

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

AN ORDINANCE ADOPTING A FINAL ORDER)
AND AMENDING THE METRO URBAN)
GROWTH BOUNDARY FOR CONTESTED CASE)
NO. 91-1: DAMMASCH)

ORDINANCE NO. 92-441

THE COUNCIL OF THE METROPOLITAN SERVICE DISTRICT HEREBY
ORDAINS:

Section 1. The Council of the Metropolitan Service District adopted Resolution No.91-1496A, attached as Exhibit C of this Ordinance and incorporated by this reference, on September 26, 1991, which stated its intent to amend the Metro Urban Growth Boundary with certain conditions for Contested Case 91-1:Dammasch pending annexation of the subject property to the City of Wilsonville and/or the Metropolitan Service District within 6 months of adoption of the resolution.

Section 2. The Portland Metropolitan Area Local Government Boundary Commission acted on November 21, 1991, to annex the petitioners State of Oregon's property, the subject of Contested Case No. 91-1:Dammasch, to the City of Wilsonville and the Metropolitan Service District. The action of the Boundary Commission is attached to this Ordinance as Exhibit D, which is incorporated by this reference.

Section 3. The Council of the Metropolitan Service District hereby accepts and adopts as the Final Order in Contested Case No. 91-1 the Hearings Officer's Report and Recommendations in Exhibit B of this Ordinance, which is incorporated by this reference, and conditioned by the adoption of Resolution No. 91-1496A, as noted above.

Section 4. The District Urban Growth Boundary, as adopted by Ordinance No. 79-77, is hereby amended as shown in Exhibit A of this Ordinance, which is incorporated by this

reference, provided that, to assure compliance with Statewide Planning Goal 3 per Hearings Officer finding V.C.2 and in compliance with longstanding Clackamas County Comprehensive Plan Policy 4.0 prohibiting new usable sewer facilities on agricultural lands, extension of the proposed sewer from Wilsonville Road across agricultural land to the subject property shall be installed and remain as a transmission line only with no additional connections on agricultural lands.

Section 5. Parties to Contested Case No. 91-1 may appeal this Ordinance under Metro Code Section 205.05.050 and ORS Ch. 197.

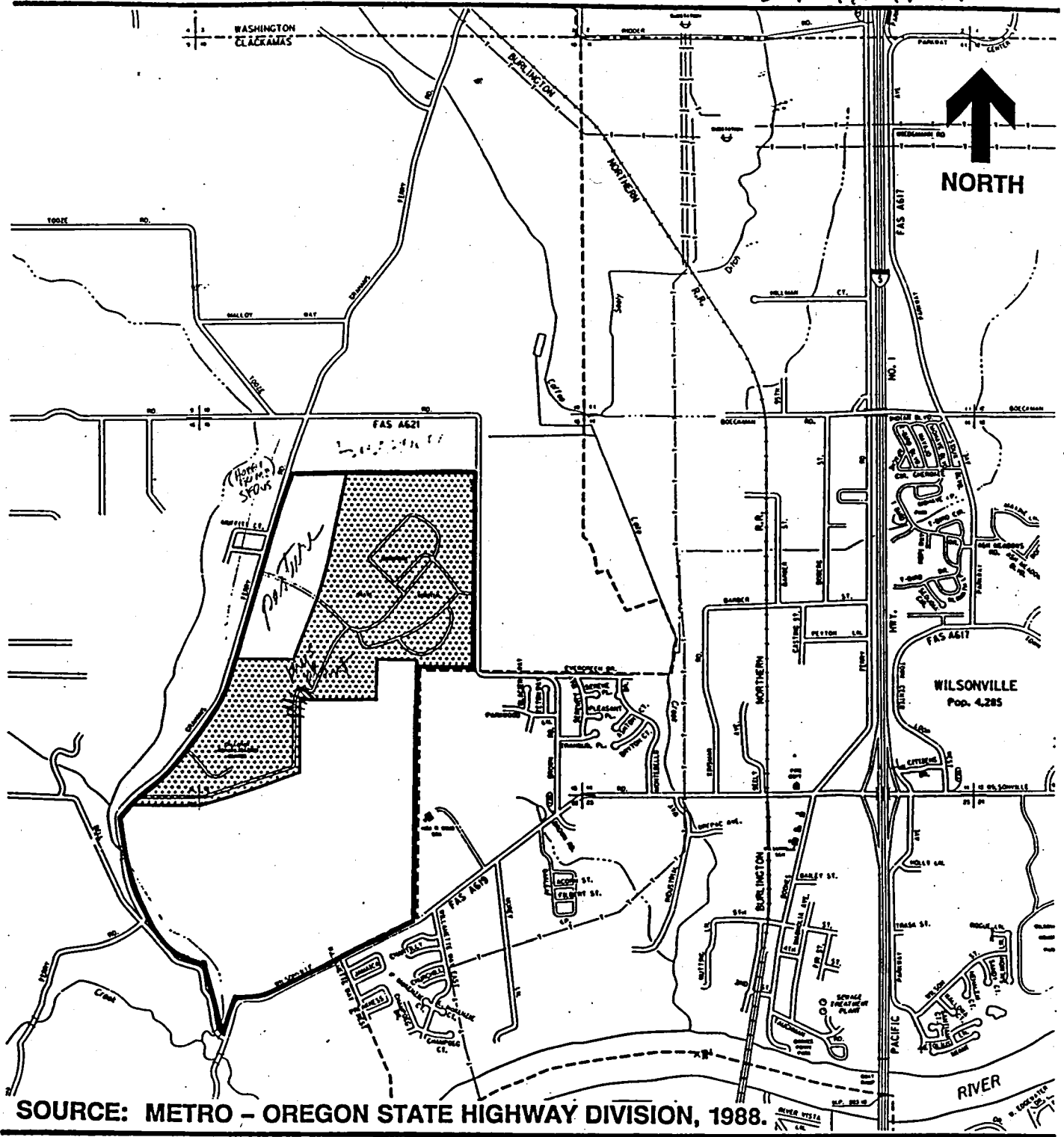
ADOPTED by the Council of the Metropolitan Service District this 23rd day of January, 1992.


Jim Gardner, Presiding Officer

ATTEST:


Clerk of the Council

ES/es
12/23/91



SOURCE: METRO - OREGON STATE HIGHWAY DIVISION, 1988.

SCALE



EXHIBIT 2

LOCATION MAP
Wilsonville, OR. Clackamas County

LEGEND

-  PROPOSED UGB/ANNEXATION
-  STATE OWNERSHIP
-  CITY LIMITS - URBAN GROWTH BOUNDARY
-  CREEK

BARKER SURVEYING CO.
2035 1/2 25th STREET S.E. • SALEM, OREGON 97302

Description for Dammasch State Hospital
March 20, 1991

A tract of land in the Southeast quarter of Section 16 and in Section 15 in Township 3 South, Range 1 West of the Willamette Meridian, Clackamas County, Oregon, described as follows:

Beginning at the Southeast corner of the Samuel B. Franklin Donation Land Claim No. 50 in Section 15, Township 3 South, Range 1 West of the Willamette Meridian in Clackamas County, Oregon; thence North $0^{\circ}15'$ East along the centerline of Brown Road, 2688.18 feet; thence South $89^{\circ}53'20''$ West 1688.95 feet; thence South $9^{\circ}45'25''$ West 1600.00 feet; South $21^{\circ}32'32''$ West 1329.85 feet; thence West 1035.93 feet to a point in the center of Bell Road; thence South $15^{\circ}47'40''$ West along the centerline of said road, 190.94 feet; thence southwesterly along said centerline on the arc of a 1145.92 foot radius curve to the right (the chord of which bears South $26^{\circ}11'20''$ West 413.60 feet) a distance of 415.88 feet; thence South $36^{\circ}35'20''$ West along said centerline, 678.69 feet; thence southwesterly along said centerline on the arc of a 2864.79 foot radius curve to the right (the chord of which bears South $40^{\circ}06'49''$ West 352.27 feet) a distance of 352.49 feet; thence leaving said road South $46^{\circ}47'23''$ East 286.40 feet; thence South $66^{\circ}40'15''$ East 322.66 feet; thence North $73^{\circ}40'12''$ East 969.32 feet; thence North $74^{\circ}03'51''$ East 266.67 feet; thence North $1^{\circ}09'10''$ East 743.76 feet; thence North $89^{\circ}34'40''$ East 1150.00 feet; thence North $0^{\circ}14'40''$ East 713.29 feet; thence North $89^{\circ}34'40''$ East 1479.03 feet to the point of beginning and containing 183.88 acres of land, more or less.

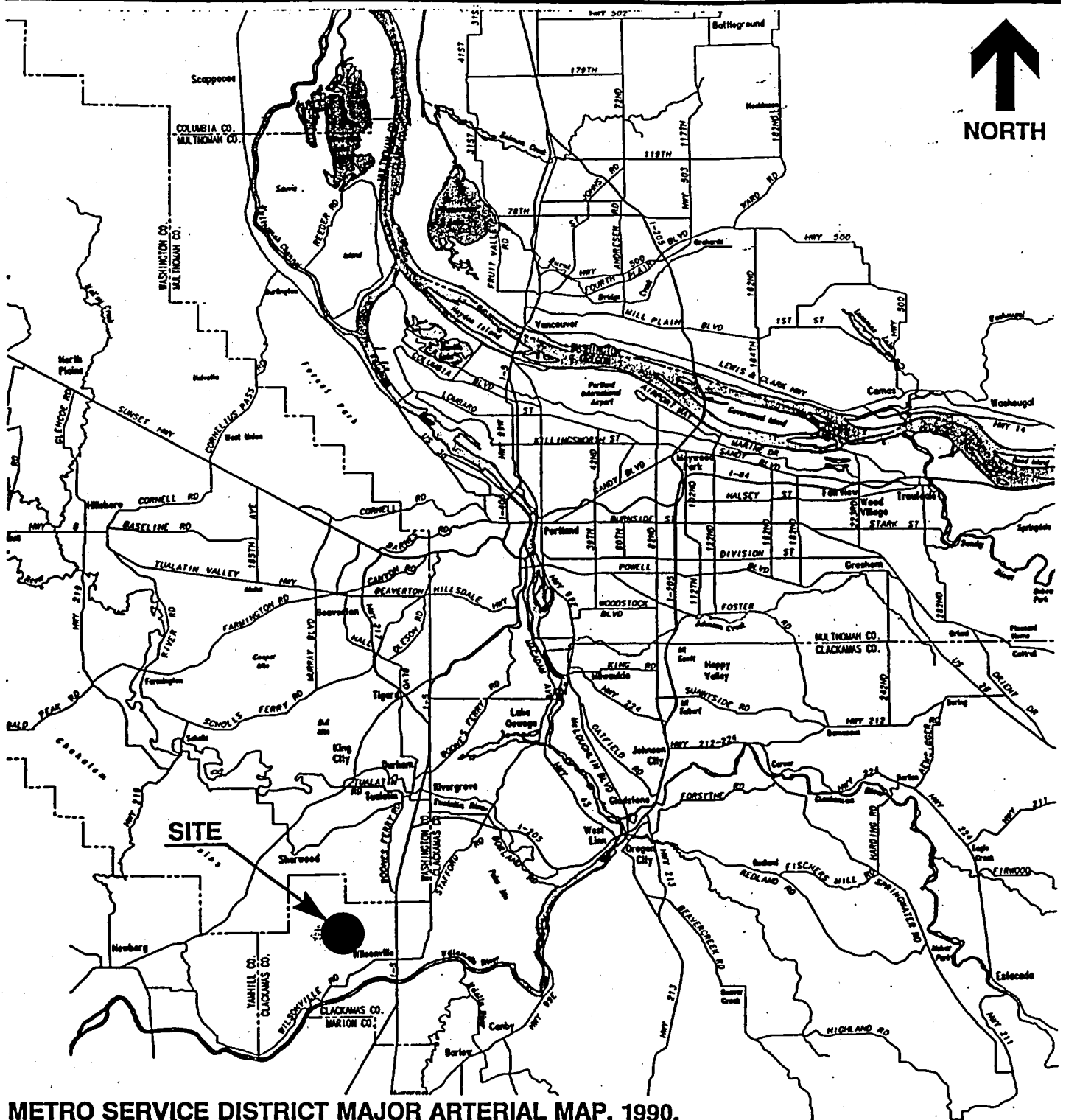
REGISTERED
PROFESSIONAL
LAND SURVEYOR

Clarence E. Barker

OREGON
JULY 10, 1924
CLARENCE E. BARKER
636

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METRO SERVICE DISTRICT MAJOR ARTERIAL MAP, 1990.

