



# Oregon

Theodore R. Kulongoski, Governor

## Department of Land Conservation and Development

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July 30, 2007

To: Interested Persons

From: Lane Shetterly, Director



*Re: Ballot Measure 37 (ORS 197.352) Claim Number M130815*

*Claimants: Richard and Barbara Knudson*

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Enclosed, in regard to the above-referenced claim for compensation under Ballot Measure 37 (ORS 197.352), is the Final Staff Report and Recommendation of the Department of Land Conservation and Development, and the Final Order.

This Final Staff Report and Recommendation and the Final Order constitute the final decision on this claim. No further action will be taken on this matter.

BEFORE THE DEPARTMENT OF ADMINISTRATIVE SERVICES AND  
THE DEPARTMENT OF LAND CONSERVATION AND DEVELOPMENT OF  
THE STATE OF OREGON

IN THE MATTER OF THE CLAIM FOR ) FINAL ORDER  
COMPENSATION UNDER ORS 197.352 ) CLAIM NO. M130815  
(BALLOT MEASURE 37) OF )  
Richard and Barbara Knudson, CLAIMANTS )

Claimants: Richard and Barbara Knudson (the Claimants)

Property: Township 4S, Range 2E, Section 28, Tax lots 400, 600 and 700  
Clackamas County (the Property)

Claim: The demand for compensation and any supporting information received from the  
Claimants by the State of Oregon (the Claim).

Claimants submitted the Claim to the State of Oregon under ORS 197.352. Under OAR 125-145-0010 *et seq.*, the Department of Administrative Services (DAS) referred the Claim to the Department of Land Conservation and Development (DLCD) as the regulating entity. This order is based on the record herein, including the Findings and Conclusions set forth in the Final Staff Report and Recommendation of DLCD (the DLCD Report) attached to and by this reference incorporated into this order.

ORDER

The Claim is approved as to laws administered by DLCD and the Land Conservation and Development Commission (LCDC) for the reasons set forth in the DLCD Report, and subject to the following terms:

1. In lieu of compensation under ORS 197.352, the State of Oregon will not apply the following laws to Richard and Barbara Knudson's division of one 1-acre developed parcel from the 77.39-acre subject property or to their development of a dwelling and park the remaining 76.39-acre parcel: applicable provisions of Goals 3 and 14, ORS 215 and OAR 660, division 33, enacted or adopted after each claimant acquired the subject property. These land use regulations will not apply to the claimants only to the extent necessary to allow them to use the subject property for the use described in this report, and only to the extent that use was permitted when Richard Knudson acquired tax lots 600 and 700 on December 10, 1962, and tax lot 400 on April 23, 1969, and Barbara Knudson acquired the subject property on January 18, 1993. The department acknowledges that the relief to which Barbara Knudson is entitled under ORS 197.352 may not allow her to use the subject property in the manner set forth in the claim.
2. The action by the State of Oregon provides the state's authorization to the claimants to use the subject property for the use described in this report, subject to the standards in effect when Richard Knudson acquired tax lots 600 and 700 on December 10, 1962, and tax lot 400 on April 23, 1969, and when Barbara Knudson acquired the property on January 18, 1993. On January

18, 1993, the property was subject to the applicable provisions of Goals 3 and 14, ORS 215 and OAR 660, division 5, then in effect.

3. To the extent that any law, order, deed, agreement or other legally enforceable public or private requirement provides that the subject property may not be used without a permit, license or other form of authorization or consent, the order will not authorize the use of the property unless the claimants first obtain that permit, license or other form of authorization or consent. Such requirements may include, but are not limited to: a building permit, a land use decision, a "permit" as defined in ORS 215.402 or 227.160, other permits or authorizations from local, state or federal agencies and restrictions on the use of the subject property imposed by private parties.

4. Any use of the subject property by the claimants under the terms of the order will remain subject to the following laws: (a) those laws not specified in (1) above; (b) any laws enacted or enforced by a public entity other than the Commission or the department; and (c) those laws not subject to ORS 197.352 including, without limitation, those laws exempted under ORS 197.352(3).

