



# Oregon

Theodore R. Kulongoski, Governor

## Department of Land Conservation and Development

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April 9, 2007

To: Interested Persons

From: Lane Shetterly, Director



*Re: Ballot Measure 37 (ORS 197.352) Claim Number M130300*

*Claimants: Charles A. Oeleis, Sr. and Etta M. Oeleis*

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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,  
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. M130300  
(BALLOT MEASURE 37) OF )  
Charles A. Oeleis Sr. and Etta M. Oeleis, CLAIMANTS )

Claimants: Charles A. Oeleis Sr. and Etta M. Oeleis (the Claimants)

Property: Township 27S, Range 5W, Section 36, Tax lot 1500, Douglas 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 Charles and Etta Oeleis' division of 20.51 acres of the 20.73-acre subject property into approximately two 2.5-acre parcels, one 10-acre parcel and one 5.7-acre developed parcel, and to their development of a dwelling on each resulting undeveloped parcel: applicable provisions of Goals 3 and 4, ORS 215 and OAR 660, divisions 6, and 33, enacted or adopted after May 31, 1977. These land use regulations will not apply to the claimants only to the extent necessary to allow them to use the 20.51-acre portion of the subject property for the use described in this report, and only to the extent that use was permitted when they acquired it on May 31, 1977.
2. The action by the State of Oregon provides the state's authorization to the claimants to use 20.51 acres of the subject property for the use described in this report, subject to the standards in effect on May 31, 1977. On that date, the property was subject to applicable provisions of Goal 3 or 4 and ORS 215 then in effect.

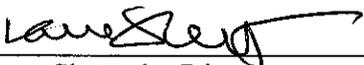
3. To the extent that any law, order, deed, agreement or other legally enforceable public or private requirement provides that the subject property may not be used without a permit, license or other form of authorization or consent, the order will not authorize the use of 20.51 acres of the subject property 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 20.51 acres 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).

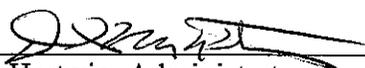
5. Without limiting the generality of the foregoing terms and conditions, in order for the claimants to use 20.51 acres of the subject property, it may be necessary for them to obtain a decision under ORS 197.352 from a city and/or county and/or metropolitan service district that enforces land use regulations 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.

This Order is entered by the 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 Administrator for the State Services Division 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:

  
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Lane Shetterly, Director  
DLCD  
Dated this 9<sup>th</sup> day of April, 2007.

FOR the DEPARTMENT OF  
ADMINISTRATIVE SERVICES:

  
\_\_\_\_\_  
David Hartwig, Administrator  
DAS, State Services Division  
Dated this 9<sup>th</sup> day of April, 2007.

## **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**

April 9, 2007

**STATE CLAIM NUMBER:** M130300

**NAMES OF CLAIMANTS:** Charles A. Oeleis Sr.  
Etta M. Oeleis

**MAILING ADDRESS:** 508 Cattle Drive  
Roseburg, Oregon 97470

**PROPERTY IDENTIFICATION:** Township 27S, Range 5W, Section 36  
Tax lot 1500  
Douglas County

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

**180-DAY DEADLINE:** April 14, 2007

**I. SUMMARY OF CLAIM**

The claimants, Charles and Etta Oeleis, seek compensation in the amount of \$487,375 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 the 20.73-acre subject property into approximately two 2.5-acre parcels, one 10-acre parcel and one 5.7-acre developed parcel, and to develop a dwelling on each resulting undeveloped parcel. The subject property is located at 508 Cattle Drive, near Roseburg, in Douglas County. (See 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 in part. 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 Charles and Etta Oeleis' division of 20.51 acres of the 20.73-acre subject property into approximately two 2.5-acre parcels, one 10-acre parcel and one 5.7-acre developed parcel, and to their development of a dwelling on each resulting undeveloped parcel: applicable provisions of Statewide Planning Goals 3 (Agricultural Lands) and 4 (Forest Lands), ORS 215 and Oregon Administrative Rules (OAR) 660, divisions 6, and 33, enacted or adopted after May 31, 1977. These laws will not apply to the claimants only to the extent necessary to allow them to use the 20.51-acre portion of the subject property for the use described in this report, and only to the extent that use was permitted when they acquired the property on May 31, 1977.

The department has further determined that the claim is not valid as to a 0.22-acre portion of the subject property because the claimants' desired use of that portion of the property was prohibited under the laws in effect when the claimants acquired it in 2002. (See the complete recommendation in Section VI. of this report.)