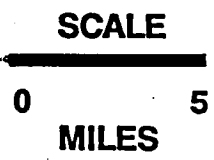


EXHIBIT 1

**VICINITY MAP
Wilsonville, OR. Clackamas County**

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

In the matter of the petition of Dammasch State Hospital to amend the Urban Growth Boundary to add 183.88 acres to the urban area west of and adjacent to Wilsonville in Clackamas County)	Contested Case No. 91-01 HEARINGS OFFICER REPORT & RECOMMENDATION
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I. Nature and Summary of the Issues

Petitioners propose to add about 184 acres (the "Subject Property") to the Urban Growth Boundary (UGB) west of and adjoining Wilsonville in Clackamas County. The Subject Property is part of a 490-acre parcel owned by the State of Oregon, the Petitioner, and is the site of Dammasch State Hospital and the Callahan Center. The remaining 306 acres of the State's parcel will remain outside of the UGB and zoned for exclusive farm use.

Petitioners propose to include the Subject Property in the UGB to solve longstanding sewage disposal problems for both facilities and to allow the existing facilities to be used for urban purposes. The Callahan Center in particular cannot be used without the UGB amendment, because the non-conforming use status of the facility has expired, and it cannot be put to a conforming use practicably in the Exclusive Farm Use zone.

The issue in this case is whether the amendment complies with the 7 factors in Statewide Planning Goal 14 (Urbanization) for locating an urban growth boundary and other applicable Goals, (particularly Goal 3 (Agriculture) and Goal 11 (Public Facilities and Services), or whether an exception to the Goals is warranted under Goal 2 (Land Use Planning). The petitioner argued the amendment does comply with applicable Goals or that a Goal Exception is warranted. Other parties with an interest in the matter generally supported the amendment, although two parties expressed concern about the basis for the amendment and about the potential impact of the amendment on the remainder of the parcel.

The Hearings Officer concludes that the proposed amendment complies with the applicable Statewide Planning Goals or that an Exception to the Goals is warranted to allow the UGB amendment, and recommends that the Council approve the petition.

II. Procedures and Record

A. History, Proceedings, and Comments from Affected Jurisdictions.

1. On or about March 29, 1991, Mary Dorman filed a petition for a UGB amendment for 184 acres of land in section 15 and 16, Township 3 South, Range 1 West, WM, Clackamas County (the "Subject Property") on behalf of its owner, the State of Oregon. A legal description for the property in question is attached to the petition. See Exhibits 1 and 27.

2. On or about May 28, 1991, Metro staff sent notices by certified mail to owners of land within 500 feet of the Subject Property that a hearing would be held June 19, 1991 regarding the petition. See Exhibits 22 through 24. A notice of the hearing also was published in *The Oregonian* on or before June 9.

3. On June 19, 1991, from 7:00 pm until about 9:00 pm, the Hearings Officer held a public hearing at the Wilsonville City Hall. Four witnesses testified in person about the petition (see Exhibit 32) in addition to Metro staff. The hearing was recorded on audio tape. Two other witnesses testified in writing. See Exhibits 14 and 15.

4. The Hearings Officer held open the public record for 10 working days after the hearing to enable the parties to introduce additional testimony and evidence. See Exhibits 18 through 21. The record closed on July 3. A list of the parties is included herein as Exhibit 33.

5. On August 1, 1991, the Hearings Officer filed with the Council this Report and Recommendation.

B. Written record. The following documents are part of the record in this matter. The Hearings Officer also takes official notice of relevant provisions of the comprehensive plans and land development ordinances of the City of Wilsonville and Clackamas County.

<u>Exhibit No.</u>	<u>Subject matter</u>
1	Petition for Locational Adjustment, dated 3/29/91
2	UGB amendment proposal by Dorman, White & Company, dated 4/1/91
3	Request for comment from Tualatin Valley Fire & Rescue, dated 4/2/91
4	Letter from Ethan Seltzer to Mary Dorman, dated 4/5/91
5	Request for comment from West Linn School District, dated 4/8/91
6	Request for comment from City of Wilsonville, dated 4/10/91
7	Comments from Clackamas County Board of Commissioners, dated 4/18/91
8	Letter from Mary Dorman to Ethan Seltzer, dated 4/22/91
9	PMALGBC Forms dated 4/22/91
10	Feasibility study by Westech Engineering
11	Letter from City of Wilsonville to Mary Dorman, dated 5/10/91
12	Memorandum from Ethan Seltzer to Hearings Officer, dated 5/14/91
13	Letter from Mary Dorman to Ethan Seltzer, dated 5/22/9
14	Letter from M.K. McCurdy (1000 Friends) to Hearings Officer, dated 6/13/91
15	Letter from FOG5 to Hearings Officer, dated 6/14/91
16	Letter from James Sitzman (OEDD) to Ethan Seltzer, dated 6/18/91
17	Letter from Gabriella Lang (OEDD) to Hearings Officer, dated 6/19/91
18	Letter from Mary Dorman to Hearings Officer, dated 6/19/91
19	Letter from Michael Kohlhoff to Bill Nickleberry, dated 6/21/91
20	Letter from Dominic Mancini (CCDOT) to Mary Dorman, dated 6/26/91
21	Letter from Mary Dorman to Hearings Officer, dated 6/28/91
22	Packet of receipts for certified letters from Metro notice (27)
23	Packet of return receipts (25)
24	Returned certified letters (2)
25	Resolution from the City of Wilsonville regarding UGB (undated)
26	List of property owners within 500 feet
27	Washington County Assessor's map for Sec. 15, T3S, R1W, WM showing Subject Property
28	Dimensional Map showing Subject Property
29	Washington County Assessor's map for Sec. 15, T3S, R1W showing Mill Creek Acres
30	Letter from Ranei Nomura (ODEQ) to Ethan Seltzer, dated 4/29/91
31	Letter from Mary Dorman to Ethan Seltzer, dated 4/11/91
32	Witness cards (4)
33	Party list

C. Responses from service providers and affected jurisdictions.

1. The Subject Property is in the Tualatin Valley Fire and Rescue District and West Linn School District 3J. Each district filed a written comment recommending approval of the petition. See Exhibits 3 and 5.

2. The Subject Property is in unincorporated Clackamas County. The County Commissioners adopted a Board Order recommending approval of the petition. See Exhibit 7.

3. The Subject Property adjoins the City of Wilsonville. The City filed a written comment recommending approval of the petition. See Exhibit 6. The City Council also adopted a resolution supporting the petition. See Exhibit 25.

III. Basic Findings About the Subject Property and the Surrounding Area

A. Location. The Subject Property is situated west of and adjacent to the boundary of the City of Wilsonville west of 110th Avenue, east of Grahams Ferry Road, and south of Tooze Road. See Exhibit 27.

B. Legal description. The legal description of the Subject Property is attached to Exhibit 1. It is incorporated herein by reference.

C. Size and shape. The Subject Property is an irregularly-shaped parcel and contains about 183.88 acres, based on the legal description in Exhibit 1.

D. Existing and proposed uses.

1. The Subject Property is the site for a psychiatric hospital (Dammash Hospital) and the Callahan Center, a now-vacant office building. Each has numerous accessory buildings and share common support facilities, including steam, water, telephone and sewage services provided through a 1700-foot long tunnel connecting the two facilities.

a. Dammash Hospital and its associated buildings contain about 350,000 square feet of floor space. It has a budgeted capacity of 375 beds at this time, but is recommended to be downsized to about 270 beds in the future. It cost roughly \$40 million to build. It serves the 13 counties in western Oregon. Most of the hospital was completed in 1961. It includes the hospital proper, a powerhouse, garage, maintenance buildings, several kinds of dwellings, water pumping and storage and sewer facilities, and miscellaneous small out-buildings. About 5 acres of the site is developed for roads, about 250 parking spaces, and outdoor activity areas. A total of 479 full-time equivalent staff are budgeted for the hospital for the end of the 1991 fiscal year. Assuming 375 in-patient beds, the facility has an equivalent population base of 854 people. See Exhibit 18.

b. The Callahan Center and its associated buildings were completed in 1976. They contain about 125,000 square feet of floor space and parking for 237 vehicles dispersed over roughly 10.5 acres. It represents a roughly \$5 million capital investment. The Center provided rehabilitation for injured workers, including occupational and physical therapy. Housing for 90 clients was provided in small cottages on the site, with an ultimate capacity of 200 full time residents. The main building contains three treatment areas, a medical corridor, a cafeteria and dining areas, two swimming pools, administrative offices, and classrooms. The Center site also contains a recreation center, an industrial therapy shop, and two storage buildings. It has been vacant since 1986. Parking and landscaping surround the buildings and paved areas of the Center.

c. Most of the remainder of the property on which the Dammasch Hospital and Callahan Center are situated is leased for agricultural purposes. See pages 18 through 23 of Exhibit 2.

2. The Subject Property is owned by the State of Oregon (the State). Dammasch Hospital was built there built 30 years ago, before adoption of Senate Bill 100, application of zoning, incorporation of the City of Wilsonville, or creation of the Urban Growth Boundary. Clackamas County granted a conditional use permit for the Callahan Center in 1973 pursuant to the zoning that applied at that time: RA-1 (Rural Area Single Family Use). The Subject Property was designated Agricultural and zoned EFU-20 in 1979, at which time both existing uses became nonconforming. Remaining land on the site was leased for agricultural use. The State used the Callahan Center as a worker's compensation rehabilitation facility until it was vacated in 1986. It has been vacant for several years; therefore, it has lost its status as a nonconforming use and can be used only for a purpose permitted by the EFU zone. See pages 12 through 15 of Exhibit 2 and Exhibit 20.

3. The petitioner intends to annex the Subject Property to Wilsonville (see Exhibits 1 and 9), and to apply for an urban Comprehensive Plan designation and zone appropriate for the existing buildings. If the UGB amendment, annexation, plan amendment and zone change are approved, the petitioner plans to:

a. Extend an 8-inch sewer line from the site, across the remainder of the State's parcel outside the UGB, to existing City sewer lines in Wilsonville Road and enlarge the City sewer line to which it connects;

b. Maintain use of wells on the Subject Property for a water supply for the two facilities pending completion of an agreement by whose terms the petitioner will agree to connect the Subject Property to the City water system. A future water line extension could be made to a proposed 24-inch diameter water main extending east from Boeckman Road to Westfall Road.

c. Maintain the use of Dammasch Hospital largely as it now operates; and

d. Sell or otherwise arrange for use of the Callahan Center for a productive purpose, which may include use for a film production center by Gloria Monty Productions among other possible users. Gloria Monty Productions has executed an earnest money agreement with the Department of General Services to purchase the Callahan Center for a film production studio, pending resolution of land use and infrastructure issues. The level of use and activity contemplated for the film studio is less intense than the prior rehabilitation facility use in terms of employment, traffic, and residential use of the site. See Exhibit 18.

That portion of the State's contiguous property not included in the petition will continue to be maintained outside the UGB and leased for agricultural uses. But use of that area could change whether or not the UGB amendment is granted. See the concerns raised in Exhibit 15.