5. Without limiting the generality of the foregoing terms and conditions, in order for the claimants to use the subject property, it may be necessary for them to obtain a decision under ORS 197.352 from a city and/or county and/or metropolitan service district that enforces land use regulations applicable to the property. Nothing in this order relieves the claimants from the necessity of obtaining a decision under ORS 197.352 from a local public entity that has jurisdiction to enforce a land use regulation applicable to a use of the subject property by the claimants.

6. Nothing in this report or the state's final order for this claim constitutes any determination of ownership by the State of Oregon as to submerged or submersible lands, or as to public rights to the use of waters of the state.

This Order is entered by the Deputy Director of the DLCD as a final order of DLCD and the Land Conservation and Development Commission under ORS 197.352, OAR 660-002-0010(8), and OAR 125, division 145, and by the Director of the DAS as a final order of DAS under ORS 197.352, OAR 125, division 145, and ORS 293.

FOR DLCD AND THE LAND  
CONSERVATION AND DEVELOPMENT  
COMMISSION:

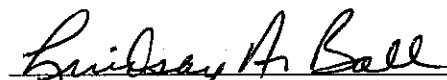
Lane Shetterly, Director



Cora R. Parker, Deputy Director  
DLCD

Dated this 30<sup>th</sup> day of July, 2006.

FOR the DEPARTMENT OF  
ADMINISTRATIVE SERVICES:



Lindsay A. Ball, Director  
DAS

Dated this 30<sup>th</sup> day of July, 2006.

## **NOTICE OF RIGHT TO APPEAL OR OTHER JUDICIAL RELIEF**

You are entitled, or may be entitled, to judicial remedies including the following:

1. Judicial review under ORS 183.484: Judicial review under ORS 183.484 may be obtained by filing a petition for review within 60 days from the service of this order. A petition for judicial review under ORS 183.484 may be filed in the Circuit Court for Marion County or the Circuit Court in the county in which you reside.
2. A cause of action under ORS 197.352 (Measure 37 (2004)): If a land use regulation continues to apply to the subject property more than 180 days after the present owner of the property has made written demand for compensation under ORS 197.352, the present owner of the property, or any interest therein, shall have a cause of action in the circuit court in which the real property is located.

(Copies of the documents that comprise the record are available for review at the Department's office at 635 Capitol Street NE, Suite 150, Salem, Oregon 97301-2540)

### **FOR INFORMATION ONLY**

The Oregon Department of Justice has advised the Department of Land Conservation and Development that "[i]f the current owner of the real property conveys the property before the new use allowed by the public entity is established, then the entitlement to relief will be lost."

**ORS 197.352 (BALLOT MEASURE 37) CLAIM FOR COMPENSATION**  
**OREGON DEPARTMENT OF LAND CONSERVATION AND DEVELOPMENT**  
**Final Staff Report and Recommendation**

July 30, 2007

**STATE CLAIM NUMBER:** M130815

**NAMES OF CLAIMANTS:** Richard and Barbara Knudson

**MAILING ADDRESS:** 19244 SE River Drive Court  
Milwaukee, Oregon 97267

**PROPERTY IDENTIFICATION:** Township 4S, Range 2E, Section 28  
Tax lots 400, 600 and 700  
Clackamas County

**DATE RECEIVED BY DAS:** November 16, 2006

**DEADLINE FOR FINAL ACTION:<sup>1</sup>** May 9, 2008

**I. SUMMARY OF CLAIM**

The claimants, Richard and Barbara Knudson, seek compensation in the amount of \$5 million for the reduction in fair market value as a result of land use regulations that are alleged to restrict the use of certain private real property. The claimants desire compensation or the right to divide a one-acre developed parcel from the 77.39-acre subject property<sup>2</sup> and to develop a dwelling and park on the remaining 76.39-acre parcel located along the Molalla River.<sup>3</sup> The subject property is located at 14102 S. Union Mills Road, near Mulino, in Clackamas County. (See claim).

