



Oregon

Kate Brown, Governor

Public Wi-Fi logon: LandsDSL

Department of State Lands

775 Summer Street NE, Suite 100

Salem, OR 97301-1279

(503) 986-5200

FAX (503) 378-4844

www.oregon.gov/dsl

State Land Board

STATE LAND BOARD

October 22, 2019

10:00 am – 12:00 pm

Oregon Department of State Lands

Land Board Room

775 Summer St NE

Salem, Oregon

Kate Brown

Governor

Bev Clarno

Secretary of State

Tobias Read

State Treasurer

AGENDA

Consent Items

1. Request for approval of the minutes from the August 13, 2019, State Land Board Meeting.
2. Request for approval to initiate due diligence for the partition and exchange of 57.30 acres managed by the South Slough National Estuarine Research Reserve with lands owned by Coos County Forest Department and possible conservation easement along Winchester Creek in the South Slough Watershed.
3. Request for a perpetual easement to maintain the bridge and pedestrian walkway crossing the Sandy River in Multnomah County.

Action Items

4. Appointment of four voting members to the Oregon Ocean Science Trust (OOST).
5. Request for approval to update and finalize due diligence documents and to sell the remaining portions of the South Redmond Tract in Deschutes County.
6. Approval to initiate permanent rulemaking to impose restrictions on the public's recreational use of the state-owned banks of the Columbia River from river mile 102 to 106 and river mile 120 to 121; and the Oregon Slough from river mile 0 to 2.5.

Continued on next page

Informational Items

7. Rulemaking Update
8. Aquatic Resource Management (ARM) Annual Report
9. ARM Sustainability Report
10. Other

Livestream available at: <https://www.youtube.com/channel/UCQA7FHTWwl-gjJkQeYPJ1IA>

This meeting will be held in a facility that is accessible for persons with disabilities. If you need assistance to participate in this meeting due to a disability, please notify Arin Smith at (503) 986-5224 or arin.n.smith@state.or.us at least two working days prior to the meeting.

Visitors are NOT permitted to bring backpacks, bags, or large purses into the DSL building prior to, during, or immediately following Land Board meetings.

Purses, medical bags, and diaper bags are permitted, but may be subject to inspection by OSP.

Public Testimony - The State Land Board places great value on information received from the public. The Board accepts both oral and written comments on ***consent and action agenda items only***.

When providing testimony, please:

- Provide written summaries of lengthy, detailed information
- Recognize that substance, not length, determines the value of testimony or written information
- Endorse rather than repeat the testimony of others

Written comments may be submitted before or during the meeting for consideration by the Board. To speak at the meeting, you must sign in on the sheet provided at the information table located near the meeting room's entrance. The standard time limit is three minutes for each individual. The Board cannot accept testimony on a topic for which a public hearing has been held and the comment period has closed.



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The State Land Board (Land Board or Board) met in regular session on August 13, 2019, by conference call. The Land Board Room at the Department of State Lands (DSL or Department), 775 Summer Street NE, Salem, Oregon, was open to the public to attend.

State Land Board

Kate Brown
Governor

Bev Clarno
Secretary of State

Tobias Read
State Treasurer

Present were:

Kate Brown

Governor

Bev Clarno

Secretary of State

Tobias Read

State Treasurer

Land Board Assistants

Jason Miner

Governor's Office

Richard Vial

Secretary of State's Office

Ryan Mann

State Treasurer's Office

Department Staff

Vicki Walker

Bill Ryan

Jean Straight

Mary French

Ken Armstrong

Arin Smith

Anne Friend

Lee Hullinger

Eric Metz

Meliah Masiba

Department of Justice

Matt DeVore

Governor Brown called the meeting to order at 10:03 a.m. The topics discussed and the results of those discussions are listed below. To view the Land Board (Board) meeting in its entirety, please visit our YouTube page: <https://www.youtube.com/watch?v=zHEqDswf-o0>

Consent Items

10:03 a.m.

1. **Minutes**

Treasurer Read made a motion to approve the minutes for the June 11, 2019, Land Board meeting.

Secretary Clarno seconded that motion.

The item was approved at 10:04 a.m.

Action Items

2. **Request for initial approval of due diligence studies for a potential sale of subsurface mineral rights in Tillamook County.**

10:04 a.m.

The Department recommends that the State Land Board authorize the initial due diligence for the potential sale of subsurface mineral rights in Tillamook County on 34.06 acres located at Township 2 South, Range 10 West, Section 1, Tax Lots 1000, 1100 & 1200.

Secretary Clarno made a motion to approve agenda item 2.
Treasurer Read seconded that motion.
The action item was approved at 10:08 a.m.

3. Request for final approval to sell the surface and subsurface mineral rights of the south portion of the S. Tongue Point property in Astoria.

10:08 a.m.

The Department recommends the State Land Board adopt a finding that the sale of sub-surface minerals best benefits the people of the State and authorize the direct sale of the surface and sub-surface mineral rights of the south portion of the South Tongue Point property, an 82.76-acres parcel located south of Liberty Lane at Township 8 North, Range 9 West, Sections 12 & 13, Tax Lot 106 in Clatsop County to the Columbia Land Trust for the benefit of Clatsop Community College for \$1,273,000.

Secretary Clarno made a motion to approve agenda item 3.
Treasurer Read seconded that motion.
The action item was approved at 10:22 a.m.

4. Appointment of the Director.

10:23 a.m.

Governor Brown thanked Director Walker for her patience while her appointment was being discussed. She also stated that she is very pleased with the direction of the Department and pleased with the information and level of detail that the Department is providing under her leadership.

Governor Brown made a motion to appoint Vicki L. Walker to serve a four-year term beginning March 1, 2018.
Treasurer Read seconded that motion.
The action item was approved at 10:24 a.m.

5. Other

11:26 a.m.

- The Aquatic Resource Management Annual Report will be presented at the October Land Board Meeting.
- A Stevens Road Update will be presented at the October Land Board Meeting.
- An Elliott State Forest Report will be presented at the December Land Board Meeting.

Governor Brown adjourned the meeting at 10:27 a.m.

Kate Brown, Governor

Vicki L. Walker, Director



Oregon

Kate Brown, Governor

Department of State Lands

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State Land Board

Kate Brown
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Bev Clarno
Secretary of State

Tobias Read
State Treasurer

State Land Board

**Regular Meeting
October 22, 2019
Agenda Item 2**

SUBJECT

Request for approval to initiate due diligence for the partition and exchange of 57.30 acres managed by the South Slough National Estuarine Research Reserve with lands owned by Coos County Forest Department and a possible conservation easement on county forest lands along Winchester Creek in the South Slough Watershed.

ISSUE

Whether the Land Board should authorize the initial due diligence to support the exchange of the properties.

AUTHORITY

Oregon Constitution, Article VIII, Sections 2 and 5; relating to the Common School Fund and land management responsibilities of the State Land Board.

ORS 270.010; relating to the sale of state surplus property.

ORS 273.055; relating to the power to acquire and dispose of real property.

ORS 273.171; relating to the duties and authority of the Director.

ORS 273.316 and 273.321; relating to the exchange of state lands.

ORS 273.553; relating to the South Slough National Estuarine Research Reserve agreement between Oregon and federal government rules.

ORS 273.554; relating to the powers, membership and procedures of the South Slough National Estuarine Research Reserve Management Commission.

OAR 141-067; relating to the sale, exchange and purchase of state land.

SUMMARY

The South Slough National Estuarine Research Reserve (SSNERR) is working to find a solution to enhance riparian protection along a section of Winchester Creek that serves as the only suitable spawning habitat for coho salmon in the South Slough Watershed. The spawning reach is approximately three-quarters (3/4) of a mile (0.75) long and is located within the Coos County Forest, approximately 2 miles south of the South Slough Reserve.

The spawning reach is bordered on both sides by timber lands that are managed by the Coos County Forest Department in compliance with the Oregon Forest Practices Act. However, the soft sediment and steep slope of the stream banks, and high potential for windfall of trees, suggest wider forested buffers are needed to protect the instream spawning habitat in this area.

The Oregon Department of Fish and Wildlife has been monitoring the health of this coho run for nearly 20 years. Their data show significant population declines in recent years and they have observed noticeable deterioration of instream habitat.

The issue was presented to the SSNERR's Management Commission in March of 2018, and the Commission tasked the SSNERR to work with Coos County to increase forested buffer widths along the spawning reach. This action by the Commission falls within the Reserve's management policy (ORS 273.553) that includes protecting the South Slough from uses within and beyond its boundaries that may affect the ecosystem and its natural processes. Several options were explored, and the most viable and timely solution is a land exchange with the Coos County Forest Department.

The Coos County Forest Department is interested in acquiring four parcels of forest land totaling 57.30 acres shown in Appendix B that are currently managed by the SSNERR through the Department of State Lands (DSL). These parcels are classified as *Special Stewardship* lands by the DSL, which means they are managed to ensure the protection of scenic, natural resource, cultural, educational, and recreational values.

In exchange, the SSNERR is proposing to acquire:

- 1) 33 acres of county-owned pasture adjacent to the south end of the reserve
 - 2) 14.62 acres of county-owned forest adjacent to the west boundary of reserve land;
- and

3) A conservation easement across approximately 71 acres of forested and wetland riparian area along the coho spawning reach of Winchester Creek. The exact acreage will be determined through the requested due diligence and appraisals. It is the County's preference to maintain ownership of these 71 acres, but the due diligence will include an evaluation of the viability of a conservation easement versus the SSNERR acquiring ownership of these lands.

This land exchange would result in added conservation value by protecting critical habitat for coho salmon, which is a threatened species listed under the Endangered Species Act and would contribute to strategies described in the Oregon Coast Coho Salmon Recovery Plan.

DSL Director Vicki Walker received letters of support for this land exchange from the Coquille Indian Tribe (January 10, 2019) and the Confederated Tribes of the Coos, Lower Umpqua and Siuslaw Indians (July 18, 2019).

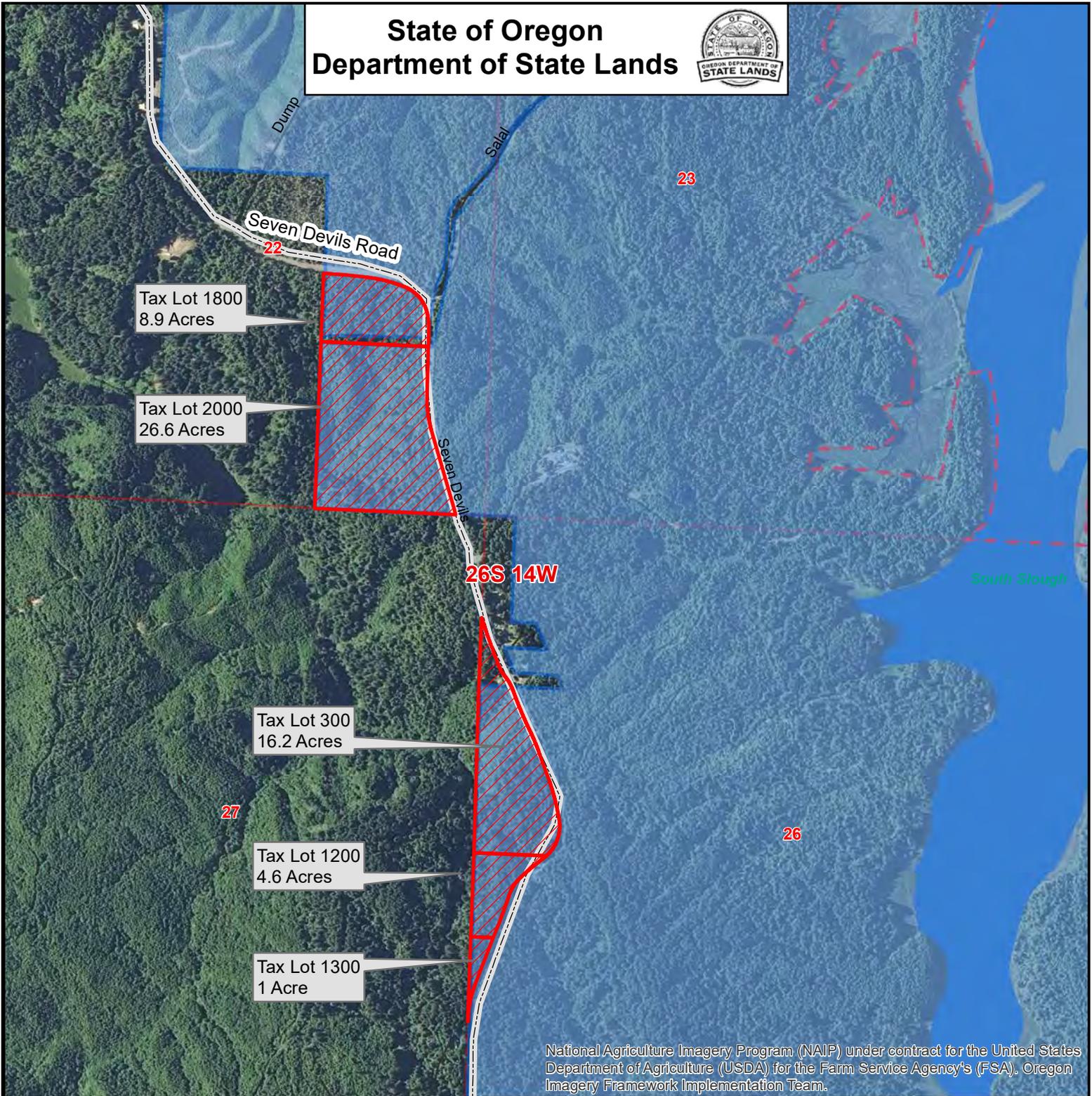
RECOMMENDATION

The Department recommends that the Land Board authorize the South Slough National Estuarine Research Reserve through the Department of State Lands' Real Property staff to complete due diligence reports in support of this land exchange.

APPENDICES

- Appendix A – Map of SSNERR Lands for Exchange
- Appendix B – Map of Coos County Forest Lands for Exchange
- Appendix C – Legal Descriptions of Properties

State of Oregon Department of State Lands



National Agriculture Imagery Program (NAIP) under contract for the United States Department of Agriculture (USDA) for the Farm Service Agency's (FSA), Oregon Imagery Framework Implementation Team.

Appendix A: 61892-LE

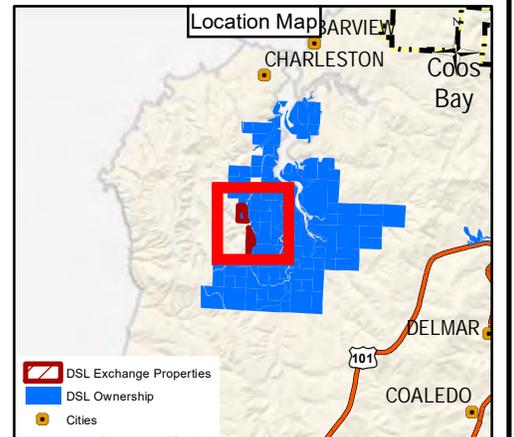
Coos County Forest Department - SSNERR
Land Exchange
T26S, R14W, Sec 22 & 26
Coos County

-  DSL/SSNERR Properties for Exchange
-  SSNERR Managed Lands
-  Roads

This map depicts the approximate location and extent of a Department of State Lands Proprietary authorization for use. This product is for informational purposes only and may not have been prepared for, or be suitable for legal, engineering, or surveying purposes. Users of this information should review or consult the primary data and information sources to ascertain the usability of the information.



Map Projection:
Oregon Statewide Lambert
Datum NAD83
International Feet
State of Oregon
Department of State Lands
1645 NE Forbes Rd. Suite 112
Bend, OR 97701
541-388-6112
www.oregon.gov/DSL
Date: 9/16/2019



LEGAL DESCRIPTION OF PROPERTIES

SSNERR Lands for Exchange:

Township 26 South, Range 14 West, Section 22, Tax Lots 1800 and 2000.

Township 26 South, Range 14 West, Section 26, Tax Lots 300, 1200, and 1300.

The Coos County Forest Department Lands for Exchange:

Portions of:

Township 26 South, Range 14 West, Section 22, Tax Lot 1700

Township 27 South, Range 14 West, Section 2, Tax Lot 200, 203, and 204

Township 27 South, Range 14 West, Section 11, Tax Lot 100

Township 27 South, Range 14 West, Section 14, Tax Lot 100



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State Land Board

Regular Meeting
October 22, 2019
Agenda Item 3

SUBJECT

Request approval of permanent easement for a bridge and pedestrian walkway in Multnomah County.

ISSUE

Whether the State Land Board should approve a request from Oregon Department of Transportation (ODOT) for a perpetual easement to maintain the bridge and pedestrian walkway crossing the Sandy River. This will be accomplished by amending the term easement and includes a one-time compensatory fee of \$100.

AUTHORITY

Article VIII, Section 5 of the Oregon Constitution; requiring the Land Board to “manage lands under its jurisdiction with the object of obtaining the greatest benefit for the people of this state, consistent with the conservation of this resource under sound techniques of land management.”

ORS 273.171; relating to the duties and authority of the Director.

OAR 141-123-0010 to 141-123-0120; establishing procedures for granting easements and rights-of-way on trust and non-trust lands and requiring Land Board approval of easements granted in perpetuity.

PUBLIC INVOLVEMENT

The application was circulated for a 30-day public review period on February 15, 2019. While no adverse comments were received, the Friends of the Columbia Gorge requested that a permanent easement not be issued for the project until the National Scenic Area review was completed.

BACKGROUND

The existing bridge was covered under a blanket easement for all ODOT owned bridges in Multnomah County. On January 10, 2019, ODOT proposed a project that would add a pedestrian walkway to the bridge; which changed the footprint of the original crossing. These changes necessitate the issuance of a new easement for the bridge. ODOT submitted a revised application on April 10, 2019. Due to concerns DSL received during the public review period relating to National Scenic Area compliance, the Department issued a term easement on June 24, 2019, rather than a permanent easement, to allow for the project to commence. On August 14, 2019, the Department received a Notice of Decision and approval from Multnomah County for the National Scenic Area Review. With this approval, ODOT has requested that a permanent easement be issued in place of the term easement. Pursuant to OAR 141-123-0060(11)(c), a \$100 compensatory payment is due for a permanent easement issued for a public bridge within a city. This bridge is located within the City of Troutdale.

RECOMMENDATION

The Department of State Lands recommends that the State Land Board approve the permanent easement to the Oregon Department of Transportation for a bridge and pedestrian crossing on, over, under or across the Sandy River.

APPENDICES

- A. 61729-EA Draft Easement Amendment
- B. 61729-EA Easement
- C. Map of Easement Area

**STATE OF OREGON
DEPARTMENT OF STATE LANDS**

Amendment to Easement 61729-EA

Effective this ____ day of _____, 2019, the following terms and conditions are modified in that certain easement between the STATE OF OREGON, acting by and through the Department of State Lands (STATE) and the STATE OF OREGON, by and through its Department of Transportation, (GRANTEE), which is dated and signed on June 24, 2019. All terms of the easement not specifically changed by this modification remain unchanged and in full force.

CURRENT EASEMENT

PARAGRAPH 1

The STATE OF OREGON, by and through its Department of State Lands, GRANTOR, for and in consideration of \$ N/A , hereby grants to GRANTEE,

PARAGRAPH 10

TO HAVE AND TO HOLD the same unto GRANTEE for 10 years, subject to the following conditions:

SUCH CONDITIONS ARE HEREBY DELETED AND IN THEIR PLACE ARE SUBSTITUTED THE FOLLOWING CONDITIONS:

PARAGRAPH 1

The STATE OF OREGON, by and through its Department of State Lands, GRANTOR, for and in consideration of \$100.00, hereby grants to GRANTEE,

PARAGRAPH 10

TO HAVE AND TO HOLD the same unto GRANTEE in perpetuity, subject to the following conditions:

IN WITNESS WHEREOF the parties have executed this easement AMENDMENT.

STATE:

The State of Oregon, acting by and through
the Oregon State Land Board and the
Department of State Lands
775 Summer ST NE, STE 100
Salem, OR 97301-1279

Authorized Signature/Printed Name

Date

STATE OF OREGON)
)ss
County of Marion)

This foregoing instrument was acknowledged before me this _____ day of _____, 20____, by
_____, the _____ of the Department of State
Lands.

Signature
My commission Expires _____, 20__.

GRANTEE:

State of Oregon, by and through its
Department of Transportation
123 NW Flanders St
Portland, OR 97209

Signature/Title

Date

STATE OF OREGON)
) ss.
County of _____)

On this _____ day of _____, 20____, before me personally appeared _____, who being duly sworn stated that he/she is the _____ of Oregon Department of Transportation, Grantee, and acknowledged the foregoing instrument to be the voluntary act of said Grantee and that he/she executed the foregoing instrument under authority granted by said Grantee.

NOTARY PUBLIC FOR OREGON
My commission Expires: _____

STATE OF OREGON
Department of State Lands

EASEMENT NO. 61729-EA
S&S Bridge

The STATE OF OREGON, by and through its Department of State Lands, GRANTOR, for and in consideration of \$N/A, hereby grants to GRANTEE,

NAME of GRANTEE:	ADDRESS:
State of Oregon, by and through its Department of Transportation	123 NW Flanders St Portland, OR 97209

an easement and right to construct, maintain, operate and replace a bridge and pedestrian walkway over, upon, and across the following particularly described property situated in Multnomah County, Oregon, more particularly described as follows:

A parcel of land lying in the SE 1/4 of Section 25, Township 1 North, Range 3 East, W.M., Multnomah County, Oregon; the said parcel being all state-owned submerged and submersible land lying between the lines of Ordinary High Water on the Northeasterly and Southwesterly banks of Sandy River and included in a strip of land 60.00 feet in width, 30.00 feet on each side of the center line of the relocated Historic Columbia River Highway, which center line is described as follows:

Beginning at Engineer's center line Station 531+49.89, said station being 191.57 feet North, and 699.48 feet East of a 4-1/4 inch diameter brass disk marking the Southeast corner of the David F. Buxton D.L.C. No. 59, Township 1 North, Range 3 East, W.M., Multnomah County, Oregon;

thence North 61° 59' 16" East 1174.61 feet;

thence on a 108.88 foot radius curve right (the long chord of which bears North 79°16'16" East 64.70 feet) 65.69 feet;

thence on a 323.30 foot radius curve right (the long chord of which bears South 56°38'59" East 291.50 feet) 302.40 feet;

thence South 29°51'14.4" East 207.41 feet to Engineer's center line Station 549+00.00.

Bearings are based on the Oregon Coordinate Reference System, Portland Zone, NAD 83(2011) EPOCH 2010.00

Containing 0.3650 acres or 15,899 square feet, more or less, and as shown on the attached Exhibit "A".

TO HAVE AND TO HOLD the same unto GRANTEE for 10 years, subject to the following conditions:

1. GRANTOR has the right to grant additional easements within the area authorized by this easement subject to the provisions of the administrative rules governing the granting of easements.
2. GRANTEE shall obtain prior written approval from GRANTOR prior to:
 - a) Changing the type of use authorized by this easement;
 - b) Expanding the number of authorized developments or uses;
 - c) Changing the authorized area; and/or
 - d) Permitting other persons to utilize the easement for uses and developments requiring separate written authorization by GRANTOR pursuant to the administrative rules governing the granting of easements or other GRANTOR requirements.
3. The easement area shall remain open to the public for recreational and other non-proprietary uses unless restricted or closed to public entry by the State Land Board or GRANTOR.
4. GRANTOR and/or its authorized representative(s) shall have the right to enter into and upon the easement area at any time for the purposes of inspection or management.
5. Except as expressly authorized in writing by the Department, GRANTEE shall not:
 - a) Cut, destroy or remove, or permit to be cut, destroyed or removed any vegetation, or
 - b) Remove any sand and gravel, or other mineral resources for commercial use or sale, that occur in the easement area except as expressly authorized in writing by GRANTOR.

Routine right-of-way maintenance including vegetation trimming shall be allowed.

6. GRANTEE shall compensate GRANTOR for the fair market value of any commercially valuable timber or sand and gravel resources in the easement area that must be removed during or after placement of the authorized use, or which cannot be developed because of the authorized use.
7. GRANTEE shall conduct all operations within the easement area in a manner that conserves fish and wildlife habitat; protects water quality; and does not contribute to soil erosion, or the introduction or spread of noxious weeds or pests. Upon

- completion of construction, GRANTEE shall reclaim disturbed lands to a condition satisfactory to GRANTOR.
8. GRANTEE shall obtain a surety bond in the amount of \$N/A to ensure compliance with the terms and conditions of this easement.
 9. The right to use this easement shall automatically terminate if it, or the development authorized by GRANTOR, is not used within five (5) consecutive years of the date this easement was granted, pursuant to the provisions of the administrative rules governing the granting of easements.
 10. Unless otherwise approved in writing by GRANTOR, GRANTEE shall remove all cables, pipes, conduits, roads, and other developments placed by GRANTEE on the easement, and shall restore the surface of the easement area to a condition satisfactory to GRANTOR within one (1) year following termination of use or expiration of this easement.
 11. GRANTEE shall inspect the condition of the area authorized by this easement and the developments authorized by this easement on a frequency of: as required.
 12. GRANTOR shall have the right to stop operation of the use authorized by this easement for noncompliance with the conditions of this easement, the provisions of the administrative rules governing the granting of easements, and/or any lawful requirement by a regulatory agency of this STATE.
 13. If this easement authorizes the use of state-owned submerged and/or submersible land:
 - a) Construction in navigable waters shall conform to the standards and specifications set by the U.S. Army Corps of Engineers and the U.S. Coast Guard for the use authorized by this easement.
 - b) Any blasting which may be necessary, or in-water placement, maintenance, or repair of the authorized use shall be performed according to the laws of this STATE, including strict adherence to Oregon Department of Fish & Wildlife in-water work windows.
 14. GRANTEE shall pay to GRANTOR the current market value, as determined by GRANTOR, for any unnecessary and non-approved damages to state-owned lands caused by construction or maintenance of the easement.
 15. GRANTEE shall pay all assessments that may be legally charged on public lands which are levied against the property subject to this easement, whether or not such assessments have been levied against the easement area or STATE by the assessing agency.

16. GRANTEE shall use the authorized easement area only in a manner or for such purposes that assure fair and non-discriminatory treatment of all persons without respect to race, creed, color, religion, handicap, disability, age, gender or national origin.
17. GRANTEE shall ensure that all state, federal and local permits are consistent and compatible with this authorization prior to work commencing.
18. If a crossing listed in this easement is later found to have a valid easement from the GRANTOR, then the easement with the latest expiration date will be the "prevailing easement."
19. This easement is freely transferable. However, no transfer may increase the burden on the easement area or detract from the value of the underlying state-owned land.

[remainder of page intentionally left blank]

This easement does not convey an estate in fee simple of the lands used for a right-of-way. This grant is for an easement only, and title remains in the State of Oregon.



STATE OF OREGON, acting by and through its Department of State Lands

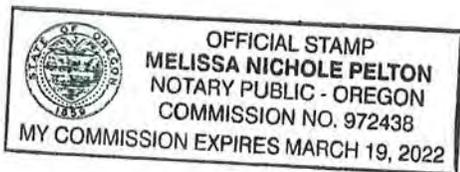
Patricia Fox
DSL Authorized Signature/Printed Name

06/24/19
Date

STATE OF OREGON)
)ss
County of Marion)

This foregoing instrument was acknowledged before me this 24th day of June, 2019, by Patricia Fox, the Proprietary Specialist of the Department of State Lands.

Melissa N. Pelton
Signature
My commission Expires March 19, 2022



JUN 24 2019

DEPARTMENT OF STATE LANDS

CERTIFICATE OF APPROVAL OF CONVEYANCE (ORS 93.808)

State of Oregon, by and through its Department of Transportation, Grantee, hereby approves and accepts, pursuant to ORS 93.808, the grant of an interest in real property from State of Oregon, by and through its Department of State Lands, Grantor, as described in the instrument to which this Certificate is attached.

A copy of this Certificate may be affixed to, and recorded with, the instrument described above.

DATED this 17th day of June, 2019.

State of Oregon, by and through its Department of Transportation, Grantee

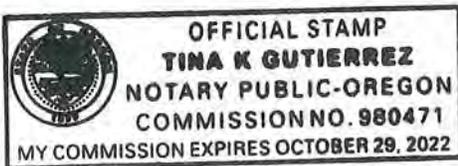
By: [Signature]

Name: Grant Casbeer

Title: Region 1 Right of Way Program Manager

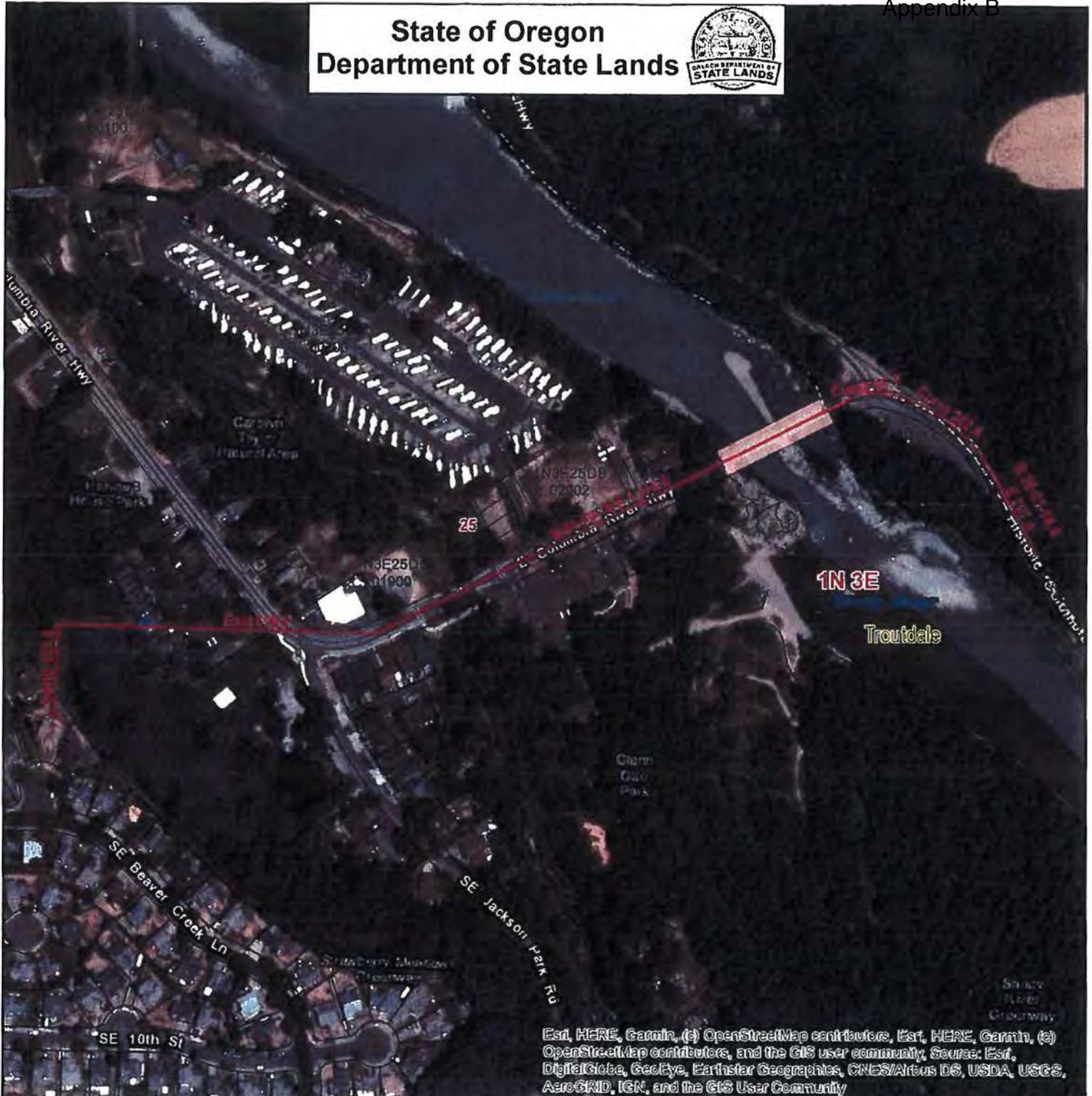
STATE OF OREGON)) ss. County of Multnomah)

On this 17th day of June, 2019, before me personally appeared Grant Casbeer, who being duly sworn stated that he/she is the R/W Program Manager of Oregon Department of Transportation, Grantee, and acknowledged the foregoing instrument to be the voluntary act of said Grantee and that he/she executed the foregoing instrument under authority granted by said Grantee.



[Signature] NOTARY PUBLIC FOR OREGON My commission Expires: October 29, 2022

State of Oregon
Department of State Lands



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EXHIBIT A

61729-EA
T01S, R03E Section 25D
Multnomah County

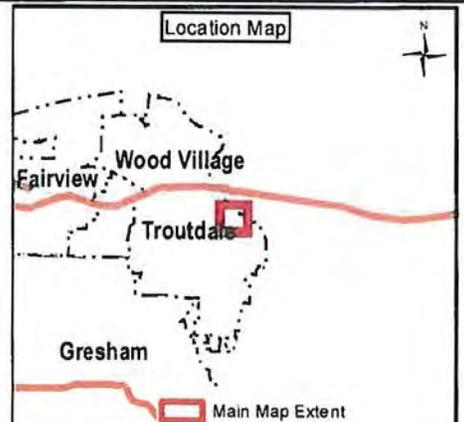
- Points of Beginning
- Description lines
- Use Area

This map depicts the approximate location and extent of a Department of State Lands Proprietary authorization for use. This product is for informational purposes only and may not have been prepared for, or be suitable for legal, engineering, or surveying purposes. Users of this information should review or consult the primary data and information sources to ascertain the usability of the information.

0 140 280



Map Projection:
Oregon Statewide Lambert
Datum NAD83
International Feet
State of Oregon
Department of State Lands
775 Summer St NE, Suite 100
Salem, OR 97301
503-986-5200
www.oregon.gov/DSL
Date: 5/23/2019





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Vicinity Map

61729-EA

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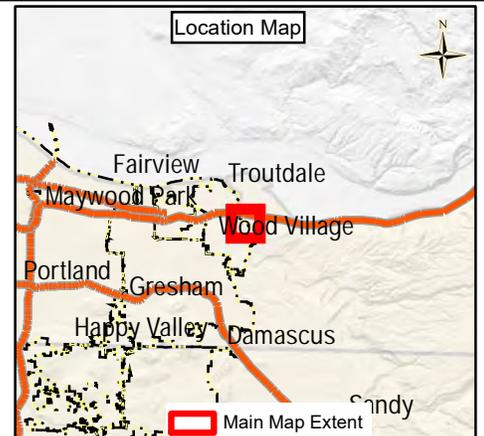
0 400 800

Feet



Map Projection:
Oregon Statewide Lambert
Datum NAD83
International Feet
State of Oregon
Department of State Lands
775 Summer St NE, Suite 100
Salem, OR 97301
503-986-5200
www.oregon.gov/DSL
Date: 9/5/2019

Location Map





Oregon

Kate Brown, Governor

Department of State Lands

775 Summer Street NE, Suite 100

Salem, OR 97301-1279

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FAX (503) 378-4844

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State Land Board

State Land Board

**Regular Meeting
October 22, 2019
Agenda Item 4**

Kate Brown
Governor

Bev Clarno
Secretary of State

Tobias Read
State Treasurer

SUBJECT

Appointment of four (4) voting members to the Oregon Ocean Science Trust (OOST) by the State Land Board.

ISSUE

Whether the Land Board should appoint the recommended voting members to the OOST.

AUTHORITY

Oregon Constitution, Article VIII, Section 5.

ORS 196.565; regarding appointment of the Ocean Science Trust.

ORS 183; regarding administrative procedures and rules of state agencies.

ORS 273; regarding the creation and general powers of the Land Board.

ORS 274; regarding submerged and submersible lands in general.

BACKGROUND

The Oregon Ocean Science Trust (OOST) was created by the Oregon Legislature in 2013 by Senate Bill (SB) 737. The State Land Board appointed members to the OOST Board at the October 2015 meeting with staggered terms. In the Fall 2018, the OOST had two members resign, leaving the executive director position and a member position vacant. The remaining members decided to wait until after the 2019 Legislative Session ended to take further action as they were hoping to receive appropriated funding through SB 260. Section 1 of the bill intended to appropriate \$1,060,000 to the OOST to be expended by the OOST in consultation with the Oregon Coordinating Council on

Ocean Acidification and Hypoxia in the form of competitive grants. This bill did not pass and was in committee upon adjournment. While the OOST did not receive any additional funding, they did receive the ability to pursue private funding with the passage of SB 753 which became effective May 7, 2019. Therefore, the OOST is wanting to proceed in collaboration with ODFW and other partners.

Accordingly, the OOST members are presenting recommendations for the Land Board to appoint two new members and reappoint two members to fill all remaining positions.

OOST DUTIES AND VOTING MEMBER REQUIREMENTS

The duties of the OOST include:

1. Promote peer-reviewed, competitive research and monitoring that leads to increased knowledge and understanding of Oregon's ocean and coastal resources;
2. Promote innovative, collaborative, community-oriented, multi-institutional approaches to research and monitoring related to Oregon's ocean and coastal resources;
3. Enhance this state's capacity for peer-reviewed scientific ocean and coastal research; and
4. Subject to available funding, establish and execute a competitive grant program to conduct research and monitoring related to Oregon's ocean and coastal resources.

The OOST is also responsible for submitting a report to the Legislative Assembly by March 31 of each even-numbered year. The report shall describe the progress of the OOST in carrying out its duties, and may include relevant issues and trends of significance, including emerging scientific research and public policy.

Pursuant to the amendments created by SB 1545 passed in the 2014 Legislative Session, the OOST is comprised of seven members. The Land Board is required to appoint the five voting members to the OOST; the President of the Senate and the Speaker of the House appoint one non-voting member from each respective chamber.

Voting members need to be residents of this state who demonstrate a commitment and interest in the stewardship of Oregon's ocean and coastal resources; and have not less than five years of experience in competitive granting, marine science, foundations or fiscal assurance.

The term of office of each voting member is four years, but a voting member serves at the pleasure of the Board. Before the expiration of the term of a voting member, the Board shall appoint a successor whose term begins on January 1 next following. A voting member is eligible for reappointment. If there is a vacancy for any cause, the

Board shall make an appointment to become immediately effective for the unexpired term.

OOST NOMINEES

The Department has worked with the remaining members of the OOST to select and recommend the nominees to be appointed and to serve on the OOST based on their background and the requirements of ORS 196.565. Below are the nominees for the Board's consideration.

