings Officer therefore finds that this land parcel is unsuitable for a high-tech user and would not be considered.

4. 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.

5. 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

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

Alternative Sites Described by 1000 Friends of Oregon

APPENDIX II

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 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

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.

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 in Appendix I and need not be addressed here.

7. Cornell/Cornelius Pass Property

This 48 acre site is already constrained 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.

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.

property does not provide adequate large acreage land for high-tech development. The large parcels are committed for development, especially by Metheus Corporation.

17. Parkwest 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.

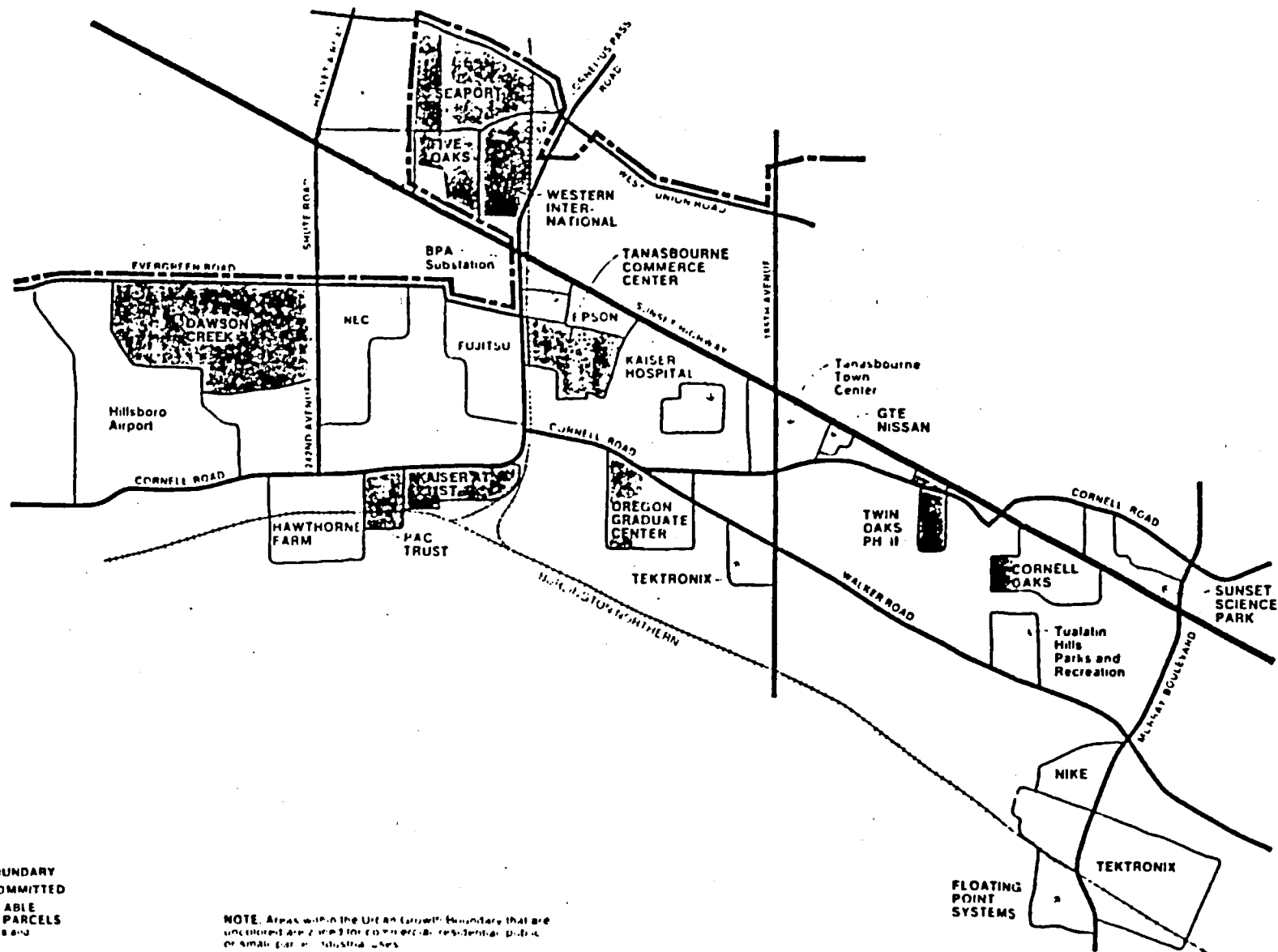
18. Tualatin Area Property

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 it does not provide a reasonable alternative site.

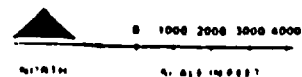
Exhibit "D"



Legend:

- URBAN GROWTH BOUNDARY
- DEVELOPED AND COMMITTED
- POTENTIALLY AVAILABLE LARGE INDUSTRIAL PARCELS (includes industrial parks and subdivided areas)

NOTE: Areas within the Urban Growth Boundary that are uncommitted are zoned for commercial, residential, public, or small general industrial uses.



SUNSET CORRIDOR LARGE INDUSTRIAL PARCELS

Exhibit "D"

6.4 Consideration of Resolution No. 86-651, for the Purpose of Accepting the Hearings Officer's Report in Contested Case No. 85-9 (Riviera), Furthering Annexation of the Affected Property to Metro and Expressing Council Intent to Amend the Urban Growth Boundary

Ms. Hinckley briefly introduced the item, explaining Ms. Brockman's report given earlier under Item 6.3 addressed the consolidated issues of need and transportation.

DeMar Batchelor, representing the petitioner, said he agreed with staff's recommendation.

Motion: Councilor Kafoury moved to adopt Resolution No. 86-651 and Councilor Gardner seconded the motion.

Vote: A vote on the motion resulted in:

Ayes: Councilors Cooper, Frewing, Gardner, Hansen, Kafoury, Kirkpatrick, Oleson, Van Bergen and Waker

Absent: Councilors DeJardin, Kelley and Myers

The motion carried and Resolution No. 86-651 was adopted.

7. OTHER BUSINESS

7.1 Consideration of Petition to Remove Conditions from Waldo View Acres Approval

There was no discussion on the item.

Motion: Councilor Hansen moved to accept the petition and to assign it to a hearings officer. Councilor Kirkpatrick seconded the motion.

Vote: A vote on the motion resulted in:

Ayes: Councilors Cooper, Frewing, Gardner, Hansen, Kafoury, Kirkpatrick, Oleson, Van Bergen and Waker

Absent: Councilors DeJardin, Kelley and Myers

The motion carried.

7.2 Presentation of Tax Measure Options

Councilor Kirkpatrick reported on the results of the May 20, 1986, Primary election and the resulting defeat of Metro's Tax Base