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<sup>1</sup> ORS 197.352, as originally enacted, required that final action on claims made under Measure 37 be made within 180 days of the date the claim was filed. In response to the large volume of claims filed in late 2006, the Oregon legislature passed House Bill 3546, which became effective on May 10, 2007. This legislation increased the amount of time state and local governments have to take final action on Measure 37 claims filed on or after November 1, 2006, by 360 days, to a total of 540 days.

<sup>2</sup> The subject property includes three tax lots. Tax lot 400 consists of 29.67 acres; tax lot 600 consists of 32.92 acres; and tax lot 700 consists of 14.80 acres.

<sup>3</sup> The claim indicates other possible alternative desired uses including "possibly" developing a replica of the Western White House, an RV park, a three-par golf course and an aquatic park convention center, removing river rock to reduce flooding and developing sewer and water systems on the subject property. ORS 197.352 allows the state to compensate or not apply (waive) land use regulations in order to allow "a use" that was permitted at the time the claimants acquired the property. Given the restrictions contained in ORS 197.352, land use regulations may not be "waived" to allow multiple alternative uses. The use evaluated in this report is the primary desired use described in the claim.

## II. SUMMARY OF STAFF RECOMMENDATION

Based on the findings and conclusions set forth below, the Department of Land Conservation and Development (the department) has determined that the claim is valid. Department staff recommends that, in lieu of compensation, the requirements of the following state laws enforced by the Land Conservation and Development Commission (the Commission) or the department not apply to Richard and Barbara Knudson's division of one 1-acre developed parcel from the 77.39-acre subject property and to their development of a dwelling and park on the remaining 76.39-acre parcel: applicable provisions of Statewide Planning Goals 3 (Agricultural Lands) and 14 (Urbanization), ORS 215 and Oregon Administrative Rules (OAR) 660, division 33, enacted or adopted after each claimant acquired the subject property. These land use regulations will not apply to the claimants only to the extent necessary to allow them to use the subject property for the use described in this report, and only to the extent that use was permitted when Richard Knudson acquired tax lots 600 and 700 on December 10, 1962, and tax lot 400 on April 23, 1969, and when Barbara Knudson acquired the subject property on January 18, 1993. The department acknowledges that the relief to which Barbara Knudson is entitled under ORS 197.352 may not allow her to use the subject property in the manner set forth in the claim. (See the complete recommendation in Section VI. of this report).

## III. COMMENTS ON THE CLAIM

### Comments Received

On May 31, 2007, pursuant to OAR 125-145-0080, the Oregon Department of Administrative Services (DAS) provided written notice to the owners of surrounding properties. According to DAS, no written comments were received in response to the 10-day notice.

## IV. TIMELINESS OF CLAIM

### Requirement

ORS 197.352(5) requires that a written demand for compensation be made:

1. For claims arising from land use regulations enacted prior to the effective date of Measure 37 (December 2, 2004), within two years of that effective date, or the date the public entity applies the land use regulation as an approval criteria to an application submitted by the owner, whichever is later; or
2. For claims arising from land use regulations enacted after the effective date of Measure 37 (December 2, 2004), within two years of the enactment of the land use regulation, or the date the owner of the property submits a land use application in which the land use regulation is an approval criteria, whichever is later.

### Findings of Fact

This claim was submitted to DAS on November 16, 2006, for processing under OAR 125, division 145. The claim identifies "public or private park – turned down by county," "minor partition or subdivision not allowed," "Gravel removal Rock removal not allowed," "RV Park

not allowed,” and “sell off old house and build not allowed” as the basis for the claim.<sup>4</sup> Only laws that were enacted or adopted prior to December 2, 2004, are the basis for this claim.

### **Conclusions**

The claim has been submitted within two years of the effective date of Measure 37 (December 2, 2004), based on land use regulations enacted or adopted prior to December 2, 2004, and is therefore timely filed.

## **V. ANALYSIS OF CLAIM**

### **1. Ownership**

ORS 197.352 provides for payment of compensation or relief from specific laws for “owners” as that term is defined in ORS 197.352. ORS 197.352(11)(C) defines “owner” as “the present owner of the property, or any interest therein.”