Laura Anderson, Owner, Local Ocean Seafood and former Commissioner, Oregon Fish and Wildlife Commission (Newport, OR).

Krystyna Wolniakowski, Executive Director, Columbia River Gorge Commission and former Director, Northwest Region, National Fish and Wildlife Foundation. (Lake Oswego, OR).

Steve Marx, Officer, U.S. Oceans, Pacific, The Pew Charitable Trusts. (Portland, Oregon) (Appendix A – Letter of Interest)

Shelby Walker, Executive Director, Oregon Sea Grant, Oregon State University. (Corvallis, Oregon) (Appendix B – Letter of Interest)

RECOMMENDATION

The Department recommends that the State Land Board appoint the following individuals to the OOST as voting members:

- **Laura Anderson** – recommendation of reappointment for a 4-year term ending December 31, 2023.
- **Krystyna Wolniakowski** – recommendation of reappointment for a 4-year term ending December 31, 2023.
- **Steve Marx** – recommendation of appointment for a 3-year term ending December 31, 2022.
- **Shelby Walker**– recommendation of appointment for a 4-year term ending December 31, 2023.

APPENDICES

- A. Steve Marx Letter of Interest
- B. Shelby Walker Letter of Interest



111 SW Columbia Street, Suite 200
Portland, Oregon 97201

pewtrusts.org

November 29, 2018

Louise Solliday, Executive Director
Oregon Ocean Science Trust
775 Summer St. NE, Suite 100
Salem, OR 97301-1279

Dear Ms. Solliday,

I am writing to express my interest in the current vacancy on the Oregon Ocean Science Trust (Trust). I appreciate the opportunity to be considered, and believe my background and work experience make me an ideal candidate for the position you are looking to fill.

For the last 8 years I have worked on ocean and fishery conservation issues for the Pew Charitable Trusts (Pew). During that time, I have primarily been focused on advancing ecosystem-based fishery management on the U.S. West Coast and in Alaska. As part of Pew's efforts to secure policy and regulatory improvements to the management of our marine resources, I work closely with fishery and ocean scientists to develop ecosystem-based solutions to pressing issues. In particular, I have helped develop and fund projects to advance understanding of forage fish and predator/prey dynamics, create ecosystem models for the California Current, evaluate fishing impacts to ecologically important habitat, identify best practices for fishery ecosystem planning, and more. Working at the nexus of ocean science and policy has been and continues to be an extremely rewarding experience for me, and the opportunity to continue that work focused on Oregon's ocean and coastal resources is exciting. As we continue to witness firsthand the direct and indirect impacts of a changing climate here in Oregon, linking best-available science to the identification and development of management solutions is critical. The Trust is well suited to help lead this work for the state of Oregon.

In addition to my work with Pew, I have over 10 years' experience working on the water. Growing up in a small fishing town in Alaska, I've crewed on recreational and commercial vessels targeting salmon, halibut, groundfish and crab. Prior to working for Pew, I also handled natural resource issues for the 1st Congressional District of Oregon, including fisheries. These experiences are integral components of my deep and lifelong connection to the ocean, and I am grateful for the opportunity to further that connection through a volunteer position with the Trust.

Thank you in advance for your time and consideration. If you have any questions or concerns, or would like further information, please do not hesitate to contact me at 503-914-9012 or at smarx@pewtrusts.org.

Sincerely,

A handwritten signature in blue ink, appearing to read "Steve Marx".

Steve Marx
Officer, U.S. Oceans, Pacific
The Pew Charitable Trusts



Shelby E. Walker, PhD
Director
Oregon Sea Grant
1600 SW Western Blvd, Ste 350, Corvallis, OR 97333
T 541-737-6200 | F 541-737-7958 | E shelby.walker@oregonstate.edu



Date: September 11, 2019

RE: Expression of Interest-Vacant Member Seat, Oregon Ocean Science Trust

To: Laura Anderson, Executive Director (Interim), Oregon Ocean Science Trust

From: Shelby Walker, Director, Oregon Sea Grant

A handwritten signature in black ink that reads "Shelby E. Walker".

I am writing to express my interest in serving as a member of the Oregon Ocean Science Trust. I have been actively engaging in the Trust's discussions and rule-making activities as a member of the public since the Trust membership was convened. I have done so with the intent to support the activities and initiatives of the Trust, and to help ensure complementarity of efforts between our two organizations.

Oregon Sea Grant has been addressing coastal and marine issues and supporting Oregon's coastal communities for nearly fifty years. Topics have evolved over time, but the primary motivation has remained the same – working with individuals and communities to ensure that they have the science needed to make informed decisions related to coastal and marine issues. These issues relate to a wide variety of topics, including those of interest to the Trust - nearshore species and habitats, ecosystem function, the interactive influence of people and the nearshore, and the effects of climate change and ocean acidification.

As director of Oregon Sea Grant, I oversee the diversity of activities within the program, including our competitive research program, education and student scholar opportunities, Extension capabilities, and communications and outreach efforts. I believe that I can contribute my skills and knowledge to the Trust to support the continued success of both the Oregon Ocean Science Trust and Oregon Sea Grant in addressing critical issues facing the Oregon coast.

I hope to work with you on the Trust in the future and am happy to answer any questions that you may have.



Oregon

Kate Brown, Governor

Department of State Lands

775 Summer Street NE, Suite 100
Salem, OR 97301-1279
(503) 986-5200
FAX (503) 378-4844
www.oregon.gov/dsl

State Land Board

Kate Brown
Governor

Bev Clarno
Secretary of State

Tobias Read
State Treasurer

State Land Board

Regular Meeting
October 22, 2019
Agenda Item 5

SUBJECT

Request for approval to update and finalize review and determination (due diligence) documents and to sell portions of the South Redmond Tract, consisting of approximately 780 acres of Large Lot Industrial (LLI) lands in Township 15S, R13E, Section 32 and 33 Tax lot 130, W.M. Deschutes County, Oregon.

ISSUE

Whether the State Land Board should authorize the Department to update and finalize review and determination documents for the remaining 780 acres of LLI lands of the South Redmond Tract and to sell the parcel in a phased approach through a brokered or direct sale process.

AUTHORITY

- Oregon Constitution, Article VIII, Sections 2 and 5; pertaining to the Common School Fund and land management responsibilities of the State Land Board.
- ORS 273.055; relating to the power to acquire and dispose of real property.
- ORS 273.171; relating to the duties and authority of the Director.
- ORS 273.780; relating to the retention of mineral rights.
- OAR 141-067; relating to the sale, exchange and purchase of state land.
- Real Estate Asset Management Plan (REAMP), adopted by the Land Board; February 2012.
- 2008 South Redmond Tract Land Use and Management Plan.
- 2019 South Redmond Tract adopted by the City of the Redmond City Council and the Deschutes County Commission for Urban Growth Boundary Expansion, Annexation, and Rezoning.

South Redmond Tract History and Background:

The South Redmond Tract is a 940-acre parcel owned by the State of Oregon located in Deschutes County, southeast of the City of Redmond (Township 15 South, Range 13 East, Sections 32 and 33). This property was acquired in 2007 by the State Land Board, acting through the Department of State Lands (DSL or Department) from the U.S. Bureau of Land Management (BLM) as an asset of the Common School Fund (CSF). This acquisition partially satisfies a 1991 court decision that the State of Oregon was owed approximately 5,200 acres of federal public domain land in what is known as the in-lieu or indemnity land selection process to satisfy obligations of the federal government stemming from the Oregon Admission Act of 1859. The South Redmond Tract was formerly managed by BLM's Prineville District as Community Expansion lands under the Department's 2005 Upper Deschutes Resource Area Management Plan.

The 940 acres is configured as a contiguous block that is located adjacent to and south of the Deschutes County Fairgrounds and Exposition Center, south and east of the City of Redmond's Juniper Golf Course, and southwest of Roberts Field-Redmond Municipal Airport. At the time of acquisition, the property was outside the Redmond city limits and Urban Growth Boundary (UGB) and was not designated within the City's 50-year Urban Area Reserve (UAR).

The South Redmond Tract is one of many properties throughout the state which are managed by the State Land Board (through DSL) to benefit the Common School Fund, with revenues dedicated to the support of K-12 public education in Oregon. CSF lands are managed by the State Land Board as a "trust" to maximize short- and long-term revenues consistent with sound stewardship and business management principles. As the trustee, the State Land Board has a duty to maximize the value of, and revenue from CSF lands over the long-term. To achieve the Department's management objectives and maximize the revenue to the CSF while providing consistent and sound stewardship business practices, the Department established the South Redmond Tract Land Use and Management Plan (Plan).

The Plan was developed through a collaborative planning effort with federal, state and local entities initiated in March 2006, prior to acquisition of the tract from the BLM. While the property was outside the Redmond UGB and not designated as an UAR, it was reasonably expected to be developed for urban uses due to its location adjacent to the UGB, city limits and existing and/or planned urban infrastructure. Planned city and county transportation, water and sewer system improvements on and through the tract also suggested future urban level development. The tract is recognized as a key site to meet the region's short-term needs for large-lot industrial development. Thus, the Plan recommended a concept for urban development of the property based upon expansion of the Redmond UGB. Many of the assumptions made were predicated based on the Department seeking an economic opportunity amendment to the Redmond UGB to

meet regional industrial land needs and subsequent development of the Tract for LLI uses.

Summary

In 2006, prior to the Department receiving the title to the South Redmond Tract (SRT), a collaborative planning effort was initiated with federal, state and local agencies. In this effort there were four primary concepts developed for the future development of the SRT: mixed use focus, employment/recreation, and two campus industrial scenarios. All scenarios held the assumption that any one scenario would take a minimum of 20-years for development. At the time these scenarios were developed, the mixed-use campus industrial was the scenario that was deemed most responsive to the community and regional needs. The planning effort ultimately led to the development of the South Redmond Tract Land Use and Management Plan that set to accomplish the following:

- Identify recommended land use and land management concepts and management strategies that generate the greatest possible revenues for the CSF, are compatible with community interests, and are consistent with Oregon land use law.
- Bring this property into the Redmond UGB and city limits at the earliest possible time and ensure that it is designated and used for urban uses that respond to community needs and generate revenue as soon as possible.
- Continue the collaborative planning process with federal, state and local agencies initiated prior to the property's acquisition.
- Ensure that a real estate market perspective is integrated into planning for the site.
- Ensure that short-term management decisions do not irrevocably commit or adversely affect the long-term revenue or value appreciation potential of the Tract.
- Integrate management strategies for this tract with Redmond's long-term development and growth management needs.
- Facilitate development and implementation of industrial, commercial and residential properties as identified in the Department's *Real Estate Asset Management Plan*.
- Manage and plan for the tract to be a model for responsiveness to sustainability principles and global climate change.

In addition, this plan set out a strategy to complete a land exchange for 140 acres with Deschutes County to accommodate an expansion of the fairgrounds, and a land sale of 20 acres for the development of a readiness center for the Oregon Military Department (OMD). DSL has entered into agreements with both OMD and Deschutes County to accomplish a sale and an exchange of approximately 160 total acres of the SRT. Currently, DSL is determining values of properties to complete these transactions and has submitted a partition application to separate the proposed properties from the South Redmond Tract. The remaining 780 acres of land has been incorporated into Redmond city limits and has been designated Large Lot Industrial zoning for future employment opportunities. In short, DSL has accomplished nearly every goal the Land Board approved through the adoption of the South Redmond Tract Land Use and Management Plan in 2008.

So, the Department can continue to meet the goals set forth in the Plan and, more importantly, maximize the revenue returned to the CSF, the LLI lands will need to be sold for the designated use. In order to complete any land sale(s) for the remaining 780 acres of the SRT, due diligence will need to be finalized. Much of the due diligence has already been completed in the process of positioning the SRT into the boundaries of the City of Redmond and taking the preliminary steps to conduct a land exchange with Deschutes County and a land sale to OMD. The Department will need to complete a DOGAMI review to determine if there is any potential significance in the minerals associated with the SRT, an updated appraisal report, and a potential update to the Oregon Biodiversity Information Center (ORBIC) report that is required by the Department of Agriculture to ensure there are no protected plant species on the site.

Upon completion of updating and finalizing the due diligence reporting, the Department will be prepared to pursue land sale opportunities upon approval from the Land Board. In order to better meet the Land Use and Management Plan for the SRT, the Department is proposing to utilize the services of a broker for the disposal of all 780 acres of the LLI zoned lands or by means of a direct sale, as applicable.

Zoning the SRT as Large Lot Industrial was an integral component to the property being incorporated into the City of Redmond boundaries. This zoning designation requires a minimum of one lot that is 200 acres or greater to be sold and developed, with the remaining lots to be identified as 50 to 100 acres in size available for sale and development. To better align with the Plan and ensure that a real estate market perspective is integrated into planning for the site, the Department recommends disposing of the entire 780-acre SRT through a phased approach with a contracted broker or a direct sale. A broker process or a direct sale would allow for the SRT to be disposed of to potential developers suited for large lot developments in a more nimble and responsive manner to meet the needs of the region. In turn, this approach would allow for the maximum return of revenue to the Common School Fund.

In August 2019, the Department received final approval from the City of Redmond for urban growth boundary expansion, annexation into city jurisdiction, and zoning designations for Large Lot Industrial lands. The Department also received approval from the City for a public facilities zoning designation to accommodate the OMD readiness center and county fairgrounds expansion. The SRT planning process has gone through extensive internal and public review to provide transparency to all stakeholders through multiple public hearings at the city and county levels. The Department will continue to work closely with local partners such as Redmond Economic Development Inc. (REDI), Economic Development of Central Oregon (EDCO), Business Oregon and others to ensure both the State's and local interests are met.

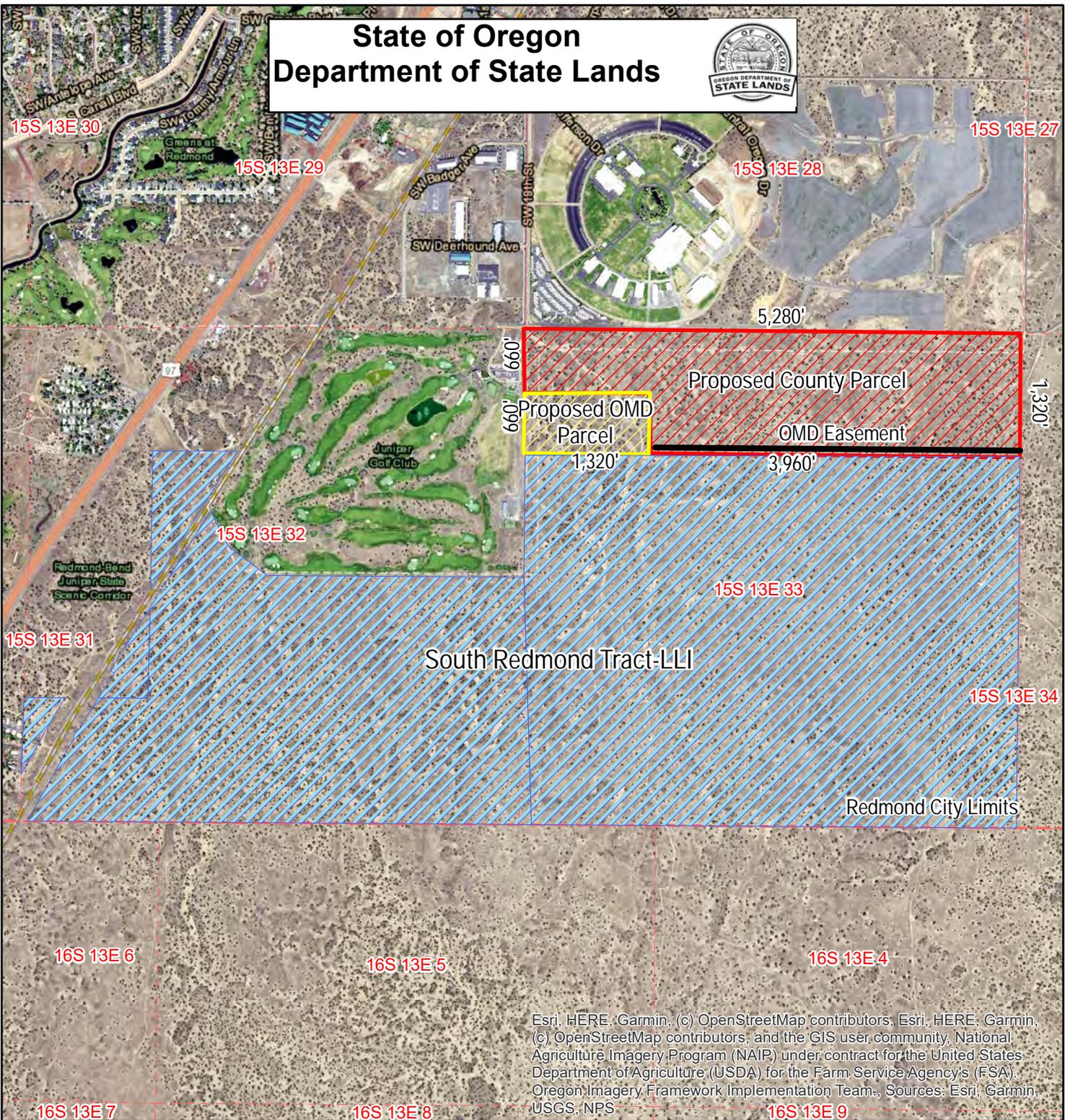
RECOMMENDATION

The Department recommends the State Land Board approve the completion of the review and determination (due diligence) documents and the use of a broker or direct sale to dispose of the remaining 780 acres of South Redmond Tract Large Lot Industrial lands to benefit the Common School Fund.

APPENDICES

- A. Map of Property
- B. SRT Land Use and Management Plan
- C. Findings in support of the L.L.I. zoning designation and approved Masterplan
- D. Timeline of approvals

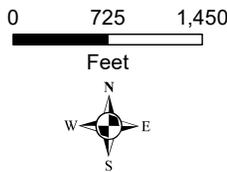
State of Oregon Department of State Lands



Esri, HERE, Garmin, (c) OpenStreetMap contributors, Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community, National Agriculture Imagery Program (NAIP) under contract for the United States Department of Agriculture (USDA) for the Farm Service Agency's (FSA) Oregon Imagery Framework Implementation Team., Sources: Esri, Garmin, USGS, NPS

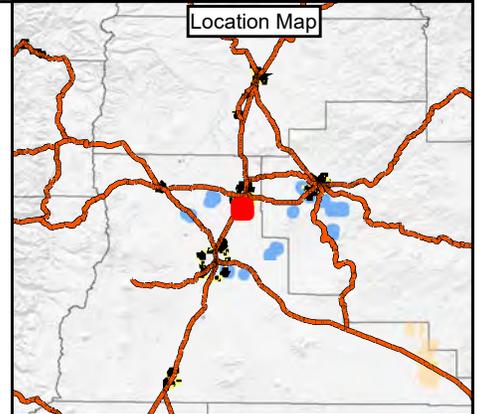
Appendix A South Redmond Tract T15S, R13E Sections 32 and 33 Deschutes County

-  SRT_LLI
-  Deschutes County Exchange
-  OMD
-  sect_08



Map Projection:
Oregon Statewide Lambert
Datum NAD83
International Feet

State of Oregon
Department of State Lands
1645 NE Forbes Rd. Suite 112
Bend, OR 97701
541-388-6112
www.oregon.gov/DSL
Date: 9/18/2019



This map depicts the approximate location and extent of a Department of State Lands Proprietary authorization for use. This product is for informational purposes only and may not have been prepared for, or be suitable for legal, engineering, or surveying purposes. Users of this information should review or consult the primary data and information sources to ascertain the usability of the information.

SUPPORTING OREGON SCHOOLS

SOUTH REDMOND TRACT LAND USE AND MANAGEMENT PLAN



Prepared by:



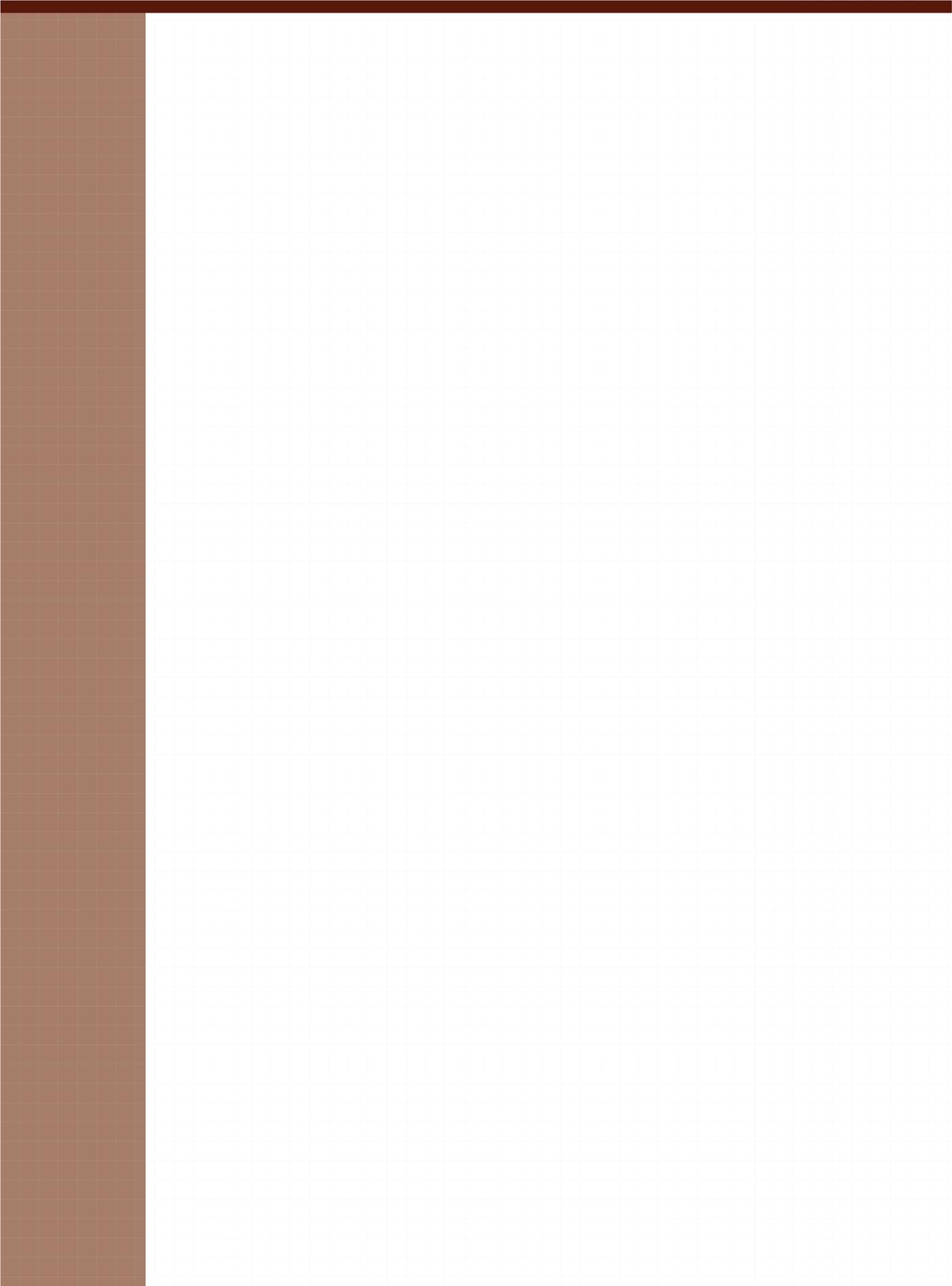
**OREGON DEPARTMENT OF STATE LANDS
ASSET MANAGEMENT SECTION
LAND MANAGEMENT DIVISION**

Louise Solliday - Director

In Conjunction with:



Cogan Owens Cogan, LLC
SERA Architects, Inc.
Century West Engineering
Johnson-Gardner, LLC
Angelo Planning Group



SOUTH REDMOND TRACT LAND USE AND MANAGEMENT PLAN

Adopted October 2008

THE STATE LAND BOARD

**Ted Kulongoski – Governor
Bill Bradbury – Secretary of State
Randall Edwards – State Treasurer**

OREGON DEPARTMENT OF STATE LANDS

Louise Solliday – Director

“The Governor, Secretary of State and Treasurer shall constitute a State Land board...the board shall manage lands under its jurisdiction with the object of obtaining the greatest benefit for the people of this state, consistent with the conservation of this resource under sound management techniques of land management.”

(Constitution of 1859; Amendment proposed by H.J.R. No. 7, 1967, adopted by the people May 28, 1968.)

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Summary

This South Redmond Tract Land Use and Management Plan (Plan) specifies a concept for urban development (employment uses focused on large-lot industrial) for 945 acres of Common School Fund (CSF) Trust lands located to the southeast of the City of Redmond, Oregon. This concept is predicated on expansion of the Redmond urban growth boundary (UGB) to include the Tract within the near term (2-4 years). The Department of State Lands (DSL) will seek an amendment of the Redmond UGB to meet regional needs for large-lot industrial lands based upon: (1) a regional Economic Opportunity Analysis (EOA), and (2) a planned southerly extension of 19th Street and infrastructure by the City of Redmond and Deschutes County.

An emphasis on energy-related and sustainable industries will be sought for the industrially-designated portions of the Tract. The Plan seeks to attain “shovel-ready” employment land certification, while focusing on a “green” technology campus in line with DSL’s desire to model responsiveness to global climate change and integrate sustainability into all aspects of site planning, design, use and development.

The Plan identifies lands to be retained, exchanged or acquired. Both Deschutes County and the Oregon Military Department (OMD) have indicated an interest in acquiring portions of the Tract. DSL desires to obtain the Juniper Scenic Wayside from the Oregon Department of Parks and Recreation (OPRD) via a land exchange. The Plan also depicts proposed and conceptual transportation corridors for local roads, rail and a potential future U.S. Highway 97 realignment.

Both land use and land management concepts have been developed, the former designating land uses and the latter identifying land management strategies. This management direction is intended to generate the greatest possible revenues for the CSF, be compatible with community interests, and be consistent with Oregon land use law. A primary purpose is to ensure that no irretrievable commitments to land uses are made that could seriously diminish the potential of the Tract to generate revenues for the CSF and benefits to the local community.



Located directly south of the Deschutes County Fairgrounds and Exposition Center and south and east of the City of Redmond’s Juniper Golf Course, the South Redmond Tract was acquired in 2007 from the U.S. Bureau of Land Management (BLM) as a land grant. The planning area also includes approximately 80 acres owned by OPRD. The Tract is one of many properties throughout the state which are managed by the State Land Board (through DSL) to benefit the CSF, with revenues dedicated to the support of K-12 public education in Oregon. CSF lands are managed by the State Land Board as Trust lands to maximize short- and long-term revenues consistent with sound stewardship and business management principles.

The South Redmond Tract's ownership, size and proximity to the City of Redmond make it unique in the Redmond area. The Tract has the potential for direct access to the Burlington Northern Santa Fe (BNSF) railroad, Roberts Field-Redmond Municipal Airport and potentially to U.S. Highway 97. The Tract is relatively level, there are few environmental or other development constraints and planned infrastructure for the Tract includes water, wastewater and roads. Undeveloped parcels of this size proximate to urban areas are very rare. There is no similar tract within the Redmond vicinity of this size in single ownership and with as few development constraints.

This Plan has been developed through a collaborative planning process initiated with federal, state and local agencies prior to the property's acquisition from BLM. Strong support for the Plan's land use and management concept has been expressed by the South Redmond Collaborative Planning Group, the Central Oregon Economic Revitalization Team (COERT), the City of Redmond and economic development professionals in the region and at the statewide level.

Other factors that support the Plan's land use and land management concepts include:

- DSL's 2006-2016 Asset Management Plan directs the Department to pursue, as a priority, urbanization of lands within or proximate to urban areas.
- The costs associated with holding land create an obligation to seek a return at the earliest possible time.
- The provision of "shovel-ready" industrial lands has been identified as a state economic development priority. State economic development specialists and regional leaders have articulated a need for served and developable large-lot industrial sites to support expanding local industries, promote industrial recruitment efforts and create family-wage jobs.
- Recent amendments to administrative rules (OAR 660-24) provide a well-defined process for pursuing an EOA based upon regional employment land needs. State and local partners assisted in identifying this as a strategy for near-term UGB inclusion.
- The opportunity to create an economic niche that is a model for sustainability and responsiveness to global warming proactively responds to recent state initiatives and DSL's Strategic Plan.

Input from local planning officials indicates that the Tract cannot be expected to be brought into Redmond's UGB within the next 20 years based on conventional land use needs determination and standards. An option identified to expedite this timeframe is to conduct an economic opportunity analysis, as provided for in OAR 660, Divisions 9 and 24, to address regional industrial land needs. A specific, unmet need for large-lot industrial uses will need to be established and documented. A distinct economic strategy focusing on large-lot industrial development will need to be developed and refined.



During the planning process, alternative concepts were examined, offering different timing and land use scenarios for future urban development of the Tract. These concepts were intended to respond to a variety of planning considerations, including inclusion within Redmond's UGB in either the short or long terms. While these other alternative development concepts represent potential land use and management scenarios, this Plan responds to current infrastructure planning opportunities, identified community land needs, City Council priority goals and the site's unique characteristics.

Additional planning will be required to articulate a site-specific development scenario appropriate to market and planning considerations at the time the property is brought into the UGB and in accordance with its management as CSF Trust land.



Background

The South Redmond Tract is a 945-acre area owned by the State Land Board located in Deschutes County southeast of the City of Redmond (Township 15S, Range 13E, Sections 32 and 33). This property was acquired from BLM in 2007 by the State Land Board, acting through the Department, as an asset of the CSF. This acquisition partially satisfies a 1991 court decision that the State of Oregon is owed approximately 5,200 acres of federal public domain land in what is known as the in-lieu or indemnity land selection process to satisfy obligations of the federal government stemming from the Oregon Admission Act of 1859.

The South Redmond Tract was formerly managed by BLM's Prineville District as Community Expansion lands under the agency's 2005 Upper Deschutes Resource Area Management Plan.

The 945-acre Tract is configured as a contiguous block that is located adjacent to and south of the Deschutes County Fairgrounds and Exposition Center, south and east of the City of Redmond's Juniper Golf Course, and southwest of Roberts Field-Redmond Municipal Airport (Figures 1 and 2). The property is contiguous to but outside of the Redmond city limits and UGB and is not included within the city's 50-year urban area reserve (UAR). It abuts the Burlington Northern-Santa Fe (BNSF) railroad mainline.

OPRD owns approximately 80 acres of land adjacent to the Tract that has been included as part of the study area for this process. OPRD has made no commitment to sell, exchange or convey any of this land, which comprises a component of the Juniper Scenic Wayside complex.

The South Redmond Tract is one of many properties throughout the state which are managed by the State Land Board (through DSL) to benefit the CSF, with revenues dedicated to the support of K-12 public education in Oregon. CSF lands are managed by the State Land Board as a "trust" to maximize short- and long-term revenues consistent

with sound stewardship and business management principles. As the trustee, the State Land Board has a duty to maximize the value of and revenue from CSF lands over the long term.

As an implementation priority in DSL's 2006-2016 Asset Management Plan (AMP), the Department is to develop an interim master plan that includes land classifications and management strategies for any property acquired through in-lieu selection. In addition, the AMP identifies the South Redmond Tract for site-specific land use and management planning as part of a Central Oregon Specific Area Management Plan.

As described below, this Land Use and Management Plan (Plan) has been developed through a collaborative planning effort with federal, state and local entities initiated in March 2006, prior to acquisition of the Tract from the BLM. While the property is outside the Redmond UGB and not designated as an UAR, it can reasonably be expected to be developed for urban uses due to its location adjacent to the UGB, city limits and existing and/or planned urban infrastructure. Planned city and county transportation, water and sewer system improvements on and through the Tract also suggest future urban level development.

The Tract has been identified as a potential site to meet the region's short-term needs for large-lot industrial development. Thus, the Plan identifies a concept for urban development of the property that is based upon expansion of the Redmond UGB to include the Tract within the near term (2-4 years). This is predicated on DSL seeking an amendment to the Redmond UGB to meet regional industrial land needs and subsequent development of the Tract for large-lot industrial uses.

Alternative management options and development concepts, offering different land use scenarios for future urban development of the Tract, are included for future consideration if UGB inclusion is determined to be infeasible in the short term. Ongoing collaborative planning will be required to select a development scenario appropriate to market and planning considerations at the time the property is brought into the UGB and in accordance with its management as CSF Trust land. Ultimately, the Land Board will make a decision that provides revenue to the CSF fund through lease or sale of the land, or a combination of both.

Purpose and Scope

This Plan identifies short and long-term management direction for the South Redmond Tract in conformance with DSL's Asset Management Plan. Planning goals for the Tract include:

- Identify recommended land use and land management concepts and management strategies that generate the greatest possible revenues for the Common School Fund, are compatible with community interests, and are consistent with Oregon land use law.
- Bring this property into the Redmond UGB and City limits at the earliest possible time and ensure that it is designated and used for urban uses that respond to community needs and generate revenue as soon as possible.

Figure 1. Vicinity Map

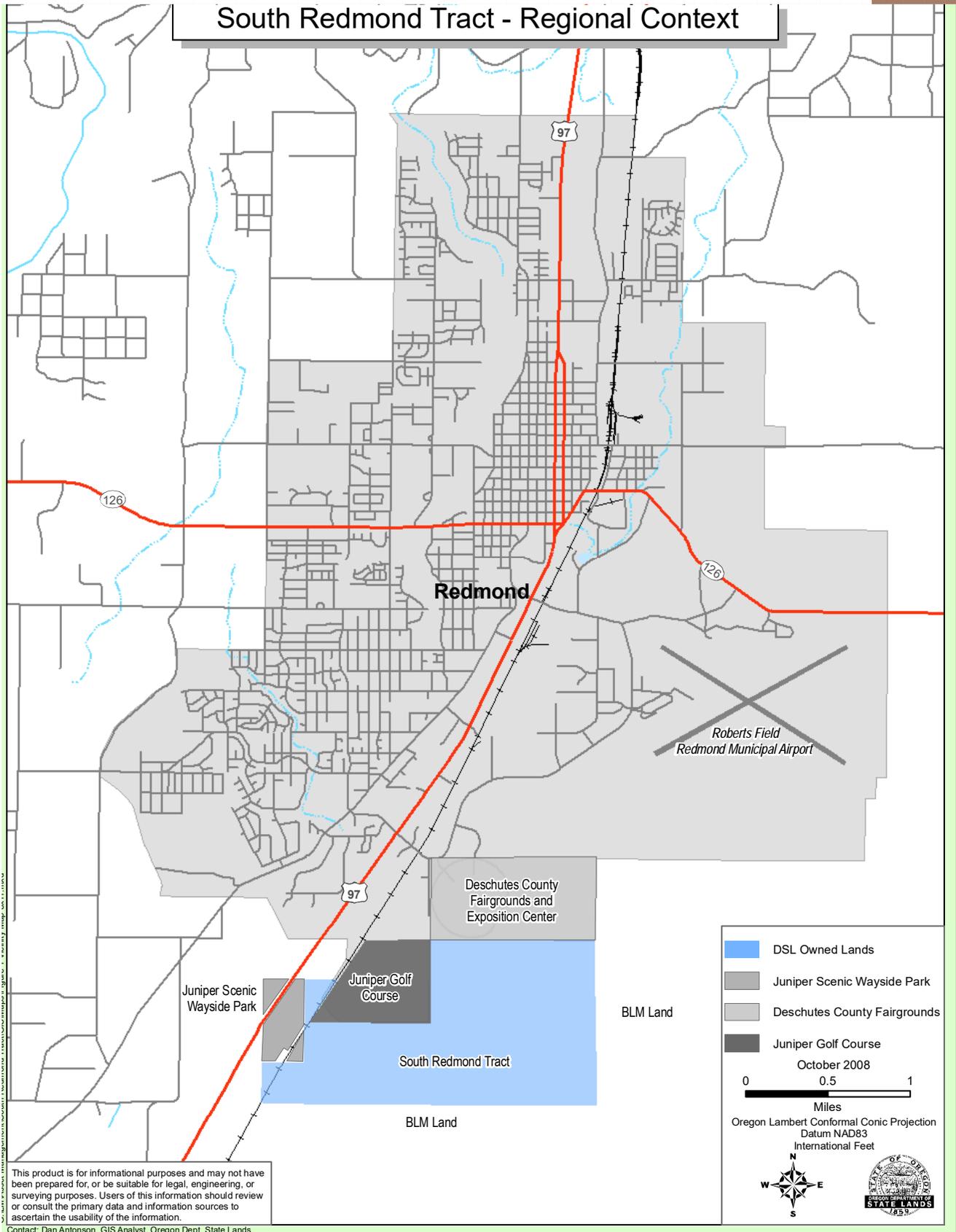
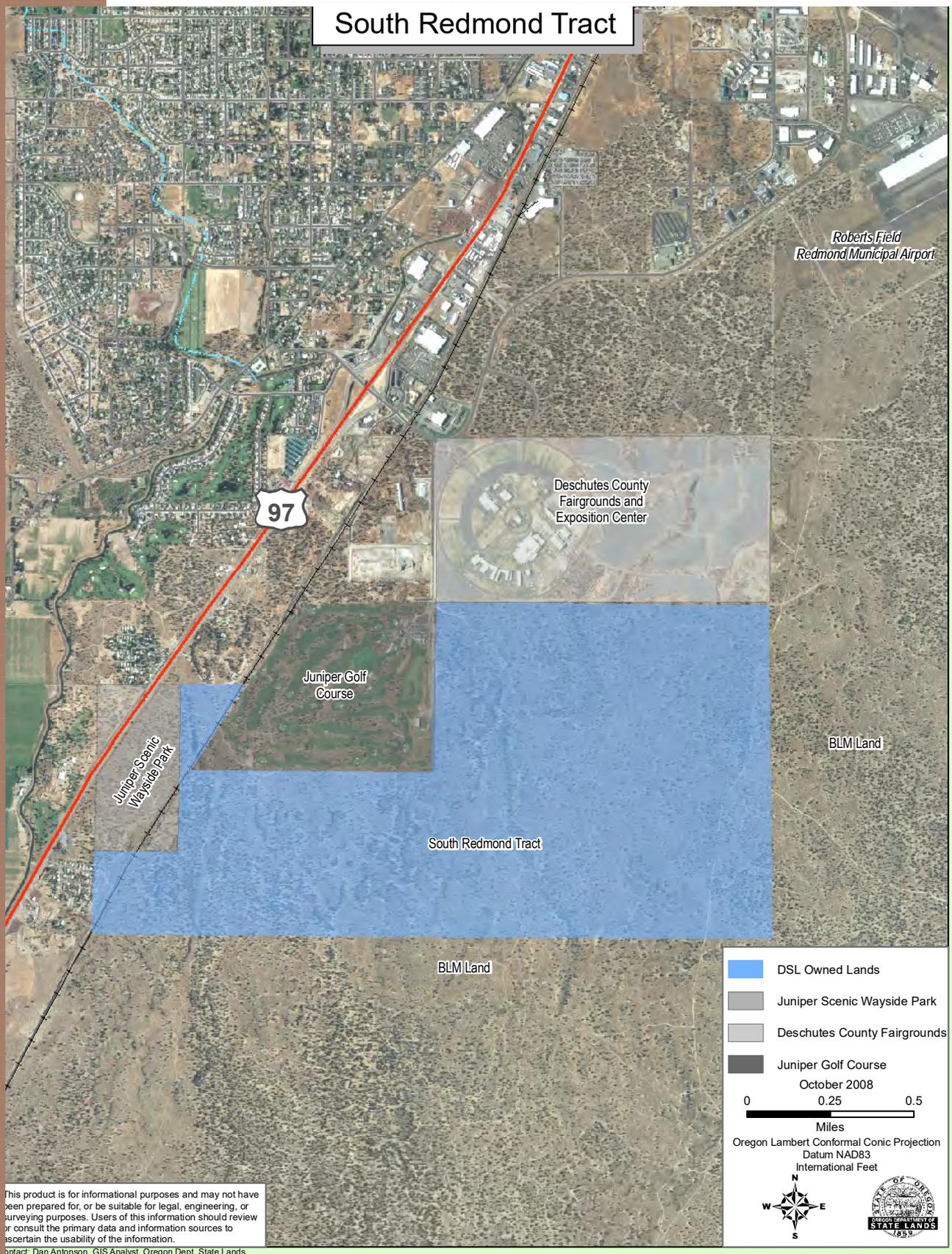


Figure 2. Aerial View Site Map



- Continue the collaborative planning process with federal, state and local agencies initiated prior to the property's acquisition.
- Ensure that a real estate market perspective is integrated into planning for the site.
- Ensure that short-term management decisions do not irrevocably commit or adversely affect the long-term revenue or value appreciation potential of the Tract.
- Integrate management strategies for this Tract with Redmond's long-term development and growth management needs.
- Facilitate development and implementation of a Central Oregon Strategy as identified in DSL's Asset Management Plan.
- Manage and plan for the Tract to be a model for responsiveness to sustainability principles and global climate change.