E. Surrounding land uses, designations, and zoning.

Land north and west of the Subject Property is designated Rural Residential and is zoned RRFF5 by Clackamas County. Uses to the north and west include a horse farm, hobby farms, and pasture. Land further west and southwest is designated Exclusive Agricultural and is zoned EFU-20. Land east of the south portion of the Subject Property

is zoned Residential by the City of Wilsonville and is within the Urban Growth Boundary. It is used predominantly for residential development and a school. Land east of the north portion of the Subject Property and land south and southwest of the Subject Property is designated Exclusive Agricultural and is zoned EFU-20. It is used predominantly for farming and rural residential purposes.

F. Public facilities and services.

1. Sewer and water.

a. Water for the Subject Property is provided by two private wells; one for domestic use and the other for fire and irrigation. Water is stored in two 200,000 gallon steel water towers about 350 feet tall located between the two facilities. Although existing supplies and infrastructure are adequate to provide for domestic use, the water supply lines are not sufficient for fire flow requirements. See pages 32 and 33 of Exhibit 2. The Oregon Department of Water Resources considers groundwater supplies in the area of Wilsonville "sensitive" because of lowering groundwater levels. The City of Wilsonville is taking steps to provide for additional water storage facilities and supply sources for the future. See pages 28 through 29 of Exhibit 2 and Exhibit 10.

b. Wastewater from the Subject Property drains via gravity sewer pipes to a private treatment facility southwest of the Callahan Center. Treated effluent is discharged into Mill Creek, about 100 feet away, which joins Corral Creek about 1/2 mile downstream. Corral Creek flows into the Willamette River. The Subject Property's sewage effluent causes Mill Creek to violate State water quality standards, principally because the low volume of water in the creek is insufficient to adequately dilute effluents from the site. See Exhibit 30 and pages 29 through 32 of Exhibit 2. The State has investigated solutions to the water quality problem, including use of an evaporation pond or land irrigation, building a new on-site plant, and extending a pipeline directly to the Willamette River. None of the approaches is as effective or efficient at resolving the problem as connection to the City sewer system. See Exhibit 10. The City could extend the sewer to the site without the UGB amendment, but would charge the State double for that service pursuant to City policies. The City declined to waive double fees for that service. See Exhibit 19.

c. The nearest City sewer line is in Wilsonville Road southeast of the Subject Property. This line would have to be enlarged to provide sufficient capacity to handle existing and planned flows and the increased load from the Subject Property. Other sewer lines leading to the City's sewage treatment plant and the plant itself have sufficient capacity to accommodate increased flows from the Subject Property. Upgrading the pipeline in Wilsonville Road also would facilitate further development of vacant parcels in the City. Wastewater flows from the Subject Property to the City's sewage treatment plant would increase present flow by about 6%. To finance the sewer extension, the Department of General Services has submitted an application to the Department of Environmental Quality for a \$1.18 million State Revolving Fund Loan. Proceeds of the sale of the Callahan Center and/or the 260 acres identified as surplus property to Dammasch Hospital will be used to repay the loan. Therefore, it is reasonably likely that the sewer connection will be made if the UGB amendment is approved, and the Subject property is annexed to the City. See Exhibits 6, 10, 11, 18 and pages 29 through 32 of Exhibit 2.

2. Storm water drainage.

a. The Subject property slopes gradually from the northeast to the southwest. Both the Dammasch Hospital and Callahan Center sites are served by a storm water drainage system separate from the sanitary sewer system. Storm water from

developed areas of the site is discharged to a natural drainage swale in a wooded area on the southwest portion of the site. Storm water from the west portion of the site flows to a natural drainage swale on the west side of Grahams Ferry Road. Storm water from the east portion of the site goes to the Seeley Ditch lowland area. See page 24 of Exhibit 2.

b. The City submitted a drainage basin area map showing storm water drainage for the Subject Property. The City recommends continued use of the existing storm water drainage system for the Subject Property; storm water should not be directed to the public storm sewer system. See Exhibit 11.

3. Roads and transit access.

a. The west edge of the Subject Property adjoins Grahams Ferry Road. It provides access north to Boones Ferry Road and south to Wilsonville Road. Westfall Road is several hundred feet north of the Subject Property. It provides access east to 110th Avenue and west to the rural area. Wilsonville Road adjoins the southeast boundary of the Subject Property. It provides access east to the Interstate 5 corridor and City Center. SW 110th Avenue adjoins the east side of the north portion of the Subject Property. It provides access north to Westfall Road and south via Evergreen Drive and Brown Road to Wilsonville Road. Each of the roads adjoining the site has a roughly 18- to 20-foot paved section between gravel shoulders or drainage ditches, although portions of Grahams Ferry Road south of the Callahan Center is narrower and winding and portions of Wilsonville Road and Brown Road in the City have been improved or partially improved to City standards adjoining recent developments. See pages 15 through 17 of Exhibit 2.

b. There is vehicular access to the Dammasch Hospital portion of the site from separate drives to Grahams Ferry Road and 110th Avenue. Drives on the Subject Property connect these two access points, passing through parking and service areas and to and around the hospital and accessory structures.

c. There is vehicular access to the Callahan Center from Grahams Ferry Road. Land has been dedicated for a 60-foot wide right of way for Grahams Ferry Road fronting the Callahan Center.

d. The City of Wilsonville is preparing a transportation master plan. The draft plan designated Grahams Ferry Road and 110th Avenue as major collector streets and proposes realignment of 110th Avenue, Evergreen Drive, and Brown to eliminate two 90° angles in those roads. The City considered existing traffic volumes from the Dammasch Hospital in its planning process. The draft master plan reports that 110th Avenue adjoining the site carries 1980 vehicles per day and peak hour volumes of 275 vehicles (in both directions).

e. The Subject Property is not within one-quarter mile of a transit corridor designated by Metro.

G. Soil, slope and natural features.

1. The Dammasch Hospital area of the Subject Property contains predominantly Aloha Silt Loam soils on slopes of 0 to 6%, based on the SCS Soil Survey of Clackamas County. This soil has an agricultural capability class of Class II and is suited for maximum crop production if irrigated and properly drained. The Callahan Center area contains soils of both Woodburn silt loam, well suited for Douglas Fir production, and Aloha silt loams. Farther south, adjoining Mill Creek, the land slopes more steeply southwest.

2. A stand of mature mixed species trees is situated on portions of the north and west edges of the Subject Property and around the Callahan Center. Street trees have been planted adjoining roads and buildings on the Subject Property. A portion of the remainder property south of the Callahan Center is heavily wooded with conifer and deciduous trees. Most of the remainder of the State's parcel has been cleared and leased for agricultural production. See pages 24 through 26 of Exhibit 2.

H. Relevant Comprehensive and Urban Renewal plan designations, policies, & zoning.

1. The Subject Property is designated Agricultural on the Clackamas County comprehensive plan map and is zoned EFU-20 (Exclusive Farm Use). The existing uses are not permitted in the EFU-20 zone except as nonconforming uses. Nonconforming use rights expire and cannot be re-established if such a use is vacated for a period of one year or more. The Subject Property is not in an area approved as an Exception to Goal 3 (Agriculture). The County does not have an institutional or public facility designation or zone that it could apply to the Subject Property to make the existing uses conforming.

2. The Wilsonville Comprehensive Plan does not designate the Subject Property. However, if Metro approves the UGB amendment and the City annexes the Subject Property, the City will require the petitioner to apply for a comprehensive plan amendment and zone change to implement city plan and zone designations. Preliminary discussions by the petitioner's representatives with the City staff indicate that the City would be likely to apply a Public Facilities (PF) zone to Dammasch Hospital and a Planned Industrial Development (PID) zone to the Callahan Center. See pages 47 through 51 of Exhibit 2.

a. The PF zone (Public Facility) includes hospitals as a permitted use (Wilsonville Code Section 4.121), subject to Site Design Review (Wilsonville Code Sections 4.400-4.450). A Master Plan for the entire property may be required. The PF zone is intended to apply to existing public lands and facilities.

b. The PID zone (Planned Industrial Designation) allows a variety of mostly light industrial uses and certain non-industrial uses, subject to minimum acreage and industrial compatibility requirements (Wilsonville Code Section 4.133).

c. Development in the PF and PID zones is subject to site plan review. (Wilsonville Code Section 4.400) Development that could affect stream corridors or sensitive environmental features is subject to additional standards to protect those features. (Wilsonville Code Section 4.161)

3. The Hearings Office takes official notice of the Wilsonville/Clackamas County Urban Growth Management Agreement, which prohibits provision of urban services and facilities such as sewer and water outside the UGB except in the case of a health hazard. A health hazard has not been declared in this case.

IV. Applicable Approval Criteria for Major Amendment

A. Regional Urban Growth Boundary Amendments by Metro.

1. The UGB is intended to accommodate urban growth through the year 2000. It can be changed in two ways. One method involves Minor Amendments, which generally involves a change of less than 50 acres in the UGB.

2. A change the UGB involving more than 50 acres is called a Major Adjustment. Metro Ordinance No. 85-189, as amended by Ordinance No. 86-204, addresses various

procedural matters regarding a Major Adjustment but, instead of creating new substantive criteria for such an amendment, specifies that a Major Amendment must comply with the Statewide Planning Goals adopted by the Oregon Land Conservation and Development Commission.

B. Statewide Planning Goals. The Statewide Planning Goals relevant to the proposed Major Amendment are limited to the following:

1. Statewide Planning Goal 1 (Citizen Involvement).

To develop a citizen involvement program that insures that the opportunity for citizens to be involved in all phases of the planning process...

2. Statewide Planning Goal 2 (Land Use Planning), Part II.

When, during the application of the statewide goals to plans, it appears that it is not possible to apply the appropriate goal to specific properties or situations, then each proposed exception to a goal shall be set forth during the plan preparation phases and also specifically noted on the notices of public hearing. The notices of hearing shall summarize the issues in an understandable and meaningful manner.

If the exception to the goal is adopted, then the compelling reasons and facts for that conclusion shall be completely set forth in the plan and shall include: (a) why these and other uses should be provided for; (b) what alternative locations within the area could be used for the proposed uses; (c) what the long term environmental, economic, social and energy consequences to the locality, the region or the state from not applying the goal or permitting the alternative use; and (d) a finding that the proposed uses will be compatible with other adjacent uses.

OAR 660-04-010 provides that compelling reasons for the exception can be provided by complying with the seven factors in Goal 14.

3. Statewide Planning Goal 3 (Agricultural Lands).

Goal: To preserve and maintain agricultural lands.

Agricultural lands shall be preserved and maintained for farm use, consistent with existing and future needs for agricultural products, forest and open space. These lands shall be inventoried and preserved by adopting exclusive farm use zones pursuant to ORS Chapter 215. Such minimum lot sizes as are utilized for any farm use zones shall be appropriate for the continuation of the existing commercial agricultural enterprise with the area. Conversion of rural agricultural land to urbanizable land shall be based upon consideration of the following factors: (1) environmental, energy, social and economic consequences; (2) demonstrated need consistent with LCDC goals; (3) unavailability of an alternative suitable location for the requested use; (4) compatibility of the proposed use with related agricultural land; and (5) retention of Class I, II, III and IV soils in farm use. A governing body proposing to convert rural agricultural land to urbanizable land shall follow the procedures set forth in the Land Use Planning goal (Goal 2) for goal exceptions.

Implementation Guideline 3 provides: Services that need to pass through agricultural lands should not be connected with any use that is not allowed under ORS 215.203 and 215.213, should not be assessed as part of the farm unit, and should be limited in capacity to serve specific service areas and identified needs.

4. Statewide Planning Goal 5 (Open Spaces, Scenic and Historic Areas and Natural Resources).

Goal: To conserve open space and protect natural and scenic resources.

Programs shall be provided that will: (1) insure open space, (2) protect scenic and historic areas and natural resources for future generations, (3) promote healthy and visually attractive environments in harmony with the natural landscape character.

The goal goes on to list the resources that must be inventoried and considered in the preparation of plans and programs and describes how conflicts among resources and uses must be addressed.

5. Statewide Planning Goal 6 (Air, Water and Land Resources Quality).

Goal: To maintain and improve the quality of the air, water and land resources of the state.

All waste and process discharges from future development, when combined with such discharges from existing developments shall not threaten to violate, or violate applicable state or federal environmental quality statutes, rules and standards...