### **Findings of Fact**

Claimant Richard Knudson acquired tax lots 600 and 700 on December 10, 1962, and tax lot 400 on April 23, 1969, as reflected by warranty deeds included with the claim. Richard Knudson conveyed an interest in the property to his wife, Barbara Knudson, on January 18, 1993, as reflected by a bargain and sale deed included with the claim. The Clackamas County Assessor’s Office confirms the claimants’ current ownership of the subject property.

### **Conclusions**

The claimants, Richard and Barbara Knudson, are “owners” of the subject property as that term is defined by ORS 197.352(11)(C). Richard Knudson has been an owner of tax lots 600 and 700 since December 10, 1962, and an owner of tax lot 400 since April 23, 1969. Barbara Knudson has been an owner of the subject property since January 18, 1993. Richard Knudson is a “family member” of Barbara Knudson as that term is defined by ORS 197.352(11)(A).

### **2. The Laws That are the Basis for This Claim**

In order to establish a valid claim, ORS 197.352(1) requires, in part, that a law must restrict the claimants’ use of private real property in a manner that reduces the fair market value of the property relative to how the property could have been used at the time the claimants or a family member acquired the property.

### **Findings of Fact**

The claim indicates that the claimants desire to divide one 1-acre developed parcel from the 77.39-acre subject property and to develop a dwelling and park on the remaining 76.39-acre

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<sup>4</sup> This report addresses only those state statutes and rules administered by the department.

parcel located along the Molalla River, and that the property's current zoning prevents the desired use.<sup>5</sup>

The claim is based generally on the applicable provisions of state law that require Exclusive Farm Use (EFU) zoning and restrict uses on EFU-zoned land. The claimants' property is zoned EFU by Clackamas County as required by Goal 3, in accordance with ORS 215 and OAR 660, division 33, because the claimants' property is "agricultural land" as defined by Goal 3.<sup>6</sup> Goal 3 became effective on January 25, 1975, and required that agricultural lands as defined by Goal 3 be zoned EFU pursuant to ORS 215.

Current land use regulations, particularly ORS 215.263, 215.284 and 215.780 and OAR 660, division 33, enacted or adopted pursuant to Goal 3, prohibit the division of EFU-zoned land into parcels less than 80 acres and establish standards for the development of dwellings on existing or any proposed parcel on that land.

ORS 215.780 establishes an 80-acre minimum size for the creation of new lots or parcels in EFU zones and became effective on November 4, 1993 (Chapter 792, Oregon Laws 1993). ORS 215.263 (2005 edition) establishes standards for the creation of new parcels for non-farm uses and dwellings allowed in an EFU zone.

OAR 660-033-0135 (applicable to farm dwellings) became effective on March 1, 1994, and interprets the statutory standard for a primary dwelling in an EFU zone under ORS 215.283(1)(f). OAR 660-033-0130(4) (applicable to non-farm dwellings) became effective on August 7, 1993, and was amended to comply with ORS 215.284(4) on March 1, 1994.<sup>7</sup>

OAR 660-033-0090 and OAR 660-033-0120 became effective on March 1, 1994, and together these provisions prohibit uses otherwise allowed in EFU zones from being sited on parcels that are predominantly high-value farmland, as defined in OAR 660-033-0120. Private parks and campgrounds are permitted in EFU zones under ORS 215.283(2)(c), except on high-value farmland. According to the NRCS soil survey for Clackamas County, the subject property contains predominantly high-value farmland.

Goal 14, which also became effective on January 25, 1975, would likely apply to the division of the claimants' property into parcels less than two acres. Goal 14 generally requires that land outside of urban growth boundaries be used for rural uses.

Claimant Richard Knudson acquired tax lots 600 and 700 in 1962 and tax lot 400 in 1969, prior to the adoption of the statewide planning goals and their implementing statutes and regulations.

