



# Oregon

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September 8, 2016

TO: Land Conservation and Development Commission

FROM: Jim Rue, Director  
Angela Lazarean, Mid-Willamette Valley Regional Representative

SUBJECT: **Agenda Item 7, September 22-23, 2016 LCDC Meeting**

## **Mid-Willamette Valley Regional Update and Regional Solutions Team Update**

### **I. AGENDA ITEM SUMMARY**

The Land Conversation and Development Commission (commission or LCDC) will receive a briefing by Department of Land Conservation and Development (DLCD or the department) staff and James LaBar, the Mid-Willamette Valley Regional Solutions team coordinator. The first briefing is intended to provide a medley of highlights from the region that are department-specific and an overview of our collaboration with the University of Oregon Green Cities class. Following that, Mr. LaBar will provide an overview of regionally significant projects that illustrate the region's priorities and focus in on the projects that have a land-use nexus.

The Regional Solutions Centers (RSCs) are places for state agencies to collaborate with local governments, and with other public, private, and civic interests to solve problems and seize opportunities. Regional Solutions Advisory Committees, made up of Oregonians appointed by the Governor from business, civic organizations, government, foundations, and higher education, identify priorities to guide the work. RSCs are staffed by Regional Solutions Teams (RSTs) composed of a representative from state agencies.

This item is an information briefing and discussion opportunity. No commission action is requested.

For further information about this report, please contact Angela Lazarean, at 503-935-0034 or [angela.lazarean@state.or.us](mailto:angela.lazarean@state.or.us).

## II. MID-VALLEY REGIONAL UPDATE

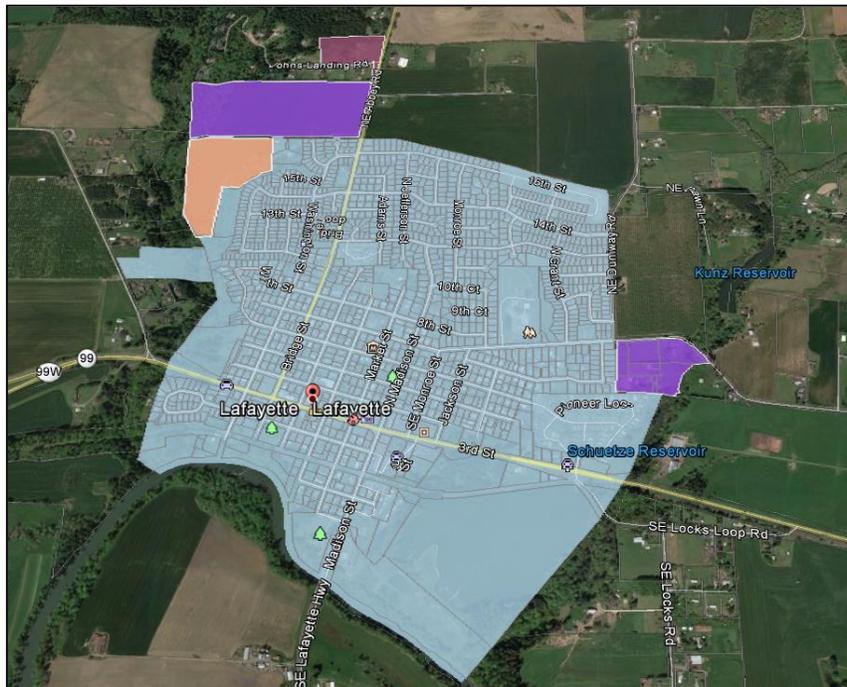
### A. Lafayette UGB Expansion

The city of Lafayette amended its urban growth boundary (UGB) on May 14, 2015 to add land for residential use to meet its 20-year housing need. The city’s analysis included information to provide a factual base for a 79-acre residential expansion. The city’s proposal utilized the “safe harbor” provisions in OAR chapter 660, division 24. This is the first time a city has used these safe harbors for a residential expansion.

However, the city’s final adoption was revised through the city’s hearing process, reducing the size from the originally proposed 79 acres to 51.29 acres, creating a 93-unit housing deficit. The department determined that the actions of the city to amend its UGB did not comply with the applicable statewide planning goals and implementing administrative rules. Therefore the department remanded the decision to the city to either add land or increase density in the existing UGB to meet its 20-year need.