6. Statewide Planning Goal 9 (Economy of the State).

Goal: To diversify and improve the economy of the state.

Both state and federal economic plans and policies shall be coordinated by the state with local and regional needs. Plans and policies shall contribute to a stable and healthy economy in all regions of the state...

7. Statewide Planning Goal 11 (Public Facilities and Services).

Goal: To plan and develop a timely, orderly and efficient arrangement of public facilities and services to serve as a framework for urban and rural development.

Urban and rural development shall be guided and supported by types and levels of urban and rural public facilities and services appropriate for, but limited to, the needs and requirements of the urban, urbanizable, and rural areas to be served...

8. Statewide Planning Goal 14 (Urbanization).

Goal: To provide for an orderly and efficient transition from rural to urban land use.

Urban growth boundaries shall be established to identify and separate urbanizable land from rural land. Establishment and change of the boundaries shall be based on 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.

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

V. Findings Applying Approval Criteria to the Facts of the Case

A. Compliance with Goal 1. The proposed amendment complies with Goal 1, based on finding II.A, because:

1. Metro mailed written notice of the hearing regarding the petition to owners of property within 500 feet of the Subject Property by certified mail, return receipt requested, and published notice of the hearing regarding the petition in a newspaper with circulation in the area in question.

2. Before resolutions and orders regarding the petition were adopted by the City Council of the City of Wilsonville and the Board of Commissioners of Clackamas County, public hearings were held to consider the petition.

3. The petitioner solicited comments from affected jurisdictions.

4. Members of the general public and organizations representing public interests participated in the public hearing regarding the petition orally and in writing.

B. Compliance with Goal 2, Part II. The petition complies with Goal 2, Part II (Exceptions), because:

1. The Subject Property is physically developed to the extent that it is no longer available for uses allowed by Goal 3, based on finding III.D.1 and 2. The UGB should be amended to include the Subject Property, because:

a. The Dammasch Hospital represents a substantial public investment and provides an important public mental health service which should be allowed to be continued as a permitted use, rather than as a nonconforming use.

b. The Callahan Center represents a substantial public investment that cannot be enjoyed or recovered unless the UGB amendment is approved. The Center can be used practicably only for a relatively limited range of institutional and light industrial purposes that will be contained within its walls and grounds, so that it will not adversely affect the surrounding area. It will provide for an economic use of the facility and employment for a significant number of the residents of the area.

c. Both facilities should be served by public sewer to remedy longstanding water quality problems. Sewer can be extended to the Subject Property economically only by including it in the UGB and City of Wilsonville.

2. The state policy embodied in the Goal 3 should not apply, for the reasons stated in finding V.H.

3. Areas which do not require a new exception cannot reasonably accommodate the uses on the Subject Property, because the Subject Property already is developed with those uses. Given the value of the existing development exceeds \$45 million, it is not reasonable to expect the State to build a new hospital or a new facility like the Callahan Center inside the existing UGB and abandon the existing facilities when the existing facilities adequately serve the needs of the State for such facilities, subject to the changes allowed by including the site in the UGB.

4. The long term environmental, economic, social and energy consequences resulting from the use of the Subject Property with measures designed to reduce adverse impacts are not significantly more adverse than would typically result from the same uses being located in an area requiring a goal exception other than the Subject Property, based on finding V.H.5.

5. The uses and potential uses on the Subject Property are compatible with other adjacent uses described in finding II.E or will be so rendered through measures designed to reduce adverse impacts, because:

a. The UGB amendment will not change the impact of the Dammasch Hospital or its compatibility with adjacent uses. The hospital has not had adverse impacts on adjacent uses, based on the lack of evidence of land use conflicts associated with the hospital during its 30-year existence on the Subject Property. Therefore, it is reasonable to conclude it continued use in the future will not cause such conflicts. The large open space buffers between the hospital and adjacent agricultural uses also minimizes the potential for adverse impacts on adjacent uses.

b. The UGB amendment will allow use of the Callahan Center for a variety of urban industrial, commercial, and institutional purposes, some of which theoretically could cause adverse environmental, traffic, and other effects on adjacent property. The potential for such effects being significant is reduced by the nature of the existing improvements on the site; the Center is not inherently suitable for industrial and commercial activities that could generate substantial environmental externalities or high volumes of employee or customer traffic. The potential for adverse effects also is reduced by the substantial forested open space and stream corridor between the developed portion of the Center and adjacent properties to the west and south and because of the substantial setbacks to the east. Access to the Center does not pass through adjacent properties, so traffic

impacts will be limited principally to Grahams Ferry Road. Inclusion of the Center in the UGB and use of the Center for an urban purpose does not require road improvements other than those planned or tentatively planned for the area whether or not the petition is approved.

c. If the UGB amendment is approved and the Subject Property is annexed to the City of Wilsonville, then changes to the Hospital or Center would be subject to master plan and design review procedures of the City that are designed to reduce adverse impacts on adjoining land uses and natural features, based on finding III.H. Applications for annexation, plan designation, zoning, and master plan and design review approval will be subject to public notice and review that will enable identification of specific potential adverse effects of specific uses proposed for the Callahan Center, and imposition of specific mitigation measures to reduce the potential for or significance of such effects.

C. Compliance with Goal 3 (Agriculture).

1. The petition is not consistent with Goal 3, because it does not preserve land with an Agricultural Capability of Class II for agricultural products, forest and open space, although a portion of the Subject Property is and will continue to be undeveloped open space. Conversion of the Subject Property from rural agricultural land to urbanizable land is warranted based on consideration of the factors listed in Goal 3, based on the analysis presented above for Goal 2, Part II.

2. Extension of the proposed sewer from Wilsonville Road across agricultural land to the Subject Property is consistent with Goal 3 based on Implementation Guideline 3, provided access to the line is prohibited by design or regulation for uses in the nonurban area. Temporary disruption of agricultural activities during construction of the sewer line does not violate Goal 3, because the nonurban land will be available for agricultural production after the line is constructed, and the enhancement to water quality in Mill Creek following connection of the Subject property to City sewers justifies the temporary disruption.

D. Compliance with Goal 5 (Open Spaces, Scenic and Historic Areas and Natural Resources). The petition is consistent with Goal 5, because:

1. The Subject Property does not contain significant open spaces, scenic or historic areas or natural resources identified in the County or City Comprehensive Plans.

2. State-owned property contiguous to the Subject Property is being retained outside the UGB and is planned to be continued in agricultural use or in its undeveloped natural condition that preserves its open space and natural resource character.

E. Compliance with Goal 6 (Air, Water and Land Resources Quality). The UGB amendment complies with Goal 6, because:

1. It enables the site to be served economically by City sewers. In the absence of such service, the existing facilities have and are reasonably likely to continue to cause sanitary waste effluent discharges that violate or threaten to violate applicable state environmental quality statutes and rules, based on finding II.F.1.b and c.

2. Once the site is connected to public sewer, the UGB amendment is not reasonably likely to allow uses on the Subject Property that cause waste or process discharges that violate or threaten to violate environmental quality standards, based on the use and development standards in Wilsonville City Code Section 4.124, applicable solid

waste regulations of the Metropolitan Service District, and applicable air and water quality regulations of the Oregon Department of Environmental Quality and US Environmental Protection Agency.

F. Compliance with Goal 9 (Economy of the State). The UGB amendment complies with Goal 9, because:

1. It enables use of the existing substantial development on the Subject Property for permitted uses rather than nonconforming uses. By continuing to treat the existing facilities as nonconforming uses, applicable land use designations and regulations unreasonably constrain the ability to modify the Dammasch Hospital and prevent use of the Callahan Center for any economically viable purpose. This wastes valuable economic resources of the State and detracts from a stable and healthy economy. If the petition is granted and urban plan designations and zones are applied to the Subject Property, the Dammasch Hospital can continue to be used without threat of closure due to its nonconforming status, and the Callahan Center can be put to an economically viable use, increasing employment and improving the local economy.

2. If the Callahan Center is occupied by the movie production studio now being considered for the property, it will lead to secondary and tertiary economic benefits in the region and will enhance the region's role in the motion picture industry. Similar economic multipliers are reasonably likely to result, particularly in the south part of the Metro region if the Callahan Center is occupied by other uses permitted by the City of Wilsonville PDI zone.

G. Compliance with Goal 11 (Public Facilities and Services).

1. If the UGB amendment is approved, the site is annexed to the City of Wilsonville, and a sewer line is extended to the Subject Property as described in finding II.F.1.c, then that sewer line will cross land outside the UGB to reach the site. If that line is accessible to land outside the UGB, then it would provide a service that is not needed or appropriate for the nonurban area, contrary to Goal 11. However, because access to the sewer line can be limited to the Subject Property so that access to nonurban land is prohibited by design or regulation, then the line would be consistent with the Goal. Such access limitations are reasonably likely to be imposed, based on the Wilsonville/Clackamas County Urban Growth Management Agreement and applicable Clackamas County zoning for the nonurban area.

2. The proposed design for the line in Figure 7 of Exhibit 2 illustrates that gravity flow sewer service can be provided from the Dammasch Hospital to the Callahan Center by the existing sewer route. This avoids the need for the line to cross nonurban land to reach the Callahan Center and minimizes the extent to which the line crosses nonurban land and minimizes disruption of farm units, consistent with Planning Guideline 6.

H. Compliance with Goal 14 (Urbanization). The UGB amendment complies with the seven factors for a change in the regional urban growth boundary, based on the following findings.

1. There is a demonstrated need to include the Subject Property in the UGB to accommodate urban population growth requirements consistent with LCDC Goals, because:

a. With regard to Dammasch Hospital, it serves a significant public need for in-patient mental health services for 13 western Oregon counties, including the three

metropolitan area counties. Given the passage of Ballot Measure 5, community-based mental health services will be strained, and there will be greater reliance on the state institution. Given the effect of Ballot Measure 5 and the substantial population growth in the 13 western counties in general and the metropolitan counties in particular, there will be a continuing and increasing need for state hospital services. If the Hospital is to continue to operate without violating state water quality standards, then it must change its sanitary sewage service. The Hearings Officer finds that the proposed UGB amendment is necessary to facilitate economic public sewer service to the Hospital by connection to the City of Wilsonville system. Alternatives to this change are not as desirable, based on fiscal and environmental impacts. See finding V.E above.

b. With regard to the Callahan Center, the same sanitary sewer problems exist. They prevent a reasonable economic use of the substantial development at the Center, adversely affecting State fiscal resources that could be used to serve other public safety, health, and welfare needs. Inclusion of the Callahan Center in the UGB is necessary to enable it to be put to a practicable economic use and to resolve sewer service problems that preclude such use.

2. There is a need to include the Subject Property in the UGB to accommodate employment opportunities and housing for the mentally ill and to enhance liveability.

a. With regard to the Dammasch Hospital, inclusion of the Property enhances the continued viability of the Hospital, its 375 resident-patients, and the 479 existing employees who work there by enabling the State to resolve existing sanitary sewage problems and to facilitate future changes that may be necessary at the Hospital to continue to provide those services needed by the citizens of the State. The mentally ill need housing as much as the mentally well. However, there are severely limited opportunities for housing for the mentally ill. Those limitations are exacerbated by passage of Ballot Measure 5. The Hospital provides the major housing facility for those people in western Oregon. Unless the sewage problem at the Hospital is resolved, that housing resource could be reduced or eliminated to comply with federal and state water quality laws. If the Hospital capacity is reduced or it is closed, it would adversely affect the \$11.8 million budget for the Hospital that now contributes to the economic vitality of the region by reducing existing employment and secondary and tertiary economic benefits.

b. With regard to the Callahan Center, including that facility in the UGB enables it to be used for a productive purpose. Unless it is included in the UGB, it will remain a wasting State asset that serves no useful purpose; it will continue to be a drain on existing State fiscal resources, resources that could be used to enhance liveability, improve environmental quality, and accommodate health, safety and welfare needs elsewhere. If the Center is included in the UGB, it will foster employment opportunities that do not exist now. If used for Gloria Monty Productions, as now planned, it will significantly expand a relatively new industry for the region and will provide 50 jobs. If Gloria Monty does not use the Center, another economic use can be established there, probably with equal or greater employment and economic benefits.

c. Both the Hospital and the Center are subject to severe environmental constraints due to sewage problems. See finding III.F. The best way to solve the sewage problem is to include the Property in the UGB and to connect the Property to the City of Wilsonville Sewer, for the reasons cited in finding V.E. Such a solution enhances the water quality in Mill Creek, and will enable the creek to provide fish and wildlife habitat that now are adversely affected or eliminated by water pollution from the sewer treatment plant that serves the Subject Property. These beneficial effects on the creek also enhance

the liveability of people who live along the creek, who fish or walk along its banks, and who are within sight, sound, and smell of the creek.