Process

The South Redmond Tract planning process was initiated by DSL in March 2006 as a result of a multi-agency meeting organized by the Mayor of Redmond, the DSL Director and the COERT representative. In subsequent meetings (April and May, 2006), a steering group developed a work scope and Request for Proposals and advised DSL on selection of a consultant team.

In July 2006, a consultant team led by Cogan Owens Cogan, LLC was selected to prepare a land use and management plan for the Tract. Team members include:

- Cogan Owens Cogan, LLC – project management, process design and facilitation and land use;
- SERA Architects, Inc. – site analysis and land management planning;
- Johnson-Gardner, LLC – real estate market analysis and economic planning;
- Century West Engineering – engineering, master planning, and construction cost estimating; and
- Angelo Planning Group – advice on Redmond planning and zoning issues.

The planning process had five phases: (1) identification of opportunities and constraints, planning considerations, and other short and long-term land management issues; (2) generation of alternative development concepts; (3) circulation of a draft Plan for public and agency review; (4) identification of a recommended short-term strategy for inclusion of the Tract within the Redmond UGB within 2-4 years and subsequent site preparation and development for large-lot industrial uses; and (5) circulation of a proposed Plan for public and agency review.

The planning process included and, more accurately, relied upon significant interagency collaboration at each phase. At project inception, DSL met with partner agencies including OPRD, Oregon Department of Transportation (ODOT), City of Redmond, Deschutes County, and Economic Development for Central Oregon (EDCO) to identify opportunities and constraints to consider in planning for future uses of the property and to review a proposed work scope and schedule. Alternative site development concepts

were generated and discussed in close coordination with these partners and the South Redmond Collaborative Planning Group.

The Plan's focus on large-lot industrial development responds to recommendations from the Collaborative Planning Group and was vetted with partner agencies and the COERT. Additional interagency collaboration included:

- Charrette with DSL staff to identify opportunities and constraints and to brainstorm short and long-term land management strategies.
- Interagency meeting with City of Redmond, Deschutes County, Department of Land Conservation and Development (DLCDD), and BLM to address the anticipated timing for the South Redmond Tract to be brought in to the Redmond Urban Growth Boundary.
- Stakeholder interviews with state and local agency representatives.
- Creative brainstorm session with staff from DLCDD and Oregon Economic and Community Development Department (OECDD) to consider recent changes to Oregon Administrative Rules to permit local governments to pursue regional economic and industrial development opportunities.
- Throughout the planning process, presentations to the South Redmond Collaborative Planning Group as a regular feature of its agenda.
- Periodic presentations to the COERT.
- Briefings at joint meetings of the Redmond City Council and Deschutes County Board of Commissioners.
- Numerous briefings with state and local agency representatives.

As noted above, a range of alternative site development concepts was originally prepared for interagency and public review. These concepts represented differing responses to planning considerations identified early in the planning process, including inclusion within Redmond's UGB in either the short or long terms. Four alternative development concepts were incorporated into a public review draft Plan and are included here as Appendix C.

Public review of a draft Plan, including alternative development concepts, was initiated in October 2007 and input solicited through posting of the draft Plan and an invitation to comment on the Department's Web site, presentations to state and local officials, and a public meeting in Redmond on November 6, 2007. A public hearing was also conducted on June 17, 2008 on a proposed Plan. Notice was provided through a press release, coverage in the local press, an invitation to comment on the Department's Web site, and direct notice to neighbors and interested parties. (See Appendix A for summaries of these public meetings and public comments.)

Based upon input received from OECDD, the Collaborative Planning Group, COERT, elected officials and other stakeholders, the Tract has been identified as a potential site to meet the region's short-term needs for large-lot industrial development. Consequently, the Plan directs that an economic opportunity analysis (EOA) be conducted to document the regional need to amend the Redmond UGB to meet regional industrial land needs and subsequent development of the Tract for large-lot industrial uses. In addition to

industrial uses, institutional uses such as medical or educational campuses could be sited using this concept. The alternative development concepts developed during the earlier phases of the planning process represent potential land use and management scenarios should an EOA and UGB expansion in the near-term prove infeasible. Re-evaluation of the Plan would be necessary if DSL is unable to move forward with the proposed land management and land use concepts in the short-term.

Site Characteristics

Current and Historical Use

Past and recent uses of the South Redmond Tract have been wildlife habitat, rangeland, open space for recreation, and military training by the Oregon National Guard and Army Reserve units. During BLM ownership tenure and management, the Tract was subject to livestock grazing.

A BNSF railroad right-of-way crosses the Tract at its west end. Deschutes County maps indicate the existence of an expanded railroad right-of-way that extends through portions of the Tract. This wider area may indicate a site for a railroad station grounds and an opportunity for rail spur service to serve adjacent industrial properties. Electric utility lines parallel the railroad right-of-way and Bonneville Power Administration and Central Electric Cooperative electric transmission lines extend through the property. An old 4x4 dirt road parallels the east side of the Tract. There are no current leases or other official developed uses on the Tract at this time.



Informal uses include hiking and horseback riding. Unauthorized uses include firewood cutting, temporary shelters and trash dumping. There are currently no restrictions on vehicle use or target shooting on the Tract.

Access

Access to the property is limited to a dead end on 19th Street. An extension of 19th Street to the south through the South Redmond Tract is expected to be constructed over the next few years. On the north, 19th Street provides direct access to Airport Way and the Yew Avenue interchange at U.S. Highway 97. The City has approved an extension of Elkhorn Way from the west that will intersect 19th Street near the northwest corner of the Tract. There also is frontage on the BNSF railroad.

Zoning

The Tract is zoned by Deschutes County for Exclusive Farm Use (EFU) with an Alfalfa Subzone and a minimum lot size of 80 acres if not irrigated or 36 acres if irrigated. The property is not included within a Destination Resort Overlay Zone.

The very northeast portion of the property is within an Airport Safety Combining Zone for Roberts Field-Redmond Municipal Airport that restricts the height of buildings and other structures to 35 feet for areas nearest to the runway. Allowed uses in this zone are defined by the underlying EFU zone. A map of airport overlay zones is included as Appendix B.

The minimum lot size for a non-irrigated land division in an EFU zone is 80 acres, however land divisions creating non-farm parcels less than the minimum size may be allowed under certain conditions including that the remaining parcel be at least 80 acres in size. Two non-farm parcels could likely be created in accordance with the current County zoning ordinance, as the Tract is considered unsuitable for the production of farm crops and livestock or merchantable tree species (Title 18, Deschutes County Zoning Ordinance; Title 17, Deschutes County Subdivision/Partition Ordinance).

Adjacent Uses

Surrounding lands to the south and east are managed by BLM and are undeveloped. Military training maneuvers are the primary use of these lands. A fence separates the Tract from adjacent BLM lands along its south border. The Tract is bordered on the north by Juniper Golf Course and the Deschutes County Fairgrounds and Exposition Center. The BNSF railroad mainline and OPRD lands (Juniper Scenic Wayside) border on the west.

Comprehensive plan designations and zoning for adjacent and nearby lands within the Redmond UGB are depicted in Figure 3.

Physical Characteristics

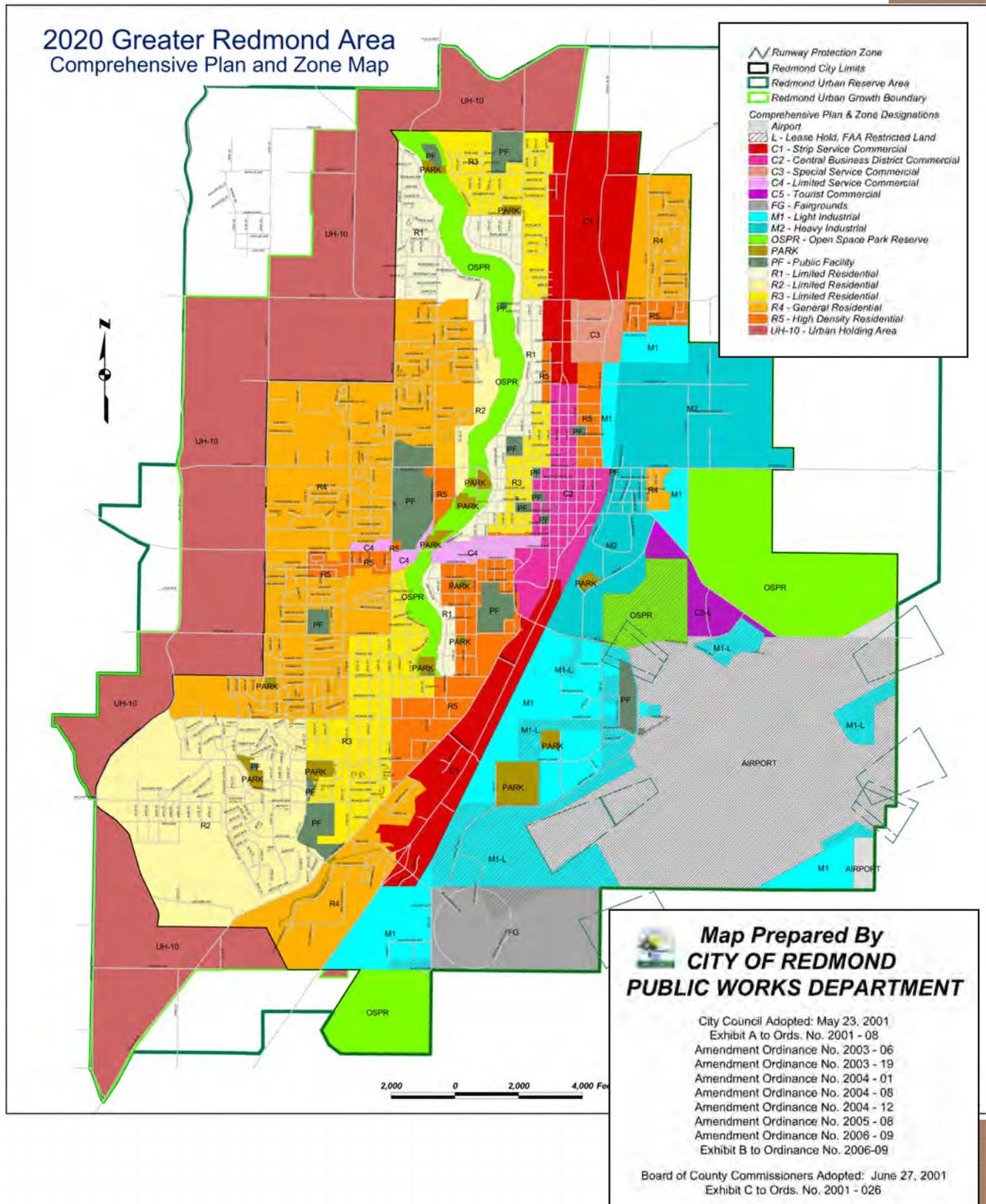
The property is relatively level with scattered lava rock outcrops. Surrounding the rock outcrops are level areas of shallow, sandy soils. Elevation ranges from 3,050 to 3,180 feet. It is physically characterized as juniper woodland and considered rangeland. Vegetation includes western juniper and sagebrush and the soils are mostly sandy loam with basalt outcrops.

Located two miles east of the Deschutes River and nine miles south of the Crooked River, the Tract has no evidence of permanent or seasonal water and there are no water rights associated with this property. The National Wetlands Inventory Map does not identify wetlands on the Tract.

There are no known sensitive, threatened or endangered plant or animal species, hazardous or solid wastes, nor wilderness values on the Tract. There are no designated flood hazard zones.

There is no current or historic record of any mining activity on or near the Tract. As part of the in-lieu selection process, BLM assessed the property's mineral potential and determined that the Tract had none.

Figure 3. Comprehensive Plan and Zone Map



Agricultural Potential

Soils on the Tract are designated as Class VII and VIII. A vegetation survey was completed by DSL in 2007 and found no special values. The land is not recommended for dry land grazing due to a lack of water and proximity to urban uses. There is limited agricultural potential.

The Tract has never been farmed and is not suitable for agricultural production. From DSL's 2006 archaeological survey:

Despite the proclivity for homestead claims during this era (1910-1920), the property was apparently considered too difficult to farm even while many areas bordering the project area were being cultivated. According to the BLM Historical Index, no homestead claims were filed in or within the immediate vicinity.

Archaeological and Cultural Resources

A surface survey of cultural resources was conducted in May-June 2006 by DSL. Two extensive archaeological surveys were also completed by BLM in 1983 and 1997. These surveys indicate that the Tract was utilized rather than occupied by both prehistoric and historic peoples. That is, the Tract has served as an area to be "gotten through" rather than lived in. The Huntington Wagon Road passed through the Tract but was eliminated as an Area of Critical Environmental Concern (ACEC) by BLM because it is no longer historically significant. Isolated artifacts and historic dumping sites found during the 2006 survey are considered ubiquitous in central Oregon and not eligible for inclusion in the National Registry.

Encumbrances

A right-of-way for the BNSF mainline railroad extends along the west end of the Tract. The total right-of-way width is 200 feet and comprises 4.59 acres. A Central Oregon Electric Cooperative, Inc. transmission line parallels the railroad right-of-way. An easement for a Bonneville Power Administration 69 kv electric transmission line runs east-west through the Tract; this easement was granted in 1979 for a term of 30 years. The utility easement is 50 feet wide and extends for 660 feet through the Tract, comprising 0.75 acre.

A City water line was constructed along the east edge of the Juniper Golf Course prior to the BLM transfer to DSL. An easement for the waterline was not identified by BLM; an authorization from DSL may be needed if a boundary survey indicates it is located on the Tract.

Valuation

A 2005 summary valuation report prepared by PGP Valuation, Inc. for DSL valued the South Redmond Tract at \$15,000-\$25,000 per acre, for a total value of \$13.2-\$22 million. As part of the in-lieu land selection process, BLM valued the Tract at \$10,000-\$15,000 per acre, for a total valuation of \$9.45-\$14.18 million. Neither of these valuations was conducted as a market appraisal.

Planning Considerations

An early step in the planning process was the identification of issues to address in the development of land use and land management strategies, as well as opportunities and constraints to site development.

Trust Obligations

The State Land Board, through DSL, has a Trust and legal responsibility to plan for the highest and best use of this property in order to generate the greatest possible revenues for public schools.

Unlike other state-owned lands that can be managed for a variety of public purposes, legal and policy mandates require that these Common School Fund lands be managed to generate the greatest potential revenues possible, balancing revenue enhancement and resource stewardship. The State Land Board needs to view the development potential of these lands similar to that of a private developer.

Issues associated with the DSL's Trust obligations include:

- In considering land exchanges and acquisitions (e.g., OPRD property to the west, County and OMD land transfers), DSL should strive to retain the greatest amount of contiguous, developable acreage as possible in order to maximize the opportunities for future development. Similarly, CSF revenue generation potential will be directly related to the amount of land retained for future urban uses.
- Property values can be expected to significantly increase over time due to the Tract's proximity to the UGB and planned transportation improvements.

Juniper Scenic Wayside

As previously noted, OPRD owns the 80-acre Juniper Scenic Wayside to the west and contiguous with the South Redmond Tract. This land was once owned by the State Land Board before being sold to the Oregon Highway Department (precursor to the Oregon Department of Transportation) and later acquired by OPRD. The OPRD agreed to allow this parcel to be considered in this planning process but has made no commitment to a non-park use or disposal.

Issues associated with the OPRD land include:

- OPRD has made no commitment to sell or exchange this land.
- The location of the OPRD land adjacent to the BNSF railroad right-of-way and U.S. Highway 97 limits the types of land uses that would be compatible with those existing uses. Direct access to U.S. Highway 97 may be limited by ODOT access management policies.
- Inclusion of this land as part of the planning area provides the opportunity to unite disparate DSL properties and provide the South Redmond Tract with greater rail and highway access. Plan management strategies include the recommendation that DSL pursue a land exchange for the entire 80 acres.



- At a minimum, DSL should seek to obtain the six acres of OPRD land on the east side of the BNSF railroad to avoid creating an isolated and difficult-to-administer parcel. Acquisition of this parcel would also provide continuous frontage on the railroad's east side.
- Without some type of land transfer, two DSL parcels on the west side of the rail line totaling approximately five acres will remain isolated and likely undevelopable.

Railroad

The BNSF railroad mainline extends through the western portion of the Tract, with an expanded railroad right-of-way through a portion of the Tract. The City of Prineville Railroad connection to the mainline is north of the City of Redmond.

To address safety issues (vehicle/train conflicts), the feasibility of rerouting the existing railroad alignment to the east of the airport and potentially through the South Redmond Tract was recently assessed. Due to the high cost of a reroute, local officials have decided to focus on grade separations instead. A separate regional freight mobility study is currently being conducted by ODOT and local governments in the region.



Representatives from BNSF informally reviewed the land use site plan and indicated that the proposed multimodal corridor is adequately sized to allow for an entire unit train to serve the site using a future rail spur, without conflicting with main line rail operations.

Issues associated with the railroad include:

- Although use of the mainline is expected to increase, access to sidings for local industry has diminished in recent years. There is a potential opportunity to develop a siding on the Tract.
- The South Redmond Tract has not yet been identified as a preferred location for any major new regional rail hub.
- The railroad right-of-way limits the potential for connections to the OPRD property and for access to U.S. Highway 97.
- Large, undeveloped parcels with access to rail service are very limited in the region.

Transportation System Improvements

Rights-of-way for proposed transportation system improvements could consume a considerable amount of land in the Tract. The most significant of these include the planned extension of 19th Street to the south and a potential rerouting of U.S. Highway 97 from northeast to southwest through some portion of the Tract in the long term. Consequently, it is critical to ensure that the siting of these facilities does not isolate or otherwise diminish the development potential of the South Redmond Tract.

19th Street Extension

An extension of 19th Street from its current terminus at the north end of the Tract southward to Deschutes Market Road has been identified by both Deschutes County

and the City of Redmond as a high priority transportation system improvement. In the City's preliminary 20-year Transportation Systems Plan (TSP), a 19th Street extension would hug the east boundary of the Juniper Golf Course, then bisect the western portion of the South Redmond Tract before heading south in a corridor along the railroad right-of-way. The County plans to extend 19th Street to Deschutes Market Road as an alternative route to/from the Deschutes County Fairgrounds and Exposition Center and the Redmond Municipal Airport. The City and Deschutes County agree that a 100 feet right-of-way will be sufficient.

Deschutes County has identified the 19th Street extension as its highest priority transportation project and is currently preparing the necessary environmental documentation. On the southern end of the proposed 19th Street extension, the County plans to make improvements at the Deschutes Market Road/U.S. Highway 97 interchange, including an overpass to eliminate the at-grade railroad crossing just east of the existing U.S. Highway 97 overpass.

The County expects to include the 19th Street extension in its updated TSP, which will be completed in approximately 18 months. No funding has been secured at this time for construction of this facility.

Issues related to the alignment of the 19th Street extension through the South Redmond Tract include:

- Extension of 19th Street southward to Deschutes Market Road or other intersection with U.S. Highway 97 is of critical importance to the Redmond community as an eastside reliever route.
- An easement from DSL will be required to locate the 19th Street extension through the Tract.
- Highly valuable developable land would be consumed with right-of-way acquisition.
- An alignment along the Juniper Golf Course would preclude a prime development area. A route aligned farther to the east of the golf course, then down through the center of the Tract, would provide better access to the rest of the Tract and create a prime development area directly abutting the golf course.
- The County's proposed 19th Street extension south of the golf course should be aligned to facilitate site access and to serve as a catalyst for urban development. A centrally-located alignment would best facilitate access to both the eastern and western portions of the Tract.
- Designed as a boulevard, 19th Street could serve as a defining feature of site development and as the gateway to Redmond from the south, including the Deschutes County Fairgrounds and Expo Center and the Roberts Field-Redmond Municipal Airport.

Pronghorn Secondary Access

Located 1.5 miles south of the Tract, the Pronghorn Resort is required by a condition of approval imposed by Deschutes County to develop a second access route upon reaching 50 percent buildout. Pronghorn and Deschutes County have expressed interest in extending a road north from the development and through the South Redmond

Tract to 19th Street as the required second access route. A route to 19th Street could provide highway connectivity that extends in a north-south direction between Bend and Redmond.

As initially proposed by Pronghorn, this secondary access road would run through the lower middle of the Tract before intersecting with the 19th Street extension near the southeast corner of the golf course.

Issues associated with the alignment of this access road include:

- Highly valuable developable land could be consumed with right-of-way acquisition for the proposed facility.
- The proposed Pronghorn secondary access extension from the south should be aligned to connect with the 19th Street extension from the north so as to maximize site development options while providing efficient traffic circulation and safe access.
- An alignment that connects to 19th Street off the Tract or in the southwest corner of the Tract may require amendment of BLM's Upper Deschutes Resource Area Management Plan and would eliminate access from the south to the middle of the Tract.
- The cost of developing this access route will be the responsibility of the Pronghorn Resort. In the event the road is needed before other public roads have been established on the Tract, a non-exclusive easement for the Pronghorn Resort access road will need to be provided.

U.S. Highway 97 Phase 2 Realignment

ODOT, Deschutes County and the City of Redmond, through the current update to the City's TSP, are considering options for a realignment of U.S. Highway 97 to the east side of the City. As currently proposed, ODOT's Alternative 3B would run north-south through the northeast portion of the Tract, then east-west along the south side of Juniper Golf Course before turning south. No interchange or direct access to U.S. Highway 97 is proposed on DSL property. Due to costs, the realignment of U.S. Highway 97 will likely be phased. ODOT anticipates finalizing an alignment through its environmental review process, which likely will take at least 2.5 years to complete.

Issues associated with the proposed alignment include:

- Due to funding constraints, any realignment of U.S. Highway 97 would not be likely in the short term (20 years at the earliest).
- Development of the South Redmond Tract is not dependent upon a realignment of U.S. Highway 97 through or near the Tract. Given issues of timing and access (under ODOT interchange spacing standards, direct access to this facility would be unlikely) and the availability of access to other facilities (19th Street extension and Pronghorn secondary access road), realignment of U.S. 97 should not be viewed as a determinant in site planning.
- A considerable amount of developable land could be consumed with right-of-way acquisition for the proposed highway facility.
- Any realignment of U.S. Highway 97 through the Tract should be sited to minimize "carving up" the DSL property and to avoid land locking the area on its east side.

- A right-of-way along the Juniper Golf Course would reduce the amount of land available for development in a critically located and highly valuable portion of the Tract.
- An alignment through the OPRD property would largely negate potential recreational or urban development opportunities on those lands.
- Re-routing onto BLM land may require amendment of the Upper Deschutes Resource Area Management Plan.
- Re-routing may facilitate development of a Quarry Road/U.S. Highway 97 interchange as envisioned by City and County planners.

Roberts Field-Redmond Municipal Airport

Roberts Field-Redmond Municipal Airport is located to the northeast and is not contiguous with the Tract. The airport serves corporate flight needs and is the region's only commercial service airport with Horizon Airlines and United Express providing daily direct flights to Seattle, Washington; Portland, Oregon; Salt Lake City, Utah; and San Francisco, California. A portion of the Tract is included in an Airport Safety Combining (AS) Zone which is intended to limit the height of trees, buildings, structures, or other items which may intrude into areas used by aircraft (Appendix C). A limit of 35 feet is imposed on structures nearest to the runway by this zone. No use shall be allowed in an AS zone that could reasonably be expected to endanger the safety of aircraft.



The City has recently updated its Master Plan and is expanding Roberts Field-Redmond Municipal Airport. Terminal expansion and the construction of an expanded parking lot at the airport are planned to meet growing customer demand. The airport terminal will be increased by 136,000 square feet. Although the proposed runway expansion does not affect the South Redmond Tract, airport zoning and flight paths would affect types of uses permitted/desired.

Issues associated with the airport include:

- While only a small portion of the Tract is located within designated airport zones, the airport manager and local officials have expressed concerns about the location of housing within the airport's flight path and potential conflicts with airport use and expansion. There is a strong preference that no residential development be sited on the South Redmond Tract.
- There also is a request to avoid locating U.S. Highway 97 or related roadway system within the airport zones if they extend into the South Redmond Tract.
- Precluding residential uses of the Tract would continue Redmond's pattern of concentrating its residential development on the west side of U.S. 97, thus limiting the ability to provide live/work opportunities.
- Convenient access to air services enhances the value of the Tract for any type of land use.

Deschutes County Land Transfer

The Deschutes County Fairgrounds and Exposition Center is a 132-acre site located adjacent and to the north of the study area and is adjacent and southwest of the Roberts Field-Redmond Municipal Airport. The facility has a total of over 100 acres of parking. Fairground representatives have stated a desire to expand to the south by acquiring a portion of the South Redmond Tract in order to provide for new uses and buffer its facilities from future adjacent uses.

County officials have requested consideration in the Plan of a possible land transfer between DSL and Deschutes County for, as yet, undisclosed uses. Any land exchange would require a pre-exchange agreement and Land Board approval and be carried out in accordance with the 2006-2016 Asset Management Plan and the Land Board's administrative rules.



Issues associated with a land transfer with Deschutes County include:

- Depending on its scale, a land transfer with the County could remove a significant portion of developable land from the South Redmond Tract.
- The compatibility of uses on land transferred to the County with future urban uses on the Tract will need to be considered. To avoid possible constraints or limitations on land uses within the balance of the Tract, noise-sensitive and other possible conflicting land use activities should not be permitted on any transferred lands.
- Any portion of the Tract that is not designated for industrial or supportive commercial uses would not be eligible to be brought into the UGB in the short-term through an EOA for large-lot industrial uses. Thus, the area subject to a land transfer may not be eligible for inclusion in the UGB in the short-term as part of the Plan's EOA/UGB amendment strategy. A separate EOA for strategically located non-employment center uses (possible County land exchange uses and relocated OMD Armory) would need to be pursued as a concurrent yet separate endeavor in order to bring the land exchange area within the UGB in the short term.

Oregon Military Department (OMD) Uses

The surrounding BLM lands are designated for military training operations in BLM's Upper Deschutes Resource Area Management Plan. The OMD currently leases and conducts exercises on land to the east, south and southeast. The OMD has identified a need for up to 10 acres for a new armory to replace its current facility in downtown Redmond. OMD indicates that it needs to secure the land by 2014 and begin construction by 2016. The site identified in this Plan is OMD's preferred site.

Issues associated with location of OMD facilities on the Tract include:

- If the armory and associated uses were accommodated on a portion of the area identified for potential exchange with Deschutes County, less developable land would be lost.

- If a portion of the Tract separate from that identified for exchange with the County was exchanged with OMD, it likely would be subject to the same limitations described above for short-term UGB inclusion.
- OMD desires assurance that vehicular access will be available to their training site from the new armory site. This access may be accommodated via easement across DSL land until public roads are available.
- The compatibility of OMD armory operations with future urban uses on the South Redmond Tract will need to be considered.

Juniper Golf Course Expansion

The City of Redmond's municipal golf course lies to the north and west of the Tract. Although DSL has received testimony seeking land to expand the existing course to the south and/or east, neither the City nor the golf course Governing Board has shown interest in pursuing this course of action.

Issues associated with golf course expansion onto the Tract include:

- Land values adjacent to the golf course can be expected to be greater than elsewhere on the Tract.
- The golf course is an amenity that would serve users of the South Redmond Tract and the City as a whole.
- Depending upon its scale, an exchange or sale of land with the City for golf course expansion could remove a highly valuable portion of developable land from the South Redmond Tract.
- Any portion of the Tract that is not designated for industrial or supportive commercial uses may not be eligible to be brought into the UGB as part of the regional employment lands EOA initiative.



Availability of Infrastructure

Water

There are no water rights associated with the Tract. Obtaining water is not seen as a development constraint. It is anticipated that water infrastructure would be installed concurrent with construction of the 19th Street extension and, thus, be readily available to serve the Tract.

Wastewater

Redmond is currently preparing a new Sewer Master Plan. DSL calculated estimated sewer and water demands associated with the alternative concepts developed during the planning process and requested that the projected sewer demand be considered in the City's master planning process. The City agreed to estimate associated infrastructure needs and costs, including the costs of pipe oversizing and any additional line depth needed.

The draft Sewer Master Plan currently considers a westside interceptor as the first option for providing sewer service to the South Redmond Tract. However, more

recent City information indicates that the existing southeast interceptor will be extended to serve the south Redmond area in about five years, which is much earlier than a westside interceptor would be extended. It is anticipated that local, on-site sewer infrastructure would be installed concurrent with construction of the 19th Street extension. However, the Tract cannot be fully served with sewer until the Yew Avenue pump station is expanded.



Other Utilities

Electric utility lines bisect the South Redmond Tract in two locations. There is a gas line approximately two miles east of the area.

Issues associated with transmission lines include:

- If the adjacent OPRD lands are not acquired, the Central Electric Cooperative line creates an isolated and likely undevelopable parcel.
- Development would be precluded within the buffer for the BPA line.

Responsiveness to Global Climate Change

The South Redmond Tract offers a unique opportunity to model responsiveness to global climate change and to integrate sustainability into all aspects of site planning and design. The Tract's ownership, size and lack of environmental or other development constraints create a situation where aggressive planning and design practices to reduce carbon footprints and integrate sustainability principles at all levels can readily be accomplished. For example, the design of new transportation facilities through the property offers an opportunity to coordinate transportation facilities with global climate change initiatives. The property also lends itself to leading-edge solar energy production and utilization practices to enhance environmental sustainability and create revenue generation opportunities. These could include concentrated solar power generation, distributed solar power generation, and passive solar design. Of note is the recent identification by EDCO representatives of alternative energy as key to transforming the region's economy in the same way that the semiconductor industry pulled the state out of the timber-based economy in the 1990s.

Issues related to responsiveness to global climate change include:

- Potential conflicts with DSL's Trust obligations to generate the greatest possible revenues for the CSF could affect the willingness to investigate new, untested sustainability and carbon reduction practices.
- DSL lacks authority to require carbon reduction, sustainability and other global climate change measures be applied to proposed transportation facilities owned and operated by other entities.

Role as a Gateway to South Redmond

Surrounded by BLM lands to the south and east, this property can be expected to represent the boundary of urban development in southeast Redmond for a long time into the future. With the extension of 19th Street, the possible rerouting of U.S. Highway 97, and the development of a secondary Pronghorn Resort access route, it will also be the primary gateway into south Redmond.

Issues associated with serving as the gateway to south Redmond include:

- Typical industrial or commercial development could create an unfriendly landscape for those traveling on 19th Street, U.S. Highway 97, or the Pronghorn Resort secondary access road. Conversely, thoughtful design and landscaping could create a visually welcoming setting.
- The adjacent BLM lands are unlikely to be urbanized for some time into the future. Development on the South Redmond Tract should be designed to visually transition into the BLM open space rather than establish a stark transition from such to urban development.

Role in DSL's Central Oregon Strategy

The Department's 2006-2016 Asset Management Plan calls for development of a Specific Area Management Plan for DSL upland properties in Central Oregon, recognizing the concentration of CSF lands in proximity to rapid growth areas. Land uses at the South Redmond Tract will play a critical role in implementation of that strategy. As indicated in the following table, employment uses at the South Redmond Tract would ensure that a mix of complimentary land uses are being planned for on key Central Oregon properties. With the types of land uses being proposed for these other sites, large-lot industrial uses at the South Redmond Tract would provide a significant employment opportunity that would not be available on other lands that contribute to a Central Oregon land use and land management strategy.



Site	Acreage (ac)	Anticipated Future Land Uses	Status
Stevens Road Tract	640	Housing; neighborhood/office commercial	Stevens Road Tract Conceptual Master Plan adopted June, 2007
South Redmond Tract	945	Employment	Land Use and Management Plan completed
Ward Road Tract	40	Rural residential	Subdivision being planned
Cline Buttes Parcels	400	Destination resort	Under lease or agreement to lease
West Juniper Canyon	640	Rural residential	Pending-in-lieu selection
Deschutes Market Road	1,577	Rural residential; mixed-use urban in long term	Pending-in-lieu selection

Development Timeframe

As previously described, the South Redmond Tract is located adjacent to but outside of the City of Redmond's UGB. The UGB is established to identify land sufficient to accommodate population and employment needs for the next 20 years. Furthermore, the Tract is not identified as an UAR. UARs are established to include a 30-year supply of land beyond the 20-year timeframe of the UGB.

The City has established the following urbanization strategy:

- UARs will be included within the UGB on a phased basis as the need for urbanizable land warrants. The City and County may establish a strategy and priority for expanding the UGB based on factors such as proximity to existing urban development and ability to extend public facilities and services in an orderly and efficient manner.
- Property owners have the opportunity to request that land within a designated UAR be included within the UGB, based on consideration of the following factors outlined in Statewide Goal 14:
 - a. Demonstrated need to accommodate urban population growth requirements;
 - b. Need for housing, employment opportunities and livability;
 - c. Orderly and economic provision of public facilities of services;
 - d. Maximum efficiency of land uses;
 - e. Retention of agricultural land;
 - f. Compatibility of urban uses with nearby agricultural activities; and
 - g. Environmental, energy, economic and social consequences.
- The City and County will favor UGB additions that are of sufficient size and scale to be integrated into the urban area as complete neighborhoods or other community elements rather than isolated individual development projects. Privately initiated requests for UGB amendments should include a minimum of 200 acres.

Based upon input from County, City and DLCD staff, the expectation is that the Tract cannot be brought into Redmond's UGB within the next 20 years based on conventional land use needs determination and standards. Given that the current Redmond UARs were designated in 2005, that the latest UGB amendment (focusing on residential lands) was in 2006, and considering other planning processes in the region, the consensus is that it will likely be a minimum of 20 years before a need for UGB expansion in this area can be justified based on historic development and trends. This presumption does not include any consideration of regional employment land and large-lot industrial land needs.

An option identified to expedite this timeframe is to conduct an economic opportunity analysis, as provided for in OAR 660, Divisions 9 and 24, to address regional industrial land needs. A specific, unmet need for large-lot industrial uses would have to be established and documented. An economic opportunities analysis of regional needs would be required, factoring in the potential for industrial development at other available and comparable sites in the region. A distinct economic strategy focusing on large-lot industrial development will need to be developed and refined.

The City anticipates that it has a sufficient supply of conventional or ordinary (not large-lot) industrial land for the 20-year planning period. However, large industrial tracts, especially those with potential rail access, are unavailable. Expanding and new industries seeking large-lot industrial sites in the Central Oregon region do not have an adequate supply of sites to select from. A state-wide need for large-lot industrial sites has been identified in a March 2008 memorandum from the Oregon Economic & Community Development Department. The memo states that large, ready-to-go industrial sites have been one of the state's most significant development challenges in the last few years and that OECD "supports the addition of large industrial sites, especially those of 100 to 200 net contiguous developable acres, to the state's industrial land inventory..."

The South Redmond Tract is strategically located for large-lot industrial employment as it is in close proximity to the Roberts Field-Redmond Municipal Airport and adjacent to both the existing (and a possibly realigned) U.S. Highway 97 and the BNSF mainline railroad, with sufficient right-of-way for the development of a rail siding that complements current rail operations and practices. In addition, the 19th Street extension will provide major street access to and from the south. State and local planners and officials have noted that the Tract's large size and single ownership make it especially conducive to large-lot industrial development over the long term.

Issues associated with the development timeframe include:

- The Tract is not currently located within the City of Redmond's UGB (20-year land supply) or its urban reserve area (50-year land supply).
- Designating the Tract for large-lot industrial use has been identified as the only viable strategy to bring the Tract into Redmond's UGB in the short-term (within the next 20 years), assuming a regional unmet need for such use can be demonstrated and that it cannot be met elsewhere by lands either within a UGB or designated as UAR.
- Development and maintenance logistics needed to facilitate the construction of planned (and needed) City and/or County roads (and accompanying infrastructure) through the Tract may expedite the anticipated development timeframe.
- The designation of portions of the Tract to other uses, e.g. land transfers for County needs or OMD armory, will likely add complexity to the EOA/UGB amendment process, especially if pursued independently of a DSL application for a UGB amendment.