On remand, the city reconsidered its options and voted on a mix of changes to meet the deficit and fulfill their obligations in providing for a 20-year population need. The city made the following changes:

- Added three exception parcels (10 acres) as low density residential (shown in red on the map);
- Increased allowed residential density on 20 acres inside UGB (shown in orange); and
- Changed the right-of-way assumptions from 20 percent to 15 percent for the 40 acres added to UGB to yield a few more units (shown in purple).



The changes will accommodate 100 new housing units, satisfying the city's 93-unit deficit. The city and county have approved the changes and submitted them to the department. The department received one objection to the submittal and the decision is under review.

## **B. Technical Assistance Grants**

### **1. Donald and Gervais**

In the last biennium the department helped several cities update their housing needs analyses and buildable land inventories with technical assistance grants. These grants provide cities funding to plan for their housing needs and make sure there is appropriately zoned land for development. Donald and Gervais received these grants during the 2013-2015 biennium.

Donald and Gervais both had their plans updated by a [Resource Assistance for Rural Environments \(RARE\) program](#) participant that was supervised by the Mid-Valley Council of Governments. Use of a RARE staffer, dedicated to assisting the planners with data analysis and outreach, provided a regional partnership and cost savings to both jurisdictions and the program overall. The cost of that grant was \$50,000.

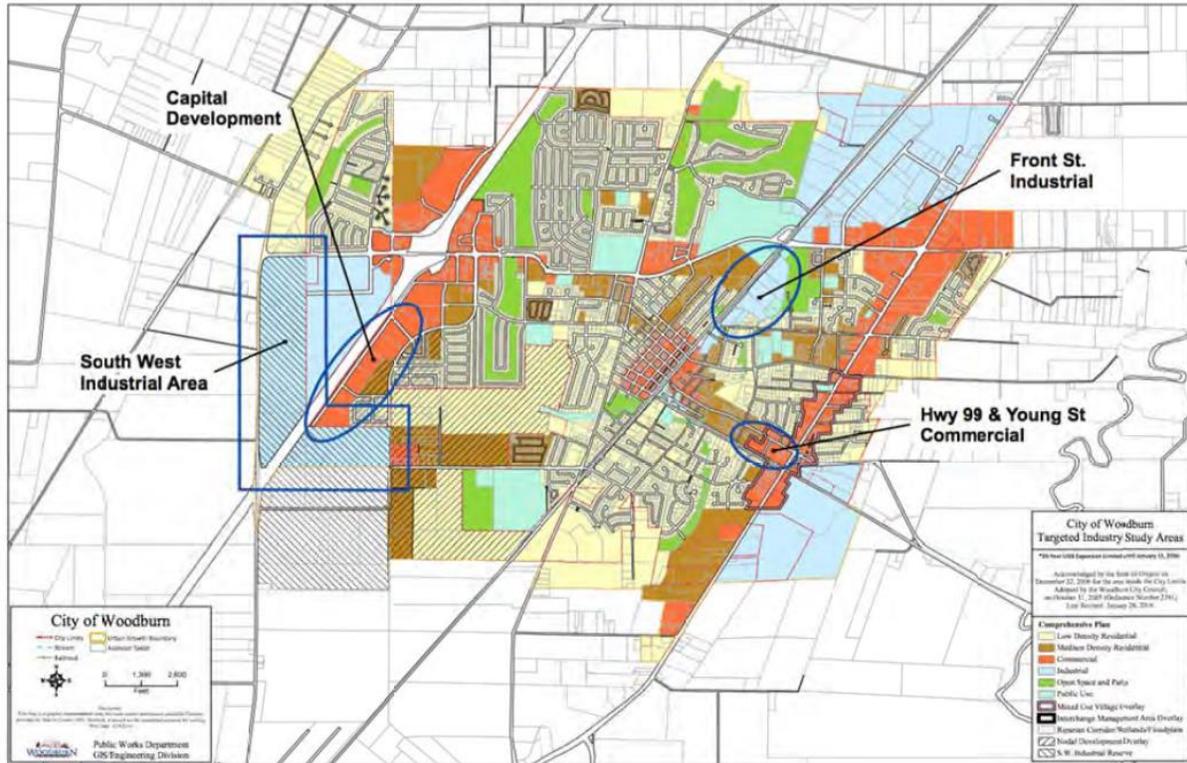
The city of Donald had not updated its housing needs analysis since acknowledgement, and the report found the city has a deficit of 76 acres of residential land. The city of Gervais General Plan was last amended in May 2006. The 2006 update did include updates to the employment and housing elements of the General Plan and resulted in a modest expansion of the city's UGB. With recent population growth, the report found that the city has almost built out its residential land (with about 22 acres remaining) and has a need of 74 acres to meet demand in the next 20 years.