3. Including the Subject Property in the UGB facilitates the orderly and economic provision of public water, sewer, and mental health services.

a. With regard to sewer service, the most economic way to provide sanitary sewer service to the Subject Property is to include the property in the UGB so it can be annexed to the City of Wilsonville. Such service is necessary and warranted as described above in finding III.F and V.E. It cannot be provided as long as the Property remains outside the UGB. Improvements to the City sewer mains that will serve the Property also will facilitate service to other properties already in the UGB. Service can be limited to properties in the UGB. See, in particular, the Wilsonville/Clackamas County Urban Growth Management Agreement, pages 29 through 32 and 39 of Exhibit 2, Exhibit 6, Exhibit 10, pages 6 and 7 of Exhibit 18, Exhibit 19, and Exhibit 30 for supporting facts.

b. With regard to water service, including the Subject Property in the UGB enables it to be served by public water from the City of Wilsonville in the future when capital facilities are provided to accommodate it. Such service is necessary and warranted as described above in finding III.F and V.E, because existing water service is not sufficient to provide fire flows. Until City capital facilities are improved, the existing private water system can serve the Subject Property. Public water cannot be provided as long as the Property remains outside the UGB. Improvements to the City water lines that will serve the Property also will facilitate service to other properties already in the UGB and will reduce the per capita cost of the new capital facilities for the City. Service can be limited to properties in the UGB. See, in particular, the Wilsonville/Clackamas County Urban Growth Management Agreement, pages 27 through 29 and 40 of Exhibit 2, Exhibit 6, and pages 8 and 9 of Exhibit 18 for supporting facts.

c. Including the Hospital in the UGB preserves the ability of the Hospital to continue to provide needed mental health services to the public. See finding V.H.1 and 2.

4. Including the Subject Property in the UGB promotes the maximum efficiency of land uses within and on the fringe of the existing urban area, because urban development that extends to the edge of the Subject Property now and in the near future will be served more effectively and efficiently by extension of the sewer and water lines that will serve the Subject Property. An undersized segment of the sewer line will be enlarged so it can accommodate sewage from other land already in the UGB. New water lines will be installed to serve the urban area between the Subject Property and the remainder of the City. See pages 30 and 41 of Exhibit 2. The per capita cost of such services will be spread over a larger user population, enhancing cost effectiveness.

5. The environmental, energy, economic and social consequences of including the Subject Property in the UGB include the following:

a. Adverse environmental consequences associated with the existing wastewater discharge into Mill Creek will be eliminated. See exhibits cited above in finding III.F and V.E.1 through 3.

b. Use of existing substantial development on the Subject Property for urban purposes will avoid the waste of energy and economic resources resulting from abandonment of the structures on the Subject Property that could follow from failure to include the Property in the UGB. Failure to include the Callahan Center in the UGB would result in continuing waste of an existing economic resource by the State and would deprive

jurisdictions in the region of tax revenues that will follow conversion of the Center from public to private property.

6. Including the Subject Property in the UGB will not retain land with an agricultural capability of Class II, because the Subject Property includes such land. However, that land already is substantially developed with and is irrevocably committed to urban uses. Also, the petition includes only that portion of the contiguous State-owned land necessary for the existing facilities and other land that is unsuited for agricultural use due to steep slopes and its relation to the existing facilities. By minimizing the conversion of agricultural land to urban land, the petition is consistent with this factor. See also finding V.C.

7. Including the Subject Property in the UGB will be compatible with nearby agricultural activities listed in finding III.E for the reasons stated in finding V.B.5


VI. Conclusions and Recommendation

A. Conclusion. The proposed UGB amendment complies with Metro Code Chapter 3.10, Metro Ordinance No. 85-189, and Metro Ordinance No. 86-204, because it complies with the applicable Statewide Planning Goals or Exceptions thereto.

B. Recommendation. For the foregoing reasons, the Hearings Officer recommends that the Metropolitan Service District Council grant the petition in Contested Case 91-01.

DATED this 1st day of August, 1991.

Respectfully submitted,



Larry Epstein
Hearings Officer

1000 FRIENDS OF OREGON

August 20, 1991

Ethan Seltzer
Land Use Coordinator
METRO
2000 SW First Avenue
Portland, OR 97201-5398

Re: Exception to Report and Recommendation of Hearings Officer
in Contested Case No. 91-1: Dammasch

The State of Oregon has requested a major amendment to the urban growth boundary as a method of solving the sewage treatment problem it has at Dammasch State Hospital and the Callahan Center outside the City of Wilsonville. 1000 Friends of Oregon has one exception to the Hearings Officer's recommendation that the UGB amendment be approved. We request that a condition be imposed on the approval, prohibiting any connections to the sewer line which would serve any uses outside the UGB. We request this for several reasons.

First, the Hearings Officer recognized that for the proposed UGB amendment to comply with Goal 3, the sewer line "should not be connected with any use that is not allowed under ORS 215.203 and 215.213." See Hearings Officer's Report and Recommendation at 9; Statewide Planning Goal 3, Guideline 3. However, the Hearings Officer did not impose this prohibition as a condition. This condition should be part of the approval of the UGB amendment to comply with Goal 3; moreover, the applicant has stated it does not object to such a condition. See Application at 39.

Second, this condition is also necessary to comply with Goals 2 and 14. These Goals provide for the orderly and economic provision of urban services while retaining agricultural land and maintaining compatibility between urban and rural uses. In other words, expansion of the UGB and provision of sewer services to Dammasch should not cause the premature conversion of agricultural land in the area, particularly that land owned by the state and adjacent to Dammasch, which is now in farming.

The Hearings Officer's statement that "The UGB amendment will not change the impact of the Dammasch Hospital or its compatibility with adjacent uses" is simply wrong. Report and

Recommendation at 11. The only reason the amendment is being proposed is to extend sewer services from Wilsonville to Dammasch. The presence of those services does change the impact of Dammasch on adjacent farm land, because it brings urban services into the Exclusive Farm Use area, thereby possibly encouraging other urban development.

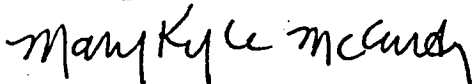
1000 Friends is particularly concerned about newspaper reports that the state has discussed selling the farm land surrounding Dammasch to pay for the sewer project, possibly to the City of Wilsonville. Urban development of this land has been discussed, including a golf course in particular. While a golf course is a conditionally permitted use under ORS 215.213, it is not a farm use. Washington County Farm Bureau v. Washington County, 17 Or LUBA 861 (1989). Premature urbanization of land simply to pay the state's bills does not comply with Goals 2, 3, and 14.

Therefore, this UGB amendment and extension of sewer services should not in any way encourage the premature conversion of nearby farm land to nonfarm uses. A condition prohibiting connections to the sewer line would help to alleviate the urban pressure that will inevitably come with the extension of urban services.

In conclusion, it is important to keep in mind that the Dammasch Hospital UGB amendment is a very unique situation. In this case, the UGB is not being expanded because this area is necessarily a needed and logical place for future urban expansion. Rather, an urban use has been at that location since before the land use planning laws, and it is now experiencing severe sewage treatment problems for which the UGB expansion offers a solution. Consequently, any approval to expand the UGB should be narrowly drawn, and the condition we request should be imposed.

Thank you for consideration of our comments.

Sincerely,



Mary Kyle McCurdy
Staff Attorney

ORDER

On the basis of the Findings and Reasons For Decision listed in Exhibit "A", the Boundary Commission approved Boundary Change Proposal No. 2992 on November 14, 1991.

NOW THEREFORE IT IS ORDERED THAT the territory described in Exhibit "B" and depicted on the attached map, be annexed to the City of Wilsonville as of 45 days from this date which is December 29, 1991.

PORTLAND METROPOLITAN AREA LOCAL GOVERNMENT
BOUNDARY COMMISSION

DATE: Nov 14, 1991

BY: Raymond Barts
Chairman

Attest: [Signature]

Exhibit A
Proposal 2992

FINDINGS

Based on the study and the public hearing the Commission found:

1. The territory to be annexed contains 184 acres, 4 single family dwellings, Dammasch State Hospital and the Callahan Center, an estimated population of 375, and is assessed at \$37,025,690.
2. The subject territory is part of a 490 acre parcel owned by the State of Oregon and is the site of Dammasch State Hospital and the Callahan Center. The State desires to obtain sanitary sewer services for the existing land uses on the territory to be annexed and to allow the existing facilities to be used for urban purposes. The Dammasch State Hospital sewage treatment plant is in violation of water quality standards. The Callahan Center cannot be used without the UGB amendment and annexation to Wilsonville because the non-conforming use status of the facility has expired, and it cannot practicably be put to a conforming use in the Exclusive Farm Use zone. If the urban growth boundary amendment and annexation are approved, the Department of General Services plans to:
 - a. Extend an 8-inch sewer line from the site, across the remainder of the State's parcel outside the UGB, to existing City sewer lines in Wilsonville Road and enlarge the City sewer line to which it connects;
 - b. Maintain use of wells on the site, for a water supply for the two facilities. A future water line extension could be made to a proposed 24-inch diameter water main extending west and then north from Boeckman Road to a proposed new reservoir.
 - c. Maintain the use of Dammasch Hospital largely as it now operates; and
 - d. Sell or otherwise arrange for use of the Callahan Center. On September 24, 1991 Gloria Monty Productions closed on a purchase agreement for the Callahan Center. On the same day, Gloria Monty Productions sold the property to Ed Freeman, owner of Sierra Development. It is not known what use Mr. Freeman proposes to make of the property.

Exhibit A
Proposal 2992

- e. The portion of the State's contiguous property not included in the petition will continue to be maintained outside the UGB and leased for agricultural uses.
3. The territory contains Dammasch Hospital and the Callahan Center. The hospital is currently budgeted for a patient capacity of 375 beds. The Callahan Center buildings are currently vacant. The facility was built and operated as a state rehabilitation center for injured workers until 1986. Ownership of the Callahan Center then reverted to the Department of General Services (DGS). Each facility has numerous accessory buildings and they share common support facilities, including steam, water, telephone and sewage services. Most of the remainder of the property on which the Dammasch Hospital and Callahan Center are situated is leased for agricultural purposes.
- Land north and west of the territory is designated Rural Residential and is zoned RRRF-5 by Clackamas County. Uses to the north and west include a horse farm, hobby farms, and pasture. Land further west and southwest is designated Exclusive Agriculture and is zoned EFU-20. Land east of the south portion of the territory is zoned Residential by Wilsonville and is within the UGB. It is used for residential development and a school. Land east of the north portion of the territory and land south and southwest of the territory is designated Exclusive Agriculture and is zoned EFU-20. It is used predominantly for farming and rural residential purposes.
4. The territory is located outside the boundary of the Metropolitan Service District and outside the acknowledged regional urban growth boundary. Metro has made the decision to amend the urban growth boundary. The Metro Council adopted a resolution of intent to amend the UGB to include the Subject Property on September 26, 1991. Metro Resolution No. 91-1496. Upon annexation to the City the land is automatically annexed to Metro under ORS 199.510(2)(c). Once the territory is within its jurisdiction Metro will formally adopt an ordinance amending the UGB.
5. Dammasch Hospital was built before adoption of the LCDC enabling Act and establishment of urban growth boundaries, before zoning, and before the incorporation of Wilsonville. Clackamas County granted a conditional use permit for the Callahan Center in 1973 pursuant to the zoning that applied at that time, RA-1. The territory was designated Agricul-

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tural and zoned EFU-20 in 1979, at which time both existing uses became nonconforming. The Callahan center was vacated in 1986 and lost its status as a nonconforming use. Nonconforming use rights expire and cannot be re-established if such a use is vacated for a period of one year or more.