Management Strategy

The management strategy for the South Redmond Tract, developed through the collaborative planning process with state and local stakeholders previously described, is based on a short-term timeframe (2-4 years) for inclusion of the Tract within the Redmond UGB and City limits.

The Plan classifies the Tract as Industrial/Commercial/Residential (ICR) under the Asset Management Plan's land classification system. The strategy assumes that DSL

will aggressively pursue an amendment to the Redmond UGB in the short-term (and a possible land exchange with OPRD) based upon: (1) a regional economic opportunity analysis for large-lot industrial uses and (2) the planned 19th Street extension by the City and County. A Land Management Concept (Figure 4) identifies lands to be retained by DSL, possible transfer and acquisition lands, and proposed and conceptual transportation corridors. A Land Use Concept (Figure 5) designates the entire Tract, except for lands identified for possible transfer to Deschutes County and the OMD, for employment uses, primarily large-lot industrial.

Among the rationale for this management strategy are:

- The 2006-2016 Asset Management Plan directs the Department to pursue, as a priority, urbanization of lands within or proximate to urban areas.
- The costs associated with holding land create an obligation to seek a return at the earliest possible time.
- Generating revenues from development increases the value of the CSF and increases distributions to schools.
- State economic development specialists and regional leaders have articulated a need for served and developable large-lot industrial sites to support expanding local industries, promote industrial recruitment efforts, and create family-wage jobs.
- Strong support for this strategy has been expressed by the South Redmond Collaborative Planning Group, COERT, City of Redmond and economic development professionals in the region and at the statewide level.
- The ownership, size, location and other features of the Tract create a unique opportunity to cooperate with local and regional governments to address unmet regional economic needs.
- The provision of “shovel-ready” industrial lands has been identified as a state economic development priority.
- Recent amendments to DLCD’s administrative rules (OAR 660-24) provide a well-defined process for pursuing an EOA based upon regional employment land needs.
- Focusing on a “green” technology campus is in line with DSL’s desire to model responsiveness to global climate change and integrate sustainability into all aspects of site planning and design.



While other development options may represent higher and better uses for the Tract, they lack the support of local jurisdictions and represent longer-term (20+ years) scenarios.

Short-Term UGB Amendment Based on EOA

For lands within the Tract that DSL plans to retain, an amendment to the Redmond UGB to meet regional industrial lands needs has been identified as the most viable means to expedite the South Redmond Tract’s inclusion into the Redmond UGB.

The EOA will need to document a specific, unmet need for large-lot industrial uses in the region. A distinct economic strategy focused on large-lot industrial development will also be required. The EOA will identify economic opportunities for large-lot industrial lands in the Central Oregon region and identify potential sites to accommodate those opportunities. The EOA will specifically identify large-lot industrial opportunities that incorporate principles of sustainability and responsiveness to global climate change.

The South Redmond Tract is strategically located for large-lot industrial employment due to its close proximity to the Roberts Field-Redmond Municipal Airport and both the existing (and a possibly realigned) U.S. Highway 97 and the BNSF mainline railroad, with sufficient right-of-way for the development of a rail siding to serve the Tract. In addition, the 19th Street extension will provide major street access. State and local planners and officials have noted that the Tract's large size, single ownership, access to infrastructure, adjacency to city limits and urban development, and lack of environmental and other development constraints make it especially conducive to large-lot industrial development.

The Plan's management strategy assumes that, upon approval of the EOA by the Land Conservation and Development Commission, the City of Redmond will expeditiously initiate the process to amend its UGB to include the Tract. Also assumed is a single, unified UGB amendment application with:

- A UGB amendment based on the EOA for large-lot industrial uses on lands retained by DSL; and
- UGB amendments based on Statewide Planning Goal 14 locational factors for lands anticipated to be transferred to Deschutes County and OMD.

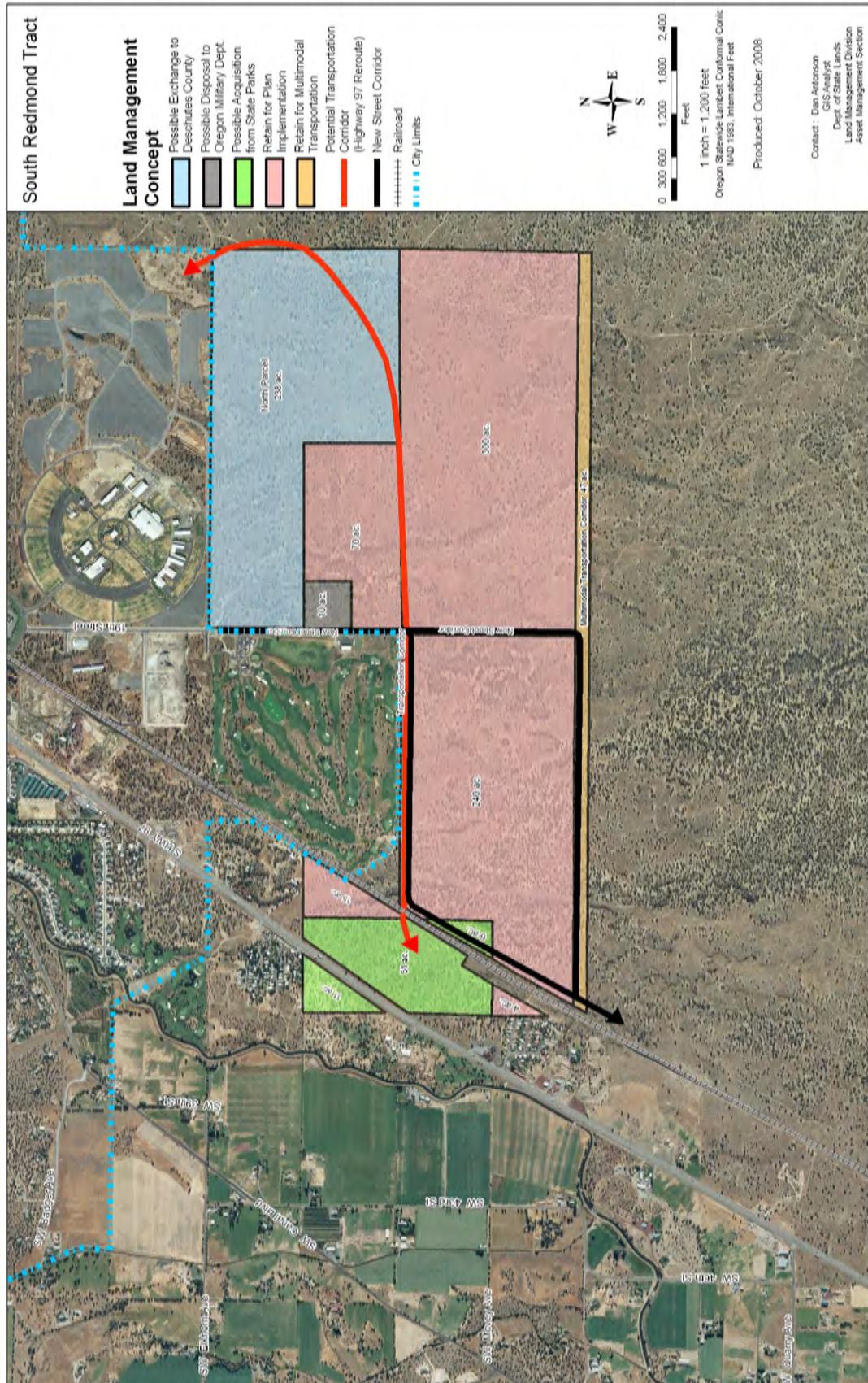
DSL intends to (1) negotiate a Memorandum of Understanding with the City, County and OMD to share the cost and work to develop the UGB amendment application; and (2) initiate work on the EOA in conjunction with these and other parties, including DLCD and OECDD. Following completion of the EOA process, it is expected that the City of Redmond will initiate the UGB amendment process for the Tract.

Land Management Concept

The land management concept depicted in Figure 4 includes the following key elements:

- Retention by DSL of approximately 697 acres of the Tract;
- Identification of approximately 248 acres of the Tract for consideration for sale or transfer to Deschutes County and OMD. Potential transfer lands that are not in fact transferred would be retained by DSL;
- Identification of OPRD lands (Juniper Scenic Wayside) for potential acquisition by the Department;
- Identification of potential future transportation corridors. For U.S. Highway 97, a conceptual corridor is accommodated, recognizing that a preferred alignment has not yet been identified or recommended and that, due to funding constraints, any realignment of U.S. Highway 97 would not likely be constructed before 20 years at the earliest; and

Figure 4. Proposed Land Management Concept



- In recognition of the Tract's role as a gateway to south Redmond, provision of a visual corridor along the Tract's southern boundary and adjacent to transportation facilities.

Land Use Concept

To implement the land management concept, a land use concept, shown in Figure 5, designates land uses and transportation corridors. Key elements include:

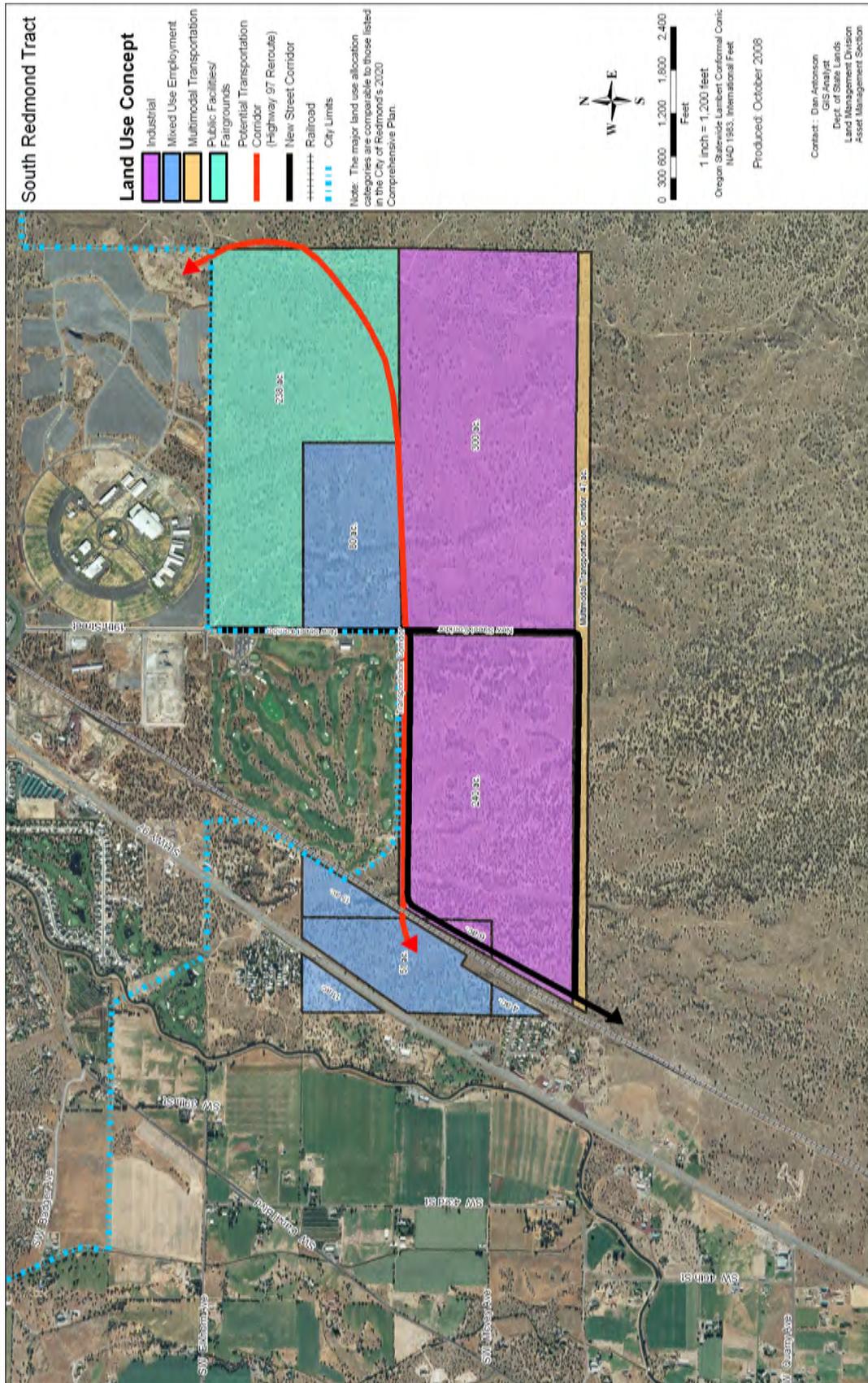
- Industrial (large-lot) land uses for the majority (approximately 700 acres) of the lands to be retained by the Department;
- A portion (approximately 80 acres) in the middle of the Tract designated for mixed-use employment. This area would provide for commercial and small-lot industrial uses in support of adjacent large-lot industrial uses, taking advantage of its proximity to the 19th Street extension. Commercial and other employment uses could include eco-green incubator businesses and service-based businesses (hotels and restaurants);
- Mixed-use employment uses on those parcels west of the BNSF railroad, including lands to be acquired from OPRD;
- A potential multi-modal transportation corridor (approximately 47 acres) along the southern boundary of the Tract. The proposed corridor is sized to be able to accommodate future rail uses, including unit trains;
- New transportation corridors for the 19th Street extension that reflect an alignment identified in Redmond's draft TSP, and for a conceptual U.S. Highway 97 alignment; and
- If determined feasible, extension of rail service through the site would be accommodated. It is anticipated at this time that the only viable way to obtain rail service to the Tract would be to accommodate unit trains, as volumes on the BNSF mainline preclude slowing rail traffic to serve a siding.

Potential transfer lands that are retained would be designated for large-lot industrial and/or mixed-use employment, with a focus on "green" industries.

Development of the Tract represents an opportunity to create a model for responsiveness to global climate change and to integrate sustainability into all aspects of site planning and design. Among the land uses that will be considered to achieve these objectives:

- An eco-industrial park that co-locates "green" businesses that are supportive of each other, e.g. a business that produces power or creates products from the waste of another business. The concept is to facilitate cooperation among firms to save energy, reduce industrial waste and increase resource efficiency.
- A "green" or clean technology campus that would encourage incubation and attraction of green firms producing products and services for local and regional consumption and for export. Examples include the biofuel, wind power, solar photovoltaic and fuel cell industries.
- Renewable energy demonstration projects and power generation facilities. In particular, the Tract lends itself to large-scale solar power generation.

Figure 5. Proposed Land Use Concept



GIS/Asset Management/South Redmond Tract/GIS/SP/South Redmond Land Use Concept/Map

Plan Implementation

The following management actions will be undertaken to implement the Plan.

Land Management

1. In accordance with DSL's 2006-2016 Asset Management Plan:
 - Apply a DSL land classification of Industrial/Commercial/Residential (ICR) to the South Redmond Tract (excluding OPRD lands included in the planning area). Although this land classification allows for residential uses, no residential uses are planned for the Tract.
 - Identify for "Retention" all lands beyond those shown as candidate for transfer to OMD and Deschutes County.
 - Manage in accordance with ICR General Strategies.
 - Apply an "Active" management category.
2. Review existing administrative rules and procedures and revise as needed to restrict unauthorized activities on the Tract (e.g. overnight camping).
3. Upon its inclusion in the UGB, explore options for development of the Tract, such as agreements with a master developer(s) to conduct detailed site planning and development.
4. In recognition of the Tract's role as a gateway to south Redmond, ensure that a visual corridor is provided along the Tract's southern boundary and adjacent to transportation facilities.
5. Require easement applications for public roads, infrastructure and other rights-of-way. If determined to be needed, authorize an easement for the existing water line along the east boundary of the Juniper Golf Course.

Land Transfers

6. Based upon the acquisition standards in the 2006-2016 Asset Management Plan, negotiate with Deschutes County and the OMD on a land transfer, lease, or combination of the two to accommodate County needs and the siting of a new armory and associated facilities.
7. Pursue a land transfer with OPRD for the entire 80-acre Juniper Scenic Wayside complex. Alternatively, seek to acquire all OPRD land on the east side of the railroad right-of-way and the parcel west of U.S. Highway 97.
8. To avoid possible constraints or limitations on land uses on lands retained by DSL, ensure that noise-sensitive and other possible conflicting land use activities are not permitted on any transferred lands.

Urban Growth Boundary Inclusion

9. Monitor and participate in the Redmond and Deschutes County UGB and UAR amendment processes with the goal of inclusion of the entire Tract within the Redmond UGB at the earliest possible date.
10. Aggressively pursue an amendment to the Redmond UGB in the short-term based upon: (1) a regional economic opportunity analysis for large-lot industrial uses with a focus on "green" industries and (2) the planned 19th Street extension by the City and County.

11. Strive to develop a unified UGB amendment application that addresses both lands to be retained by DSL and lands that may be transferred to Deschutes County and the OMD. Develop a Memorandum of Understanding with Deschutes County, the City of Redmond and OMD for cost and work sharing for the UGB amendment application. If a single application is infeasible, coordinate with the County and OMD to expedite processes and reduce costs.

Transportation Improvements

12. Maintain a multi-modal transportation corridor capable of accommodating rail service and protect against conflicting uses.
13. Work with staff from the City of Redmond and Deschutes County in locating an extension of 19th Street that is aligned to facilitate access to both the eastern and western portions of the Tract and to serve as a defining feature of site development and a gateway to Redmond from the south.
14. Coordinate with Redmond, Deschutes County and ODOT regarding the U.S. Highway 97 Phase 2 Realignment, recognizing that such a realignment will not be a determinant in site planning due to lack of access and the likely timing of the facility's construction. Ensure that alignment planning does not result in proposed facility siting that creates land-locked portions of the Tract.
15. Coordinate with Deschutes County and Pronghorn Resort to identify a secondary Pronghorn Resort access road that maximizes site development options while providing efficient traffic circulation and safe access. In the event the road is needed before other public roads have been established on the Tract, provide for a non-exclusive easement location of the access road on the Tract.
16. Cooperate in the Central Oregon Area Commission on Transportation (COACT) assessment of regional rail needs. Also cooperate in the Statewide Freight Mobility Study being initiated by the ODOT.
17. Ensure that planning and future development of the Tract protect the utility of the railroad alignment, including the area identified as having potential for a railroad siding.



Cooperative Planning

18. Continue to actively participate in the South Redmond Collaborative Group planning process.
19. In the interim before its inclusion within the Redmond UGB and annexation to the City, work with Deschutes County to identify the appropriate Comprehensive Plan designation and zoning to reflect the intended urban uses and lack of agricultural capabilities.
20. Actively participate in Redmond's infrastructure and capital improvement planning to ensure that City sewer, stormwater and water facilities are appropriately located and sized to serve urban-level development of the South Redmond Tract. Consider financial participation in the funding of needed service extensions and sizing if it

is determined that such investments meet DSL investment standards as well as the tests for nexus and rough proportionality.

Responsiveness to Global Climate Change/Sustainability

21. Model responsiveness to global climate change and integrate sustainability into all aspects of site planning and design.
22. Aggressively pursue leading-edge solar energy production and utilization practices to enhance environmental sustainability and create revenue generation opportunities.
23. Apply a variety of sustainability principles, including:
 - Integration of multi-modal transportation facilities, e.g. future transit and passenger rail opportunities.
 - Energy-efficient building materials and construction practices.
 - Power generation from alternative energy sources, including solar power.
 - Incorporation of solar energy principles in design of street layouts, building orientation, and building design during the early planning and design stages.
 - Native vegetation and other landscaping practices that minimize irrigation needs.
 - Natural and other drainage facilities and practices that retain stormwater within the site and minimize drainage impacts (e.g., bio-swales, detention ponds, rolled curbs).
 - Permeable or semi-permeable surfaces for low impact areas such as driveways, bike paths or similar areas.
 - On-site waste use/reuse, including irrigation using “gray” water for landscaping or other feasible uses.
24. Ensure that planning and design for new transportation facilities through the Tract serves as a model for implementation of the Governor’s transportation-global climate change initiative.



Funding

25. Budget for a subsurface water reconnaissance study and initiate the process for obtaining water rights, if warranted.
26. Budget for an increase in land management costs to control access; for site management functions such as vegetation management and trash removal; and to protect against wildfire and unauthorized uses such as firewood cutting, off-road vehicles, unregulated target shooting, overnight camping temporary shelters and trash dumping, and any other un-permitted activities.

Marketing

27. Develop marketing partnerships with EDCO, OECD, local and regional real estate agencies and others to support future site development.
28. Achieve industrial site certification status for the industrial elements of the Tract to support industrial recruitment efforts of the state and other job creation advocates.

Plan Updates

29. Update the Land Use and Management Plan every 5-8 years.

Land Use Compatibility

Pursuant to DSL's 2006 State Agency Coordination Program, the following findings and conclusions are made regarding the compatibility of this Land Use and Management Plan with the comprehensive plans and land use ordinances for the City of Redmond and Deschutes County:

- The Tract is zoned by Deschutes County for Exclusive Farm Use (EFU), and has a minimum lot size of 80 acres. The Tract has not historically nor is currently used for agriculture. The EFU zoning was applied because of its past federal ownership. Proposed Land Use and Management Plan uses would not be in compliance with current EFU zoning and could not be pursued without inclusion of the property within the Redmond UGB and city limits and application of urban zoning.
- While the Plan is not in compliance with current City and County zoning, development is not being proposed at this time and would not be pursued in the future under current County EFU zoning. Prior to inclusion within the Redmond UGB and city limits, DSL will work with the City of Redmond to establish Comprehensive Plan designations and zoning based upon the conclusions and findings of the UGB amendment process. Subsequent land use activities will be based upon refined planning for the entire Tract and/or refinement plans for specific portions of the Tract.

For More Information

In addition to managing Common School Fund lands, DSL provides some direct services to the public and regulates certain aspects of the protection of Oregon's waterways. DSL administers Oregon's Removal-Fill Law, which requires a permit to remove, fill, or alter more than 50 cubic yards of material in the state's waterways. Wetlands conservation and management also is a key responsibility of DSL. DSL also acts as a trustee for unclaimed property, administers estates with no known heirs, manages the South Slough National Estuarine Research Reserve (near Coos Bay), and provides support to the Oregon Natural Heritage Advisory Council. Moreover, DSL also maintains historical records on all state land transactions.

Contact DSL's Salem office for further information about this Plan or any of the other services DSL provides. You may also access the Plan on the Department's Web site: <http://www.oregonstatelands.us>.

Oregon Department of State Lands

775 Summer Street, NE
Suite 100
Salem, Oregon 97301-1279
503-986-5200
503-378-4844 FAX

John Lilly
Manager, Asset Management Section
Land Management Division
503-986-5281

Other DSL Offices

South Slough National
Estuarine Research Reserve
P.O. Box 5417
Seven Devils Road
Charleston, OR 97420
541-888-5558
541-888-5559 FAX

DSL Eastern Region
1645 NE Forbes Road, Suite 112
Bend, OR 97701
541-388-6112
541-388-6480 FAX

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APPENDICES

APPENDIX A: Public Meeting Summaries

APPENDIX B: Airport Safety Combining Zone

APPENDIX C: Alternative Development Concepts

APPENDIX A: PUBLIC MEETING SUMMARIES

Tuesday, November 6, 2007; 6pm to 8pm
Deschutes County Fairgrounds and Expositions Center

Introduction and Meeting Objectives

The Department of State Lands (DSL) held a public hearing on November 6, 2007 concerning a Draft Land Use and Management Plan for the South Redmond Tract in Redmond. The results of the public hearing are being used to revise the Plan and to determine compatibility with the Redmond and Deschutes County comprehensive land use plan.

The public comment period closed December 7, 2007 at 5:00pm.

Public Notice

Notice of the public meeting was provided through a November 2 press release and through direct notice to neighbors and other interested parties. The Bulletin ran a front-page story on the meeting and plan on October 28.

Meeting Notes

John Lilly, DSL Asset Management Section Manager, gave a brief overview of the purpose of the Plan, providing easy-to-understand information on the Common School Fund, DSL's management of Trust lands, and the reasoning behind in-lieu lands. Jim Owens of Cogan Owens Cogan explained the four Land Use Concepts developed for the South Redmond Tract draft Master Plan including their features, underscoring that they are just that – concepts.

Questions and comments

- Will DSL sell this land or establish long-term leases? (Answer: most likely a mixture of both.)
- Will tax revenue be derived from this land? (Answer: this parcel is no different from other land concerning potential taxes levied after it is developed.)
- There was some confusion about DSL recommending one concept to the Land Board – John explained that we plan to recommend all four to the board in February or April.
- Comment: Juniper Golf Course aspires to be expanded, contrary to what John discussed in the slide presentation. There is a need in Central Oregon to provide golf opportunities for the “common man.”
- Comment: Keep the plan dynamic – don't get locked in to the four concepts. Bounce ideas off developers – reach out to the private sector for ideas.
- How do plans to build a new high school (the site is about one mile west of the Tract) fit into planning for this tract? (Answer: No provisions have been made regarding the new high school in any of the Land Use Concepts.)
- Are there specific criteria for potential land exchanges with the county? (Answer: Normally, we exchange land of equal value after negotiations and concurrence of the Land Board. It's a multi-faceted process with much review.)

- The chair of the County Commission (Mike Daly) and a member of the Redmond City Council voiced support for developing the area for recreation. Could the county offer other lands in the Redmond area that could be exchanged for this parcel in order to keep the focus on recreation? Some voiced concern about siting an armory on the Tract. There was significant discussion about the armory's needs, military equipment, etc.
- Why are the two dates under discussion so far apart? (February 2008 for the LB decision on approving the plan and 20+ years from now for development.) What are the critical dates for key management decisions? Do we have a timeline established? (Answer: We want to at least adopt the potential development scenarios so we can continue to move forward with planning, UGB discussions, etc.)
- There was some confusion about the Land Board's involvement and the process.
- Key point: DSL needs to have development scenarios (the four concepts) in place so we can have a "voice at the table" in discussions with ODOT, local governments, etc. If we have nothing in place, we will have very little influence over decisions about the relocation of Highway 97 for example. We need to be able to articulate how the realignment would potentially impact our ability to develop the tract.
- How do the airport's "fly zones" affect development? It was brought up that the airport doesn't support residential development within the Tract. Where is the airport going to expand? How much influence has the airport had on residential development being downplayed?
- Why don't we maximize land along Highway 97 – this seems a natural, given that the corridor is already commercially developed? (Answer: DSL doesn't own that land – yet – as it's OPRD land.)
- There were lingering questions about the four concepts. DSL staff reinforced that all four will be presented to the Land Board for adoption so that we can continue to move forward on planning scenarios and be ready for opportunities when they arise (such as the property coming into the UGB earlier than anticipated).
- Comment: Transportation planning is critical. Working closely with ODOT is a must.
- Overall, the attendees thought the meeting was well organized, and felt their comments were heard and carefully considered. Very few – if any – feelings of opposition were expressed.

Summary of Written Comments

Public Meeting Comments

CONCEPT A

- I love this concept.... Mixed use, prime residential, great commercial appeal! (Mark Crose, President Juniper Golf Course)
- I don't believe this region is suitable for residential. It is more suitable for "recreational," particularly because the region has a start at recreational due to golf course, water park, etc.

CONCEPT B

- Redmond's growth makes preserving recreational areas very important. The city will need a 2nd golf course in the not too distant future. This plan would work. (Mark Crose)

CONCEPT C

- Prefer to reduce the campus industrial area, to be replaced with park/golf course/ other recreational facilities.

CONCEPT D

- Specific designation of provision for Fairgrounds expansion in future desirable. Another idea is consideration for outdoor athlete facility with seating for larger events that can be held in city parks. Provision for other recreation business that compliments golf course and water park. Perhaps a little less campus industrial to accomplish the above. Like this concept best of the four.
- Prefer to expand the area labeled "park," the expansion to be used as park or other recreational facility.

Written Correspondence

- Letter #1 Concerns about city expanding to the south. Would like to see tract preserved "as is" for the benefit of wildlife. An exception would be a 19th Street expansion to help alleviate traffic on U.S. Highway 97.
- Letter #2 The plan should address long-term goals for enhanced recreational opportunities, including expansion of the Juniper Golf Course and associated facilities. Also sees a need to extend 19th Street to Pronghorn and opportunities for residential development at the south end of the property.
- Letter #3 Concerns about sewer service in the area. Also concerned about U.S. Highway 97 alignment. Prefers Concepts C and D.
- Letter #4 Deschutes County Board of Commissioners hopes to acquire from DSL between 142 and 320 acres immediately south of the Fair and Expo Center. They support the 19th Street extension alignment and maximizing active and passive recreational uses.
- Email #1 Redmond Airport opposes housing in the Tract.
- Email #2 Concerns about adequate access to the Deschutes County Fair and Expo Center from U.S. Highway 97.
- Email #3 The City of Redmond supports Concept D as a viable long-range plan that reflects the needs of the community and the City of Redmond.
- Email #4 The Oregon Military Department supports Concept D. Concerns about the alignment of U.S. Highway 97 and the proposed alignment of the Pronghorn Secondary Access.

Tuesday, June 17, 2008; 6:30 pm to 8:30 pm
Redmond Fire & Rescue Meeting Room

Introduction and Meeting Objectives

The Oregon Department of State Lands (DSL) held a public hearing on June 17, 2008 on a revised Draft Land Use and Management Plan (Plan) for the South Redmond Tract in Redmond. The results of the public hearing are being used to finalize the Plan and to determine compatibility with the Redmond and Deschutes County comprehensive land use plans. The completed Plan will guide the use and development of the tract, which borders the Redmond city limits and urban growth boundary.

The public comment period closed June 30, 2008.

Representing DSL were John Lilly, Doug Parker, Clara Taylor, along with the Department's consultant, Jim Owens, Cogan Owens Cogan, LLC.

Public Notice

Notice of the public meeting was provided through a May 20 press release and through direct notice to neighbors and other interested parties. The Bulletin ran a story on the meeting and Plan on June 16.

Meeting Notes

John Lilly, DSL Asset Management Section Manager, gave a brief overview of the purpose of the Plan and summarized the process leading to the revised Draft Plan being presented. He also explained the concept of an Economic Opportunity Analysis (EOA).

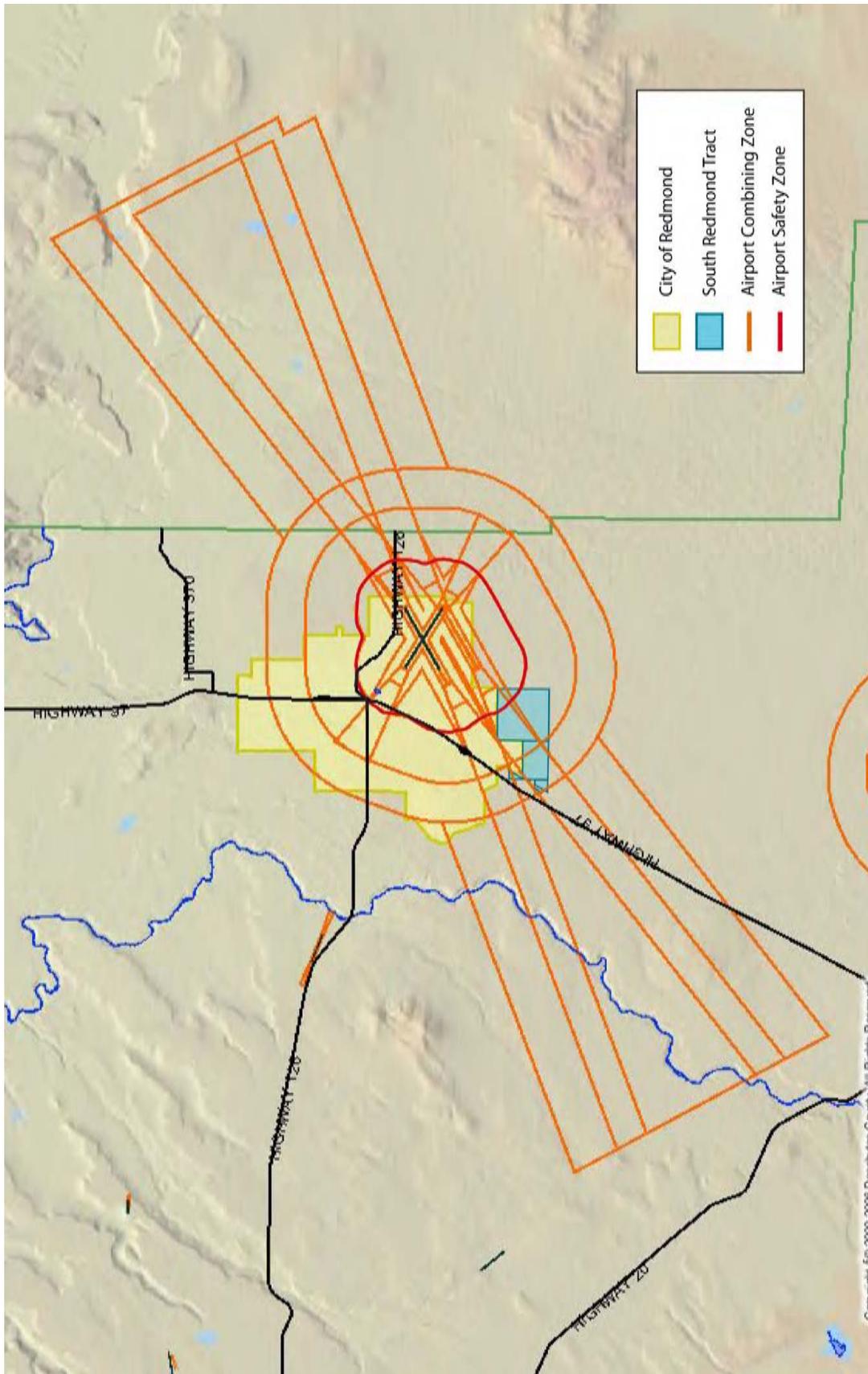
Jim Owens led a PowerPoint presentation on the revised Draft Plan, focusing on the proposed management strategy as illustrated in the Land Management Concept.

Questions and comments

- What is the schedule for Plan completion? (Answer: comments are due by June 30; public hearing before the State Land Board in October, with Plan adoption at that time.)
- Will DSL sell this land or establish long-term leases? (Answer: most likely a mixture of both.)
- Will DSL involve local representatives from real estate, financial institutions, and the development community in marketing and site development? (Answer: consultation with these parties throughout the process.)
- Why is so much land proposed for exchange to the County? (Answer: DSL is responding to a request by the County for adequate land to accommodate Fairgrounds expansion and to provide a buffer to adjacent land uses.
- What is the process for exchanging lands? Will DSL consider land exchanges with private parties? (Answer: The agency's rules require that exchanges be for land of equal value after negotiations and concurrence of the Land Board. It's a multi-faceted process with much review. Land exchanges with private parties are not precluded, but unlikely in this case.)

- What are the intentions for development of the OPRD lands if obtained? (Answer: Mixed use employment that takes advantage of direct access to U.S. Highway 97.)
- What is the purpose of the transportation corridor designation? (Answer: Designate areas for future transportation facilities, thereby demonstrating compatibility between the draft Plan and region-wide infrastructure plans.)
- What happens if the EOA/UGB amendment process is unsuccessful? (Answer: We will add language to the Plan to explain what the short-term strategies would be. The tract would essentially be managed to avoid conflicts with its long-term urban development.
- Overall, the attendees thought the meeting was well organized and expressed support for the revised draft Plan and expeditious inclusion of the Tract within the UGB.

APPENDIX B: Airport Safety Combining Zone



APPENDIX C: Alternative Development Concepts

Purpose of Concepts

Through the planning process, a range of alternative land use concepts for future urban development of the South Redmond Tract were developed. These concepts were generated through the collaborative planning process and were intended to the purpose and scope and planning considerations identified in the Plan.

Concepts

Based upon the planning considerations above, three alternative concepts were developed and presented to South Redmond Collaborative Planning Group in April, 2007. In response to Collaborative input, most notably concerns about proposed residential uses, a fourth land use concept (Concept D) was prepared. Support for Concept D was expressed through both informal review and subsequent Collaborative Group review in August, 2007. Key features and issues associated with these preliminary concepts are explained below.

Concept A

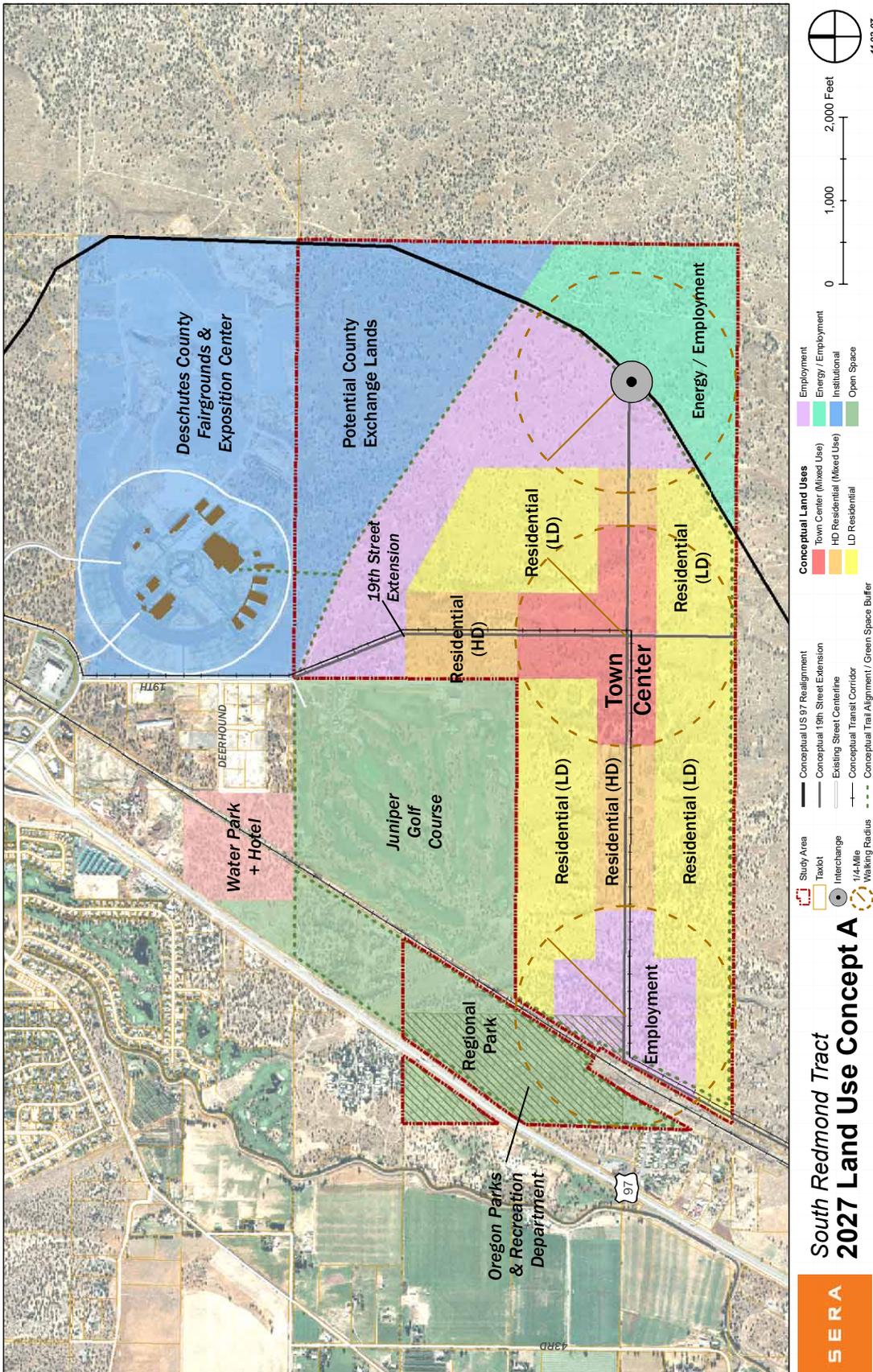
Key Features:

- Mixed use, live-work community organized around a centralized town center and along a 19th Street boulevard.
- Mix of high and low density residential uses comprising approximately one-half the area and providing almost 5,000 housing units.
- Two primary employment centers located to take advantage of a potential rail spur and a proposed U.S. Highway 97 interchange; over 6,800 jobs provided.
- Land exchange with Deschutes County of approximately 172 acres. Providing for a larger exchange would limit the development potential of the remainder of the Tract and has not been justified from a buffer perspective.
- A 19th Street extension alignment located to the east of the Juniper Golf Course to reduce impacts on the golf course, provide more opportunity to utilize 19th Street as a boulevard that enhances development; and to improve access to the Tract.
- Transit corridor paralleling the 19th Street extension.
- Regional park on OPRD property.
- Green space buffer around most of the Tract.