### **2. Woodburn and Newberg**

The department participated in two UGB mediation processes in the past year, with the cities of Woodburn and Newberg. While Woodburn was successful and Newberg was not, both cities are moving in the right direction in addressing their land needs for housing and economic development. Newberg received \$30,000 this biennium to complete and update of its buildable lands inventory before they begin a simplified UGB process in June of 2017, when population forecasts become available from PSU for the Willamette Valley region.

The department also gave a grant of \$5,000 to the city of Woodburn in partnership with other agencies/organizations for a Targeted Industry Analysis (TIA) for the land added to the UGB earlier this year. Woodburn last conducted an economic opportunities analysis in 2001. The purpose of the new report was to provide the city with a current independent analysis of Woodburn's economy to identify the city's economic opportunities and the best use of the industrial land added to the UGB. The analysis also considered target industries for three other sites; Stacy Allison Way, Commerce Way/Front Street, and Young Street/Highway 99. Before making investments in or developing new or changing existing policies to regulate uses in these development areas, the city wants to understand the characteristics of businesses that may reasonably be expected to locate on the sites, such as wages, job density, and other impacts..

The analysis will help inform Woodburn decision-makers as they consider the city’s potential role in development of these areas. We understand this area of Woodburn to be the most sought-after industrial land in the state today. The TIA identified a broad array of targeted industries for the city to consider as they look at an economic development strategy for the area.



Source: City of Woodburn

### C. UO Green Cities Charrettes

DLCD has collaborated with the Green Cities class in hosting community design workshops in cities in the Mid-Willamette Valley since 2013. The design workshops, or “charrettes,” are intended to give city residents a chance to work closely with community leaders to identify and prioritize specific spatial planning and urban design issues and solutions. The outcome of this community visioning process a suite of products for the community’s use including videos, plans, maps, presentation documents, and reports.

Communities that receive planning assistance grants from DLCD cover expenses for the Green Cities event with those funds. DLCD staff provided assistance to these and other cities for organizing and coordinating the event. Incurred costs are for food, materials, and final report preparation and presentation delivered by Ric Stephens, the university professor.

The most recent charrette took place in Gervais, where the focus was on public engagement with the Latino community, placement and design of a community center, downtown development and design, pedestrian environment and multi-modal transportation options, and sustainable

development with urban resiliency. Student recommendations ranged from events and festivals to promoting a sense of place through wayfinding and public art. Other suggestions were to provide public spaces for food trucks, community gardens, and family gatherings. Below are a few photo simulations created by the students showcasing their ideas in Gervais.



So far, more than 250 University of Oregon students and five cities have benefited from this program that provides specific implementation actions for cities to become more sustainable, resilient, and regenerative. It is one of the few opportunities for students and citizens to engage in collaborative design that results in specific implementation actions.

The University Of Oregon Office of Sustainability awarded its 2016 Town & Gown Sustainability Award to the Green Cities course for student research, site visits, interviews, guest speakers, and design charrettes for the cities of Aumsville, Cascade Locks, Donald, Independence, Mt. Angel, and Gervais. Department staff, Angela Lazarean and Tom Hogue were named as recipients along with the instructor, Ric Stephens, and others.