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<sup>5</sup> The claimants included a Clackamas County decision order, Hearings Officer Final Order Z0581-99-NCU, with the claim in which the claimants' appeal of the planning director's decision denying a non-conforming use status of a park for the subject property was denied. The claimants' desired use of a "park," is recognized in this report in terms similar to the non-conforming "park" use desired by the claimants in the final Clackamas County order for Z0581-99-NCU.

<sup>6</sup> The claimants' property is "agricultural land" because it contains National Resources Conservation Service Class (NRCS) I-IV soils.

<sup>7</sup> The Commission subsequently adopted amendments to OAR 660-033-0100, -0130 and -0135 to comply with House Bill 3326 (Chapter 704, Oregon Laws 2001, effective on January 1, 2002), which were effective on May 22, 2002. These amendments clarified but did not further restrict dwelling standards for EFU-zoned land.

In 1969, tax lot 400 was zoned General Use (GU) by Clackamas County. The GU zone permitted one-acre parcels and single-family dwellings.

### **Conclusions**

The current zoning requirements, minimum lot size, dwelling and non-farm use standards established by applicable provisions of Goals 3 and 14, ORS 215 and OAR 660, division 33, were enacted or adopted after Richard Knudson acquired the subject property. These laws restrict the use of the subject property relative to the uses allowed when Richard Knudson acquired the property.

This report addresses only those state laws that are identified in the claim, or that the department is certain apply to the subject property, based on the uses that the claimants have identified. There may be other laws that currently apply to the claimants' use of the subject property, and that may continue to apply to the claimants' use of the property, that have not been identified in the claim. In some cases, it will not be possible to know which laws apply to a use of the subject property until there is a specific proposal for that use. When the claimants seek a building or development permit to carry out a specific use, it may become evident that other state laws apply to that use.

### **3. Effect of Regulations on Fair Market Value**

In order to establish a valid claim, ORS 197.352(1) requires that the land use regulation(s) (described in Section V.(2) of this report) must have "the effect of reducing the fair market value of the property, or any interest therein."

### **Findings of Fact**

The claim includes an estimate of \$5 million as the reduction in the subject property's fair market value due to the regulations that restrict the claimants' desired use of the property. This amount is based on the claimants' assessment of the subject property's value.

### **Conclusions**

As explained in Section V.(1) of this report, the claimants are Richard Knudson who acquired the subject property in 1962 and 1969, and his wife, Barbara Knudson. Under ORS 197.352, the claimants are due compensation for land use regulations that restrict the use of the property and have the effect of reducing its fair market value. Based on the findings and conclusions in Section V.(2) of this report, laws enacted or adopted since Richard Knudson acquired the subject property restrict the claimants' desired use of the property. The claimants estimate that the effect of the regulations on the fair market value of the subject property is a reduction of \$5 million.

Without an appraisal or other documentation, it is not possible to substantiate the specific dollar amount by which the land use regulations have reduced the fair market value of the subject property. Nevertheless, based on the evidence in the record for this claim, the department determines that the fair market value of the subject property has been reduced to some extent as a result of land use regulations enforced by the Commission or the department since Richard Knudson acquired the property.

#### **4. Exemptions Under ORS 197.352(3)**

ORS 197.352 does not apply to certain land use regulations. In addition, under ORS 197.352(3), certain types of laws are exempt from ORS 197.352.

#### **Findings of Fact**

The claim is based on state land use regulations that restrict the use of the subject property, including applicable provisions of Goals 3 and 14, ORS 215 and OAR 660, division 33, which Clackamas County has implemented through its current EFU zone. These land use regulations were enacted or adopted after Richard Knudson acquired the subject property.

#### **Conclusions**

Without a specific development proposal for the subject property, it is not possible for the department to determine all the laws that may apply to a particular use of the property, or whether those laws may fall under one or more of the exemptions under ORS 197.352. It appears that none of the general statutory, goal and rule restrictions on division and development of the claimants' property were in effect when Richard Knudson acquired the subject property in 1962 and 1969. As a result, these laws are not exempt under ORS 197.352. Laws in effect when Richard Knudson acquired the subject property are exempt under ORS 197.352(3)(E) and do not provide a basis for compensation. In addition, laws enacted or adopted for a purpose set forth in ORS 197.352(3)(A) to (D) are also exempt and would not provide a basis for compensation.