Issues:

- Strong community leader opposition to residential uses based primarily on concerns about compatibility with airport use and expansion.
- A proposed alignment of U.S. Highway 97 that is different from the current alignment shown in ODOT's refinement plan (Alternative 3B).
- Conformance of a U.S. Highway 97 interchange with ODOT policy on interchange spacing.
- Access to and the attractiveness of a regional park between U.S. Highway 97 and the railroad mainline.

Concept A: Mixed Use Focus



Concept B

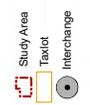
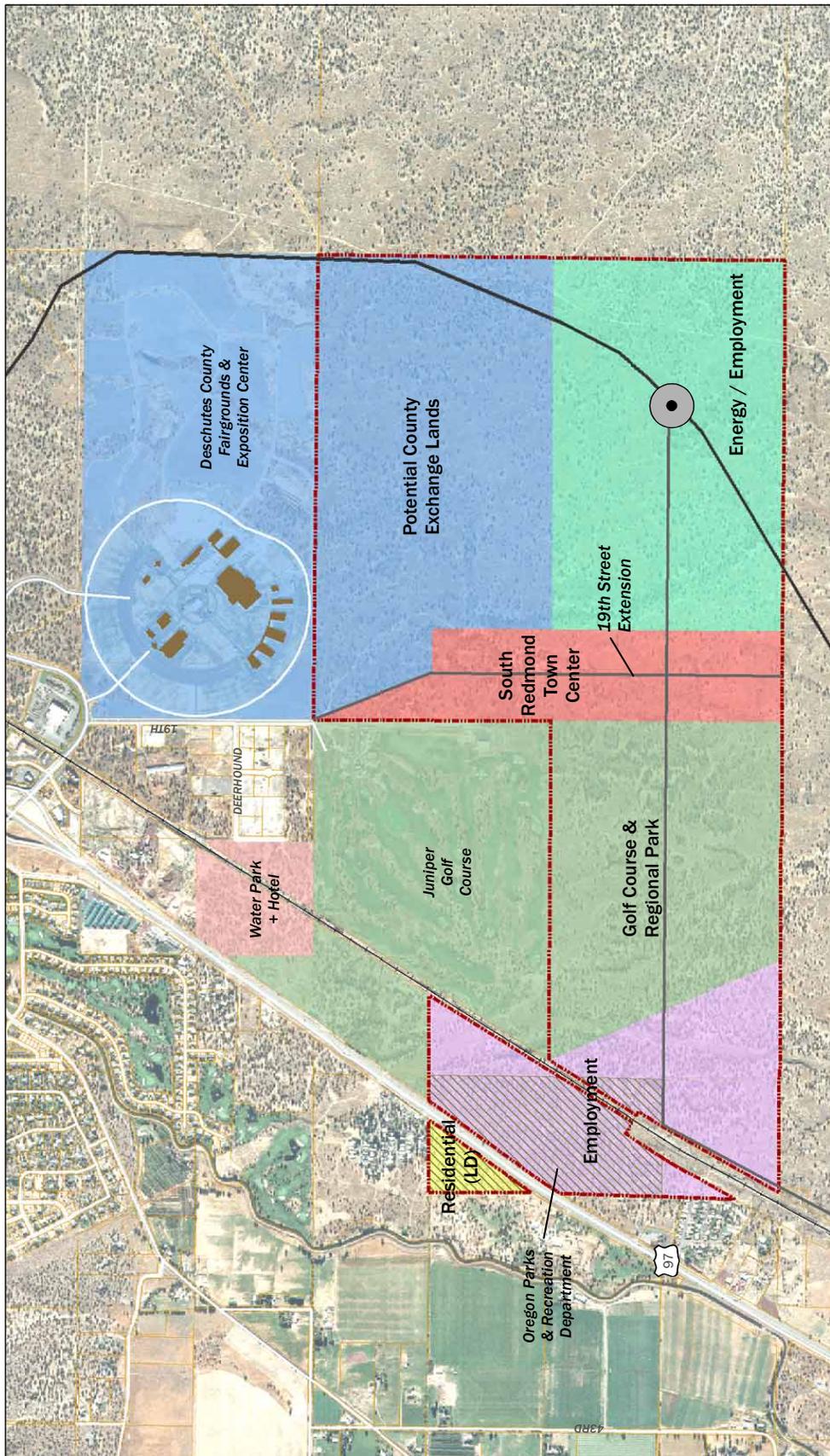
Key Features:

- Town center uses focused more on commercial and less on residential uses than in Concept A.
- Residential uses reduced to about 290 units in the town center and to a low-density residential area on a portion of OPRD property, providing slightly more than 300 housing units in total.
- Major recreational focus with development of a regional park and expansion of the Juniper Golf Course.
- Land exchange with the County increased to 280 acres.
- A 19th Street extension is sited as per Concept A.
- As in Concept A, employment areas are focused around U.S. Highway 97 and railroad access. An increase to over 11,000 jobs is attained through an increase in employment acreage.

Issues:

- Amount of land consumed by land exchange with the County.
- As with Concept A, concerns about the compatibility of Town Center residential uses with airport use and expansion.
- As with Concept A, a proposed alignment for U.S. Highway 97 that is different from the current alignment shown in ODOT's refinement plan and conformance of a U.S. Highway 97 interchange with ODOT policy on interchange spacing.
- With employment uses between the existing U.S. Highway 97 alignment and the railroad mainline, loss of open space values associated with the Juniper Scenic Wayside complex.
- Isolation of employment lands at the west end of the Tract from the Town Center by the golf course and regional park.

Concept B: Employment/Recreation Focus



**South Redmond Tract
2027 Land Use Concept B**



Concept C

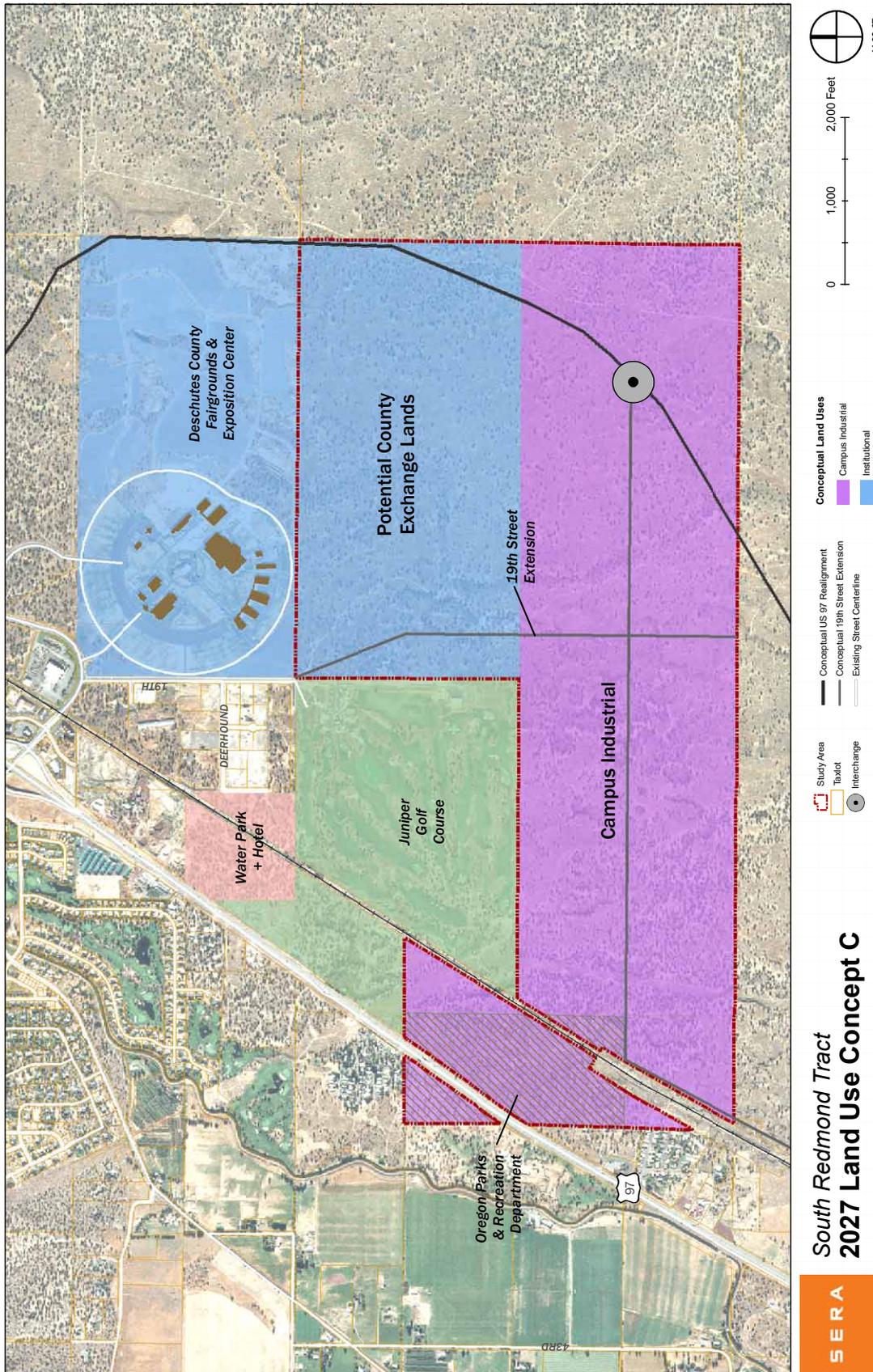
Key Features:

- Employment focus based upon a campus industrial concept and large tract industrial for warehousing and distribution; over 11,300 jobs provided.
- No residential or mixed uses or major open space (all concepts assume some type of green space buffer on the Tract's periphery).
- Land exchange with the County of approximately 320 acres.
- No realignment of the 19th Street extension.

Issues:

- Amount of land consumed by land exchange with the County.
- Local participants in this planning process have identified large-lot industrial as the desired dominant future use of the Tract. While the City has a sufficient supply of industrial land for the next 50 years, large tracts are unavailable. At the same time, concern has been raised about continuing to focus economic development on the City's east side and housing on its west side. More mixed use may be preferred to reduce the concentration of single uses on the two sides of U.S. Highway 97.
- As with Concepts A and B, a proposed alignment for U.S. Highway 97 that is different from the current alignment shown in ODOT's refinement plan and conformance of a U.S. Highway 97 interchange with ODOT policy on interchange spacing.
- Juniper Golf Course not integrated as a site amenity.
- With employment uses between the existing U.S. Highway 97 alignment and the railroad mainline, loss of open space values associated with the Juniper Scenic Wayside complex.

Concept C: Campus Industrial Focus



Concept D

Key Features:

- Land exchange with the County of 142 acres.
- As in Concept C, employment focus based upon a campus industrial concept and large tract industrial for warehousing and distribution. Greatest employment (almost 14,000 jobs) among the alternatives due to smaller Fairgrounds expansion.
- Unlike in Concept C, area (about 80 acres) provided for local or regional parks on portion of OPRD land and south of Juniper Golf Course.
- As in Concept B, low density residential provided on OPRD parcel west of U.S. Highway 97.
- More defined internal road system, including realignment of the 19th Street extension similar to Concepts A and B (with modified connections to other roads) and access to U.S. Highway 97.

Issues:

- With lack of U.S. Highway 97 interchange, potential isolation of Energy/Employment area in southeast portion of Tract.
- As with other concepts, a proposed alignment for U.S. Highway 97 that is different from the current alignment shown in ODOT's refinement plan.
- Access to and the attractiveness of park uses between U.S. Highway 97 and the railroad mainline.
- With employment uses on a portion of the area between the existing U.S. Highway 97 alignment and the railroad mainline, loss of some open space U.S. Highway 97 alignment and the railroad mainline, loss of some open space values associated with the Juniper Scenic Wayside complex.

Comparison of Development Concepts

The following comparison is illustrative only. Key notations include:

- Net acreages are based on land use ("blob") concepts, with a reduction in gross acres of 20% for infrastructure and 3% for parks/open space.
- Comparative values reflect current land values (without extrapolation to 2027) based upon BLM's 2007 appraisal and a cursory review of recent comparable industrial and commercial land sales.
- Employment estimates are based upon the office component of the Town Center; employment for Tourism Commercial and Retail components is not calculated.
- Land absorption rates have not been factored in.

Concept D: Campus Industrial Focus

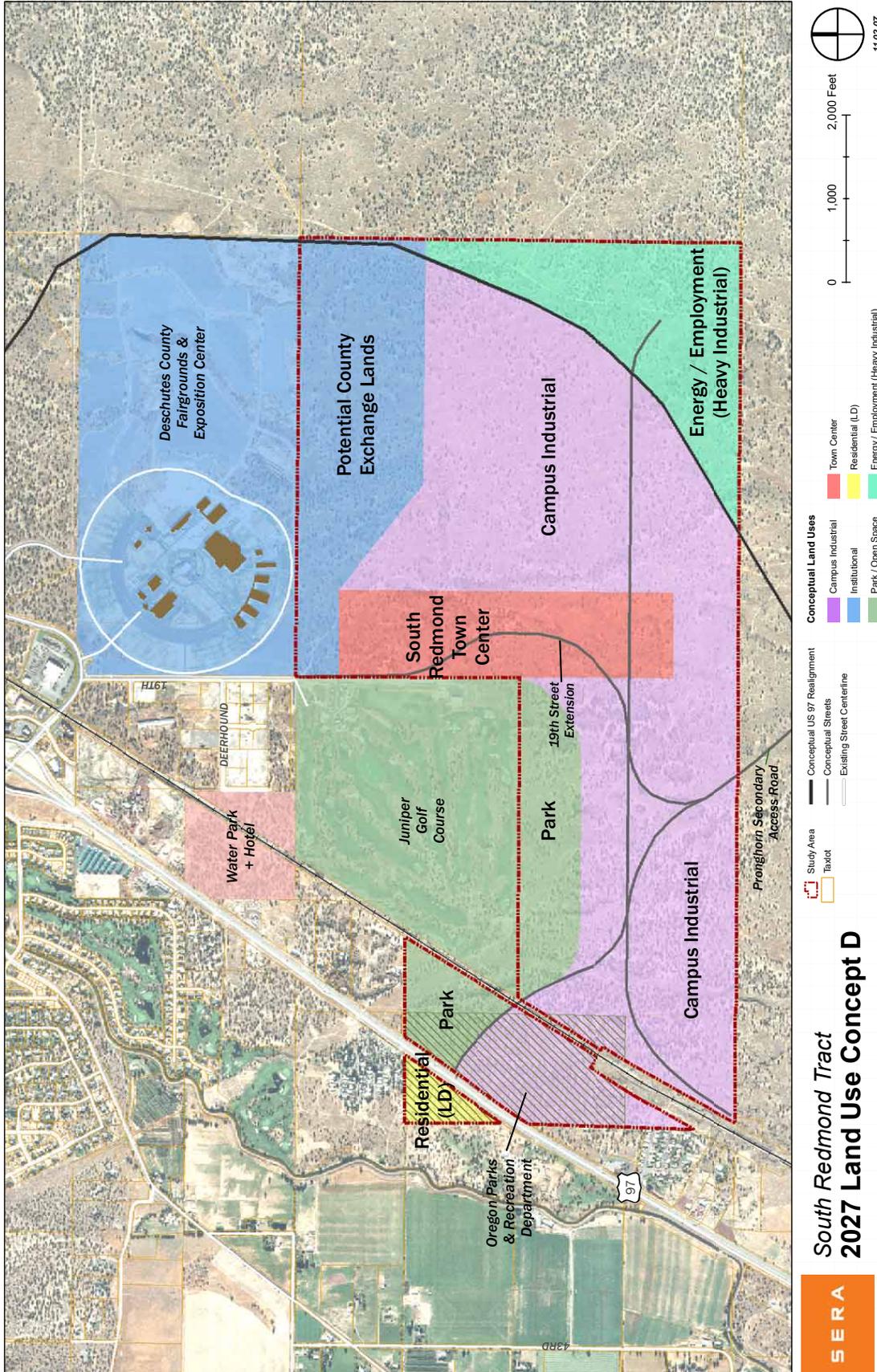


Table 1: Comparison of Land Uses and Value by Concept

Land Use	Acres (Net)				Value (\$000s)				
	A	B	C	D	\$/SF	A	B	C	D
Land Exchange	(171.96)	(280.5)	(320)	(142.1)					
Town Center (Mixed Use with Residential)	49.96	58.62			\$6.50	\$14,146	\$16,598		
Town Center (Mixed Use without Residential)				72.90	\$6.50				\$20,641
HD Residential (Mixed Use)	57.18	19.54			\$7.50	\$18,681	\$6384		
LD Residential	221.75	8.29		8.29	\$5.50	\$53,127	\$1,986		\$1,986
Employment	158.52	114.63			\$4.25	\$29,347	\$21,221		
Campus Industrial			514.14	416.54	\$4.25			\$95,182	\$77,114
Energy/Employment	78.20	193.32		90.01	\$3.50	\$11,922	\$29,474		\$13,723
Park	81.18	195.01		82.3	\$3.50	\$12,376	\$29,731		\$12,547
Total	646.79	589.41	514.14	670.04		\$139,598	\$105,394	\$95,182	\$126,011

Table 2: Comparison of Housing and Employment by Concept

Land Use	Housing Units					Employment				
	du/ac	A	B	C	D	jobs/ac	A	B	C	D
Town Center (Mixed Use with Residential) (1)	30	1,499				15	250			
Town Center (Mixed Use with Residential) (1)	15		293			40		782		
Town Center (Mixed Use without Residential) (1)						40				972
HD Residential (Mixed Use)	20	1,144								
LD Residential	10	2,218								
LD Residential	5		41		41					
Employment						22	3,487	2,522		
Campus Industrial						22			11,311	9,164
Energy/Employment						40	3,128	7,733		3,600
Total		4,860	335	0	41		6,865	11,037	11,311	13,736

Oregon Department of State Lands
775 Summer Street, NE Ste 100
Salem, Oregon 97301-1279
(503) 986-5200
www.oregonstatelands.us

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List of Exhibits

- Exhibit A** Infrastructure Analysis Memorandum, City of Redmond Application to Large Lot Industrial Lands Program
- Exhibit B** Memorandum of Agreement Between DSL and City of Redmond
- Exhibit C** Land Exchange Agreement Between DSL and Deschutes County
- Exhibit D** Land Exchange Agreement Between DSL and OMD
- Exhibit E** Central Oregon Sports Tourism Complex Feasibility Study
- Exhibit F** Master Development Plan Map
- Exhibit G** Biak Training Area Map
- Exhibit H** Transportation Analysis Memorandum
- Exhibit I** South Redmond Tract Title Report

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1 Introduction and Overview

1.1 Proposal Overview

This report supplements the application of the Oregon Department of State Lands to the City of Redmond and Deschutes County to amend the Urban Growth Boundary (UGB) of the City of Redmond and the comprehensive plan and zoning maps of the City of Redmond and Deschutes County. The application proposes to include 160 acres of the South Redmond Tract in the City of Redmond UGB and apply appropriate urban zoning designations to the site to allow for specific public facility uses. The proposed amendment includes expansion or relocation of existing public facilities and new public facilities:

1. Expansion of the existing Deschutes County Fairgrounds, including an expansion of the existing Recreational Vehicle (RV) Park, 4-H facilities, and Off-Highway Vehicle (OHV) facilities. Additionally, the County proposes a new athletic and multi-purpose events center on the site.
2. Relocation of the Oregon Military Department's National Guard Armory from the current location near Downtown Redmond.

These proposed land uses are presented on the two maps below. Figure 1 is a vicinity map showing the location of the South Redmond Tract relative to the existing City of Redmond UGB. Figure 2 illustrates the general location of the proposed land uses included in this application. Figure 2 also shows the location of the proposed large lot industrial land to the south of the Fairgrounds expansion and OMD facilities. The application to include this land in the Redmond UGB is being submitted concurrently with this application.

Figure 1. Vicinity Map

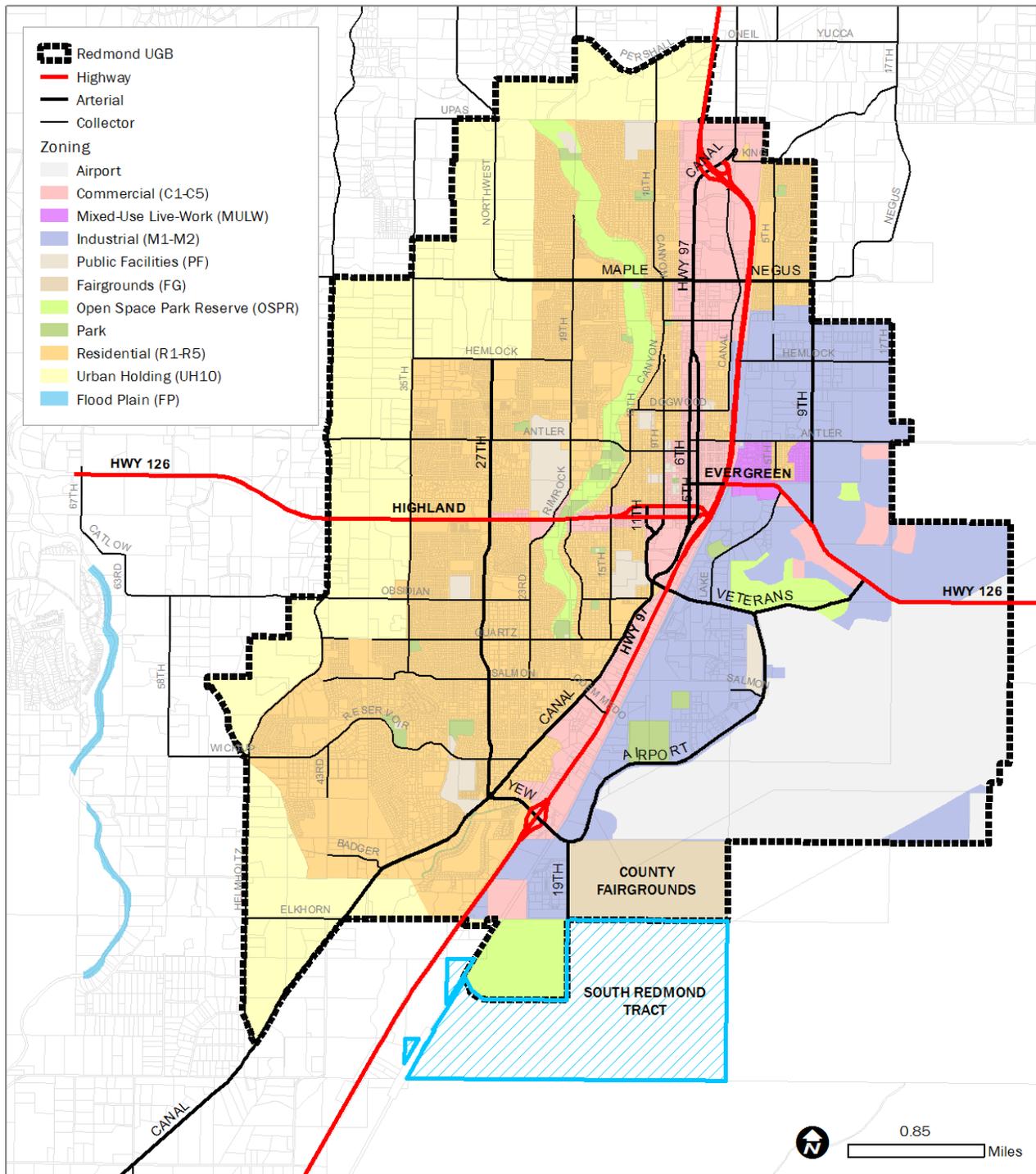
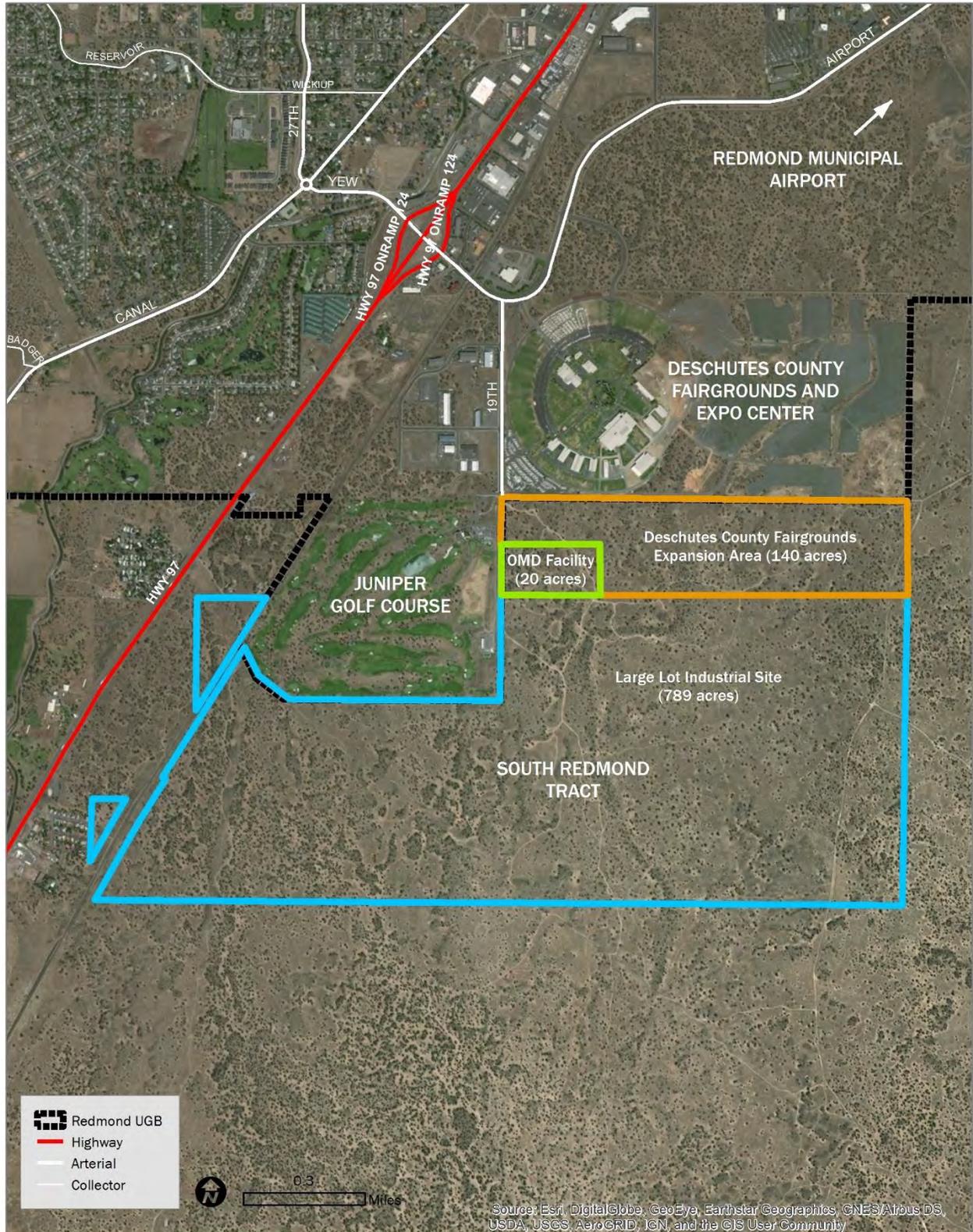


Figure 2. Site Map



1.2 Requested Approvals

The purpose of this report is to demonstrate conformance with the approval criteria for all applications that are required to bring the South Redmond Tract within the City of Redmond UGB. These applications and the relevant approval criteria are summarized in Table 1. The table also presents the section of this report where the findings that address each approval criteria can be found.

Table 1. Applications and Approval Criteria

APPLICATION	APPROVAL CRITERIA	SECTION
<i>Master Development Plan and Annexation (City of Redmond)</i>	<u>City of Redmond Development Code, Section 8.0300(3)(B)(1)</u>	Sections 3.6 and 3.7
	(a) Whether the proposed Plan is generally consistent with the Framework Plan and is consistent with an adopted Area Plan and Comprehensive Plan in terms of land use, density, transportation systems and networks, adequacy of infrastructure and open space	
	(b) Whether the proposed Plan is generally suitable for the area in which it is proposed, considering existing and planned neighborhoods, shopping and employment areas; and natural resources and hazards.	Section 3.7
	(c) Whether the proposed Plan is functionally integrated with developed or planned areas.	Section 3.7
	(d) The proposed plan meets the applicable Great Neighborhood Principles in Section 8.3050.	Section 3.7
<i>Urban Growth Boundary Expansion (City of Redmond)</i>	<u>City of Redmond Development Code, Section 8.0760</u>	Section 3.3
	1. In conformity with all applicable State statutes;	
	2. In conformity with the State-wide planning goals whenever they are determined to be applicable;	Section 3.1 and 3.2
	3. In conformity with the Redmond Comprehensive Plan, land use requirements and policies; and	Section 3.6 and 3.7
	4. That there is a change of circumstances or further studies justifying the amendment or mistake in the original zoning.	Section 3.7
<i>Comprehensive Plan Amendment (Deschutes County)</i>	<u>Deschutes County Code, Section 18.136.020</u>	Section 3.4
	(A) That the change conforms with the Comprehensive Plan, and the change is consistent with the plan's introductory statement and goals.	
	(B) That the change in classification for the subject property is consistent with the purpose and intent of the proposed zone classification.	Section 3.7

APPLICATION	APPROVAL CRITERIA	SECTION
	(C) That changing the zoning will presently serve the public health, safety and welfare considering the following factors: (1) The availability and efficiency of providing necessary public services and facilities	Section 3.2
	(2) The impacts on surrounding land use will be consistent with the specific goals and policies contained within the Comprehensive Plan.	Section 3.4
	(D) That there has been a change in circumstances since the property was last zoned, or a mistake was made in the zoning of the property in question.	Section 3.5

1.3 Report Organization

The report is organized into three sections. This first section establishes the purpose and reviews the organization of the report. The second section reviews the planning and coordination by DSL, Deschutes County, OMD, and the City of Redmond to more clearly define the specific public facility needs, develop a conceptual site plan, and agree to an infrastructure servicing proposal and necessary land ownership changes.

The third section demonstrates conformity of the proposed amendment with all required and relevant approval standards. The section begins with key Statewide Planning Goals and Oregon Administrative Rules that govern UGB amendments and ends with relevant county and city comprehensive plan policies and development code standards. The Master Planning Requirements for annexation are addressed in Section 3.7 alongside other Redmond Development Code standards. The findings are organized as follows.

- 3.1. Statewide Planning Guidelines and Oregon Administrative Rules (OAR)
 - Goal 14: Urbanization
 - Goal 12: Transportation
- 3.2. Other Statewide Planning Goals
- 3.3. Oregon Revised Statutes (ORS)
- 3.4. Deschutes County Comprehensive Plan
- 3.5. Deschutes County Code
- 3.6. City of Redmond Comprehensive Plan
- 3.7. City of Redmond Development Code

2 Project Background

2.1 South Redmond Tract Land Use and Management Plan (2008)

The South Redmond Tract (Tract) is a 949-acre property located on the southern boundary of the City of Redmond. The Tract is owned by the Oregon Department of State Lands (DSL), and is managed for the benefit for the Common Schools Fund (CSF). Revenues generated by the land are dedicated to the support of K-12 public education in Oregon. CSF lands are managed by the State Land Board as to maximize short- and long-term revenues consistent with sound stewardship and business management principles.

In October 2008, the State Land Board, which oversees DSL, adopted the South Redmond Tract Land Use and Management Plan (Plan). The Plan sets out a concept for urban development of the Tract that is consistent with state land use law, advances DSL's mission to maximize revenue for the CSF, and benefits the local community and regional economy of Central Oregon. The development concept is centered on meeting an identified regional need for large-lot industrial land and specific public facility uses. The sections below outline the characteristics of the site and the considerations of the planning process that led to the land use and management plan.

2.1.1 Site Characteristics

Located directly south of the Deschutes County Fairgrounds and Exposition Center and south and east of the City of Redmond's Juniper Golf Course, the South Redmond Tract was acquired in 2007 from the U.S. Bureau of Land Management (BLM) as a land grant. The Tract was expanded to include 80 acres of land to the west of the original Tract acquired through a land exchange with the Oregon Parks and Recreation Department (OPRD). This land includes the Juniper Scenic Wayside complex.

Current Uses, Access, and Zoning

Past and recent uses of the South Redmond Tract have been wildlife habitat, rangeland, open space for recreation, and military training by the Oregon National Guard and Army Reserve units. The property was previously owned and managed by BLM, during which the land was subject to livestock grazing. A BNSF railroad right-of-way crosses the Tract at its west end. Electric utility lines parallel the railroad right-of-way and Bonneville Power Administration and Central Electric Cooperative electric transmission lines extend through the property. There are no current leases or other official developed uses on the Tract. Informal uses include hiking and horseback riding. Access to the property is available from the north via 19th Street, which provides direct access to Airport Way and the Yew Avenue interchange at U.S. Highway 97.

The Tract is zoned by Deschutes County for Exclusive Farm Use (EFU) with an Alfalfa Subzone. The very northeast portion of the property is within an Airport Safety Combining Zone for Roberts

Field-Redmond Municipal Airport that restricts the height of buildings and other structures to 35 feet for areas nearest to the runway.

Physical Characteristics and Agricultural Potential

The property is relatively level with scattered lava rock outcrops. Surrounding the rock outcrops are level areas of shallow, sandy soils. Elevation ranges from 3,050 to 3,180 feet. The site is physically characterized as juniper woodland and considered rangeland. Vegetation includes western juniper and sagebrush and the soils are mostly sandy loam with basalt outcrops.

Located two miles east of the Deschutes River and nine miles south of the Crooked River, the Tract has no evidence of permanent or seasonal water and there are no water rights associated with this property. The National Wetlands Inventory Map does not identify wetlands on the Tract. There are no known sensitive, threatened or endangered plant or animal species, hazardous or solid wastes, nor wilderness values on the Tract. There are no designated flood hazard zones. There is no current or historic record of any mining activity on or near the Tract. The previous owner, BLM assessed the property's mineral potential and determined that the Tract had none.

Soils on the Tract are designated as Class VII and VIII. A vegetation survey was completed by DSL in 2007 and found no special values. The land is not recommended for dry land grazing due to a lack of water and proximity to urban uses. The Tract has never been farmed and is not suitable for agricultural production.

Archaeological and Cultural Resources

A surface survey of cultural resources was conducted in June of 2006 by DSL and two extensive archaeological surveys were completed by BLM in 1983 and 1997. These surveys indicate that the Tract was not occupied by either prehistoric or historic peoples. The Huntington Wagon Road passed through the Tract but was eliminated as an Area of Critical Environmental Concern (ACEC) by BLM because it is no longer historically significant. Isolated artifacts and historic dumping sites found during the 2006 survey are considered ubiquitous in central Oregon and not eligible for inclusion in the National Registry.

2.1.2 Planning Considerations

DSL and partner agencies considered many factors in determining the best use of the land in the South Redmond Tract. The State Land Board, through DSL, has a legal mandate for lands dedicated to the Common Schools Fund to generate the greatest potential revenues for public schools. This obligation requires DSL to make land management decisions that maximize the value of the property while practicing sound stewardship of land resources and the balancing of other public policy goals. Additionally, the site's land use context and assets informed DSL's decision to plan for urban development of the Tract:

The Tract is one of very few large, undeveloped parcels in the region that has access to rail service and is within or in close proximity to an urban area. The site is well-positioned for improved

roadway access in the future. The planned extension of 19th Street to provide an alternative to US Highway 97 between Redmond and Bend will run through the site. A secondary access road to the Pronghorn Resort, south of the Tract, will likely connect to 19th Street through or near the tract.

The Tract's location near the Redmond Municipal Airport makes it convenient for air freight and passenger travel. Development constraints resulting from a portion of the tract being in the Airport Safety Combining zone are minimal. As identified in the Redmond Comprehensive Plan, non-residential uses are most compatible with land surrounding the airport.

The Tract is adjacent to public uses and facilities that need to be expanded. OMD uses land to the east of the tract for training purposes and is seeking to relocate their training facility to be in closer proximity to the training grounds. The Deschutes County Fairgrounds and Expo Center is directly north of the Tract and needs to expand to accommodate both county fair activities and year-round events. Infrastructure built to serve industrial uses on the site can also serve these public facilities. An application to amend the Redmond UGB to include these public facility uses is being submitted concurrently with this application.