### **III. COMMENTS ON THE CLAIM**

#### **Comments Received**

On February 26, 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 October 16, 2006, for processing under OAR 125, division 145. The claim identifies Douglas County's Exclusive Farm Use-Grazing (FG) and Agriculture and Woodlot (AW) as the basis for the claim. 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**

The claimants, Charles and Etta Oeleis, acquired 20.51 acres of tax lot 1500 on May 31, 1977, as reflected by a warranty deed included with the claim, and 0.22 acre located in the northeastern portion of tax lot 1500 on July 11, 2002, as reflected by a warranty deed included with the claim. The Douglas County Assessor’s Office confirms the claimants’ current ownership of the subject property.

### **Conclusions**

The claimants, Charles and Etta Oeleis, are “owners” of the subject property as that term is defined by ORS 197.352(11)(C), as of May 31, 1977, for 20.51 acres of the subject property, and as of July 11, 2002, for the remaining 0.22 acre of the property

### **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 acquired the property.

### **Findings of Fact**

The claim indicates that the claimants desire to divide the 20.73-acre subject property into two 2.5-acre parcels, one 10-acre parcel and one 5.7-acre developed parcel, and to develop a dwelling on each resulting undeveloped parcel. It indicates that current land use regulations prohibit the desired use.

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, and those that require forest zoning and restrict uses on forest-zoned land. Approximately eight acres of the subject property is zoned FG (Exclusive Farm Use-Grazing), and approximately 12.73 acres is zoned AW (Agriculture and Woodlot) by Douglas County.

Approximately eight acres of the claimants’ property is zoned FG by Douglas County, as required by Goal 3, in accordance with ORS 215 and OAR 660, division 33, because that portion of the property is “agricultural land” as defined by Goal 3.<sup>1</sup> Goal 3 became effective on

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<sup>1</sup> Approximately eight acres of the claimants’ property is “agricultural land” because it contains Natural Resources Conservation Service Class I-IV soils.

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 proposed parcels 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. The Commission subsequently adopted amendments to comply with House Bill 3326 (Chapter 704, Oregon Laws 2001, effective on January 1, 2002), which were effective on May 22, 2002. (See administrative rule history for OAR 660-033-0100, -0130 and -0135.)

The remaining 12.73 acres of the claimants' property is zoned AW by Douglas County, as required by Goal 4, in accordance with ORS 215 and OAR 660, division 6, because that portion of the claimants' property is "forest land" under Goal 4. Goal 4 became effective on January 25, 1975, and requires that forest land be zoned for forest use (see statutory and rule history under OAR 660-015-0000(4)). The forest land administrative rules (OAR 660, division 6) became effective on September 1, 1982, and ORS 215.705 to 215.755 and 215.780 became effective on November 4, 1993 (Chapter 792, Oregon Laws 1993). OAR 660-006-0026 and 660-006-0027 were amended on March 1, 1994, to implement those statutes.

The claimants acquired 20.51 acres of the subject property after the adoption of the statewide planning goals, but before the Commission acknowledged Douglas County's land use regulations to be in compliance with the statewide planning goals pursuant to ORS 197.250 and 197.251.<sup>2</sup> At that time, the 20.51-acre portion of the subject property was zoned by Douglas County as Agriculture, Grazing and Timber District (AGT). However, because the Commission had not acknowledged the county's plan and land use regulations when the claimants acquired 20.51 acres of the subject property on May 31, 1977, the statewide planning goals, and Goals 3 and 4 in particular, applied directly to the property when they acquired it.<sup>3</sup>

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<sup>2</sup> Douglas County's comprehensive plan and land use regulations were acknowledged by the Commission for compliance with Goal 3 on December 24, 1985, and with Goal 4 on January 18, 1983.

<sup>3</sup> The statewide planning goals became effective on January 25, 1975, and were applicable to legislative land use decisions and some quasi-judicial land use decisions prior to the Commission's acknowledgment of each county's comprehensive plan and implementing regulations. *Perkins v. City of Rajneeshpuram*, 300 Or 1 (1985); *Alexanderson v. Polk County*, 289 Or 427, rev. den 290 Or 137 (1980); *Sunnyside Neighborhood Assn. v. Clackamas County*, 280 Or 3 (1977); *Jurgenson v. Union County*, 42 Or App 505 (1979); and *1000 Friends of Oregon v. Benton County*, 32 Or App 413 (1978). After the county's plan and land use regulations were acknowledged by the Commission, the statewide planning goals and implementing rules no longer applied directly to such local land use decisions. *Byrd v. Stringer*, 295 Or 311 (1983). However, statutory requirements continue to apply, and insofar as

As adopted on January 25, 1975, Goal 3 required that agricultural land be preserved and zoned for EFU pursuant to ORS 215. The Goal 3 standard for land divisions involving property where the local zoning was not acknowledged required that the resulting parcels must be of a size that is "appropriate for the continuation of the existing commercial agricultural enterprise within the area." Further, ORS 215.263 (1973 edition) only authorized the partition of land subject to EFU zoning, and required that all divisions of land subject to EFU zoning comply with the legislative intent set forth in ORS 215.243 (Agricultural Land Use Policy). Thus, the claimants' opportunity to divide the subject property when they acquired it in 1977 was limited to land divisions that were consistent with Goal 3, which required that the resulting parcels be (1) appropriate for the continuation of the existing commercial agricultural enterprise in the area and (2) shown to comply with the legislative intent set forth in ORS 215.