**III. REGIONAL SOLUTIONS TEAM UPDATE**

The Mid-Willamette Valley Regional Solutions Advisory Committee is composed of:

Senator Jackie Winters, Senate District 10	Convener
Jody Christensen, McMinnville Economic Dev. Partnership	Business Representative
Mayor John McArdle, city of Independence	LOC Representative
Commissioner Craig Pope, Polk County	AOC Representative
Chad Freeman, SEDCOR	Committee Appointment
Commissioner Stan Primozich, Yamhill County	Committee Appointment
Commissioner Kevin Cameron, Marion County	Committee Appointment
Julie Huckestein, Chemeketa Community College	Committee Appointment
Steve Powers, city of Salem	Committee Appointment
Mayor Kathryn Figley, city of Woodburn	Committee Appointment

The state agency members of the Regional Solutions Team include:

James LaBar	Governor’s Coordinator
Mitchell Gee	Business Oregon, Business Development Officer
Michelle Bilberry	Business Oregon, Infrastructure Finance Authority
Mary Camarata	Department of Environmental Quality
Angela Lazarean	Department of Land Conservation & Development
Jae Pudewell	Department of Transportation
Lori Warner-Dickenson	Department of State Lands
Dennis Lucas	Parks & Recreation Department
Doug Cottam	Department of Fish & Wildlife
Terry Fasel	Department of Agriculture
Renata Wakeley	Mid-Willamette Valley Council of Governments

Following sections highlight several regional projects.

**Priority: Engage in local government infrastructure assessments**

- **Project: Carlton Downtown Water System.** The city of Carlton has major infrastructure issues with inadequate water supply, transmission, and distribution systems to support downtown industry and business. The city’s reservoirs have lost significant capacity due to slides and need repair, the transmission line is inadequate, and the distribution lines are undersized and terminate in areas resulting in improper system looping. These deficiencies result in future water supply uncertainty and insufficient fire flows, which in turn stymies economic development efforts. The commission toured Carlton’s downtown in 2012 and some of the issues were raised at that time.



To alleviate these water system deficiencies, Carlton is analyzing its raw water storage capacity, planning to rehabilitate its reservoir, and is working with McMinnville Water and Light to replace an existing inter-tie system for additional resiliency purposes. The city has completed its Meadowlake Transmission Line project, which replaced and upsized the infrastructure. In 2014, Regional Solutions invested \$500,000 in Carlton to improve the downtown distribution system and construction is now complete. The Mid-Willamette Valley Council of Governments (MWVCOG) provided administrative and wage monitoring assistance to the city for the project. The distribution system investments are connected to the supply and transmission improvements, and the system has been tested for fire hydrant flows, which immediately generated multiple inquiries from developers about the tests. This is a positive sign that the investment will open up additional development opportunities downtown and on the north side of town by connecting large vacant commercial properties to the enhanced water systems.

- **Project: North Santiam Canyon Communities Economic Development.** The North Santiam Canyon (NSC) includes the small cities of Lyons/Mehama, Mill City, Gates, Detroit, and Idanha. Over the last 25 years, the NSC has experienced severe economic distress fueled by a sharp decline in economic activity. Reduction of employment in the timber industry has had a profound impact on the ability of local governments in the canyon to provide essential services to their citizens. In 2014, Marion County and the MWVCOG updated a previous economic opportunity study and have completed a series of workshops with NSC communities to help them conceptualize and plan as a region. Regional Solutions has been working with the county and MWVCOG to maximize available resources for the NSC communities. Three recent results of this collaboration are:



- Business Oregon and Marion County have hired consultants to inventory commercial and industrial lands and to evaluate wastewater options for the NSC. The consultants are in the process of contacting communities and professionals about lands as well as possible solutions for providing wastewater services to the area and are expected to complete their reports in November.
- Marion County, through Business Oregon’s intergovernmental agreement with the Oregon Health Authority, is currently working through the scope of a community health assessment for the NSC.
  - Marion County, the U.S. Army Corps of Engineers (COE), Oregon’s federal delegation, the Oregon Department of State Lands (DSL), Detroit Lake Marine, and Regional Solutions are collaborating to work through a joint DSL-COE permit application for removal-fill applications to dredge around the marinas enabling them to operate with additional resiliency.