Water and wastewater infrastructure are readily available for the site through provisions of those facilities in concert with the extension of 19th Street. Gas and electric lines are also available.

These considerations led DSL to conclude the urban development of the site was feasible and would be consistent with state, regional and local policy goals.

2.1.3 Land Use Concept

DSL and partner agencies developed four alternative development concepts for the South Redmond Tract. All concepts assumed that land would be exchanged with Deschutes County for public facility uses and the Juniper Scenic Wayside parcels would be obtained from OPRD. Two of the concepts included residential development; however, these concepts were not selected due to concerns about compatibility with the airport.

The other two concepts focused on employment uses that could meet a potential need for large-lot industrial land in the Central Oregon region. The site had several features that were scarcely available on other land in the region, including access to transportation infrastructure, lack of development constraints, and singular ownership. The preferred concept adopted elements of both employment-oriented concepts but was adjusted for the needed amount of land to be used for public facility uses adjacent to the Deschutes County Fairgrounds and ancillary commercial development supportive of large lot industrial uses. The proposed concept also maintained flexibility to accommodate a range of potential alignments for future access roads.

2.2 Public Facility Planning and Coordination

The South Redmond Tract Land Use and Management Plan envisioned that the future urbanization of the Tract could efficiently meet a need for several public facilities for the City of Redmond,

Deschutes County, and the wider Central Oregon Region. This section of the report reviews the planning and coordination by DSL, Deschutes County, OMD, and the City of Redmond to define the specific public facility needs, develop a conceptual site plan, and agree to an infrastructure servicing proposal and necessary land ownership changes to implement the plan.

2.2.1 Deschutes County Fairgrounds and Expo Center Expansion

Existing Facility

The Deschutes County Fairgrounds and Exposition Center (Fairgrounds) is a 320-acre site located adjacent and to the north of the South Redmond Tract and is adjacent and southwest of the Redmond Municipal Airport. The site is placed strategically at the hub of the tri-county Central Oregon region (Deschutes, Jefferson, Crook Counties). The site includes five multi-purpose barns, two outdoor arenas, a large multi-purpose indoor arena, three conference and convention centers, a multi-purpose activity and event center, an off-road race track, and a full-service RV park. The facility also includes 75 acres of lawns, including a 3.2-acre Center Court appropriate for a variety of outdoor events. The facility has a total of over 100 acres of parking and a perimeter road that provides access to the back of each building for loading. In addition to the annual Deschutes County Fair, the facility hosts a wide variety of year-round events, including conferences, conventions, sports competitions, equestrian and livestock shows, company meetings and other non-profit or public sector meetings.¹

Preliminary Proposed Expansion

Representatives of the Deschutes County Fairgrounds and Expo Center requested that DSL consider a potential expansion of the facility during the development of the South Redmond Tract Land Use and Management Plan. The purpose of the expansion would be to provide for new uses and to buffer the facility from the future large lot industrial development to the south. Each of the alternative development concepts explored for the plan set aside an area adjacent to the existing Fairgrounds for an expansion of the facility. The final land use and management concept identified approximately 238 acres for sale or transfer to Deschutes County.² The specific uses for the expansion were not specified in the plan.

Infrastructure Servicing Agreement with City of Redmond

Infrastructure planning to serve the Fairgrounds expansion occurred in coordination with the adjacent large lot industrial uses. The City of Redmond evaluated the capacity and efficiency of serving the entire South Redmond Tract through the City's application to COIC to include the Tract in the regional large lot industrial program (Exhibit A). The Infrastructure Analysis included in that application found that there was sufficient electric, natural gas, water, transportation, and telecommunications capacity to serve the site. There is not currently sufficient capacity for

¹ About the Deschutes County Expo Center, Deschutes County Fairgrounds and Expo Center. Available at: <http://www.expo.deschutes.org/expo>

² **Error! Reference source not found.**, pp. 25-26

wastewater service to the Tract, but DSL has agreed to finance the construction of facilities necessary to establish sufficient capacity. Transportation, water, and wastewater facilities will be provided along the alignment of 19th Street, an arterial street planned for future expansion south of the site to serve other rural uses.

Based on this analysis, DSL and the City of Redmond signed a Memorandum of Agreement (MOA) to define the roles and responsibilities of each party in providing all necessary infrastructure to the site to support the Fairgrounds expansion, OMD facility, and large lot industrial development. The MOA is incorporated into this report as Exhibit B. The agreement obligates DSL to construct all necessary infrastructure improvements to the site, including water, sewer, and street improvements, to serve both the industrial uses and the public facility uses. In exchange, the City of Redmond agreed to prepare and submit a proposal to COIC for the South Redmond Tract to be included in the large lot industrial lands program.

More information about the specific infrastructure needs and improvements for the site is provided in section 3.2 of this report, in the findings in response to Statewide Planning Goal 11 – Public Facilities and Goal 12 – Transportation.

Land Exchange Agreement with Deschutes County

In June of 2015, Deschutes County and DSL executed a land exchange agreement that will convey 140 acres of the South Redmond Tract in exchange for a county property within the Redmond City Limits that is zoned Light Industrial. The agreement is incorporated into this report as Exhibit C.

The land exchange is conditioned on the inclusion of the South Redmond Tract in the Redmond UGB, designation of the site for a public use zone, and the construction of all necessary infrastructure by DSL. Additionally, DSL is required to create a legal lot of record and demonstrate compliance with Redmond City Code provisions that regulate infrastructure design and construction. Thus, upon approval of this proposed amendment, two conditions of the exchange will be met: the site will be included in the Redmond UGB and designated for the appropriate zone. Pursuant to the servicing MOA with the City of Redmond, a condition of the approval will be the construction of infrastructure to serve the site. Therefore, approval of this amendment will ensure that the Fairgrounds expansion site is partitioned and zoned appropriately, transferred to County ownership, and served with infrastructure that is suitable for the proposed development.

Expansions of Existing Uses

Three existing uses on the Fairgrounds sites are planned for expansion: the RV park facility, 4-H facilities, and Off-Highway Vehicle (OHV) facilities. Each of these uses requires additional space to meet user needs and requires a location adjacent to the existing facilities. An overview of each use is provided below.

RV Park (7-10 acres). Deschutes County Fairgrounds and Expo Center operates an RV park on the southwest corner of the existing site. The park includes 106 full-service sites and 10 tent sites that are

available year-round.³ The County seeks to expand the RV park by 7-10 acres directly south of the existing park, in the northwest corner of the South Redmond Tract. The location adjacent to the existing park is required because it will remain in proximity to the attractions in the area, including the Fairgrounds and Expo Center, Juniper Golf Course, and the planned Multi-Purpose Athletic and Events Center directly to the east of the site.

4-H Facilities (20 acres). The Deschutes County 4-H Association is a program of the Oregon State University Extension Service and is associated with a global network of youth development organizations. The goal of 4-H is to develop citizenship, leadership, responsibility, and life skills of youth through experiential learning programs. 4-H is usually associated with an agricultural organization due its rural history, but 4-H focuses broadly on youth development in the areas of citizenship, healthy living, science, engineering, and technology programs.

In addition to showing exhibits of youth projects and organizing other events at the County Fair, Deschutes County 4-H leases space year-round for a variety of uses, including animal boarding and equipment storage. The planned expansion of 4-H uses on the site will include equestrian trails, ATV (all-terrain vehicle) trails, and potentially a shooting range facility. Each of these uses have large space needs that cannot currently be accommodated sufficiently on the existing Fairgrounds site and are currently located in remote areas, causing transportation challenges and inefficiencies. The expansion uses will be adjacent to 4-H's existing facilities for convenient and efficient access, as shown on the Master Development Plan.

OHV Tracks (20 acres). The existing Off-Highway Vehicle (OHV) facilities are located in the southeast corner of the Fairgrounds site. The OHV tracks provide an off-road racing and recreational facility for ATVs, trucks, motorcycles, and other off-road automobile use. The existing track is relatively short and on-site expansion is constrained by the need to preserve space for other Fairgrounds uses to the north and west. The expansion is planned directly south of the existing facility, allowing for an extension of the existing track. The longer track will enable the facility to accommodate a wider variety of events and competitions.

New Use: Multi-Purpose Athletic and Events Center

In May 2016, Sports Facilities Advisory, LLC (SFA) was engaged by Visit Bend, in coordination with Deschutes County, to conduct the first phase of a two-part study related to the development of a sports tourism destination facility on the Fairgrounds expansion site. The need and opportunity for a sports complex was previously identified through a student research project in partnership with the University of Oregon Sustainable Cities Initiative. The complex would include indoor and outdoor facilities for multiple sports and would be used both by local sports organizations within Central Oregon and to attract sports tournaments and events from across Oregon, Washington, and northern California. The purpose of the SFA study was to determine a preliminary development program and

³ RV Park Overview, Deschutes County Fairgrounds and Expo Center. Available at: <http://www.expo.deschutes.org/rv>

cost estimate for the study based on an in-depth market analysis and discussions with local users and stakeholders. The study is incorporated into this report as Exhibit E.

The study process included a review of historic documents and existing data, preliminary market research, planning and strategy meetings, stakeholder and user group interviews, and a site tour. The market analysis evaluated the potential use of the complex by local sports organizations, defined as within a 60-minute drive of the facility, and for competitions that draw from a wider regional area, defined as within a 240-mile radius of the facility. The study estimated potential use based on population size, demographics, and participation rates in various sports. Considering these and other factors based on SFA's experience with similar facilities and interviews of user groups, the study estimated the maximum feasible size and cost of the facility. SFA estimated that it would be feasible to construct a sports complex totaling 100 acres in size, composed of approximately 38 acres of indoor and outdoor sports facilities and supportive uses, 12 acres of parking, and 50 acres for setbacks, green spaces, and other site development needs.

The facility would be capable of supporting a wide variety of sports and activities, including basketball, volleyball, wrestling, martial arts, soccer, football, lacrosse, baseball, softball, cheerleading, and dance competitions. The estimated space needs accounted for efficiencies provided by using the existing Fairgrounds and Expo Center kitchen and catering facilities to serve the sports complex. The study noted that additional space efficiencies could be achieved through shared parking with the existing Fairgrounds, but did not assume shared parking would be feasible before a more detailed site plan is developed.

In coordination with Visit Bend and other regional partners, Deschutes County concluded that the study provided sufficient evidence that a sports complex is a feasible and desirable use for an expansion of the Fairgrounds. The space program developed for the study is the basis for a conceptual site design for the complex, as illustrated in the Master Development Plan. Additionally, the space program and proposed uses for the facility were used to determine the necessary infrastructure improvements to serve the site. More information about these infrastructure improvements can be found in section 3.2, in the findings in response to Statewide Planning Goal 11.

2.2.2 OMD Oregon National Guard Facility

Existing Facility and Proposed Relocation

OMD's existing training facility, the Oregon National Guard Armory, is located near downtown Redmond at 822 SW Highland Avenue. The primary purpose for relocation of the OMD facility is to be in closer proximity and with convenient and efficient access to the OMD training grounds. The training grounds are located on BLM lands directly adjacent to the existing Fairgrounds. The existing OMD facility, located near downtown Redmond, is approximately 13 miles from the training grounds. The proposed location of the facility would be adjacent to the training grounds. Additionally, the route to the training grounds from the existing facility must run along city streets. Many of the military vehicles that OMD uses at the training grounds are not suitable or efficient to

operate on city streets, particularly if the streets are congested. Alternatively, the route to the training grounds from the relocated facility would run on an unimproved, private easement along the boundary between the Fairgrounds expansion site and the large lot industrial site. The route would not be accessible to the public, so potential conflicts with general traffic would be eliminated.

Land Sale and Purchase Agreement with OMD

In August of 2015, DSL and OMD signed a Memorandum of Agreement (MOA) for OMD to purchase a 20-acre parcel of the South Redmond Tract for the purpose of relocating the Oregon National Guard Facility. The MOA is incorporated into this report as Exhibit D. Consistent with the land exchange agreement between DSL and Deschutes County, the MOA is conditioned on the inclusion of the South Redmond Tract in the Redmond UGB, designation of the site for a public use zone, and the construction of all necessary infrastructure by DSL. As such, upon approval of this amendment, the OMD parcel will be partitioned and zoned appropriately, transferred to OMD ownership, and served with infrastructure that is suitable for the proposed facility.

2.2.3 Master Development Plan

In partnership with DSL, the City of Redmond, and OMD, Deschutes County has developed a conceptual Master Development Plan (MDP) for the site. The Master Development Plan illustrates the proposed uses and a conceptual site design that integrates the new Multi-Purpose Athletic and Events Center, relocated OMD facility, and expansions of the RV Park, 4-H facilities, and OHV facilities. The MDP also shows preliminary locations for infrastructure, access, and circulation. A complete description of the MDP and its consistency with City annexation requirements is addressed in Section 3.7 of this report. The MDP is incorporated into this report as Exhibit F.

3 Findings in Support of Urban Growth Boundary, Comprehensive Plan, and Zoning Map Amendments

This section of the report demonstrates conformity of the proposed amendment with all required and relevant approval standards. The section begins with key Statewide Planning Goals and OARs that govern UGB amendments and ends with relevant county and city plan policies and development code standards. The Master Planning Requirements for annexation into the City of Redmond are addressed in Section 3.7, alongside other provisions of the Redmond Development Code. The findings are organized as follows.

3.1. Statewide Planning Guidelines and OARs

- Goal 8: Recreation
- Goal 12: Transportation
- Goal 14: Urbanization

3.2. Other Statewide Planning Goals

3.3. Oregon Revised Statutes (ORS)

3.4. Deschutes County Comprehensive Plan

3.5. Deschutes County Code

3.6. City of Redmond Comprehensive Plan

3.7. City of Redmond Development Code

3.1 Statewide Planning Guidelines and Oregon Administrative Rules (OARs) for Goals 14 and 12

GOAL 14: URBANIZATION

“To provide for an orderly and efficient transition from rural to urban land use, to accommodate urban population and urban employment inside urban growth boundaries, to ensure efficient use of land, and to provide for livable communities.”

Response: The purpose and intent of Goal 14 was considered throughout the development of this proposed UGB amendment. The proposal provides for orderly and efficient transition to urban land uses because the site is directly adjacent to the City of Redmond’s existing UGB, can be served by a direct extension of existing public facilities, and because the proposed use of the site for specific public facilities is suitable and compatible with existing uses in the area. The proposal accommodates the need for specific public facilities in an accessible location. Several of the proposed uses represent expansion of uses located at the existing Fairgrounds site, making for efficient use of both land and the transportation system by providing direct access and connections between the existing and expanded facilities. The proposal generally contributes to livable communities by increasing recreation and employment opportunities; the specific contributions to livability needs are addressed in other findings throughout this report, including conformance with Statewide Planning Goal 12 and the Great Neighborhood Principles provided under the City of Redmond’s Master Planning Requirements (Section 3.2 and 3.7)

Urban Growth Boundaries

Urban growth boundaries shall be established and maintained by cities, counties and regional governments to provide land for urban development needs and to identify and separate urban and urbanizable land from rural land. Establishment and change of urban growth boundaries shall be a cooperative process among cities, counties and, where applicable, regional governments. An urban growth boundary and amendments to the boundary shall be adopted by all cities within the boundary and by the county or counties within which the boundary is located, consistent with intergovernmental agreements, except for the Metro regional urban growth boundary established pursuant to ORS chapter 268, which shall be adopted or amended by the Metropolitan Service District.

Response: This proposal conforms to established processes for designating and amending the UGB of the City of Redmond. The proposal is a result of a cooperative process between DSL, the City of Redmond, Deschutes County, and other agencies and jurisdictions. The UGB amendment is proposed for adoption to both the City of Redmond and Deschutes County, in accordance with the provisions of the UGB Joint Management Agreement between the city and county.

Land Need

Establishment and change of urban growth boundaries shall be based on the following:

- (1) Demonstrated need to accommodate long range urban population, consistent with a 20-year population forecast coordinated with affected local governments; and:*

Response: The City of Redmond has adopted a population forecast through the year 2025 in coordination with Deschutes County and the cities of Bend and Sisters.⁴ However, the proposed amendment is intended to address a need for specific public facilities that is not directly proportional to local or regional population growth.

- (2) Demonstrated need for housing, employment opportunities, livability or uses such as public facilities, streets and roads, schools, parks or open space, or any combination of the need categories in this subsection (2). In determining need, local government may specify characteristics, such as parcel size, topography or proximity, necessary for land to be suitable for an identified need. Prior to expanding an urban growth boundary, local governments shall demonstrate that needs cannot reasonably be accommodated on land already inside the urban growth boundary.*

Response: The proposed amendment includes facilities that are publicly owned and intended to address multiple public needs. The primary needs include national defense (OMD facility), recreation (RV park, Multi-Purpose Athletic and Events Center, 4-H facilities, and OHV tracks), and non-profit educational opportunities (4-H facilities, operated by Oregon State University Extension program).

These public facilities are distinct from public facilities defined under Goal 11, which concerns water, sewer, and transportation facilities.⁵

The primary purpose of the facilities and the associated UGB amendment is to meet a public facility need. The RV park, Multi-Purpose Athletic and Events Center, and OHV tracks address a secondary need for direct and indirect employment opportunities that may be provided by attracting visitors and supporting tourism to the city and region. However, as addressed in the Goal 9 findings under Section 3.2 of this report, the employment benefits of this development are secondary to the public facility need and the land is not considered employment land.

The City of Redmond and Deschutes County specified necessary site characteristics for land to be suitable for the public facilities and demonstrates that the need cannot be accommodated on land within the existing UGB. See the findings associated with OAR 660-024-0050, 660-024-0065, and 660-024-0067, in section 3.1 of this report.

⁴ Deschutes County Ordinance No. 2004-012.

⁵ OAR 660-011-0005(5)

Boundary Location

The location of the urban growth boundary and changes to the boundary shall be determined by evaluating alternative boundary locations consistent with ORS 197.298 and with consideration of the following factors:

Response: The findings in response to OAR 660-024-0020 through -0067 describe the alternative boundary locations analysis that finds the South Redmond Tract to be the most appropriate location for the proposed uses in consideration of Goal 14 factors. A summary of these findings is presented in response to these factors, below.

(1) Efficient accommodation of identified land needs;

Response: The location of the proposed uses directly adjacent to the existing Fairgrounds provides several efficiencies. Both the expansion of existing uses and the new uses can utilize existing, centralized facilities, including parking, concessions, administration, and maintenance. If the expansion were located elsewhere, redundant facilities would need to be developed. The adjacency with the existing Fairgrounds also allows the developments to utilize existing infrastructure and future infrastructure improvements required for the proposed large lot industrial site to the south. The proposed location also will significantly minimize the need to travel between separate, non-adjacent facilities, reducing the need for additional transportation facilities and associated land.

(2) Orderly and economic provision of public facilities and services;

Response: The site can be served by a direct and orderly extension of existing public facilities. Transportation, water, and wastewater facilities will be provided along the alignment of 19th Street, an arterial street planned for future expansion south of the site to serve other rural uses. The direct extension of 19th street will provide a framework for orderly development of the site and potential future development to the south.

There is sufficient water, electric, natural gas, and telecommunications capacity to serve the site. There is not currently sufficient capacity for wastewater service to the Tract, but DSL has agreed to finance replace a pump station and construct associated infrastructure to establish sufficient wastewater capacity to serve the site. The MOA between DSL and the City of Redmond requires that DSL construct all necessary public facilities to serve the site upon approval of this amendment.

More detailed information related to public facilities and services can be found in Section 3.2 of this report, under the findings in response to Statewide Planning Goals 11 and 12.

(3) Comparative environmental, energy, economic and social consequences; and

Response: The City of Redmond and Deschutes County has considered the relative environmental, energy, economic and social consequences of development of the site, as detailed below.

- *Environmental consequences.* As discussed in the findings under Goals 5-7 in Section 3.2 of this report, the site contains no permanent or seasonal water, wetlands, habitat for sensitive, threatened or endangered plant or animal species, wilderness values, and no mineral

potential. The site's adjacency with the existing Fairgrounds and Redmond UGB provides transportation efficiencies that encourage non-motorized transportation. Specific impacts to air, land, or water quality can be addressed at the time of development.

- *Energy consequences.* As noted above, the site's adjacency with the existing Fairgrounds and regionally central location provides transportation efficiencies that can encourage non-motorized transportation and reduce Vehicle Miles Traveled (VMT), therefore conserving energy. The relocation of the OMD facility will significantly shorten trips between the facility and the OMD training grounds. The expansion of 4-H facilities adjacent to existing facilities eliminates the need for trips between the site and existing off-site locations for specific activities. The siting of the new Multi-Purpose Athletic and Events Center in a location that is central in the region will reduce overall VMT compared to less central locations.
- *Economic consequences.* As noted in findings under Goal 9 in Section 3.2 of this report, the expanded RV park, OHV tracks, and new Multi-Purpose Athletic and Events Center will generate economic activity by attracting visitors and supporting tourism in the city and region. By centralizing these facilities on one site with the existing facilities, the Fairgrounds can offer efficiency, convenience, and flexibility to potential users and is projected to attract more year-round events and visitors to the region.
- *Social consequences.* The proposed location for the facilities is not adjacent to any existing city neighborhoods or residential areas, in order to avoid potential land use conflicts related to traffic, parking, noise, or lighting. Additionally, all land designated for other uses in the City of Redmond Urban Reserves were excluded from the alternative sites analysis for the Multi-Purpose Athletic and Events Center in order to avoid displacing land previously identified for other needs that contribute to the residential and social fabric of the community, including housing, parks, and commercial services. Finally, the educational and recreational uses proposed for the site will contribute to the social capacity of the community and region.

(4) *Compatibility of the proposed urban uses with nearby agricultural and forest activities occurring on farm and forest land outside the UGB.*

Response: There are no active farm or forest activities near the South Redmond Tract. The land to the south and east of the Tract is zoned for Exclusive Farm Use, but is not suitable or used for agriculture due to poor soil quality and lack of irrigation rights for the land. As a result, development of the site would be compatible with farm and forest use outside the UGB and would have no impacts on such uses. Additional findings associated with Statewide Goal 3 (Agricultural Lands) are found in Section 3.2 of this document.

Urbanizable Land

Land within urban growth boundaries shall be considered available for urban development consistent with plans for the provision of urban facilities and services. Comprehensive plans and

implementing measures shall manage the use and division of urbanizable land to maintain its potential for planned urban development until appropriate public facilities and services are available or planned.

Response: Upon approval of this proposed amendment, DSL is obligated by the land exchange and sale agreements with Deschutes County and DSL to construct all necessary infrastructure to serve the sites. The Servicing Agreement requires the construction to be complete within 180 days of any contracted interest to convey the SRT or part thereof.⁶ In addition, applications for Comprehensive Plan and Zoning Map amendments are being submitted and reviewed concurrently with the proposed UGB amendment application. Approval of the package of amendments will result in application of urban Comprehensive Plan and Zoning designations which will allow for urbanization as soon as public facilities are in place to serve the development.

Unincorporated Communities

Single-Family Dwellings in Exception Areas

Rural Industrial Development

Response: These three provisions of the Goal 14 planning guidelines are not applicable to this proposal. The proposed amendment is not located within an unincorporated community, does not propose single-family residential uses, and is not considered rural industrial development.

OAR 660-024-0020, Adoption or Amendment of a UGB

- (1) *All statewide goals and related administrative rules are applicable when establishing or amending a UGB, except as follows:*
- (a) *The exceptions process in Goal 2 and OAR chapter 660, division 4, is not applicable unless a local government chooses to take an exception to a particular goal requirement, for example, as provided in OAR 660-004-0010(1);*

Response: This proposal does not seek a goal exception and therefore these provisions are not applicable to this application.

- (b) *Goals 3 and 4 are not applicable;*

Response: Goals 3 and 4 are not applicable.

- (c) *Goal 5 and related rules under OAR chapter 660, division 23, apply only in areas added to the UGB, except as required under OAR 660-023-0070 and 660-023-0250;*

⁶ **Error! Reference source not found.**, Scope Item (d) Utility Extension

Response: No Goal 5 resources are located on the subject property; therefore, this criteria is not applicable.

- (d) *The transportation planning rule requirements under OAR 660-012-0060 need not be applied to a UGB amendment if the land added to the UGB is zoned as urbanizable land, either by retaining the zoning that was assigned prior to inclusion in the boundary or by assigning interim zoning that does not allow development that would generate more vehicle trips than development allowed by the zoning assigned prior to inclusion in the boundary;*

Response: Concurrent with the proposed UGB expansion, an urban zoning designation of FG – Fairgrounds and PF – Public Facilities will be applied to the subject property. As a result, these exceptions do not apply to this proposal; therefore, this provision of the transportation planning rule is applicable. Consistency with additional provisions of the Transportation Planning Rule are found in this section of the report under the findings for Statewide Planning Goal 12.

- (e) *Goal 15 is not applicable to land added to the UGB unless the land is within the Willamette River Greenway Boundary;*

Response: The proposal is not located within the Willamette River Greenway Boundary; therefore, Goal 15 is not applicable.

- (f) *Goals 16 to 18 are not applicable to land added to the UGB unless the land is within a coastal shorelands boundary;*

Response: The proposal is not located within the coastal shorelands boundary; therefore, Goals 16 through 18 are not applicable.

- (g) *Goal 19 is not applicable to a UGB amendment.*

Response: Goal 19 is not applicable.

- (2) *The UGB and amendments to the UGB must be shown on the city and county plan and zone maps at a scale sufficient to determine which particular lots or parcels are included in the UGB. Where a UGB does not follow lot or parcel lines, the map must provide sufficient information to determine the precise UGB location.*

Response: The maps incorporated into this report display specific lots, including boundary lines and identification numbers, that are proposed to be included in the UGB.

OAR 660-024-0040, Land Need

- (1) *The UGB must be based on the appropriate 20-year population forecast for the urban area as determined under Rules in OAR 660, div 32, and must provide for needed housing, employment and other urban uses such as public facilities, streets and roads, schools, parks and open space over the 20-year planning period consistent with the land need requirements of Goal 14 and*

this rule. The 20-year need determinations are estimates which, although based on the best available information and methodologies, should not be held to an unreasonably high level of precision. Local governments in Crook, Deschutes or Jefferson Counties may determine the need for Regional Large-Lot Industrial Land by following the provisions of OAR 660-024-0045 for areas subject to that rule.

Response: This provision concerns legislative UGB amendments. Subsection (3) of this rule allows for need-specific UGB amendments such as this proposal.

(2) *If the UGB analysis or amendment is conducted as part of a periodic review work program, the 20-year planning period must commence on the date initially scheduled for completion of the appropriate work task. If the UGB analysis or amendment is conducted as a post-acknowledgement plan amendment under ORS 197.610 to 197.625, the 20-year planning period must commence either:*

(a) *On the date initially scheduled for final adoption of the amendment specified by the local government in the initial notice of the amendment required by OAR 660-018-0020; or*

(b) *If more recent than the date determined in subsection (a), at the beginning of the 20-year period specified in the appropriate coordinated population forecast for the urban area as determined under Rules in OAR 660, div 32, unless ORS 197.296 requires a different date for local governments subject to that statute.*

Response: This amendment is conducted as a post-acknowledgement plan amendment. The 20-year planning period for this amendment shall commence pursuant to subsection (a), on the date initially scheduled for final adoption of the amendment.

(3) *A local government may review and amend the UGB in consideration of one category of land need (for example, housing need) without a simultaneous review and amendment in consideration of other categories of land need (for example, employment need).*

Response: This application proposes to amend the UGB for a land need for specific public facilities. No other land needs are considered for this application.

(4) *The determination of 20-year residential land needs for an urban area must be consistent with the appropriate 20-year coordinated population forecast for the urban area determined under Rules in OAR 660, div 32, and with the requirements for determining housing needs in Goals 10 and 14, OAR chapter 660, division 7 or 8, and applicable provisions of ORS 197.295 to 197.314 and 197.475 to 197.490.*

Response: This amendment does not propose to meet a residential land need; therefore, the requirements of subsection (5) is not applicable.

(5) *Except for a metropolitan service district described in ORS 197.015(13), the determination of 20-year employment land need for an urban area must comply with applicable requirements of Goal 9 and OAR chapter 660, division 9, and must include a determination of the need for a*

short-term supply of land for employment uses consistent with 660-009-0025. Employment land need may be based on an estimate of job growth over the planning period; local government must provide a reasonable justification for the job growth estimate but Goal 14 does not require that job growth estimates necessarily be proportional to population growth. Local governments in Crook, Deschutes or Jefferson Counties may determine the need for Regional Large-Lot Industrial Land by following the provisions of 660-024-0045 for areas subject to that rule.

- (6) *Cities and counties may jointly conduct a coordinated regional EOA for more than one city in the county or for a defined region within one or more counties, in conformance with Goal 9, OAR chapter 660, division 9, and applicable provisions of ORS 195.025. A defined region may include incorporated and unincorporated areas of one or more counties.*

Response: The proposed uses may generate employment opportunities directly or indirectly, however, the primary purpose for this application is to meet the need for specific public facilities. This amendment does not propose to meet an employment land need; therefore, the requirements of subsections (5) and (6) are not applicable.

- (7) *The determination of 20-year land needs for transportation and public facilities for an urban area must comply with applicable requirements of Goals 11 and 12, rules in OAR chapter 660, divisions 11 and 12, and public facilities requirements in ORS 197.712 and 197.768. The determination of school facility needs must also comply with 195.110 and 197.296 for local governments specified in those statutes.*

Response: This application does not propose to meet the need for transportation or public facilities, as defined by the OAR associated with Goal 11. The definition of public facilities in OAR 660, division 11 is limited to sewer, water, and transportation facilities.⁷ The application also does not propose to meet a need for school facilities. Therefore, the requirements of this subsection do not apply to this amendment.

- (8) *The following safe harbors may be applied by a local government to determine housing need under this division...*
- (9) *The following safe harbors may be applied by a local government to determine its employment needs for purposes of a UGB amendment under this rule, Goal 9, OAR chapter 660, division 9, Goal 14 and, if applicable, ORS 197.296...*

Response: Subsections (8) and (9) concern safe harbors for the determination of residential and employment land needs; this application does not propose to meet residential or employment land needs, therefore, these subsections are not applicable.

- (10) *As a safe harbor during periodic review or other legislative review of the UGB, a local government may estimate that the 20-year land needs for streets and roads, parks and school facilities will together require an additional amount of land equal to 25 percent of the net*

⁷ OAR 660-011-0005(5)

buildable acres determined for residential land needs under section (4) of this rule, and in conformance with the definition of “Net Buildable Acre” as defined in OAR 660-024-0010(6).

Response: Subsection (1) concerns a safe harbor for the determination of public facilities. This application does not propose to meet the need for transportation or public facilities, as defined by the OAR associated with Goal 11. Therefore, this provision is not applicable.

OAR 660-024-0050, Land Inventory and Response to Deficiency

(1) When evaluating or amending a UGB, a local government must inventory land inside the UGB to determine whether there is adequate development capacity to accommodate 20-year needs determined in OAR 660-024-0040. For residential land, the buildable land inventory must include vacant and redevelopable land, and be conducted in accordance with OAR 660-007-0045 or 660-008-0010, whichever is applicable, and ORS 197.296 for local governments subject to that statute. For employment land, the inventory must include suitable vacant and developed land designated for industrial or other employment use, and must be conducted in accordance with OAR 660-009-0015.

Response: The specific provisions concerning UGB amendments to fulfill a category of residential or employment land need are not applicable to this amendment because this application is site-specific and proposes to meet a specific need. However, the general provision that an inventory of land inside the UGB to determine if there is land available to meet the identified need does apply to this amendment. This inventory is described in response to subsection (4), below.

(2) As safe harbors, a local government, except a city with a population over 25,000 or a metropolitan service district described in ORS 197.015(13), may use the following assumptions to inventory the capacity of buildable lands to accommodate housing needs:

(...)

(3) As safe harbors when inventorying land to accommodate industrial and other employment needs, a local government may assume that a lot or parcel is vacant if it is:

(...)

Response: Subsections (2) and (3) concern safe harbors for conducting inventories of residential and employment land needs; this application does not propose to meet residential or employment land needs, therefore, these subsections are not applicable.

(4) If the inventory demonstrates that the development capacity of land inside the UGB is inadequate to accommodate the estimated 20-year needs determined under OAR 660-024-0040, the local government must amend the plan to satisfy the need deficiency, either by increasing the development capacity of land already inside the city or by expanding the UGB, or both, and in accordance with ORS 197.296 where applicable. Prior to expanding the UGB, a local government must demonstrate that the estimated needs cannot reasonably be accommodated on land already inside the UGB. If the local government determines there is a need to expand the

UGB, changes to the UGB must be determined by evaluating alternative boundary locations consistent with Goal 14 and applicable rules at OAR 660-024-0060 or 660-024-0065 and 660-024-0067.

Response: Pursuant to OAR 660-024-0065(3), this amendment proposes to meet the need for specific public facilities, and this proposal must demonstrate that the site characteristics required for these facilities cannot be found within the existing UGB. The proposal includes multiple public facilities that require varying characteristics. Therefore, for the purposes of this Goal 14 analysis, the proposal will be divided into three discrete sites, each with a different set of site characteristics, as described below and summarized in Table 2.

Site Characteristics

1. **Fairgrounds Expansion Site.** There is a need to expand three existing facilities on the Fairgrounds: the RV Park, the 4-H facilities, and the OHV track facilities. In total, 50 acres of vacant and developable land is needed to accommodate these facilities. Each of these facilities are required to be directly adjacent to each respective, existing facility to accommodate the need for expansion.

Multi-Purpose Athletic and Events Center Site. The Multi-Purpose Athletic and Events Center is a new County facility. The complex is not strictly required to be adjacent to the existing Fairgrounds, but this location would provide many efficiencies that would enable the facility to operate more effectively. This application evaluates alternative locations that could provide the required site characteristics for the complex, pursuant to Goal 14 requirements. The site must include 100 acres of vacant and developable land, as determined through the County's feasibility study.⁸ Three additional site characteristics are described below, and summarized in

⁸ **Error! Reference source not found.**, p. 8

2. Table 2.

1. *Needed zoning designation.* If within the existing UGB, the site must be in one of the following zones: Fairgrounds, Open Space Park Reserve (OSPR), Park, Public Facility, or specific Commercial zones (C-1, C-2, C-4, and C-5). These are the only zones that allow for the full range of uses that are proposed for the site. The use categories of the Redmond Development Code that match the proposed uses for the site are “Recreational Facilities” and “Arena for Indoor Sport Events”. These uses are not permitted in Residential, Mixed-Use, Industrial, or Airport zones. These uses are also not permitted in the UH-10 zone, which is intended primarily for future urban residential development, as identified in the Redmond Framework Plan.
 2. *Outside URAs.* If outside the UGB, the site must not be in a Redmond Urban Reserve Area (URA). City of Redmond URAs are designated to meet future residential and employment needs, as identified in the Redmond Framework Plan. The 2005 *Redmond Urbanization Report*, the analysis that informed the Framework Plan and the associated UGB amendment, found there was a need for 1,985 acres of land to meet the needs for residential and employment land and associated public facilities between 2003 and 2025.⁹ The adopted UGB expansion added 2,299 acres of land that is designated under the city of Redmond’s URAs. The large size of the Multi-Purpose Athletic and Events Center, at 100 acres, could potentially consume land that needed to meet future residential and employment demand.¹⁰
 3. *Conflicts with residential uses.* The site must not be adjacent to existing residential use zones or to areas planned for future residential uses in URAs, as identified in the Redmond Framework Plan or other subarea plan.¹¹ The Multi-Purpose Athletic and Events Center is not suitable for a location adjacent to residential areas due to the livability impacts of a large complex that hosts ongoing events, including traffic generation, noise, and outdoor lighting.
 4. *No more than three separate, contiguous parcels.* The Multi-Purpose Athletic and Events Center may be developed on a site made up of multiple parcels. However, it would be impractical to attempt to assemble more than three lots under separate owners given varying interests, demands, and willingness to sell on the part of the property owners. Therefore, the analysis will be limited to sites that are over 100 acres in size but include no more than three contiguous parcels.
3. **OMD Armory Relocation Site.** The primary purpose for the relocation of the OMD armory is to provide direct access to the Biak Training Area. The site must include 20 acres of vacant

⁹ City of Redmond Resolution No. 2006 – 24, Framework Plan and Findings Document, p. 35

¹⁰ As addressed in the Goal 9 findings under Section 3.2 of this report, the potential employment benefits of this development are secondary to the public facility need and the land is not considered employment land.

¹¹ Including the Southwest Area Plan, Northwest Area Plan, Highway 97 Area Plan, and Eastside Framework Plan

and developable land. Three additional site characteristics are required for the facility, as described below.

1. *Direct access.* As described in the Section 2.2.2 of this report, OMD needs direct access to the training grounds to avoid potential conflicts with general traffic on local streets. Therefore, the relocation site needs to be adjacent to the boundaries or the Biak Training area or accessible to the training area via a private easement through land not planned for future urban development.
2. *Zoning.* If within the UGB, the site should be in a Public Facilities, OSPR, or Park zone to prevent potential land use conflicts with other uses.
3. *Outside URAs.* If outside the UGB, the site must not be in a Redmond Urban Reserve Area (URA). As described above in relation to the Multi-Purpose Athletic and Events Center, URAs are designated to meet future residential and employment needs, as identified in the Redmond Framework Plan.

Table 2. Summary of Required Site Characteristics

Site	Public Facility Uses	Required Site Characteristics	
		Size	Proximity/Other Site Characteristics
<i>Fairgrounds Expansion Site</i>	Expanded RV park, 4-H facilities, and OHV tracks	50 acres	Directly adjacent to respective facilities on existing Fairground site
<i>Multi-Purpose Athletic and Events Center Site</i>	New athletic fields and events center	100 acres	<ol style="list-style-type: none"> 1. If within UGB, located in the Fairgrounds, Open Space Park Reserve (OSPR), Park, Public Facility, or specific Commercial zones (C-1, C-2, C-4, and C-5). 2. If outside UGB, not located in a Redmond URA. 3. Not adjacent to existing residential use zones or to areas planned for future residential uses in a Redmond URA. 4. No more than three separate, contiguous parcels.
<i>OMD Armory Relocation Site</i>	Relocation of existing Oregon National Guard Armory	20 acres	<ol style="list-style-type: none"> 1. Adjacent to the boundaries of Biak Training Area or accessible to the training area via a private easement. 2. If within the UGB, located in a Public Facilities, OSPR, or Park zone. 3. If outside UGB, not located in a Redmond URA.