The Clackamas County Zoning and Development Ordinance does not include a specific "institutional" or "public facilities" zone. Thus the county does not have a zone which fits the existing uses.

Clackamas County adopted an Order supporting the inclusion of the 184 acres owned by the State and occupied by Dammasch State Hospital and the Callahan Center within the UGB.

6. Wilsonville's Comprehensive Plan is acknowledged by LCDC. The City has annexed all lands within the urban growth boundary surrounding the city. The City's comprehensive plan is for the area within the city limits and does not cover this territory. Upon annexation the City will require the petitioner to apply for a comprehensive plan amendment and zone change.

Representatives of Dammasch State Hospital and the Department of General Services have discussed with City staff the appropriate plan and zone designations for the territory. Based on these preliminary discussions, the State planned to propose a Public Facilities Designation and PID Zone for the Dammasch Hospital site and a Planned Industrial designation and PID zone for the Callahan Center site. Now that the Callahan site has been sold it will be up to the new owner to propose the designation and zoning for this property. It is probable he too will propose the Planned Industrial Designation and PID zone.

The PF zone includes hospitals as a permitted use. The PID zone allows a variety of light industrial uses and certain non-industrial uses, subject to minimum acreage and industrial compatibility requirements. Commercial, office, and residential uses are permitted on up to 20% of a development. Redevelopment in the PF and PID zones is subject to Site Design Review. Development that could affect stream corridors or sensitive environmental features is subject to additional standards to protect those features.

The Wilsonville City Council has passed a resolution in support of the requested UGB amendment, No. 820.

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7. Wastewater from the Subject Property drains via gravity sewer pipes to a private treatment facility southwest of the Callahan center. Treated effluent is discharged into Mill Creek, about 100 feet away, which joins Corral Creek about 1/2 mile downstream. Corral Creek flows into the Willamette River. The territory's sewage effluent causes Mill Creek to violate State water quality standards, principally because the low volume of water in the creek is insufficient to adequately dilute effluents from the site. These problems were identified in 1983. In 1984 Dammasch State Hospital had a study done of its wastewater alternatives which concluded that service from Wilsonville was the best option. Nothing was done at that time because of the costs of the extension.

Recently, as part of the present UGB amendment and annexation the State had a Feasibility Report prepared by Westech Engineering. The wastewater solutions considered include: use of an evaporation pond or land irrigation, building a new on-site plant, and extending a pipeline directly to the Willamette River. None of the approaches is as effective or efficient at resolving the problem as connection to the City sewer system. The Feasibility Report states that the average dry weather flow at the Dammasch sewer plant is 28,000 gallons per day, compared to an average wet weather flow of 46,000 gpd. The average annual flow is 37,000 gpd.

The City had a sewer facilities report prepared by Curran-McCleod Consulting Engineers in 1990. The report indicates that the City's wastewater treatment plant capacity is a significant margin higher than existing flows, except with respect to BOD (biologic oxygen demand) loads. The existing hydraulic capacity of the Wilsonville plant is 2.25 MGD. The actual wet weather flow through the plant for 1989 was 0.725 MGD. The average wet weather flow that would be added with the connection of Dammasch and Callahan to the system is 0.046 MGD, which would increase the present flow to approximately 0.771 MGD (a six percent increase).

According to the Curran-McCleod report, the rotating biological contractors in the Wilsonville plant are not performing as designed so that the actual capacity is about half the design capacity of 4700 lbs/day Total BOD with 1650 lbs/day soluble BOD. The actual capacity is 2450 lbs/day Total BOD with 1200 lbs/day soluble BOD. Currently, the monthly average BOD loads delivered to the plant are approxi-

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mately 1800 lbs/day, indicating that the plant is already at almost 75% of capacity. The BOD loading from Dammasch is estimated to be 113 lbs/day. Connection of Dammasch to the city system would increase the BOD delivered to the City's plant to 1913 lbs/day, which is approximately 78% of capacity. The City has recently let a design and construction contract to upgrade the biological oxygen demand (BOD) capacity of the plant. According to the City it is capable of handling added flows generated from the developed properties of the Dammasch/Callahan Center.

The City could extend the sewer to the site without the UGB amendment, if approved by the Boundary Commission, but would charge the State double for that service. In order to discourage the extension of urban facilities outside of the city limits, Wilsonville has adopted a resolution which mandates double connection fees and double monthly service fees for extraterritorial extensions (Resolution #556). The City declined to waive double fees for the Dammasch site.

Given the magnitude of the existing facilities, an extraterritorial sewer extension would result in a significant increase in the connection fees, combined with double service fees on a monthly basis. Dammasch State Hospital operating costs are supported by Oregon taxpayers. The Department of General Services concluded that it is not in the best interest of the State of Oregon or taxpayers to pursue the extraterritorial sewer extension as a solution to the existing problem. In addition, while the extraterritorial extension alternative solves the sewer service problems of the site it does not solve the problem of land use for the Callahan site. An 8-inch sanitary sewer line is serving developed residential areas to the southeast of Dammasch State Hospital. A new sewer line will be constructed to the south of the Callahan Center to provide gravity sewer and to upgrade and connect to the existing main south of Willsonville Road. Sewer Service is immediately available with construction of the new collection lines.

A portion of the sewer collection system will need to be upgraded to provide the capacity to handle all flows from Dammasch and Callahan. The 30-inch main trunk line in Seely Ditch has sufficient capacity, but the existing 10-inch line along Wilsonville Road is already near capacity, so it will need to be replaced with a 12-inch pipe to accommodate the additional flows. Other sewer lines leading to the City's sewage treatment plant have sufficient capacity to accommo-

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date increased flows from the territory. Upgrading the pipeline in Wilsonville Road also would facilitate further development of vacant parcels in the City.

The City has pointed out that the proposed alignment affects an identified wetland area and that final design and construction methods will have to include the sensitivity of this area, and obtain all required permits.

An engineering feasibility study prepared by Westech Engineering identifies a public improvement cost of \$880,000 for sewer. To finance the sewer extension, the Department of General Services has submitted an application to the Department of Environmental Quality for a \$1.18 million State Revolving Fund Loan. Proceeds of the sale of the Callahan Center and/or the 260 acres identified as surplus property to Dammasch Hospital will be used to repay the loan. Therefore, it is reasonably likely that the sewer connection will be made.

The sanitary sewer line must cross lands outside the UGB to serve the Dammasch/Callahan site. Under the Boundary Commission law this extension can be made without Commission extra-territorial extension approval so long as no service is provided outside the City. Metro has included a condition in its UGB approval prohibiting sewer connections on agricultural land.

8. Water for the territory is currently provided by two private wells; one for domestic use and the other for fire and irrigation. These wells produce 400 and 780 gallons per minute respectively. Water is stored in two 200,000 gallon steel water towers about 350 feet tall located between the two facilities. The water is distributed by gravity through a system of six and eight inch water lines.

The City's existing water supply is provided by five wells capable of supplying 3.8 million gallons per day. In July of 1990 the average daily demands on the City water system were 2.41 MGD. The Oregon Department of Water Resources considers groundwater supplies in the area of Wilsonville "sensitive" because of declining groundwater levels. The Department of Water Resources has directed Wilsonville to explore alternatives to groundwater wells but the Department has authorized the City to drill one additional municipal supply well. Wilsonville is taking steps to obtain additional water supply sources for the future. The City is currently

Exhibit A
Proposal 2992

drilling an additional well and is exploring other long-term water supply options, ranging from the Willamette River to the Bull Run system.

The City will need additional storage in the future to accommodate growth. The City's 1986 Water System Plan proposes installation of a 2 to 4 million gallon reservoir about a mile northwest of Dammasch State Hospital by 1996. The new reservoir would feed the water distribution system via a 24 inch line extended to the east to connect with an existing 12 inch line that terminates at the western end of Boeckman Road. This alignment is proposed as the future water line to serve Dammasch. The existing water line at the end of Boeckman Road is the only existing line with enough capacity to deliver the appropriate flow and pressure to Dammasch during critical fire periods, which under current fire district standards amount to 2500 gallons per minute.

According to the petition, Dammasch has a maximum daily domestic demand of 95,000 gallons per day. The demand of any future use of the Callahan Center is unknown.

There are 8-inch City water lines serving developed residential areas to the southeast of Dammasch Hospital. But, as noted, these are inadequate to meet the subject territory's water requirements. Over the long term, the State prefers to connect the uses to the Wilsonville water system because it will provide higher-quality domestic water and necessary fire flows.

Connection of the existing state facilities to the City's water system will be delayed until the City's water supply system is improved. The property will continue to use the existing private water supply, storage and distribution system that is now used to serve the property.

In an April 10, 1991 letter to the petitioner the City stated that: "The City of Wilsonville cannot provide potable water to the Dammasch/Callahan Center until the City has an additional supply source. In the interim, the Dammasch/Callahan Center must obtain potable water from its present, well and water system."

The newest owner of the Callahan Center (Edward Freeman) has stated that he understands the water limitations on this site. He realizes that additional development or major changes in the current facilities at the site would trigger

Exhibit A
Proposal 2992

the necessity for fire flow improvements and that these will not be able to be accommodated until the City solves its long-term supply problem.

9. The territory slopes gradually from the northeast to the southwest. Elevations range from approximately 210 feet along the northerly parcel boundary to 190 feet at the southwest corner of the parcel.

Storm drains have been installed on both the Dammasch Hospital and Callahan Center properties to accommodate runoff from building and parking areas. The storm and sanitary sewer systems are separate. Storm water from developed areas of the site is discharged to a natural drainage swale in a wooded area on the southwest portion of the site. Storm water from the west portion of the site flows to a natural drainage swale on the west side of Grahams Ferry Road. Storm water from the east portion of the site goes to the Seeley Ditch lowland area.

The City stated in an April 10, 1991 letter to the petitioner that "The Dammasch State Hospital area, with a drainage basin area of approximately 110 acres in size was diverted to an alternate drainageway when the State hospital was constructed. It is the City's position that this diversion is the responsibility of the State and should be maintained as part of the overall storm sewer system of the Dammasch/Callahan Center and not become a part of the public storm sewer system of Wilsonville."

10. The west edge of the territory adjoins Grahams Ferry Road. It provides access north to Boones Ferry Road and south to Wilsonville Road. Westfall Road is several hundred feet north of the territory. It provides access east to 110th Avenue and west to the rural area. Wilsonville Road adjoins the southeast boundary of the territory. It provides access east to the Interstate 5 corridor and City Center. SW 110th Avenue adjoins the east side of the north portion of the territory. It provides access north to Westfall Road and south via Evergreen drive and Brown Road to Wilsonville Road. Each of the roads adjoining the site has a roughly 18- to 20-foot paved section between gravel shoulders or drainage ditches, although portions of Grahams Ferry Road south of the Callahan center are narrower and winding and portions of Wilsonville Road and Brown Road in the City have been improved or partially improved to City standards adjoining recent developments.

Exhibit A
Proposal 2992

There is vehicular access to the Dammasch Hospital portion of the site from separate drives to Grahams Ferry Road and 110th Avenue. Drives on the territory connect these two access points, passing through parking and service areas and to and around the hospital and accessory structures.

There is vehicular access to the Callahan center from Grahams Ferry Road. Land has been dedicated for a 60-foot wide right of way for Grahams Ferry Road fronting the Callahan Center.