**Priority: Expand agri-tourism opportunities which highlight local produce, viticulture/winery operations, and visitor hospitality amenities**

- **Project: Independence Landing.** Over the last 15 years, downtown Independence has experienced a revitalization spurred on by a series of ventures, including municipal investments in a new streetscape for Main Street, a city park and amphitheater, a new civic center, and private investments in downtown buildings and businesses. Adjacent to downtown is Independence Landing, an 18-acre, industrially zoned property. In early 2015, the city purchased the property and is actively working to bring the concept plan of housing and mixed-use development, including a hotel component, to fruition. The commission toured the site during its May 2014 meeting.

The initial concept plan and the vision for Independence Landing was developed with Transportation and Growth Management (TGM) Quick Response assistance. In August 2015, city contractors began the process of clearing and grading the site to make it development-ready. While Independence was preparing the site, asbestos was found on the property. The Business Oregon Brownfield Program promptly awarded a grant for its entire cleanup. In March 2016, Regional Solutions convened an outreach meeting that included approximately 30 participants representing a variety of perspectives, including Travel Oregon, the Oregon Department of Environmental Quality (DEQ), the Oregon Department of Fish and Wildlife, and the Oregon Parks and Recreation Department. Regional Solutions codified the robust conversation and identified possible opportunities and solutions for the city and its partners to explore as they work the site.



Independence recently completed engineering estimates totaling \$3.5 million for public infrastructure. The city is working with IFA to obtain funding from the Special Public Works Fund for the public infrastructure. The city completed subdivision work and an urban renewal plan update and is entertaining a comprehensive plan amendment in late September. Independence is also in the process of negotiating an agreement with Gresham-based Tokola Properties for an 11-acre development terrace on the site. Independence hopes to have agreement with Tokola later this year and work to begin in spring 2017.

- **Project: WestRock Facility.** This paper mill in Newberg has closed, and the city of Newberg is working with Regional Solutions to best understand the asset and to begin the planning efforts for its reinvestment. The Regional Solutions Team assembled a comprehensive, responsive inventory of “assets” associated with the WestRock



facility so the city could better understand the property and begin to strategize on its economic development potential. The inventory included information from DEQ, the Oregon Water Resources Department, the Oregon Department of Transportation, and Department of State Lands. Newberg recently used this asset information to earn a 2016 TGM grant to update its Riverfront Master Plan, which is primarily composed of low-density residential uses, rural residential uses, undeveloped open space areas, Rogers Landing Boat Ramp and park, and the former WestRock mill site.

**Priority: Increase business capital for existing and emerging businesses**

- **Project: Marion-Polk Food Share (MPFS) Quinoa Development.** The goals of this project are to provide a nutritious and low-cost protein source for the emergency food system, engage incarcerated youth in a vocational education program, and expand agricultural economic development through increased cultivation of quinoa. A contract defining MPFS's partnership with the Oregon Youth Authority has been signed and representatives from the Department of Justice have provided significant guidance, oversight, and input. Regional Solutions invested \$205,000 in the project and MPFS has installed a cold storage unit, acquired a farm-field truck and trailer, and is planning additional structural improvements to facilitate the processing of quinoa. The MPFS also is in its third year of a five-year commitment for its agricultural work with quinoa. They are working with NORPAC to see if quinoa can be grown for seed with a better return on investment. NORPAC is currently running seed through germination testing and it looks promising.



**Priority: Explore passenger and freight rail opportunities**

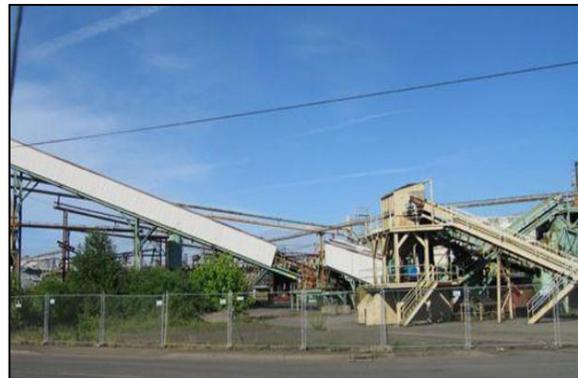
- **Project: Mid-Willamette Valley Intermodal Facility Feasibility Study.** Shippers, legislators, and other stakeholders have expressed interest in exploring establishment of a new intermodal yard in the Willamette Valley to reduce transportation costs and truck congestion. Initial analysis of this concept was undertaken as part of the Governor’s International Trade and Logistics Initiative. The 2016 Legislature allocated \$100,000 to