Land Inventories

Land within the existing UGB was evaluated based on the site characteristics identified above, pursuant to the requirements of section (4). No areas within the existing UGB could accommodate the specific site characteristics, as described below.

1. **Fairgrounds Expansion Site.** The only sites within the existing UGB and directly adjacent to the existing Fairgrounds are the Airport to the north and industrial areas to the north and west. No vacant sites in this area meet the size requirement of 50 acres. See Figure 3.
2. **Multi-Purpose Athletic and Events Center Site.** No sites located in the specified zones are large enough to accommodate the 100-acre site. No sites in the Park, Public Facility, or specified Commercial zones contain fewer than three contiguous parcels that total at least 100 acres. See Figure 3.

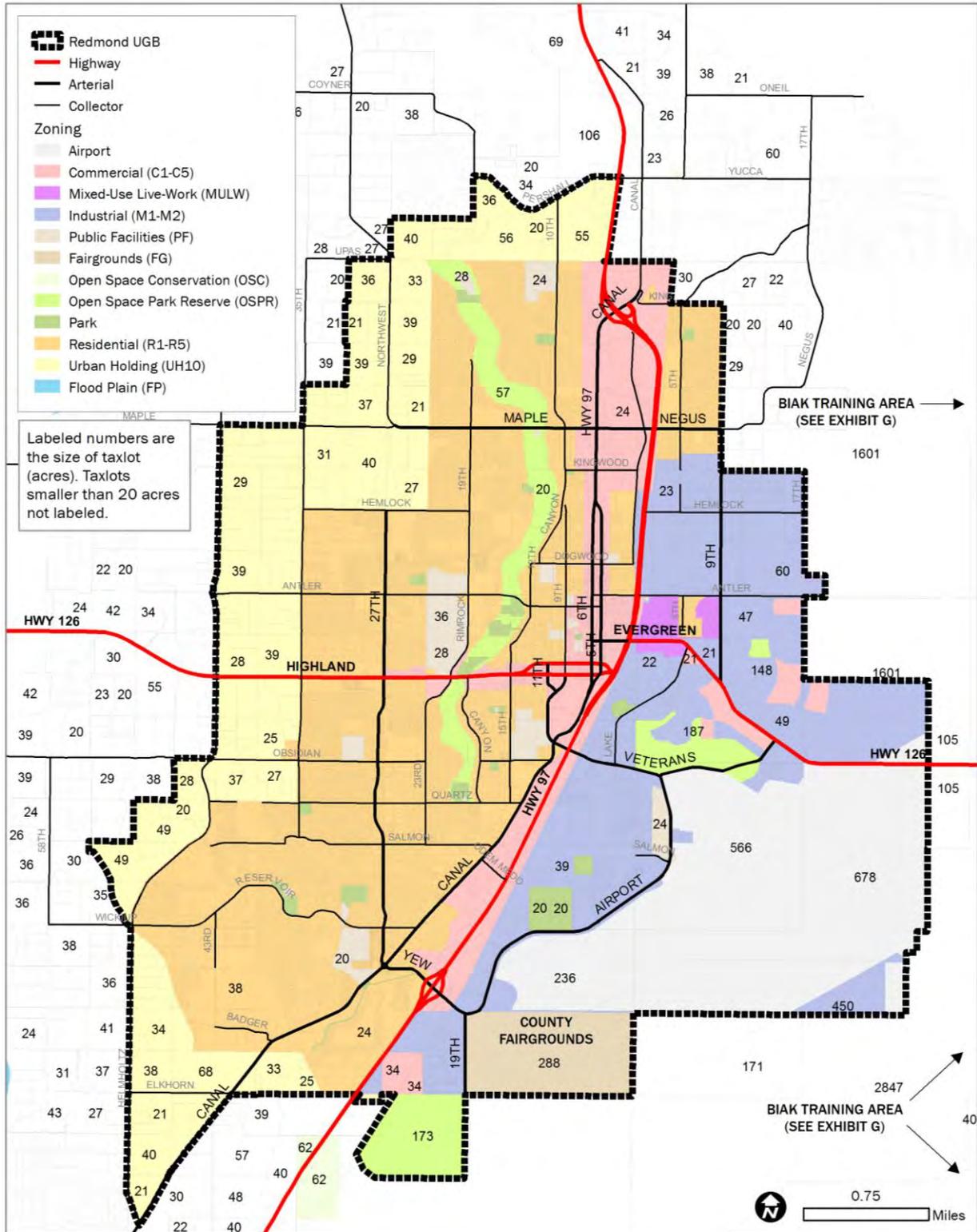
One site in the OSPR zone is approximately 99 acres in total size; however, a significant portion of the site is not suitable for development. Approximately 12 acres of the area is located within a Runway Protection Zone (RPZ) of the Deschutes County Airport Safety Overlay; development is significantly constrained within an RPZ. Additionally, the site includes Goal 5 resource areas, further limiting development.

3. **OMD Relocation Site.** The Biak Training Area is located east and south of the existing UGB, on lands owned and managed by BLM (see Exhibit G for a map of the training area

boundary). No sites on the eastern or southern boundary of the existing UGB, which could potentially provide direct access to the training area, are designated for the specified zones. These areas are zoned for residential, industrial, commercial, and airport uses. Additionally, most areas north of Highway 126 will be separated from the Biak Training Area by future urban development in the Eastside Framework Plan area. If the facility were located west of this plan area—within the existing UGB—future urban development to the east would interfere with direct access to the training area. As no sites within the existing UGB meet the zoning and access requirements for the facility, the site must be located outside the UGB. See **Error! Reference source not found.**

No lands within the existing UGB meet the required site characteristics for the public facilities. Therefore, alternative boundary locations outside the UGB were evaluated. This evaluation is described in findings in response to OAR 660-024-0065 and 660-024-0067.

Figure 3. UGB Land Inventory



- (5) *In evaluating an amendment of a UGB submitted under ORS 197.626, the director or the commission may determine that a difference between the estimated 20-year needs determined under OAR 660-024-0040 and the amount of land and development capacity added to the UGB by the submitted amendment is unlikely to significantly affect land supply or resource land protection, and as a result, may determine that the proposed amendment complies with section (4) of this rule.*

Response: The amount of land proposed to add to the UGB under this amendment is equal to the identified land need for the specific public facility uses; therefore, this provision is not applicable.

- (6) *When land is added to the UGB, the local government must assign appropriate urban plan designations to the added land, consistent with the need determination and the requirements of section (7) of this rule, if applicable. The local government must also apply appropriate zoning to the added land consistent with the plan designation or may maintain the land as urbanizable land until the land is rezoned for the planned urban uses, either by retaining the zoning that was assigned prior to inclusion in the boundary or by applying other interim zoning that maintains the land's potential for planned urban development. The requirements of ORS 197.296 regarding planning and zoning also apply when local governments specified in that statute add land to the UGB.*

Response: This application proposes to apply the City of Redmond Fairgrounds (FG) comprehensive plan and zoning designation to the Fairgrounds expansion uses and the Public Facilities (PF) comprehensive plan and zoning designation to the OMD facility. The OMD facility is allowed under the use category of public facilities in the PF zone.

The Fairgrounds expansion uses, including the Multi-Purpose Athletic and Events Center, OHV tracks, and 4-H facilities, are allowed outright in the FG zone under the use categories of recreational facilities, Expo Center arenas, and livestock stabling. The RV park is permitted outright in the FG zone, but limited to 20% of the total lot area. As shown on the MDP, the total area of the RV park after the expansion will be approximately 17 acres, or about 4% of the total Fairgrounds lot area, including the expansion area.

- (7) *Lands included within a UGB pursuant to OAR 660-024-0065(3) to provide for a particular industrial use, or a particular public facility, must be planned and zoned for the intended use and must remain planned and zoned for that use unless the city removes the land from the UGB.*

Response: This amendment is proposed to meet the need for specific public facilities, pursuant to OAR 660-024-0065(3). As noted in response to section (6) of this rule, the sites will be planned and zoned for their intended uses under the City of Redmond's FG and PF zones.

- (8) *As a safe harbor regarding requirements concerning "efficiency," a local government that chooses to use the density and mix safe harbors in OAR 660-024-0040(8) is deemed to have met the Goal 14 efficiency requirements under:*

(...)

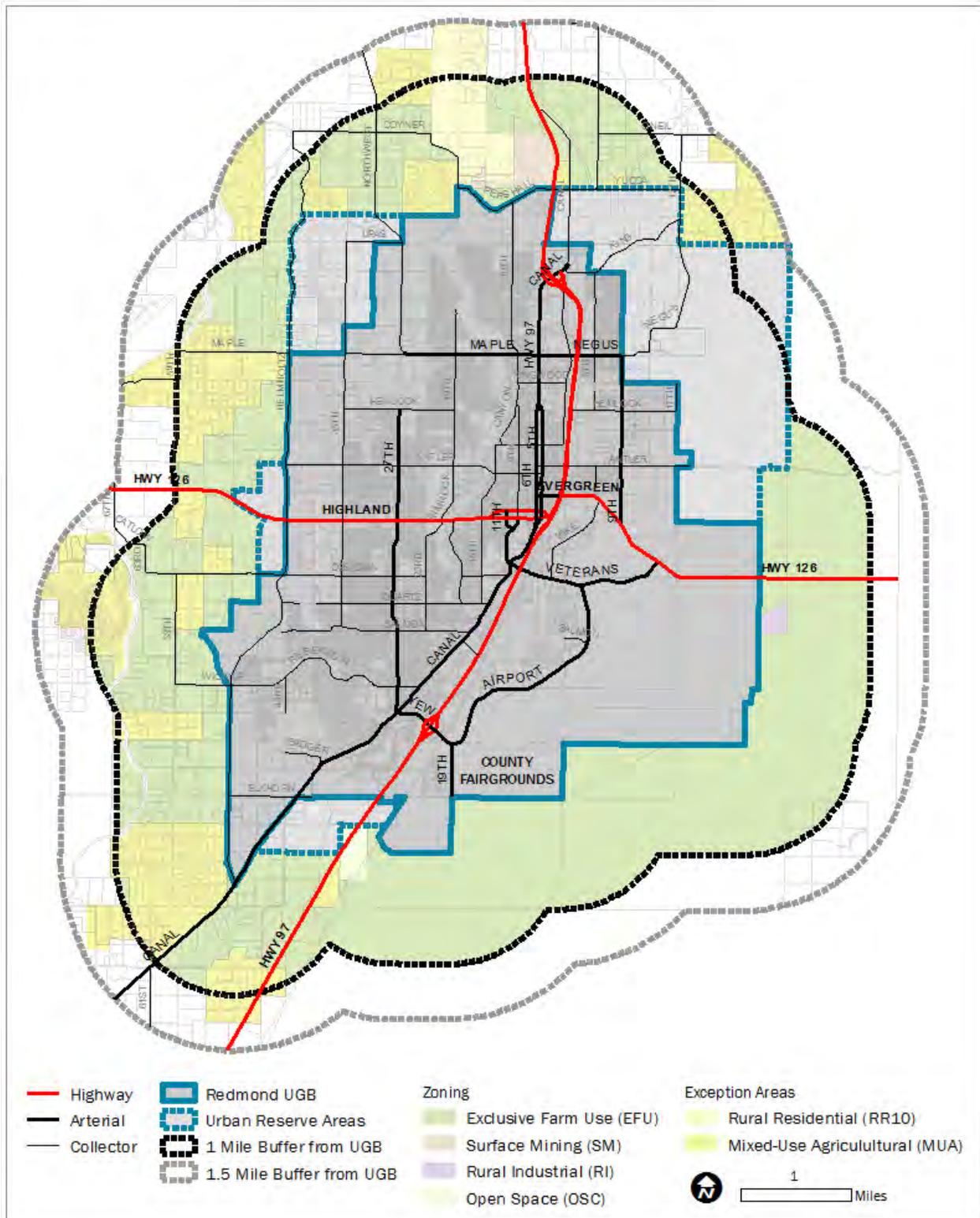
Response: This section concerns safe harbors for conducting inventories of residential land needs. This application does not propose to meet residential land needs; therefore, this subsection is not applicable.

OAR 660-024-0065, Establishment of Study Area to Evaluate Land for Inclusion in the UGB

- (1) *When considering a UGB amendment to accommodate a need deficit identified in OAR 660-024-0050(4), a city outside of Metro must determine which land to add to the UGB by evaluating alternative locations within a “study area” established pursuant to this rule. To establish the study area, the city must first identify a “preliminary study area” which shall not include land within a different UGB or the corporate limits of a city within a different UGB. The preliminary study area shall include:*
- (a) *All lands in the city’s acknowledged urban reserve, if any;*
 - (b) *All lands that are within the following distance from the acknowledged UGB:*
 - (A) *For cities with a UGB population less than 10,000: one-half mile;*
 - (B) *For cities with a UGB population equal to or greater than 10,000: one mile;*
 - (c) *All exception areas contiguous to an exception area that includes land within the distance specified in subsection (b) and that are within the following distance from the acknowledged UGB:*
 - (A) *For cities with a UGB population less than 10,000: one mile;*
 - (B) *For cities with a UGB population equal to or greater than 10,000: one and one-half miles;*
 - (d) *At the discretion of the city, the preliminary study area may include land that is beyond the distance specified in subsections (b) and (c).*

Response: The study area for this amendment was defined according to this section. The study area includes all land in the city’s URAs pursuant to subsection (a). The City of Redmond UGB includes a population of approximately 27,000; therefore, all lands within one mile of the existing UGB and all exception areas contiguous to those lands and within one and one-half miles of the existing UGB were included in the study area, pursuant to subsections (b) and (c). No additional land was included in the study area. The study area is presented in Figure 4.

Figure 4. Preliminary Study Area



(2) *A city that initiated the evaluation or amendment of its UGB prior to January 1, 2016, may choose to identify a preliminary study area applying the standard in this section rather than section (1). For such cities, the preliminary study area shall consist of:*

(...)

Response: This amendment was not initiated prior to January 1, 2016; therefore, this section is not applicable.

(3) *When the primary purpose for expansion of the UGB is to accommodate a particular industrial use that requires specific site characteristics, or to accommodate a public facility that requires specific site characteristics, and the site characteristics may be found in only a small number of locations, the preliminary study area may be limited to those locations within the distance described in section (1) or (2), whichever is appropriate, that have or could be improved to provide the required site characteristics. For purposes of this section:*

(a) *The definition of “site characteristics” in OAR 660-009-0005(11) applies for purposes of identifying a particular industrial use.*

(b) *A “public facility” may include a facility necessary for public sewer, water, storm water, transportation, parks, schools, or fire protection. Site characteristics may include but are not limited to size, topography and proximity.*

Response: This amendment intends to accommodate a specific public facility with site characteristics that may only be found in a small number of locations; thus, section (3) is applicable. Subsection (b) states that a public facility may include those named facilities but the list is not exhaustive, and therefore may include other public facilities such as those included with this amendment.

Section (3) also provides that the preliminary study area for a public facility may be limited to those sites that have or could be improved to provide the required site characteristics. As this proposed amendment includes three separate public facility sites with varying required site characteristics, as described in response to 660-024-0050(4) and summarized in Table 2, the preliminary study area will be defined separately for each site.

(4) *The city may exclude land from the preliminary study area if it determines that:*

(a) *Based on the standards in section (7) of this rule, it is impracticable to provide necessary public facilities or services to the land;*

(b) *The land is subject to significant development hazards, due to a risk of:*

(A) *Landslides: The land consists of a landslide deposit or scarp flank that is described and mapped on the Statewide Landslide Information Database for Oregon (SLIDO) Release 3.2 Geodatabase published by the Oregon Department of Geology and Mineral Industries (DOGAMI) December 2014, provided that the deposit or scarp flank in the data source is mapped at a scale of 1:40,000 or finer. If the owner of a*

- lot or parcel provides the city with a site-specific analysis by a certified engineering geologist demonstrating that development of the property would not be subject to significant landslide risk, the city may not exclude the lot or parcel under this paragraph;*
- (B) Flooding, including inundation during storm surges: the land is within the Special Flood Hazard Area (SFHA) identified on the applicable Flood Insurance Rate Map (FIRM);*
 - (C) Tsunamis: the land is within a tsunami inundation zone established pursuant to ORS 455.446;*
- (c) The land consists of a significant scenic, natural, cultural or recreational resource described in this subsection:*
- (A) Land that is designated in an acknowledged comprehensive plan prior to initiation of the UGB amendment, or that is mapped on a published state or federal inventory at a scale sufficient to determine its location for purposes of this rule, as:
 - (i) Critical or essential habitat for a species listed by a state or federal agency as threatened or endangered*
 - (ii) Core habitat for Greater Sage Grouse; or*
 - (iii) Big game migration corridors or winter range, except where located on lands designated as urban reserves or exception areas;**
 - (B) Related Adjacent Lands described by ORS 390.805, as mapped by the applicable state or federal agency responsible for the scenic program;*
 - (C) Designated Natural Areas on the Oregon State Register of Natural Heritage Resources;*
 - (D) Wellhead protection areas described under OAR 660-023-0140 and delineated on a local comprehensive plan;*
 - (E) Aquatic areas subject to Statewide Planning Goal 16 that are in a Natural or Conservation management unit designated in an acknowledged comprehensive plan;*
 - (F) Lands subject to acknowledged comprehensive plan or land use regulations that implement Statewide Planning Goal 17, Coastal Shoreland, Use Requirement 1;*
 - (G) Lands subject to acknowledged comprehensive plan or land use regulations that implement Statewide Planning Goal 18, Implementation Requirement 2;*
- (d) The land is owned by the federal government and managed primarily for rural uses.*

Response: Areas were excluded from the preliminary study area for each site if the area did not meet the identified site characteristics, as provided by section (3) or were eligible to be excluded by a provision of section (4). These exclusions are described below and the adjusted study areas for each respective site are identified in Figure 5, Figure 6, and Figure 7.

Preliminary Study Areas

1. **Fairgrounds Expansion Site.** The following areas were excluded from the preliminary study area because they did not meet the required site criteria for the Fairgrounds expansion. These exclusions are described below and identified in Figure 5.
 - a. *Exclusion A:* The facilities included in the Fairgrounds Expansion must be directly adjacent to the existing facilities on the Fairgrounds. Therefore, the study area is limited to parcels directly adjacent to the existing Fairgrounds to the east and south.
 - b. *Exclusion B:* Lands owned and managed by the Federal Government are excluded, pursuant to section (4)(d) of this rule. This includes land owned by the federal Bureau of Land Management that runs along the eastern boundary of the existing UGB, to the east, northeast, and southeast of the existing Fairgrounds.
2. **Multi-Purpose Athletic and Events Center Site.** The following areas were excluded from the preliminary study area because they did not meet the required site criteria for the Multi-Purpose Athletic and Events Center. These exclusions are described below and identified in Figure 6.
 - *Exclusion A.* All Redmond URAs are designated to meet residential or employment land needs, and therefore have been excluded from the study area because these sites do not meet the criteria that the facility not consume lands designated to meet these future needs.
 - *Exclusion B.* Outside of the URAs, all sites that are adjacent to areas planned for residential uses were excluded from the study area, in accordance with the requirement that the Multi-Purpose Athletic and Events Center not be located adjacent to existing or future residential area.
 - *Exclusion C.* Within the lands remaining after exclusions A and B, all parcels that could not be combined with two contiguous parcels to form a site of at least 100 acres was removed from the study area, as those parcels would not meet the size and parcelization requirements for the site.
 - *Exclusion D:* Lands owned and managed by the Federal Government are excluded, pursuant to section (4)(d) of this rule.
3. **OMD Relocation Site.** The following areas were excluded from the preliminary study area because they did not meet the required site criteria for the OMD facility. These exclusions are described below and identified in Figure 7.

- a. *Exclusion A.* All Redmond URAs are designated to meet residential or employment land needs, and therefore have been excluded from the study area because these sites do not meet the criteria that the facility not consume lands designated to meet these future needs.
- b. *Exclusion B:* The primary purpose of the relocation of the OMD facility is to improve access to the Biak Training Area. The site is required to be adjacent to the boundaries of Biak Training Area or accessible to the training area via a private easement. The areas identified as Exclusion B in Figure 7 are not adjacent to or within a reasonable proximity of the Biak Training Area so that a private access road could be established.
- c. *Exclusion C:* Lands owned and managed by the Federal Government are excluded, pursuant to section (4)(d) of this rule.

Figure 5. Study Area, Fairgrounds Expansion Site

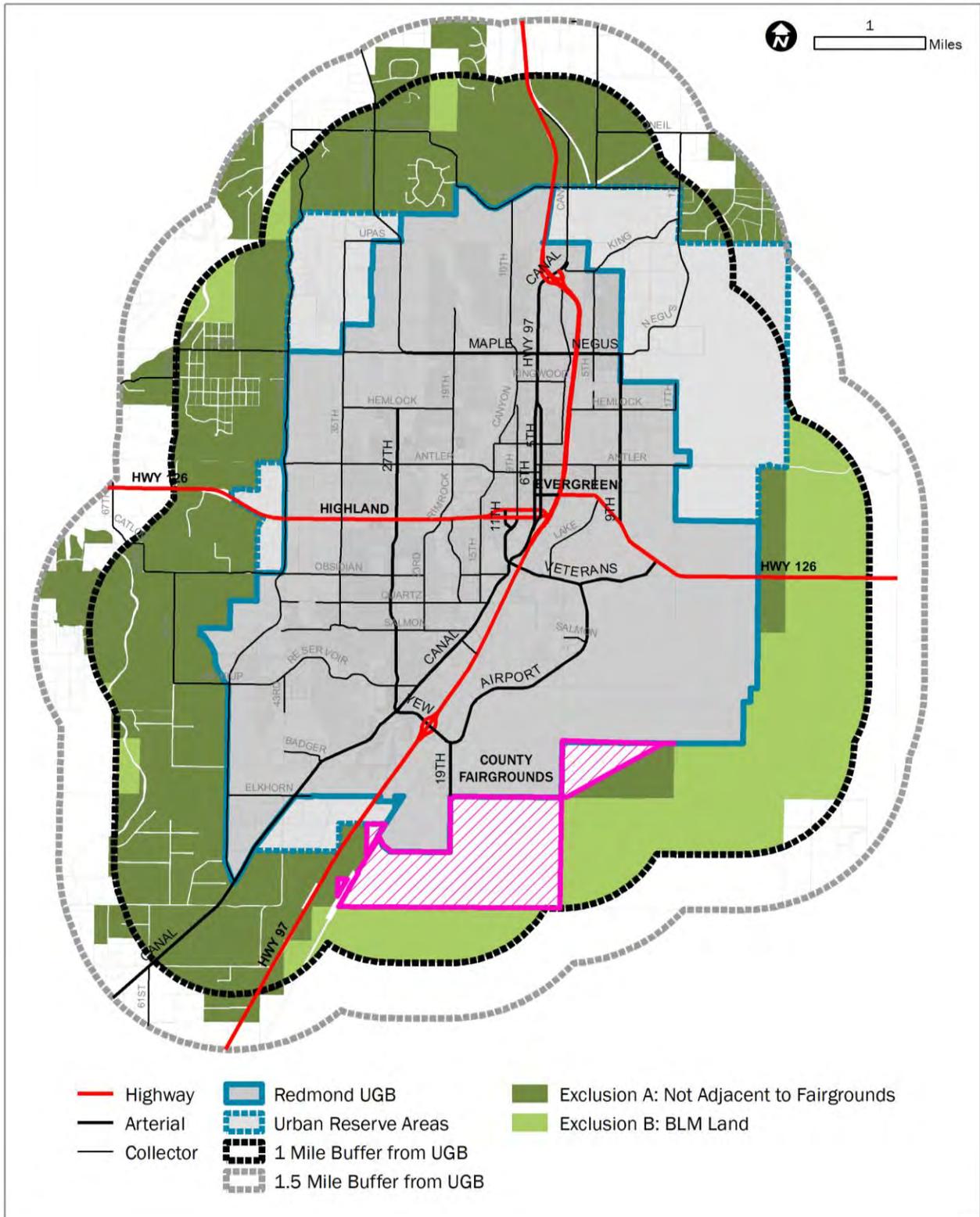


Figure 6. Study Area, Multi-Purpose Athletic and Events Center Site

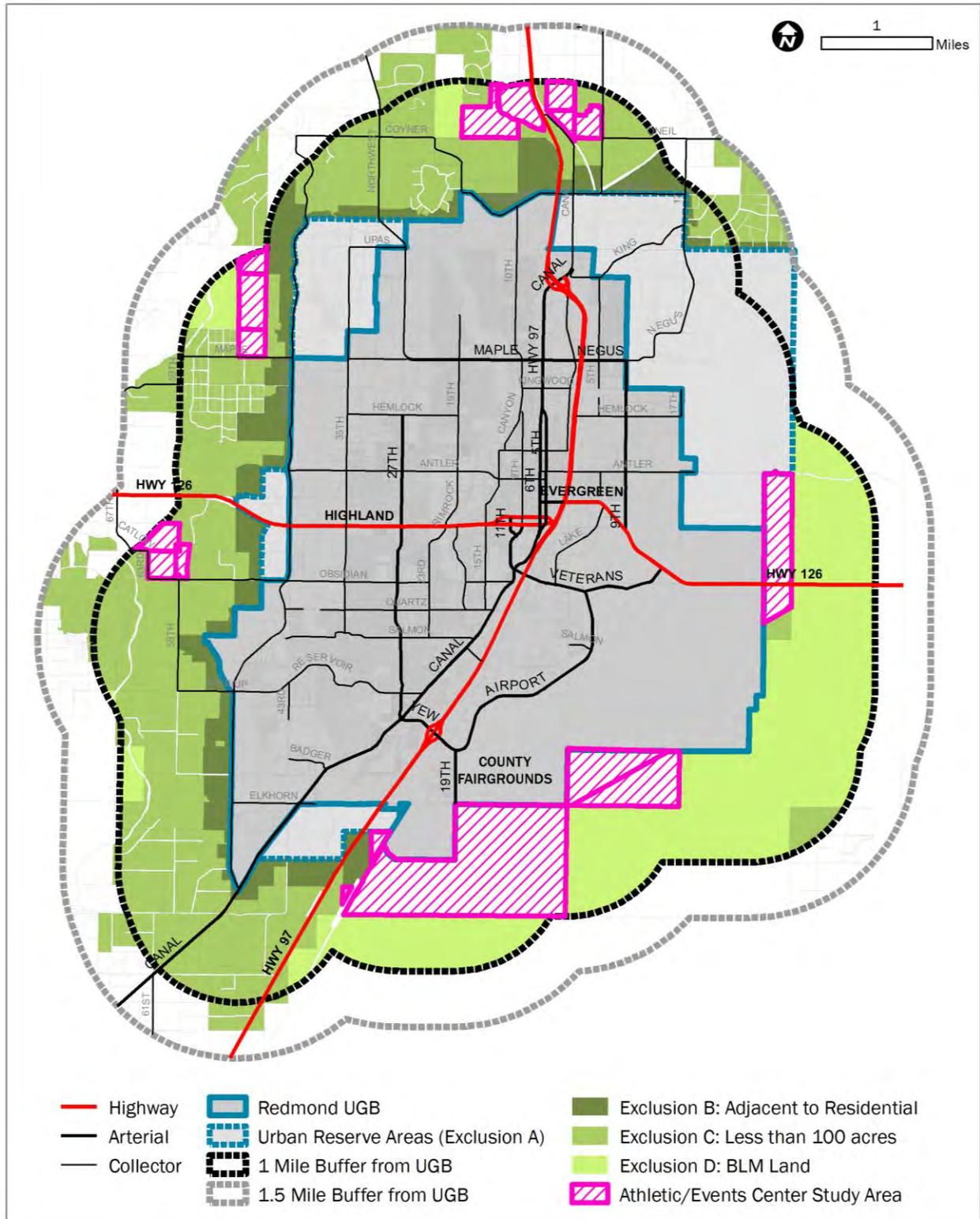
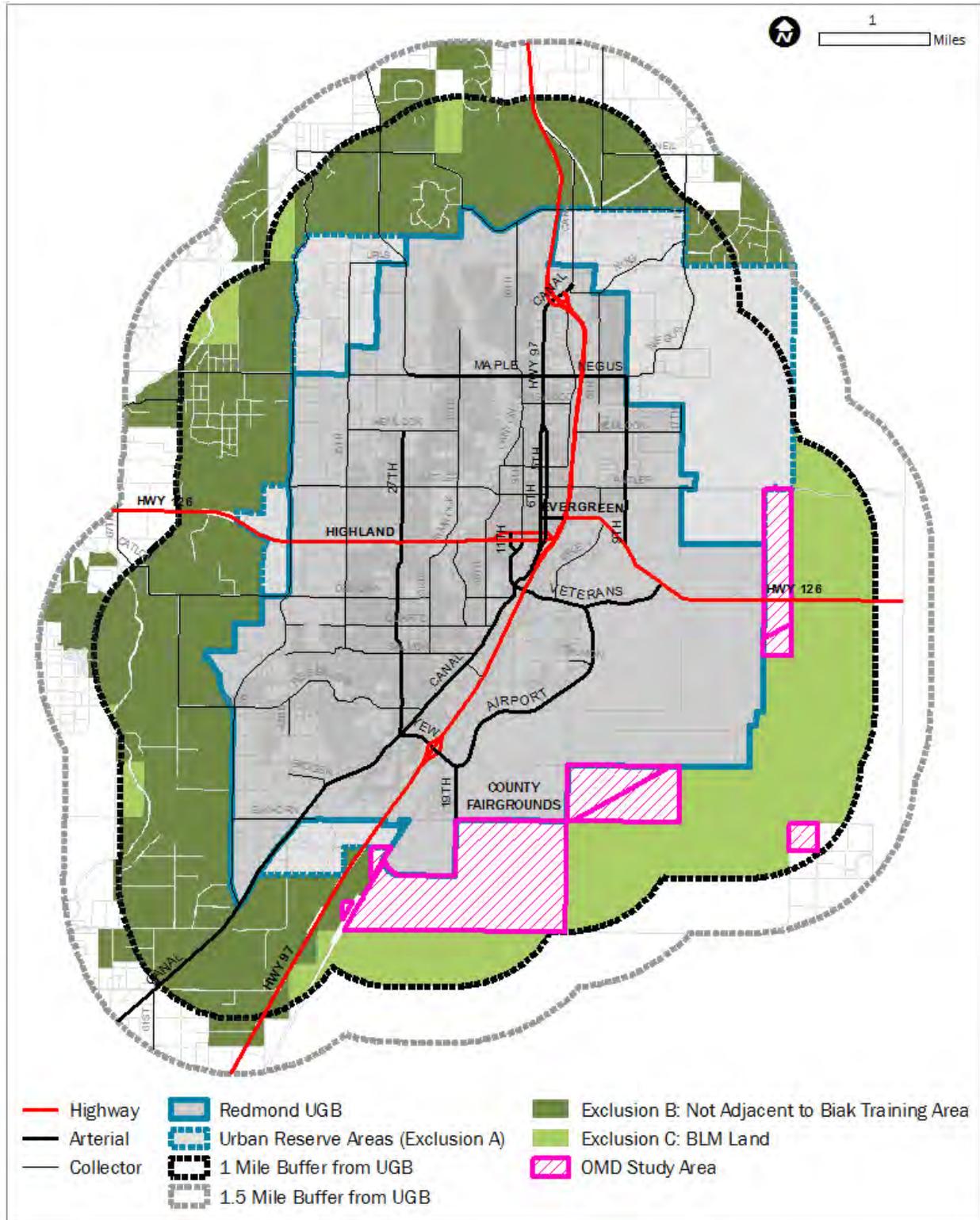


Figure 7. Study Area, OMD Relocation Site



(5) *After excluding land from the preliminary study area under section (4), the city must adjust the area, if necessary, so that it includes an amount of land that is at least twice the amount of land needed for the deficiency determined under OAR 660-024-0050(4) or, if applicable, twice the particular land need described in section (3). Such adjustment shall be made by expanding the distance specified under the applicable section (1) or (2) and applying section (4) to the expanded area.*

Response: The land acreages remaining in the preliminary study areas for each site are provided below in Table 3. The acreages are at least at least twice the amount needed for the public facilities needs as described in section (3).

Table 3. Study Area Acreages

Site	Required Size	Size of Study Area
<i>Fairgrounds Expansion</i>	50 acres	1,559 acres
<i>Multi-Purpose Athletic and Events Center Site</i>	100 acres	3,661 acres
<i>OMD Relocation Site</i>	20 acres	3,160 acres

(6) *For purposes of evaluating the priority of land under OAR 660-024-0067, the “study area” shall consist of all land that remains in the preliminary study area described in section (1), (2) or (3) of this rule after adjustments to the area based on sections (4) and (5), provided that when a purpose of the UGB expansion is to accommodate a public park need, the city must also consider whether land excluded under subsection (4)(a) through (c) of this rule can reasonably accommodate the park use.*

Response: No land was excluded under subsection 4(a) through (c) of this rule; therefore, this provision is not applicable.

(7) *For purposes of subsection (4)(a), the city may consider it impracticable to provide necessary public facilities or services to the following lands:*

(...)

Response: No land was excluded under subsection 4(a) of this rule; therefore, this provision is not applicable.

(8) *Land may not be excluded from the preliminary study area based on a finding of impracticability that is primarily a result of existing development patterns. However, a city may forecast development capacity for such land as provided in OAR 660-024-0067(1)(d).*

Response: No land was excluded under from the preliminary study area based on a finding of impracticability that is primarily the result of existing development patterns. The exclusions applied to each study area were to eliminate areas that did not have or could not be improved to have the required site characteristics for each public facility use. Therefore, this provision is not applicable.

(9) *Notwithstanding OAR 660-024-0050(4) and section (1) of this rule, except during periodic review or other legislative review of the UGB, the city may approve an application under ORS 197.610 to 197.625 for a UGB amendment to add an amount of land less than necessary to satisfy the land need deficiency determined under OAR 660-024-0050(4), provided the amendment complies with all other applicable requirements.*

Response: This application does not propose to add an amount of land less than the land need; therefore, this provision is not applicable.

OAR 660-024-0067, Evaluation of Land in the Study Area for Inclusion in the UGB; Priorities

- (1) *A city considering a UGB amendment must decide which land to add to the UGB by evaluating all land in the study area determined under OAR 660-024-0065, as follows*
- (a) *Beginning with the highest priority category of land described in section (2), the city must apply section (5) to determine which land in that priority category is suitable to satisfy the need deficiency determined under OAR 660-024-0050 and select for inclusion in the UGB as much of the land as necessary to satisfy the need.*
 - (b) *If the amount of suitable land in the first priority category is not sufficient to satisfy all the identified need deficiency, the city must apply section (5) to determine which land in the next priority is suitable and select for inclusion in the UGB as much of the suitable land in that priority as necessary to satisfy the need. The city must proceed in this manner until all the land need is satisfied, except as provided in OAR 660-024-0065(9).*
 - (c) *If the amount of suitable land in a particular priority category in section (2) exceeds the amount necessary to satisfy the need deficiency, the city must choose which land in that priority to include in the UGB by applying the criteria in section (7) of this rule.*
 - (d) *In evaluating the sufficiency of land to satisfy a need under this section, the city may use the factors identified in sections (5) and (6) of this rule to reduce the forecast development capacity of the land to meet the need.*
 - (e) *Land that is determined to not be suitable under section (5) of this rule to satisfy the need deficiency determined under OAR 660-024-0050 is not required to be selected for inclusion in the UGB unless its inclusion is necessary to serve other higher priority lands.*

Response: All lands in the study areas determined through the process defined by OAR 660-024-0065 will be evaluated per the provisions of this section. Conformance with each requirement of this section is addressed in the subsequent sections.

- (2) *Priority of Land for inclusion in a UGB:*
- (a) *First Priority is urban reserve, exception land, and non-resource land. Lands in the study area that meet the description in paragraphs (A) through (C) of this subsection are of equal (first) priority:*

(A) Land designated as an urban reserve under OAR chapter 660, division 21, in an acknowledged comprehensive plan;

Response: No urban reserve lands are included within the study areas of each public facility site, as demonstrated in Figures 4-6. All Redmond URA lands were excluded from study areas to preserve those lands to meet future employment and residential land needs established in the Redmond Urban Framework Plan.

(B) Land that is subject to an acknowledged exception under ORS 197.732; and

Response: The Multi-Purpose Athletic and Events Center Site study area contains one parcel that is acknowledged exception land; no other exception land is included in the study areas of the other sites.

Fairgrounds Expansion Site. No exception lands are located within the study areas defined for the Fairgrounds expansion site, as shown in

1. Figure 8.
2. **Multi-Purpose Athletic and Events Center Site.** Approximately 45 acres of land zoned Rural Residential-10, an acknowledged exception area in the Deschutes County Comprehensive Plan, is located within the study area of the Multi-Purpose Athletic and Events Center. This area of land is part of an 89-acre parcel that also includes approximately 44 acres of land zoned EFU (Terrebonne Subzone).

The parcel is included in the study area for the Multi-Purpose Athletic and Events Center because it is adjacent to a 67-acre parcel with which it could be combined to achieve the required size of at least 100 acres for the Multi-Purpose Athletic and Events Center site. The adjacent parcel is also zoned EFU. In to accommodate the 100-acre Multi-Purpose Athletic and Events Center, this site would need to include at least 55 acres of EFU land. The entire site is located within the Central Oregon Irrigation District (COID); and therefore, in accordance with 195.300(10)(c)(B), the EFU lands on this site are considered high-value farmland and therefore would be in a lower priority category of land that could be considered for a UGB expansion.

Therefore, the 45 acres of exception lands are not suitable to satisfy the identified need. This site is identified as Site 6 in Figure 9.

3. **OMD Relocation Site.** No exception lands are located within the study areas defined for the OMD relocation site, as shown in Figure 10.

(C) Land that is non-resource land.

Response: The OMD Relocation Site study area contains one parcel that is considered non-resource land; no other non-resource land is included in the study areas of the other sites.