Wilsonville is preparing a transportation master plan. The draft plan designates Grahams Ferry Road and 110th Avenue as major collector streets and proposes realignment of 110th Avenue, Evergreen Drive, and Brown to eliminate two 90 degree angles in those roads. The estimated cost for the roadway realignment (including right-of-way acquisition and construction cost) is estimated at \$823,000. The Draft Plan proposes a "major collector" classification for the realigned Brown Road and Grahams Ferry Road. The plan proposes a "minor arterial" classification for the northerly extension of Kinsman Road to the east of the Dammasch State Hospital site. Additionally, the Draft plan proposes a westerly extension of Boeckman Road to link with Westfall Road and 110th Avenue in immediate proximity to Dammasch State Hospital. The City considered existing traffic volumes from the Dammasch Hospital in its planning process. The draft master plan reports that 110th Avenue adjoining the site carries 1980 vehicles per day and peak hour volumes of 275 vehicles (in both directions).

The City stated in an April 10, 1991 letter to the petitioner that: "The impact of traffic to the City's street system for the developed properties in the Dammasch/Callahan Center appears to be no greater than the present impact.

11. The territory is currently served by the Clackamas County Sheriff from a county wide serial levy which provides patrol services at a level of approximately .6 officers per 1000 population. Wilsonville contracts with the Clackamas Co. Sheriff for additional protection at a level of 1 officer 24 hours a day 7 days a week. This added level is approximately .4 officers per 1000. Thus the total level of service within the City is approximately 1 officer per 1000 population.

Exhibit A
Proposal 2992

12. The portion of Wilsonville north of the Willamette River, including the subject territory, is within the Tualatin Valley Fire and Rescue district. Since the City is already in the District, this service will not be altered by the annexation.

The District has two fire stations located in Wilsonville; one at Elligsen Road on the north end of town and Willsonville Road on the south end of town. A third volunteer/professional station located on Kinsman Road approximately 1/4 mile to the southeast of the site is under construction.

Dammasch State Hospital and the Callahan Center were constructed to comply with the Uniform Building Code & Uniform Fire Code in effect at the time (1959 and 1973). The buildings are partially sprinklered and fire hydrants are available within 300 feet of the buildings. However, the water system is insufficient to meet the present day fire flow requirement of 2500 gallons per minute.

13. Land use Planning, Building Administration, and general governmental services are currently provided by Clackamas County. Upon annexation these services will be provided by the City.
14. Adoption of the final order on this proposal was postponed beyond the normal 90 day limit for adopting such orders. This was done in accord with the provisions of ORS 199.490(7) which allow for such a delay with agreement of "the parties appearing at a hearing."

Exhibit A
Proposal 2992

REASONS FOR DECISION

Based on the findings the Commission determined:

1. The proposal is consistent with regional, county and city planning.
2. The City generally has an adequate quantity and quality of services to serve the subject territory. The annexation would burden the City's water system if connections were made soon. However, the territory has a private water system adequate to meet domestic demands and the territory can continue to serve itself with that system. The new owner of the Callahan Center will be limited to land uses that do not exceed the Dammasch State Hospital's water supply capabilities.

Exhibit B
Proposal No. 2992

LEGAL DESCRIPTION
ANNEXATION TO
City of Willsonville

A tract of land in the Southeast quarter of Section 16 and in Section 15 in Township 3 South, Range 1 West of the Willamette Meridian, Clackamas County, Oregon, described as follows:

Beginning at the Southeast corner of the Samuel B. Franklin Donation Land Claim No. 50 in Section 15, Township 3 South, Range 1 West of the Willamette Meridian in Clackamas County, Oregon; thence North $0^{\circ}15'$ East along the centerline of Brown Road, 2688.18 feet; thence South $89^{\circ}53'20''$ West 1688.95 feet; thence South $9^{\circ}45'25''$ West 1600.00 feet; South $21^{\circ}32'32''$ West 1050 feet, more or less, to a point on the easterly extension of the North line of the Callahan Center property as described in Fee No. 86-23990, Clackamas County, Records; thence West along said extension line and the North line of said Callahan Center tract, a distance of 1075 feet, more or less, to a point in the center of Bell Road; thence South $15^{\circ}47'40''$ West along the centerline of said road, 190.94 feet; thence southwesterly along said centerline on the arc of a 1145.92 foot radius curve to the right (the chord of which bears South $26^{\circ}11'20''$ West 413.60 feet) a distance of 415.88 feet; thence South $36^{\circ}35'20''$ West along said centerline, 678.69 feet; thence southwesterly along said centerline on the arc of a 2864.79 foot radius curve to the right (the chord of which bears South $40^{\circ}06'49''$ West 352.27 feet) a distance of 352.49 feet; thence leaving said road South $46^{\circ}47'23''$ East 286.40 feet; thence South $66^{\circ}40'15''$ East 322.66 feet; thence North $73^{\circ}40'12''$ East 969.32 feet; thence North $74^{\circ}03'51''$ East 266.67 feet; thence North $1^{\circ}09'10''$ East 743.76 feet; thence North $89^{\circ}34'40''$ East 1150.00 feet; thence North $0^{\circ}14'40''$ East 480 feet, more or less, to a point on the South line of said Franklin Claim; thence North $89^{\circ}34'40''$ East 1479.03 feet to the point of beginning and containing 183.88 acres of land, more or less.

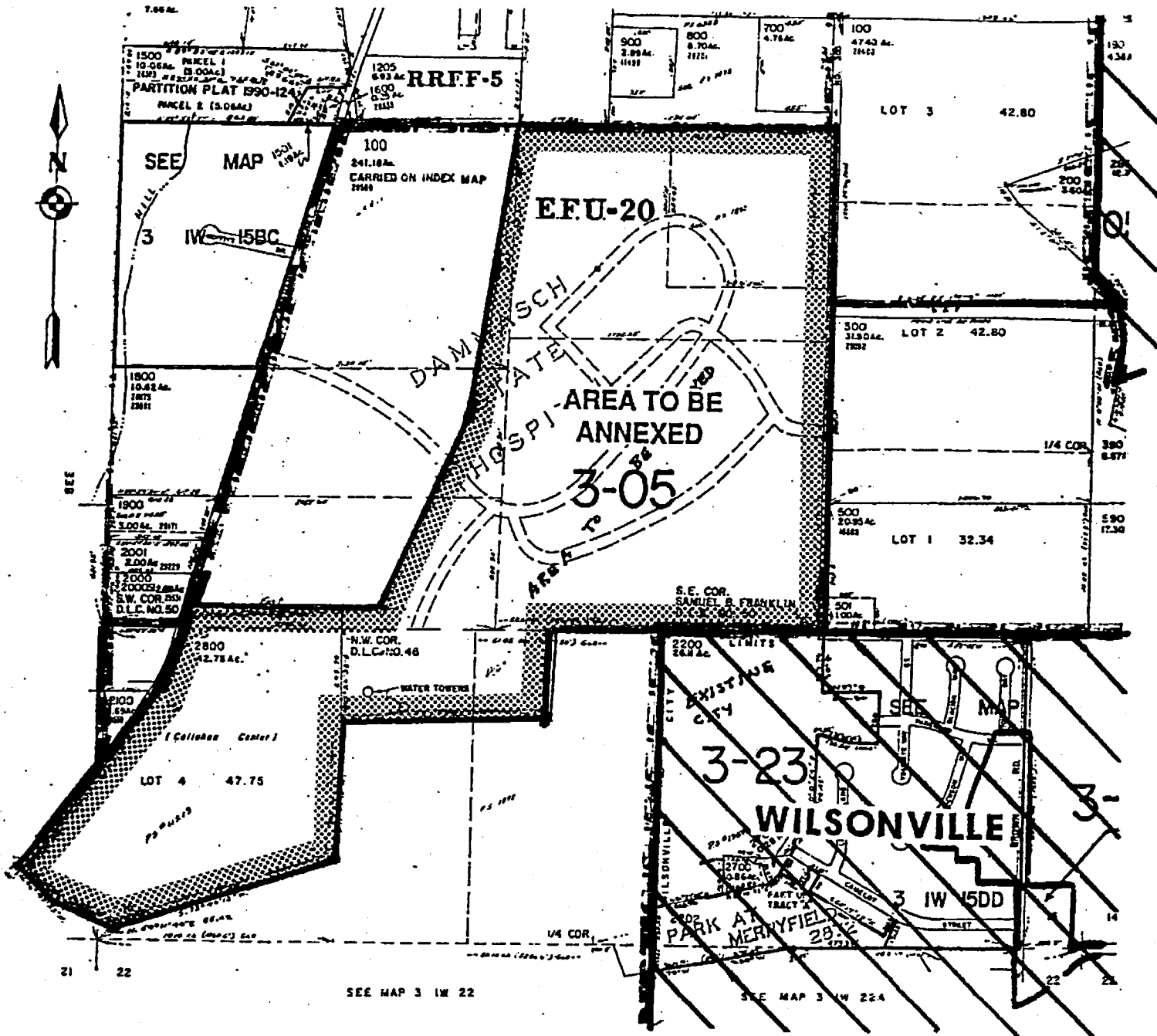
Revised 8/13/91 as per request of Pat Brost, Clackamas Assessor's Office.

PROPOSAL NO. 2992

SECTION 15 T3S R1W W.M.
Clackamas County

3 1W 15

Scale: 1" = 800'



Revised 8/27/91

PROPOSAL NO. 2992
CITY OF WILSONVILLE
ANNEXATION
FIGURE 2

EXHIBIT C
Certified A True Copy of the Original Thereof
Debrae Allen
Clerk of the Council

**BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT**

**FOR THE PURPOSE OF EXPRESSING)
COUNCIL INTENT TO AMEND METRO'S) RESOLUTION NO. 91-1496A
URBAN GROWTH BOUNDARY FOR CON-)
TESTED CASE NO. 91-1, DAMMASCH)**

WHEREAS, Contested Case No. 91-1 is a petition from the State of Oregon to the Metropolitan Service District for a major amendment of the Urban Growth Boundary to include approximately 184 acres west of Wilsonville in Clackamas County as shown on Exhibit A; and

WHEREAS, A hearing on this petition was held before a Metropolitan Service District Hearings Officer on June 19, 1991, in Wilsonville; and

WHEREAS, The Hearings Officer has issued his Report and Recommendation, attached as Exhibit B, which finds that all applicable requirements have been met and recommends that the petition be approved; and

WHEREAS, The property is currently outside, but contiguous with, the boundary for the Metropolitan Service District; and

WHEREAS, The Metropolitan Service District Code Section 3.01.070(c)(i) provides that action to approve a petition including land outside the District shall be by resolution expressing intent to amend the Urban Growth Boundary after the property is annexed to the Metropolitan Service District; now, therefore,

BE IT RESOLVED,

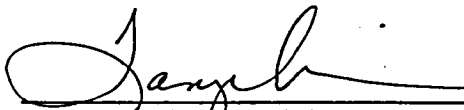
That the Metropolitan Service District, based on the findings in Exhibit B, attached, and incorporated herein, and the following condition of approval expresses its intent to adopt an Ordinance amending the Urban Growth Boundary as shown in Exhibit A within 30

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

BE IT FURTHER RESOLVED,

That, to assure compliance with Statewide Planning Goal 3 per finding V.C.2 and in compliance with longstanding Clackamas County Comprehensive Plan Agricultural Policy 4.0 prohibiting new usable sewer facilities on agricultural lands, extension of the proposed sewer from Wilsonville Road across agricultural land to the subject property shall be installed and remain as a transmission line only with no additional connections on agricultural lands.

ADOPTED by the Council of the Metropolitan Service District this
26th day of September, 1991.



Tanya Collier, Presiding Officer

ES/es
9/27/91

STAFF REPORT

CONSIDERATION OF RESOLUTION NO. 91-1496 FOR THE PURPOSE OF EXPRESSING COUNCIL INTENT TO AMEND METRO'S URBAN GROWTH BOUNDARY FOR CONTESTED CASE NO. 91-1, DAMMASCH

Date: August 22, 1991

Presented By: Ethan Seltzer

BACKGROUND

Contested Case No. 91-1 is a petition from the State of Oregon for a major amendment of the Urban Growth Boundary in Clackamas County. The property proposed for inclusion in the UGB totals approximately 184 acres and constitutes the sites for Dammasch State Hospital and the Callahan Center, located west of Wilsonville as shown in Exhibit A to the Resolution. The City of Wilsonville and Clackamas County have both taken positions in support of the amendment.