Under the Goal 3 standards in effect on May 31, 1977, farm dwellings were allowed if they were determined to be "customarily provided in conjunction with farm use" under ORS 215.213(1)(e) (1973 edition). Non-farm dwellings were subject to compliance with ORS 215.213(3) (1973 edition).

Goal 4 also went into effect on January 25, 1975, and was intended to "conserve forest lands for forest uses" and required, "Lands suitable for forest uses shall be inventoried and designated as forest lands. Existing forest land uses shall be protected unless proposed changes are in conformance with the comprehensive plan." Those forest uses were defined as follows: "(1) the production of trees and the processing of forest products; (2) open space, buffers from noise, and visual separation of conflicting uses; (3) watershed protection and wildlife and fisheries habitat; (4) soil protection from wind and water; (5) maintenance of clean air and water; (6) outdoor recreational activities and related support services and wilderness values compatible with these uses; and (7) grazing land for livestock." Specifically, Goal 4 only allowed land divisions that would protect commercial forest lands for commercial forest uses. Dwellings in forest zones could only be allowed if found to be "necessary and accessory" to one of the enumerated forest uses listed in Goal 4.<sup>4</sup>

No information has been presented in the claim to establish that the claimants' desired division of the subject property complies with the "commercial" standard under Goals 3 and 4 or the standards for farm or non-farm parcels under ORS 215.263 (1973 edition), nor is there any information to establish that the claimants' desired development satisfies the standards for farm or non-farm dwellings under ORS 215.213 (1973 edition).

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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).

<sup>4</sup> Goal 4 prohibited uses that were not enumerated by Goal 4 as permissible uses for forest lands as well as those that were not necessary and accessory to an enumerated forest use. *Lamb v. Lane County*, 7 Or LUBA 137 (1983). Dwellings in forest lands were required to be "necessary and accessory" to show that such dwellings complied with the Goal 4 requirement that local land use regulations must "conserve forest lands for forest uses." *1000 Friends v. LCDC (Curry County)*, 301 Or 447 (1986). A dwelling that may "enhance" forest uses is not "necessary and accessory" to a forest use to the extent required by Goal 4. *1000 Friends of Oregon v. LCDC (Lane County)*, 305 Or 384 (1988). For additional guidance, the Goal 4 provisions were interpreted under OAR 660, division 6, effective on September 1, 1982, in *1000 Friends of Oregon v. LCDC (Lane County)* and in *1000 Friends v. LCDC (Curry County)*.

## **Conclusions**

The current zoning requirements, minimum lot size and dwelling standards established by Goals 3 and 4, ORS 215 and OAR 660, divisions 6, and 33, were enacted or adopted after the claimants acquired the 20.51-acre portion of the subject property and do not allow the claimants' desired division or development of the subject property. However, the claim does not establish whether or the extent to which the claimants' desired use of the 20.51-acre portion of the subject property complies with the standards for land divisions and development under the requirements of Goals 3 and 4 and ORS 215 in effect when the claimants acquired it on May 31, 1977.

The requirements of Goals 3 and 4, ORS 215 and OAR 660, divisions 6 and 33, were all enacted or adopted before the claimants acquired the 0.22-acre portion of the subject property on July 11, 2002. These land use regulations do not allow the claimants' desired division and development of that portion of the subject property; however, laws enacted or adopted since the claimants acquired the 0.22-acre portion of the property in 2002 do not restrict the claimants' desired use of the property relative to when the claimants acquired it in 2002.

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 use 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 regulations (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 \$487,375 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 a realtor broker's assessment of the subject property's value, included with the claim.

## **Conclusions**

As explained in Section V.(1) of this report, the claimants are Charles and Etta Oeleis who acquired 20.51 acres of the subject property on May 31, 1977, and 0.22 acre of the subject property on July 11, 2002. No state laws enacted or adopted since the claimants acquired the 0.22-acre portion of the subject property restrict the use of that portion of the property relative to the uses allowed in 2002. Therefore, the fair market value of the subject property has not been reduced as a result of land use regulations enforced by the Commission or the department.