### **VI. FORM OF RELIEF**

ORS 197.352(1) provides for payment of compensation to an owner of private real property if the Commission or the department has enforced one or more laws that restrict the use of the property in a manner that reduces its fair market value. In lieu of compensation, the department may choose to not apply the law in order to allow the present owner to carry out a use of the property permitted at the time the present owner acquired the property. The Commission, by rule, has directed that if the department determines a claim is valid, the Director of the department must provide only non-monetary relief unless and until funds are appropriated by the legislature to pay claims.

#### **Findings of Fact**

Based on the findings and conclusions set forth in this report, laws enforced by the Commission or the department restrict the claimants' desired use of the subject property. The claim asserts that existing state land use regulations enforced by the Commission or the department have the effect of reducing the fair market value of the subject property by \$5 million. However, because the claim does not provide an appraisal or other relevant evidence demonstrating that the land use regulations described in Section V.(2) reduce the fair market value of the subject property, a specific amount of compensation cannot be determined. In order to determine a specific amount of compensation due for this claim, it would also be necessary to verify whether or the extent to which the claimants' desired use of the subject property was allowed under the standards in effect when Richard Knudson acquired the property. Nevertheless, based on the record for this

claim, the department has determined that the laws on which the claim is based have reduced the fair market value of the subject property to some extent.

No funds have been appropriated at this time for the payment of claims. In lieu of payment of compensation, ORS 197.352 authorizes the department to modify, remove or not apply all or parts of certain land use regulations to allow the claimants to use the subject property for a use permitted at the time Richard Knudson acquired tax lots 600 and 700 on December 10, 1962, and tax lot 400 on April 23, 1969, and at the time Barbara Knudson acquired the subject property on January 18, 1993.

At the time Barbara Knudson acquired the subject property, it was subject to Clackamas County's acknowledged comprehensive plan and EFU zone.<sup>8</sup> At that time, the claimants' desired use of the property would have been subject to compliance with Goal 3, and OAR 660, division 5, as implemented through the county's acknowledged EFU zone, and the applicable provisions of ORS 215 then in effect.<sup>9</sup> In January 1993, ORS 215.263 (1991 edition) required that divisions of land in EFU zones be "appropriate for the continuation of the existing commercial agricultural enterprise within the area" or not smaller than the minimum size in the county's acknowledged plan. ORS 215.283(1)(f) (1991 edition) generally allowed farm dwellings "customarily provided in conjunction with farm use." Non-farm dwellings were allowed under ORS 215.283(3) if they were determined to be compatible with farm use, not interfere seriously with accepted farm practices, not materially alter the stability of the land use pattern in the area and be situated on generally unsuitable land for the production of farm crops and livestock. OAR 660, division 5, interpreted the standards for farm and non-farm dwellings under ORS 215.283.

The claim does not establish whether or to what extent the claimants' desired division and development of the subject property were allowed under the standards in effect when Barbara Knudson acquired the property on January 18, 1993.

In addition to the applicable provisions of Goals 3 and 14, ORS 215 and OAR 660, division 5, in effect when Barbara Knudson acquired the property on January 18, 1993, and other laws in effect when either of the claimants acquired the subject property, there may be other laws that apply to the claimants' use of the property that have not been identified in the claim. In some cases, it will not be possible to know which laws apply to a use of the subject property until there is a specific proposal for that use. When the claimants seek a building or development permit to carry out a specific use, it may become evident that other state laws apply to that use, and depending on when they were enacted or adopted, may continue to apply to the claimants' property. In addition, some of these laws may be exempt under ORS 197.352(3)(A) to (D) and will continue to apply to the subject property on that basis.

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<sup>8</sup> Clackamas County's EFU zone was acknowledged by the Commission for compliance with Goal 3 on December 31, 1981.