Business Oregon to conduct a feasibility study for a new intermodal terminal in the mid-Willamette Valley. The Mid-Valley and South Valley/Mid-Coast Regional Solutions efforts are working with Business Oregon, the Department of Transportation, and the Department of Agriculture to launch the study with ECONorthwest. The study will be completed in two phases, with the first phase focusing on data resources tracking gross

commodity flows, by commodity type, volume, value and containerization potential that could exploit a transloading facility. The second phase will render alternative transloading facility utilization scenarios using the gross commodity flow data.

- **Project: Rail Revitalization at Dallas Weyerhaeuser Mill Site.** This project is designed to upgrade an existing short-line railroad track that serves Dallas from a mill site east to Highway 99W. The improvements include railroad tie and switchgear enhancements to allow for 10 mph speeds on the track and improved access to the mill site. The city of Dallas has a large amount of prime industrial property that could be served by this rail line. In 2014, Regional Solutions invested \$300,000 in the project. The commission viewed the site during its May 2014 meeting.



Improvement of the rail line is intended to spur redevelopment of the Dallas mill site, which has a large job-creating potential. Many of the industrial sites and buildings have the capacity for large-scale manufacturing facilities, which can translate into jobs for the region. In addition, it has the potential to serve agricultural producers by enabling them to transport bulk items more readily. This project has had a few challenges, especially with private business partners reconsidering their involvement. Dallas is working diligently to reframe the project. The Mid-Willamette Valley Intermodal Facility Feasibility Study will be informative to Dallas’s reframing efforts due to the study detailing site criteria and facility operations for a viable intermodal transload facility in the region.

**Priority: Promote regional workforce development opportunities**

- **Project: Mountain West Career Technical Institute (MWCTI) Career Technical Education Center.** This new, state-of-the-art, 150,000 square-foot Career Technical Education Center (CTEC) in Northeast Salem will serve the Salem-Keizer School District, provide regional workforce development opportunities, and contribute to agri-business innovation in the mid-valley region. As an innovative public-private partnership between MWCTI and the Salem-Keizer School District, CTEC is focused on helping area students develop academic proficiency, technical skills, and industry certifications, as well as the professional skills needed to assure success in careers and/or college. When fully built out, CTEC will house 10 programs, serving approximately 1,000 students, as well as a Professional Development Center. As of September 2015, CTEC opened its first two programs – Residential Construction and Commercial Manufacturing – serving over 160 11th and 12th grade students. In 2015, Regional Solutions invested \$900,000 into CTEC to help finish building renovations and set up additional programs, including Agricultural and Food Systems. In April, the City of Salem decided to allocate \$1million of Urban Renewal dollars to CTEC. MWCTI is currently applying for New Market Tax Credits for additional funding, and CTEC is opening two additional programs this fall that focuses on Cosmetology and 3D Technical Design. Regional Solutions is now working with additional colleagues from the Department of Education and Department of Agriculture as they interact with CTEC’s advisory committees.



**Priority: Enhance programs that encourage business retention and expansion**

- **Project: Newberg Crestview Drive Enhancements.** The Newberg-Dundee Bypass will change the traffic patterns in Newberg in late 2017. The Crestview Drive project encompasses three segments of a major collector roadway, and it will function as a relief valve for the new congestion on the city’s local grid system. The improved road would provide an alternative route for more than 1,000 local workers and, more importantly, a major employer’s freight movement. The improved road also will improve access to more than 80 acres of commercial, retail, and industrial development. Finally, the project will provide increased access to north Newberg and vineyards and wineries north of town.



In 2015, Regional Solutions invested \$740,000 in the Crestview Drive project to help with construction of Segment 1 as early as FY 2016-2017 and design work beginning for Segments 2 and 3 in 2017-2018. Regional Solutions convened a meeting with the COE, DEQ, and DSL with the project's principle partners: city of Newberg, Gramor Development, and Springbrook Properties. As a result of the meeting, all parties received additional information about the project and permitting processes for the wetlands removal-fill permits, and the principle partners of the project are continuing to meet to work through the processes and permits.