Under ORS 197.352, the claimants are due compensation for land use regulations that restrict the use of the subject 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 the claimants acquired the 20.51-acre portion of the 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 \$487,375.

Without an appraisal or other documentation and without verification of whether or the extent to which the claimants' desired use of the subject property was allowed under the standards in effect when they acquired the 20.51-acre portion of the property, it is not possible to substantiate the specific dollar amount by which the land use regulations have reduced the fair market value of the property. Nevertheless, based on the evidence in the record for this claim, the department determines that the fair market value of the 20.51-acre portion of the subject property has been reduced to some extent as a result of land use regulations enforced by the Commission or the department.

#### **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 4, ORS 215 and OAR 660, divisions 6 and 33, which Douglas County has implemented through its current FG and AW zoning. With the exception of provisions of Goals 3 and 4 and ORS 215 in effect when the claimants acquired the 20.51-acre portion of the subject property on May 31, 1977, these land use regulations were enacted or adopted after the claimants acquired that portion of the property. All of these regulations were in effect when the claimants acquired the 0.22-acre portion of the subject property on July 11, 2002.

#### **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 with the exception of provisions of Goals 3 and 4 and ORS 215 in effect in 1977, the statutory, goal and rule restrictions on division and development of the claimants' property were not in effect when the claimants acquired the 20.51-acre portion of the subject property, and therefore, these laws are not exempt under ORS 197.352(3)(E). All of the state land use regulations that restrict the claimants' desired use of the 0.22-acre portion of the subject property were in effect when the claimants acquired it. Therefore, these state land use regulations are exempt under ORS 197.352(3)(E). Provisions of Goals 3 and 4 and ORS 215 in effect when the claimants acquired the 20.51-acre portion of the subject property in 1977 are exempt under ORS 197.352(3)(E) and will continue to apply to the property.

Other laws in effect when the claimants acquired the subject property are also exempt under ORS 197.352(3)(E) and will continue to apply to the claimants' use of the property. In addition, the department notes that ORS 215.730 and OAR 660, division 6, including OAR 660-006-0029,

specify standards for siting dwellings in forest zones. These provisions include fire protection standards for dwellings and for surrounding forest lands. ORS 197.352(3)(B) specifically exempts regulations “restricting or prohibiting activities for the protection of public health and safety, such as fire and building codes. . . .” To the extent they are applicable to the claimants’ forest-zoned portion of the subject property, the siting standards for dwellings in forest zones in ORS 215.730 and OAR 660, division 6, are exempt under ORS 197.352(3)(B).

There may be other laws that continue to apply to the claimants’ use of the subject 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. In some cases, some of these laws may be exempt under ORS 197.352(3)(A) to (D).

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 use 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 the 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.

## **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 do not restrict the claimants’ desired use of the 0.22-acre portion of the subject property relative to what was permitted when the claimants acquired it in 2002 and do not reduce the fair market value of the property. All state laws restricting the use of the 0.22-acre portion of the subject property are exempt under ORS 197.352(3)(E). However, laws enforced by the Commission or the department restrict the claimants’ desired use of the 20.51-acre portion 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 \$487,375. 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 they acquired 20.51 acres of 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 Charles and Etta Oeleis to use the 20.51-acre portion of the subject property for a use permitted at the time they acquired it on May 31, 1977.

### **Conclusions**

Based on the record and the foregoing findings and conclusions, the claimants have not established that they are entitled to relief under ORS 197.352(1) for the 0.22-acre portion of the subject property as a result of land use regulations enforced by the Commission or the department because laws in effect when they acquired that portion of the property prohibit the claimants' desired use. Therefore, the department recommends that this claim be denied as to the 0.22-acre portion of the subject property. The department otherwise 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 Charles and Etta Oeleis' division of 20.51 acres of the 20.73-acre subject property into approximately two 2.5-acre parcels, one 10-acre parcel and one 5.7-acre developed parcel, and to their development of a dwelling on each resulting undeveloped parcel: applicable provisions of Goals 3 and 4, ORS 215 and OAR 660, divisions 6, and 33, enacted or adopted after May 31, 1977. These land use regulations will not apply to the claimants only to the extent necessary to allow them to use the 20.51-acre portion of the subject property for the use described in this report, and only to the extent that use was permitted when they acquired it on May 31, 1977.
2. The action by the State of Oregon provides the state's authorization to the claimants to use 20.51 acres of the subject property for the use described in this report, subject to the standards in effect on May 31, 1977. On that date, the property was subject to applicable provisions of Goal 3 or 4 and ORS 215 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 20.51 acres of the subject 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 20.51 acres 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 20.51 acres of 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.

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

The department issued its draft staff report on this claim on March 20, 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.