<sup>9</sup> After the county's comprehensive plan and land use regulations were acknowledged by the Commission as complying with the statewide planning goals, the goals and implementing rules no longer applied directly to individual local land use decisions. *Byrd v. Stringer*, 295 Or 311 (1983). However, statutory requirements continue to apply, and insofar as the state and local provisions are materially the same, the local provisions must be interpreted consistent with the substance of the goals and implementing rules. *Forster v. Polk County*, 115 Or App 475 (1992) and *Kenagy v. Benton County*, 115 Or App 131 (1992).

This report addresses only those state laws that are identified in the claim, or that the department is certain apply to the subject property based on the uses that the claimants have identified. Similarly, this report only addresses the exemptions provided for under ORS 197.352(3) that are clearly applicable given the information provided to the department in the claim. The claimants should be aware that the less information they have provided to the department in their claim, the greater the possibility that there may be additional laws that will later be determined to continue to apply to their use of the subject property.

### **Conclusions**

Based on the record, the department recommends that the claim be approved, subject to the following terms:

1. In lieu of compensation under ORS 197.352, the State of Oregon will not apply the following laws to Richard and Barbara Knudson's division of one 1-acre developed parcel from the 77.39-acre subject property or to their development of a dwelling and park the remaining 76.39-acre parcel: applicable provisions of Goals 3 and 14, ORS 215 and OAR 660, division 33, enacted or adopted after each claimant acquired the subject property. These land use regulations will not apply to the claimants only to the extent necessary to allow them to use the subject property for the use described in this report, and only to the extent that use was permitted when Richard Knudson acquired tax lots 600 and 700 on December 10, 1962, and tax lot 400 on April 23, 1969, and Barbara Knudson acquired the subject property on January 18, 1993. The department acknowledges that the relief to which Barbara Knudson is entitled under ORS 197.352 may not allow her to use the subject property in the manner set forth in the claim.
2. The action by the State of Oregon provides the state's authorization to the claimants to use the subject property for the use described in this report, subject to the standards in effect when Richard Knudson acquired tax lots 600 and 700 on December 10, 1962, and tax lot 400 on April 23, 1969, and when Barbara Knudson acquired the property on January 18, 1993. On January 18, 1993, the property was subject to the applicable provisions of Goals 3 and 14, ORS 215 and OAR 660, division 5, then in effect.
3. To the extent that any law, order, deed, agreement or other legally enforceable public or private requirement provides that the subject property may not be used without a permit, license or other form of authorization or consent, the order will not authorize the use of the property unless the claimants first obtain that permit, license or other form of authorization or consent. Such requirements may include, but are not limited to: a building permit, a land use decision, a "permit" as defined in ORS 215.402 or 227.160, other permits or authorizations from local, state or federal agencies and restrictions on the use of the subject property imposed by private parties.
4. Any use of the subject property by the claimants under the terms of the order will remain subject to the following laws: (a) those laws not specified in (1) above; (b) any laws enacted or enforced by a public entity other than the Commission or the department; and (c) those laws not subject to ORS 197.352 including, without limitation, those laws exempted under ORS 197.352(3).
5. Without limiting the generality of the foregoing terms and conditions, in order for the claimants to use the subject property, it may be necessary for them to obtain a decision under

ORS 197.352 from a city and/or county and/or metropolitan service district that enforces land use regulations applicable to the property. Nothing in this order relieves the claimants from the necessity of obtaining a decision under ORS 197.352 from a local public entity that has jurisdiction to enforce a land use regulation applicable to a use of the subject property by the claimants.

6. Nothing in this report or the state's final order for this claim constitutes any determination of ownership by the State of Oregon as to submerged or submersible lands, or as to public rights to the use of waters of the state.

## **VII. COMMENTS ON THE DRAFT STAFF REPORT**

The department issued its draft staff report on this claim on June 25, 2007. OAR 125-145 0100(3), provided an opportunity for the claimants or the claimants' authorized agent and any third parties who submitted comments under OAR 125-145-0080 to submit written comments, evidence and information in response to the draft staff report and recommendation.