Currently, Metro considers petitions for major amendments to the UGB according to the process and criteria described in Metro Ordinance No. 85-189, as amended by Metro Ordinance No. 86-204. Unlike Metro's process and criteria for making Locational Adjustments, contained in Chapter 3.01 of the Metro Code and acknowledged by State as being consistent with the Statewide Planning Goals, the Major Amendment process has not been either codified by Metro or acknowledged by the state. Consequently, applicants for Major Amendments are required to address all applicable Statewide Planning Goals in their petition.

Metro Hearings Officer Larry Epstein held a hearing on this matter on June 19, 1991, in Wilsonville. Testimony was received from both the petitioner and from concerned citizens. The Hearings Officer's Report and Recommendation, attached as Exhibit B to the Resolution, concludes that the petition complies with the applicable statewide planning goals and that the petition should be granted. One exception to the decision has been filed and is attached to this staff report for your review.

Following presentation of the case by the Hearings Officer, and comments by the petitioner, the parties to the case will be allowed to present their exceptions to the Council. The petitioner will be given the opportunity to respond to the exceptions posed by parties. The Hearings Officer will be available to clarify issues as they arise.

At its meeting on the 26th of September, 1991, Council can approve this Resolution or remand the findings to staff or the Hearings Officer for modification. If the Resolution is approved, petitioner will need to annex the property to Metro prior to Council action on an Ordinance formally granting the petition.

Resolution 91-1496: Staff Report page 2

The annexation to the Metro district would occur concurrently with annexation to Wilsonville, and is an action of the Portland Metropolitan Area Local Government Boundary Commission. Should the Council approve this resolution, and if the petitioner then accomplishes the annexation of the subject property to the Metro district within 6 months of the date of Council approval, then the Council should expect to see an ordinance finally amending the UGB early in 1991.

ANALYSIS

Both the Dammasch State Hospital and the Callahan Center predate the adoption of comprehensive plans and the Metro UGB. They are part of a state ownership that total approximately 485 acres. Proposed for addition to the UGB are approximately 184 acres which comprise the area needed for future hospital development and/or are impacted by the existing facilities and their supporting infrastructure. The remaining state ownership of approximately 300 acres will remain outside the UGB and zoned for exclusive farm use.

Two issues confronting the state have motivated this application. First, Dammasch and the Callahan Center are served by a small sewage treatment plant that has been cited repeatedly for contributing to water quality violations in Mill Creek. The state has considered a variety of solutions to this problem, and has concluded that the only viable, long-term solution will be connection to the Wilsonville treatment facilities. However, if the property cannot be brought into the UGB, the state will be required to pay extraterritorial rates, which represent a significant increase in the cost of service.

Second, the Callahan Center is currently empty. Its re-use outside the UGB is complicated by the fact that it is a nonconforming use in an exclusive farm use zone. There is no appropriate zoning in the rural comprehensive plan of Clackamas County to guide the use of the facility, and limited opportunity for any use of the site without adequate sewage facilities. This amendment would allow inclusion of the Callahan Center in the City of Wilsonville, which could provide both appropriate zoning and sewage services. This would make the property significantly more marketable.

There are two primary ways to assess the "need" for this amendment. The first has to do with whether there is a need for this property inside the UGB to meet the expected growth in population and employment. Although there is clearly a need for the services of the state hospital in the region, the overall urban land supply is sufficient to meet the currently projected land needs.

The second basis for asserting the need for this addition has to do with issues affecting the livability, employment opportunity, and housing opportunities in the region. In this instance, the petitioner has asserted and the Hearings Officer has agreed that there is a need for the

Resolution 91-1496: Staff Report page 3

amendment to end the pollution of Mill Creek, to put the Callahan Center to productive use, to relieve the public from further financial obligation for the Callahan Center, and to economically and responsibly address the long-term service needs for Dammasch State Hospital.

At hearing, citizens appeared to raise concerns regarding the long-term disposition of the remainder of the state property. There is a great deal of concern regarding the continued protection of the lands zoned for exclusive farm use. The Hearings Officer has found that the proposed uses of the property to be added to the UGB will not conflict with continued farm activity.

The exception to the Hearings Officer report, filed by 1000 Friends of Oregon, agrees with the recommendation, but proposes that a condition be attached to any approval of the petition to prevent any connection outside of the UGB to new sewer lines serving Dammasch and the Callahan Center. Petitioner has indicated that they would not be opposed to such a condition. The Clackamas County comprehensive plan would similarly prohibit any such connections.

ES/es
8/23/91

EXHIBIT D

PORTLAND METROPOLITAN AREA LOCAL GOVERNMENT BOUNDARY COMMISSION
320 S. W. Stark (#530) - Portland, Oregon 97204 - Tel: 229-5307

FINAL ORDER

RE: BOUNDARY CHANGE PROPOSAL NO. 2992 - Annexation of territory
to the City of Wilsonville.

Proceedings on Proposal No. 2992 commenced upon receipt by the Boundary Commission of a petition from the property owners on August 14, 1991, requesting that certain property be annexed to the City. The petition meets the requirements for initiating a proposal set forth in ORS 199.490, particularly paragraph (c) of section (1).

Upon receipt of the petition the Boundary Commission published and posted notice of the public hearing in accordance with ORS 199.463 and conducted a public hearing on the proposal on October 17, 1991. The Commission also caused a study to be made on this proposal which considered economic, demographic and sociological trends and projections and physical development of the land.

The Commission reviewed this proposal in light of the following statutory guidance:

"199.410 Policy. (1) The Legislative Assembly find that:

(a) A fragmented approach has developed to public services provided by local government. Fragmentation results in duplications in services, unequal tax bases and resistance to cooperation and is a barrier to planning implementation. Such an approach has limited the orderly development and growth of Oregon's urban areas to the detriment of the citizens of this state.

(b) The programs and growth of each unit of local government affect not only that particular unit but also the activities and programs of a variety of other units within each urban area.

(c) As local programs become increasingly inter-governmental, the state has a responsibility to insure orderly determination and adjustment of local government boundaries to best meet the needs of the people.

(d) Local comprehensive plans define local land uses but may not specify which units of local government are to provide public services when those services are required.

(e) Urban population densities and intensive development require a broad spectrum and high level of community services and controls. When areas become urbanized and require the full range of community services, priorities are required regarding the type and levels of services that the residents need and desire. Community service priorities need to be established by weighing the total service needs against the total financial resources available for securing services. Those service priorities are required to reflect local circumstances, conditions and limited financial resources. A single governmental agency, rather than several governmental agencies is in most cases better able to assess the financial resources and therefore is the best mechanism for establishing community service priorities.

(2) It is the intent of the Legislative Assembly that each boundary commission establish policies and exercise its powers under this chapter in order to create a governmental structure that promotes efficiency and economy in providing the widest range of necessary services in a manner that encourages and provides planned, well-ordered and efficient development patterns.

(3) The purposes of ORS 199.410 to 199.519 are to:

(a) Provide a method for guiding the creation and growth of cities and special service districts in Oregon in order to prevent illogical extensions of local government boundaries and to encourage the reorganization of overlapping governmental agencies;

(b) Assure adequate quality and quantity of public services and the financial integrity of each unit of local government;

(c) Provide an impartial forum for the resolution of local government jurisdictional questions;

(d) Provide that boundary determinations are consistent with local comprehensive plans and are in conformance with state-wide planning goals. In making boundary determinations the commission shall first consider the acknowledged comprehensive plan for consistency of its action. Only when the acknowledged local comprehensive plan provides inadequate policy direction shall the commission consider the state-wide planning goals. The commission shall consider the timing, phasing and availability of services in making a boundary determination; and

(e) Reduce the fragmented approach to service delivery by encouraging single agency service delivery over service delivery by several agencies.

199.462 Standards for review of changes; territory which may not be included in certain changes. (1) In order to carry out the purposes described by ORS 199.410 when reviewing a petition for a boundary change or application under ORS 199.454, a boundary commission shall consider local comprehensive planning for the area, economic, demographic and sociological trends and projections pertinent to the proposal, past and prospective physical development of land that would directly or indirectly be affected by the proposed boundary change or application under ORS 199.464 and the goals adopted under ORS 197.225."

(2) Subject to any provision to the contrary in the principal Act of the affected district or city and subject to the process of transfer of territory:

(a) Territory within a city may not be included within or annexed to a district without the consent of the city council;

(b) Territory within a city may not be included within or annexed to another city; and

(c) Territory within a district may not be included within or annexed to another district subject to the same principal Act.

The Commission also considered its policies adopted under Administrative Procedures Act (specifically 193-05-000 to 193-05-015), historical trends of boundary commission operations and decisions, and past direct and indirect instructions of the State Legislature in arriving at its decision.

FINDINGS

(See Findings in Exhibit "A" attached hereto).

REASONS FOR DECISION

(See Reasons for Decision in Exhibit "A" attached hereto).

STAFF REPORT

CONSIDERATION OF AN ORDINANCE ADOPTING A FINAL ORDER AND AMENDING THE METRO URBAN GROWTH BOUNDARY FOR CONTESTED CASE 91-1:DAMMASCH

Date: January 9, 1992

Presented By: Ethan Seltzer

BACKGROUND

On September 26, 1991, the Metro Council held a public hearing and approved Metro Council Resolution Number 91-1496A (attached), expressing its intent to amend the Metro Urban Growth Boundary, as requested in Contested Case 91-1, pending annexation of the subject property to the City of Wilsonville and/or the Metro District. When the Metro Council wishes to amend the Urban Growth Boundary to add property not currently within the Metro District Boundary, it states its intent to do so in the form of a resolution, with final action on an ordinance delayed until the property is brought under its territorial jurisdiction.

On November 21, 1991, the Boundary Commission approved the annexation of the subject property to the City of Wilsonville and the Metro District. Therefore, Ordinance Number 92-441 is now before the Metro Council to complete the amendment consistent with the Council's earlier statement of intent.

Contested Case No. 91-1 is a petition from the State of Oregon for a major amendment of the Urban Growth Boundary in Clackamas County. The property proposed for inclusion in the UGB comprises approximately 184 acres in two parcels. Approximately 141 acres is associated with the present and anticipated development of Dammasch State Hospital. A parcel of approximately 43 acres is associated with the former Callahan State Training Center. Both parcels have been annexed to the City of Wilsonville and the Metro District Boundary following Council action on Resolution No. 91-1496A. The state owns an additional 306 acres, not part of this application and zoned for Exclusive Farm Use. The lands affected by this proposal are shown on the map included as Exhibit A. The City of Wilsonville has gone on record in support of the amendment as has Clackamas County.

Metro Hearings Officer Larry Epstein held a hearing on this matter on June 19, 1991, in Wilsonville. Testimony was received from both the petitioner and from concerned citizens. The Hearings Officer's Report and Recommendation, attached as Exhibit B, concludes that the petition meets the applicable standards and should be approved. One exception from 1000 Friends of Oregon was filed to the decision, and was included with the staff report to the resolution at the time that it was considered by the Council. Resolution No. 1496A was amended to address the concern raised by 1000 Friends. The condition of approval included in that resolution has been made part of this Ordinance.

At its meeting on the 26th of September, 1991, Council heard from parties to the

case, reviewed the record, reviewed the report and recommendation of the Hearings Officer, and approved the resolution. The petitioner was given 6 months from the date of adoption of the Resolution No. 91-1496A to complete the annexation. Petitioner has successfully completed this step, and final action by the Metro Council is now requested.

EXECUTIVE OFFICER'S RECOMMENDATION

The Metro Council should approve Ordinance No. 92-441, consistent with its intent as stated in Resolution No. 91-1496A.

ES/es
12/24/91