Fairgrounds Expansion Site. No non-resource lands are located within the study areas defined for the Fairgrounds expansion site, as shown in

1. Figure 8.
2. **Multi-Purpose Athletic and Events Center Site.** No non-resource lands are located within the study areas defined for the Multi-Purpose Athletic and Events Center site, as shown in Figure 9.
3. **OMD Relocation Site.** Approximately 35 acres of non-resource land is located in the study area defined for the OMD relocation site. This land is zoned Rural Industrial and includes a developed use, the Central Oregon Unit Training and Equipment Site (COUTES). COUTES is part of the OMD facilities that are located on land adjacent to the Biak Training Area. The facility includes 15 acres of developed land. The remaining 20 acres of land is bisected by an access road that serves the COUTES facility and therefore is not entirely vacant and developable. The OMD facility requires 20 acres of vacant land in order to accommodate the size of the planned facilities. There is not enough vacant land on this site to accommodate the relocated OMD armory site; therefore, non-resource lands are not suitable to satisfy the identified need.
 - (b) *Second Priority is marginal land: land within the study area that is designated as marginal land under ORS 197.247 (1991 Edition) in the acknowledged comprehensive plan.*

Response: Deschutes County does not contain any marginal lands. Therefore, no Second Priority lands are included within the study areas of each public facility site.

- (c) *Third Priority is forest or farm land that is not predominantly high-value farm land: land within the study area that is designated for forest or agriculture uses in the acknowledged comprehensive plan and that is not predominantly high-value farmland as defined in ORS 195.300, or that does not consist predominantly of prime or unique soils, as determined by the United States Department of Agriculture Natural Resources Conservation Service (USDA NRCS). In selecting which lands to include to satisfy the need, the city must use the agricultural land capability classification system or the cubic foot site class system, as appropriate for the acknowledged comprehensive plan designation, to select lower capability or cubic foot site class lands first.*

Response: No farm land in Deschutes County meets the definition of “high-value farm land” as defined by this subsection and the applicable ORS sections. Therefore, all lands zoned EFU in Deschutes County are considered Third Priority lands. However, Deschutes County has historically applied an additional classification of EFU lands based on soil capability ratings and availability of irrigation. In establishing urban reserve areas in 2005, the County divided Third Priority EFU lands into non-irrigated parcels (“Dry EFU”), partially irrigated EFU parcels, and commercial agricultural properties.¹² Dry EFU parcels were designated the highest priority for inclusion in urban reserve areas, followed by partially irrigated EFU parcels, and commercial agriculture properties were

¹² City of Redmond Urban Reserve Findings, Deschutes County Board of Commissioners. August 23, 2005. p. 22.

designated the lowest priority for inclusion. This additional prioritization will be used to select lands from each study area to meet the need for each use, as follows.

1. Fairgrounds Expansion Site. As shown on Figure 8, all lands in the Fairgrounds Expansion study area are classified dry EFU lands (non-irrigated). Therefore, the lands will be evaluated for their suitability to address the identified need, as follows. See Figure 11 for a map of Sites 1 and 2.

- *Site 1.* Site 1 is the South Redmond Tract. The parcel is approximately 940 acres and thus meets the site size requirements. All lands within the parcel are vacant and developable.
- *Site 2.* Site 2 is part of a 450-acre parcel owned by the City of Redmond. Approximately 150 acres of the parcel are located within the study area. However, a significant portion of the site is designated for future runway surface or within a Runway Protection Zone (RPZ) of the Airport Safety Combining Zone (see Figure 11). Pursuant to FAA regulations, development within these zones severely limited, and the Fairgrounds Expansion uses would not be permitted.¹³ The remaining developable acreage on the site is approximately 65 acres, but the airport safety zones divides the site in two narrow, irregularly shaped lots. The 4H facilities and OHV tracks both require roughly rectangular shaped lots in order to accommodate the design of equestrian and off-road vehicle trails, respectively. Therefore, due to the development constraints presented by the Airport Safety Combining Zone, Site 2 is not a suitable site.

Site 1, the South Redmond Tract, is the only suitable location for the Fairgrounds Expansion. As the site is larger than the identified need, the Goal 14 boundary location factors will be applied to determine the appropriate location of the site within the Tract, pursuant to section (7) of this rule. The findings of the boundary location determination are reviewed in that section.

2. Multi-Purpose Athletic and Events Center Site. The prioritization of lands within the study area of the Athletic and Events Center are presented on Figure 9. All lands in the study area are Third Priority lands. The potential sites in the study area are numbered one through seven. Sites 4 and 6 are composed of almost entirely irrigated EFU land. As Deschutes County prioritizes irrigated EFU land below dry EFU land in UGB decisions, these sites will be excluded from a suitability evaluation. Sites 5 and 7 include a mix of dry EFU land and irrigated EFU land; however, the area of dry EFU land is not sufficient to accommodate the 100 acres needed for the Athletic and Events Center use. Site 5 includes 75 acres of dry EFU land and Site 7 includes 85 acres of dry EFU land. Therefore, Sites 5 and 7 will be excluded from the suitability evaluation. Sites 1-3 will be evaluated for their suitability to address the identified need, as follows.

¹³ Deschutes County Code, 18.80.078 (Table 1).

- *Site 1.* Site 1 is the South Redmond Tract. The parcel is approximately 940 acres and thus meets the site size requirements. All lands within the parcel are vacant and developable.
- *Site 2.* Site 2 includes two parcels. The east parcel is a 450-acre parcel owned by the City of Redmond. Approximately 150 acres of the parcel are located within the study area. As noted in the evaluation of lands for the Fairgrounds Expansion, only approximately 65 acres of this parcel is developable due to FAA limitations applied as part of the Airport Safety Combining Zone. The west parcel is a 165-acre lot owned by Deschutes County. The remaining 230 acres of land are vacant and developable.
- *Site 3* is a 1,600-acre tract composed of two parcels owned by the City of Redmond and Deschutes County. All lands within these parcels are vacant and developable.

Sites 1-3 within the Multi-Purpose Athletic and Events Center study area meet the site characteristics identified for the facility and are therefore suitable to address the need. The sites will be compared based on the Goal 14 boundary location, pursuant to section (7) of this rule. The findings of the boundary location determination are reviewed in that section.

3. **OMD Relocation Site.** The prioritization of lands within the study area of the OMD Relocation Site are presented on Figure 10. All lands in the study area are Third Priority lands. The potential sites in the study area are numbered one through four. As all lands in the study area are classified as dry EFU lands; therefore, all sites will be evaluated for their suitability to address the identified need, as follows.

- *Site 1.* Site 1 is the South Redmond Tract. The parcel is approximately 940 acres and thus meets the site size requirements. All lands within the parcel are vacant and developable.
- *Site 2.* Site 2 is the two parcels owned by the City of Redmond and Deschutes County, south of the Redmond airport, also identified as Site 2 in the Multi-Purpose Athletic and Events Center study area. As noted in that section, approximately 230 acres of land are vacant and developable on this site; a significant portion of the site is constrained by FAA regulations.
- *Site 3.* Site 3 is the 1,600-acre tract composed of two parcels owned by the City of Redmond and Deschutes County on the western boundary of the existing UGB. As noted in previous findings, all lands within these parcels are vacant and developable.
- *Site 4.* Site 4 is a 40-acre, privately-owned parcel. The parcel is vacant and potentially developable.

Sites 1-4 within the OMD Relocation study area meet the site characteristics identified for the facility and are therefore suitable to address the need. The sites will be compared based

on the Goal 14 boundary location, pursuant to section (7) of this rule. The findings of the boundary location determination are reviewed in that section.

- (d) *Fourth Priority is agricultural land that is predominantly high-value farmland: land within the study area that is designated as agricultural land in an acknowledged comprehensive plan and is predominantly high-value farmland as defined in ORS 195.300. A city may not select land that is predominantly made up of prime or unique farm soils, as defined by the USDA NRCS, unless there is an insufficient amount of other land to satisfy its land need. In selecting which lands to include to satisfy the need, the city must use the agricultural land capability classification system to select lower capability lands first.*

Response: There are sufficient Third Priority lands to meet the identified need for all three public facility sites; therefore, no Fourth Priority lands will be included.

- (3) *Notwithstanding section (2)(c) or (d) of this rule, land that would otherwise be excluded from a UGB may be included if:*
- (a) *The land contains a small amount of third or fourth priority land that is not important to the commercial agricultural enterprise in the area and the land must be included in the UGB to connect a nearby and significantly larger area of land of higher priority for inclusion within the UGB; or*
- (b) *The land contains a small amount of third or fourth priority land that is not predominantly high-value farmland or predominantly made up of prime or unique farm soils and the land is completely surrounded by land of higher priority for inclusion into the UGB.*

Response: The study areas for each expansion need did not include sufficient first and second priority land, therefore; these provisions are not applicable.

- (4) *For purposes of categorizing and evaluating land pursuant to subsections (2)(c) and (d) and section (3) of this rule,*
- (a) *Areas of land not larger than 100 acres may be grouped together and studied as a single unit of land;*
- (b) *Areas of land larger than 100 acres that are similarly situated and have similar soils may be grouped together provided soils of lower agricultural or forest capability may not be grouped with soils of higher capability in a manner inconsistent with the intent of section (2) of this rule, which requires that higher capability resource lands shall be the last priority for inclusion in a UGB;*
- (c) *Notwithstanding subsection (4)(a), if a city initiated the evaluation or amendment of its UGB prior to January 1, 2016, and if the analysis involves more than one lot or parcel or area within a particular priority category for which circumstances are reasonably similar, these lots, parcels and areas may be considered and evaluated as a single group;*

(d) When determining whether the land is predominantly high-value farmland, or predominantly prime or unique, “predominantly” means more than 50 percent.

Response: The study areas for each public facility use were grouped into sites based on the amount of land needed for each use. Lands that were of a higher priority for inclusion in the UGB were not grouped with lands of a lower priority, consistent with the intent of this section.

Figure 8. Land Prioritization, Fairgrounds Expansion

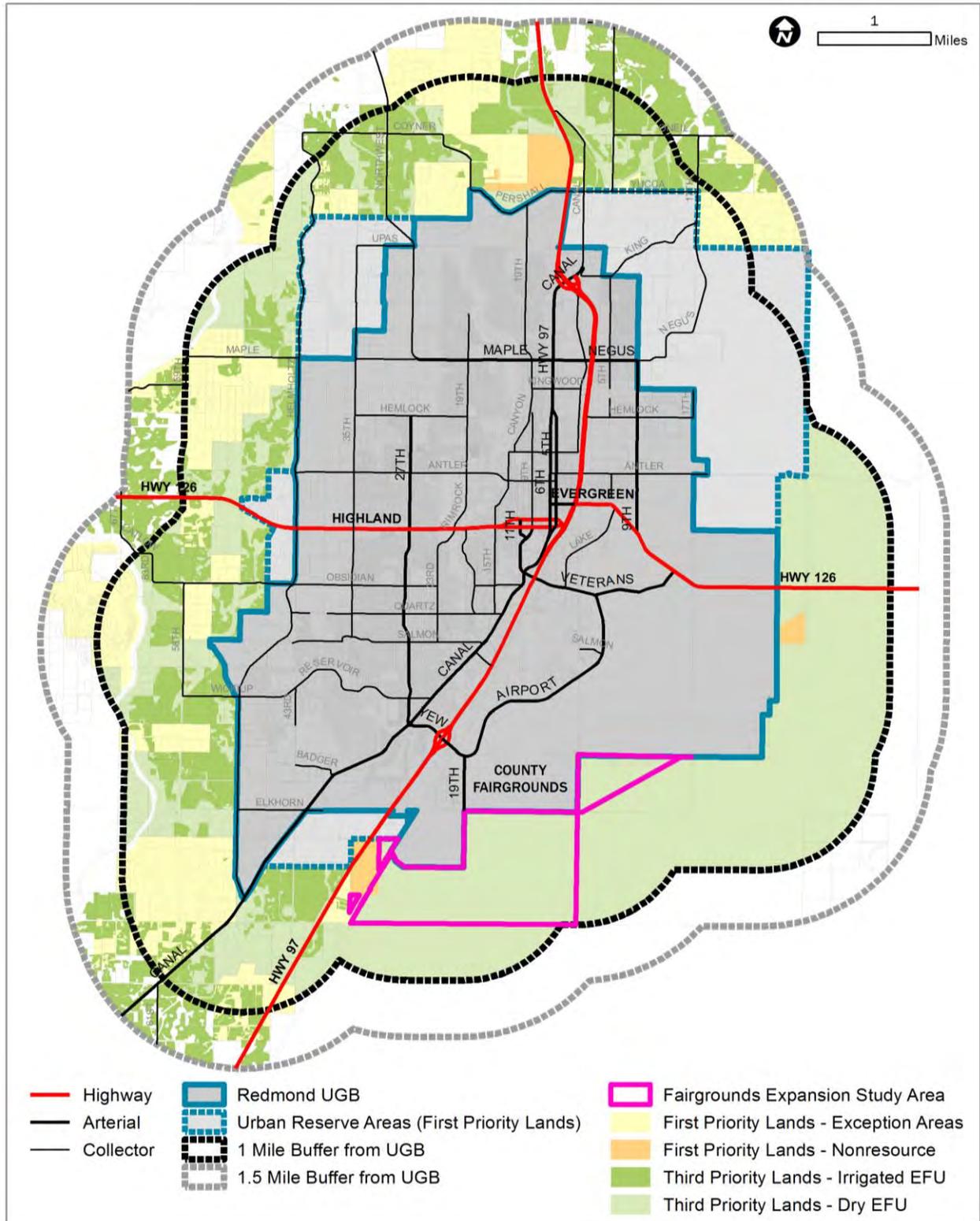


Figure 9. Land Prioritization, Multi-Purpose Athletic and Events Center

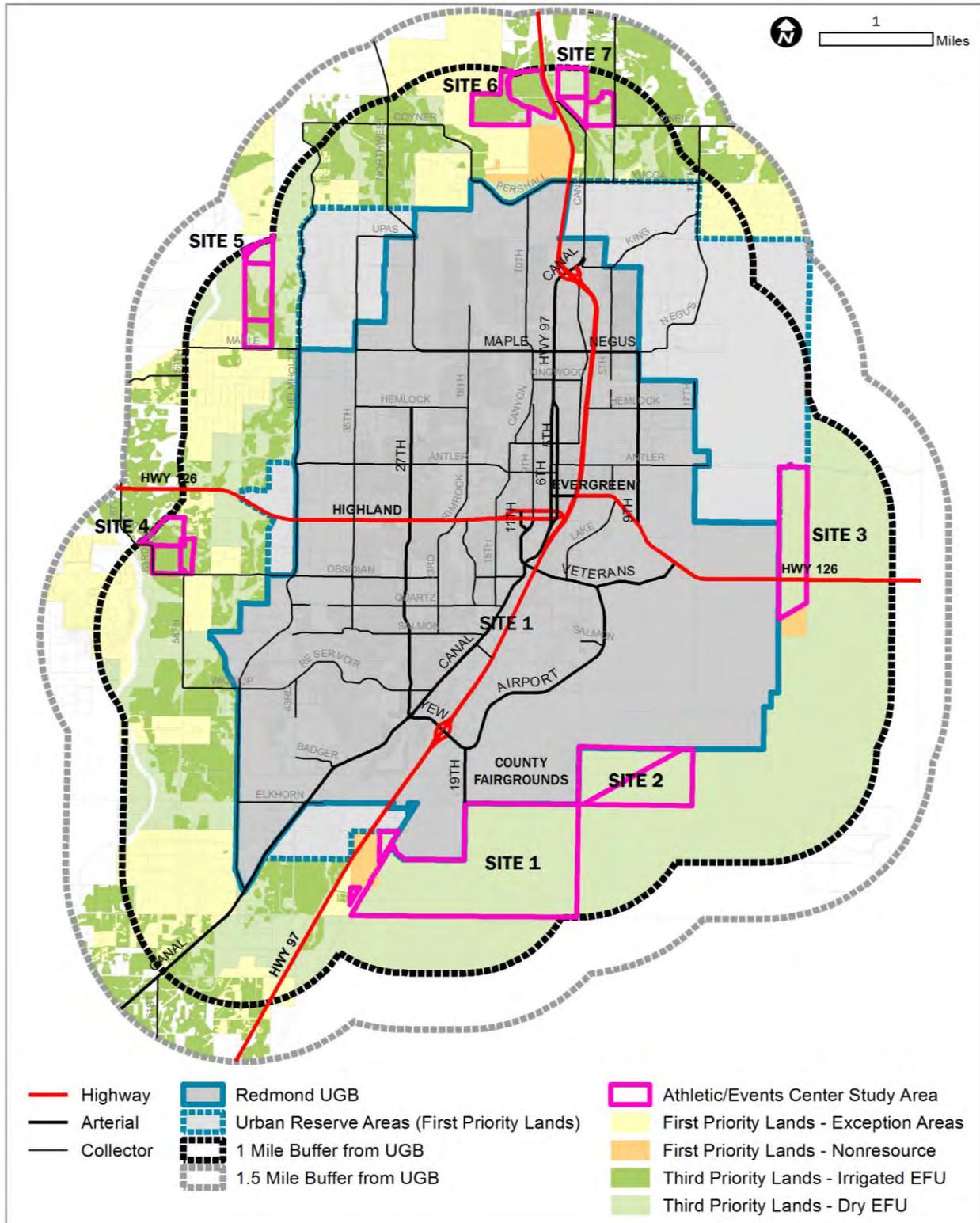


Figure 10. Land Prioritization, OMD Relocation

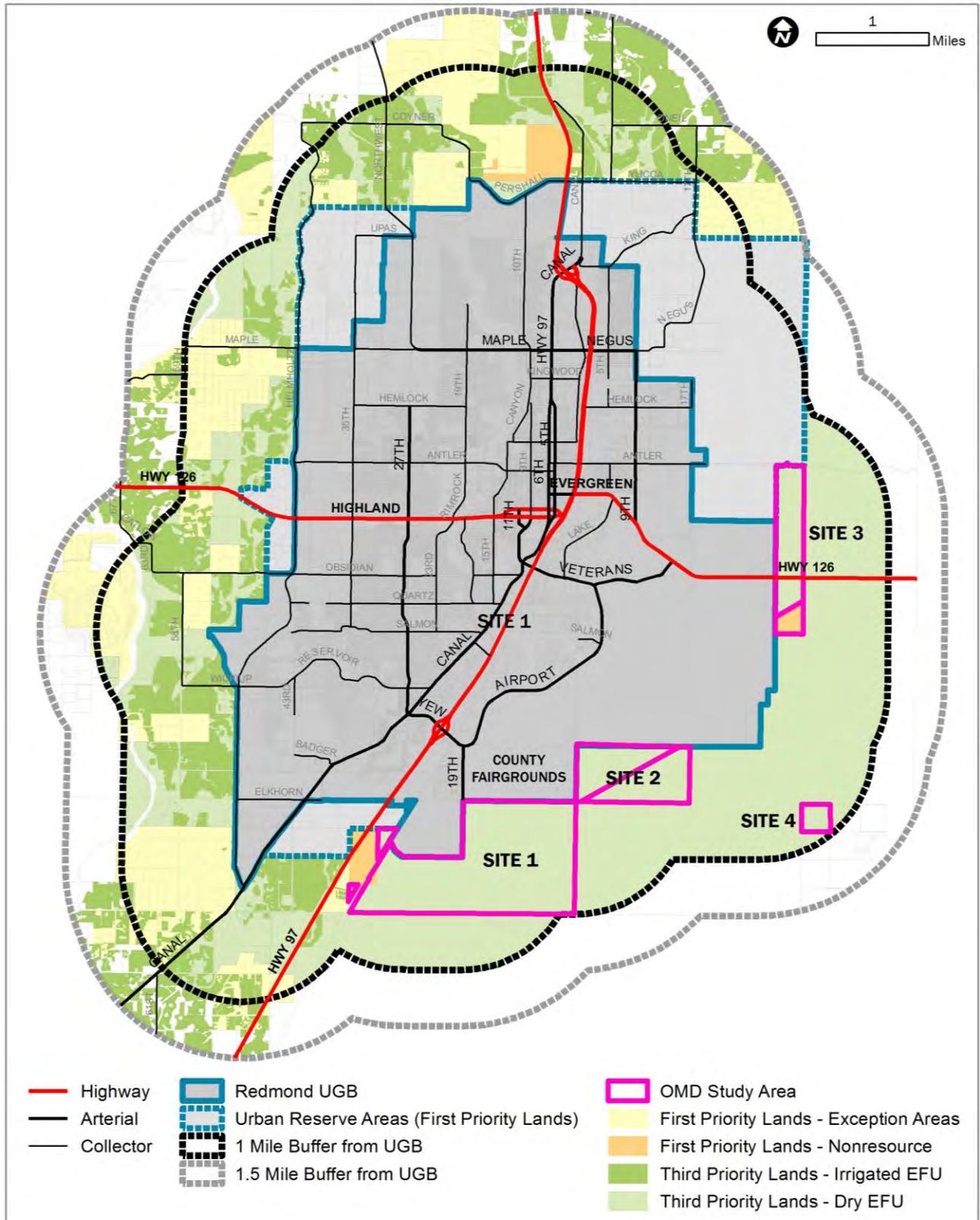
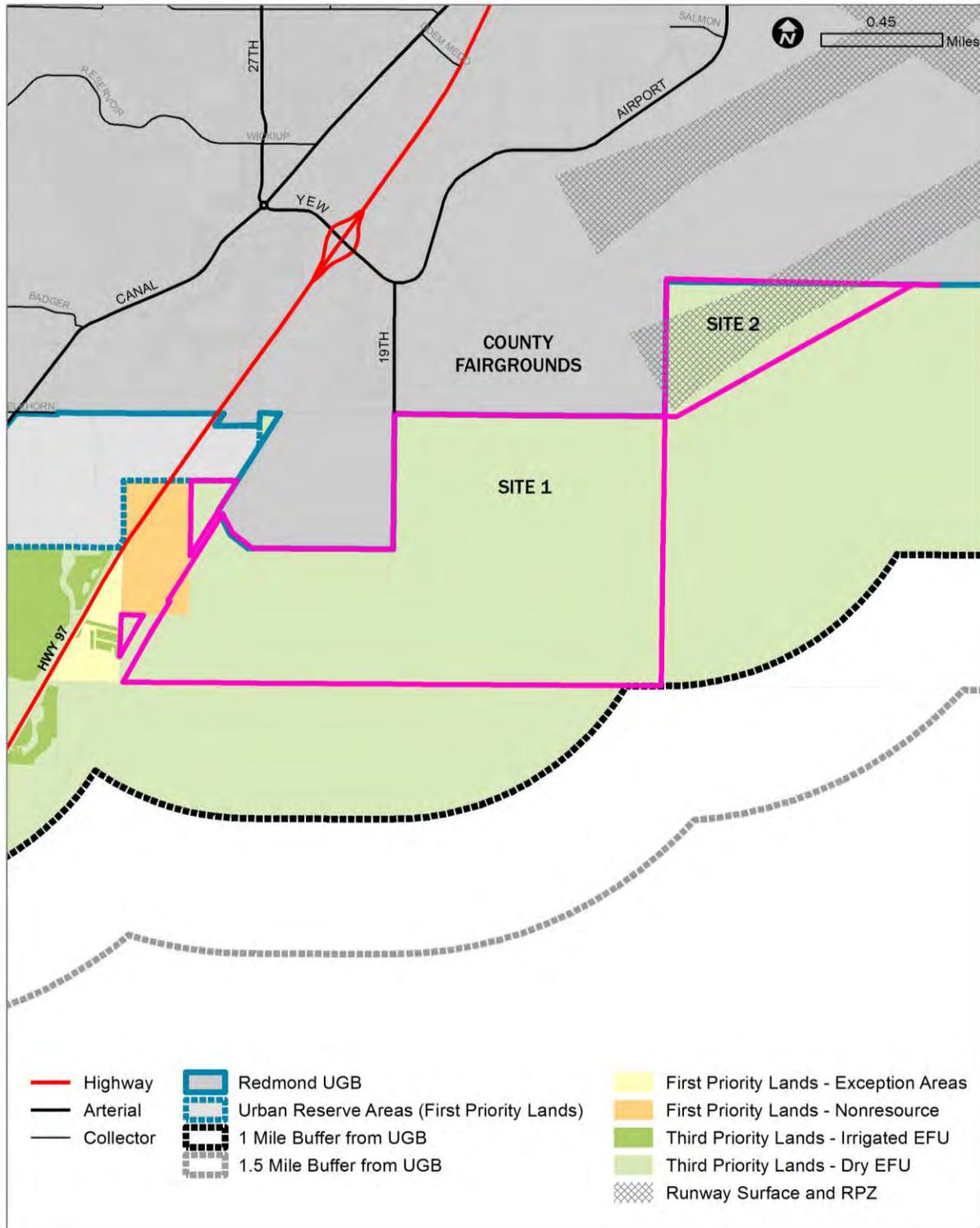


Figure 11. Suitability Evaluation, Fairgrounds Expansion



- (5) *With respect to section (1), a city must assume that vacant or partially vacant land in a particular priority category is “suitable” to satisfy a need deficiency identified in OAR 660-024-0050(4) unless it demonstrates that the land cannot satisfy the specified need based on one or more of the conditions described in subsections (a) through (g) of this section:*
- (a) *Existing parcelization, lot sizes or development patterns of rural residential land make that land unsuitable for an identified employment need; as follows:*
 - (A) *Parcelization: the land consists primarily of parcels 2-acres or less in size, or*
 - (B) *Existing development patterns: the land cannot be reasonably redeveloped or infilled within the planning period due to the location of existing structures and infrastructure.*
 - (b) *The land would qualify for exclusion from the preliminary study area under the factors in OAR 660-024-0065(4) but the city declined to exclude it pending more detailed analysis.*
 - (c) *The land is, or will be upon inclusion in the UGB, subject to natural resources protections under Statewide Planning Goal 5 such that that no development capacity should be forecast on that land to meet the land need deficiency.*
 - (d) *With respect to needed industrial uses only, the land is over 10 percent slope, or is an existing lot or parcel that is smaller than 5 acres in size, or both. Slope shall be measured as the increase in elevation divided by the horizontal distance at maximum ten-foot contour intervals.*
 - (e) *With respect to a particular industrial use or particular public facility use described in OAR 660-024-0065(3), the land does not have, and cannot be improved to provide, one or more of the required specific site characteristics.*
 - (f) *The land is subject to a conservation easement described in ORS 271.715 that prohibits urban development.*
 - (g) *The land is committed to a use described in this subsection and the use is unlikely to be discontinued during the planning period:*
 - (A) *Public park, church, school, or cemetery, or*
 - (B) *Land within the boundary of an airport designated for airport uses, but not including land designated or zoned for residential, commercial or industrial uses in an acknowledged comprehensive plan.*

Response: As described in section (2), the following lands were determined not suitable to satisfy the need deficiency, pursuant to the provisions of this section.

- Multi-Purpose Athletic and Events Center study area, Site 6 includes 44 acres of exception land. As the land was not large enough to meet the size requirements for the site, it was considered not suitable, as allowed by subsection (5)(e) of this rule.

- Fairgrounds Expansion and Multi-Purpose Athletic and Events Center study area, Site 2, was partially included in the boundary of the Deschutes County Airport Safety Combining Zone. These lands were not considered suitable for development pursuant to subsection (5)(g)(B) of this rule. The remaining lands in Fairgrounds Expansion, Site 2, following this exclusion, were not large enough to accommodate the required size of the site, and therefore were excluded pursuant to subsection (5)(e) of this rule.
- The southern parcel of the OMD Relocation Site study area, Site 3, was removed from the study area as the site was developed and used for the Central Oregon Unit Training and Equipment Site. As provided by this section, developed land can be considered not suitable.

(6) *For vacant or partially vacant lands added to the UGB to provide for residential uses:*

[...]

Response: This amendment does not include residential uses; therefore, this provision is not applicable.

(7) *Pursuant to subsection (1)(c), if the amount of suitable land in a particular priority category under section (2) exceeds the amount necessary to satisfy the need deficiency, the city must choose which land in that priority to include in the UGB by first applying the boundary location factors of Goal 14 and then applying applicable criteria in the acknowledged comprehensive plan and land use regulations acknowledged prior to initiation of the UGB evaluation or amendment. The city may not apply local comprehensive plan criteria that contradict the requirements of the boundary location factors of Goal 14. The boundary location factors are not independent criteria; when the factors are applied to compare alternative boundary locations and to determine the UGB location the city must show that it considered and balanced all the factors. The criteria in this section may not be used to select lands designated for agriculture or forest use that have higher land capability or cubic foot site class, as applicable, ahead of lands that have lower capability or cubic foot site class.*

Response: No First Priority or Second Priority lands were suitable for any of the three facility sites. There is a greater amount of suitable Third Priority lands within each study area than the identified need. Thus, pursuant to this section, the boundary location factors of Goal 14 were applied to determine the appropriate site for inclusion in the UGB for each facility need, as follows.

Boundary Location Analysis: All Third Priority Lands

Fairgrounds Expansion. As demonstrated in the evaluation of suitable lands, Site 1, the South Redmond Tract is the only suitable location for the expansion of the County Fairground. Therefore, the consideration for boundary location factors for this site is limited to areas within the South Redmond Tract, as described below.

Multi-Purpose Athletic and Events Center Site and OMD Relocation Site. There are significantly more Third Priority lands suitable for the Multi-Purpose Athletic and Events Center and OMD sites than the identified land need. These lands are divided among three sites for the Multi-Purpose

Athletic and Events Center and four sites for the OMD facility. Sites 1, 2, and 3 are identical for both facilities; Site 4 is only suitable for the OMD facility (Figure 12). Site 1, the South Redmond Tract, is the most appropriate location for inclusion in the UGB for both facilities, based on consideration for the Goal 14 boundary location factors, as follows.

1. *Efficient accommodation of identified land needs;*

The location of the South Redmond Tract, Site 1, provides several efficiencies relative to the alternative sites.

- **Transportation efficiency.** If located on the SRT, transportation to the both the OMD and Multi-Purpose Athletic and Events Center would be more efficient because the SRT is closer to local population centers in Redmond than Sites 2 and 4, and closer to regional population centers in Bend than Site 3. The SRT can be accessed via an existing arterial, 19th Street. 19th Street is a complete street that includes sidewalks and bike lanes, which may facilitate non-motorized transportation to the site. Site 3 would be accessed via Highway 126, which is less safe for walking and biking, does not include pedestrian facilities and limits bike facilities to the road shoulder. Sites 2 and 4 are not accessible on existing roadways. The SRT site also will significantly minimize the need to travel between separate, non-adjacent facilities, reducing the need for additional transportation facilities and associated land.
- **Operational efficiency.** Locating the Multi-Purpose Athletic and Events Center on the South Redmond Tract would allow the facility to utilize centralized resources and support facilities in use for the existing Fairgrounds, including parking, concessions, administration, and maintenance. If the expansion were located on any of the other sites, redundant facilities would need to be developed and/or significant transportation needs and associated impacts would be incurred in transporting goods and services between the two sites, as described in more detail below.

2. *Orderly and economic provision of public facilities and services;*

The location of the South Redmond Tract would allow a more orderly and efficient provision of public facilities than alternative sites. Water and wastewater lines are available along the alignment of 19th Street and terminate at the northwest corner of the site. Alternatively, sites 2, 3, and 4 would each require an extension of sewer and water lines of at least one mile. Additionally, Sites 2-4 are not capable of accommodating all of the proposed uses for the Fairgrounds expansion and OMD relocation; therefore, the uses would need to be located on separate sites and be served with separate facilities. Alternatively, all uses can utilize the same infrastructure if located on the South Redmond Tract.

The South Redmond Tract currently has sufficient water, electric, natural gas, and telecommunications capacity to serve the proposed uses, as demonstrated in the findings in response to Statewide Planning Goal 11. There is not currently sufficient capacity for

wastewater service to the Tract, but DSL has agreed to finance the replacement of a pump station and construction of associated infrastructure to establish sufficient wastewater capacity to serve the site. Sites 2 and 4 would connect to the same water and wastewater lines, and thus require similar capacity improvements to the South Redmond Tract. Site 3 was included in the Infrastructure Analysis completed for the application to the large lot industrial sites program. That analysis found that the sufficient infrastructure capacity could be developed to serve the site but would be costlier to provide than the capacity improvements needed to serve the South Redmond Tract.

As the South Redmond Tract is in closer proximity to existing public facilities and requires capacity improvements that are similar or less costly than Sites 2-4, the Site allows for a relatively more efficient and orderly provision of public facilities.

More detailed information related to public facilities and services can be found in Section 3.2 of this report, under the findings in response to Statewide Planning Goals 11 and 12.

3. *Comparative environmental, energy, economic and social (ESEE) consequences; and*

Response: A comparative ESEE analysis of the remaining sites is provided below and summarized in

Table 4.

- *Environmental consequences.* As discussed in the findings under Goals 5-7 in Section 3.2 of this report, Site 1 contains no Goal 5 resources, permanent or seasonal water, wetlands, habitat for sensitive, threatened or endangered plant or animal species, wilderness values, and no mineral potential. Sites 2, 3, and 4 do not contain any water and are not within any County inventories of wetlands or habitat areas. A more detailed environmental assessment of Sites 2, 3, and 4 has not been completed; however, given that the environmental conditions of Site 1 has been assessed and no significant environmental impacts were identified, the relative environmental consequences of development on Site 1 are similar or less significant than the environmental consequences of development on Sites 2, 3, and 4.

A portion of Site 3 is located within a Deschutes County Landscape Management Zone, an overlay zone intended to protect Goal 5 scenic resources in the city. Development of this site, therefore, may have more significant consequences on local scenic resources.

Additionally, the adjacency of Site 1 with the existing Fairgrounds and Redmond UGB provides transportation efficiencies that encourage non-motorized transportation which will reduce impacts on air quality. Sites 2, 3, and 4, by comparison, are further from the existing Fairgrounds and are not connected to existing pedestrian and bicycle facilities within the Redmond UGB.

- *Energy consequences.* As noted above, the adjacency of Site 1 to the existing Fairgrounds and regionally central location provides transportation efficiencies that can encourage non-motorized transportation and reduce Vehicle Miles Traveled (VMT), therefore conserving energy in comparison to Sites 2, 3, and 4. The relocation of the OMD facility will significantly shorten trips between the facility and the OMD training grounds. The expansion of 4-H facilities adjacent to existing facilities eliminates the need for trips between the site and existing off-site locations for specific activities. The siting of the new Multi-Purpose Athletic and Events Center in a location that is central in the region will reduce overall VMT compared to less central locations. Sites 2, 3, and 4 lack these advantages and development of them would result in more significant energy consequences.
- *Economic consequences.* As noted in findings under Goal 9 in Section 3.2 of this report, the expanded RV park, OHV tracks, and new Multi-Purpose Athletic and Events Center will generate economic activity by attracting visitors and supporting tourism in the city and region. By centralizing these facilities on one site with the existing facilities, expansion of the Fairgrounds onto Site 1 can offer greater efficiency, convenience, and flexibility to potential users in comparison to Sites 2, 3, and 4.
- *Social consequences.* None of the potential sites are adjacent to any existing city neighborhoods or residential areas, in order to avoid potential land use conflicts related to traffic, parking, noise, or lighting. Additionally, all land designated for other uses in the City of Redmond Urban Reserves were excluded from the OMD and Multi-Purpose Athletic and

Events Center study areas in order to avoid displacing land previously identified for other needs that contribute to the residential and social fabric of the community, including housing, parks, and commercial services. Finally, the educational and recreational uses proposed for the site will contribute to the social capacity of the community and region. There is no meaningful difference between the sites under consideration in relation to this criterion.

4. *Compatibility of the proposed urban uses with nearby agricultural and forest activities occurring on farm and forest land outside the UGB.*

There are no active farm or forest activities near the South Redmond Tract. The land to the south and east of the Tract is zoned for Exclusive Farm Use, but is not suitable or used for agriculture due to poor soil quality and lack of irrigation rights for the land. As a result, development of the site would be compatible with farm and forest use outside the UGB and would have no impacts on such uses. Additional findings associated with Statewide Goal 3 (Agricultural Lands) are found in Section 3.2 of this document.

Collectively, Site 1 has fewer ESEE consequences than Sites 2, 3, and 4. As a result, use of Site 1 for both each individual use and for all three uses combined will best meet these criteria.

Table 4. ESEE Analysis

Consequence	Site 1	Site 2	Site 3	Site 4
Environmental				
<i>Goal 5 resources</i>	None	None	Portion of site within a Landscape Management Area (scenic resource)	None
<i>Wetlands or habitat areas</i>	None	None	None	None
<i>Air quality impacts</i>	Lower than other sites due to proximity with existing uses and bicycle/pedestrian facilities	Greater than Site 1 due to distance from existing uses and networks	Greater than Site 1 due to distance from existing uses and networks	Greater than Site 1 due to distance from existing uses and networks
Energy	Lower energy use due to transportation efficiencies	Greater energy use than Site 1 due to transportation inefficiencies	Greater energy use than Site 1 due to transportation inefficiencies	Greater energy use than Site 1 due to transportation inefficiencies
Economic	Shared facilities with existing Fairgrounds provides economic advantage	Lacks economic advantages of proximity with existing Fairgrounds	Lacks economic advantages of proximity with existing Fairgrounds	Lacks economic advantages of proximity with existing Fairgrounds
Social	No negative social impacts due to land use conflicts	No negative social impacts due to land use conflicts	No negative social impacts due to land use conflicts	No negative social impacts due to land use conflicts

(8) *The city must apply the boundary location factors of Goal 14 in coordination with service providers and state agencies, including the Oregon Department of Transportation (ODOT) with respect to Factor 2 regarding impacts on the state transportation system, and the Oregon Department of Fish and Wildlife (ODFW) and the Department of State Lands (DSL) with respect to Factor 3 regarding environmental consequences. “Coordination” includes timely notice to agencies and service providers and consideration of any recommended evaluation methodologies.*

Response: There are no identified wildlife resources on any of the site under consideration in the study area. As a result, no coordination with ODFW is necessary. Similarly, there are no wetland resources or floodplains on the alternative sites, making coordination with DSL also unnecessary. However, because DSL is the applicant for these land use applications, internal coordination among DSL staff has been undertaken.

(9) *In applying Goal 14 Boundary Location Factor 2 to evaluate alternative locations under section (7), the city must compare relative costs, advantages and disadvantages of alternative UGB expansion areas with respect to the provision of public facilities and services needed to urbanize alternative boundary locations. For purposes of this section, the term “public facilities and services” means water, sanitary sewer, storm water management, and*

transportation facilities. The evaluation and comparison under Boundary Location Factor 2 must consider:

- (a) The impacts to existing water, sanitary sewer, storm water and transportation facilities that serve nearby areas already inside the UGB;*
- (b) The capacity of existing public facilities and services to serve areas already inside the UGB as well as areas proposed for addition to the UGB; and*
- (c) The need for new transportation facilities, such as highways and other roadways, interchanges, arterials and collectors, additional travel lanes, other major improvements on existing roadways and, for urban areas of 25,000 or more, the provision of public transit service.*

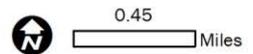
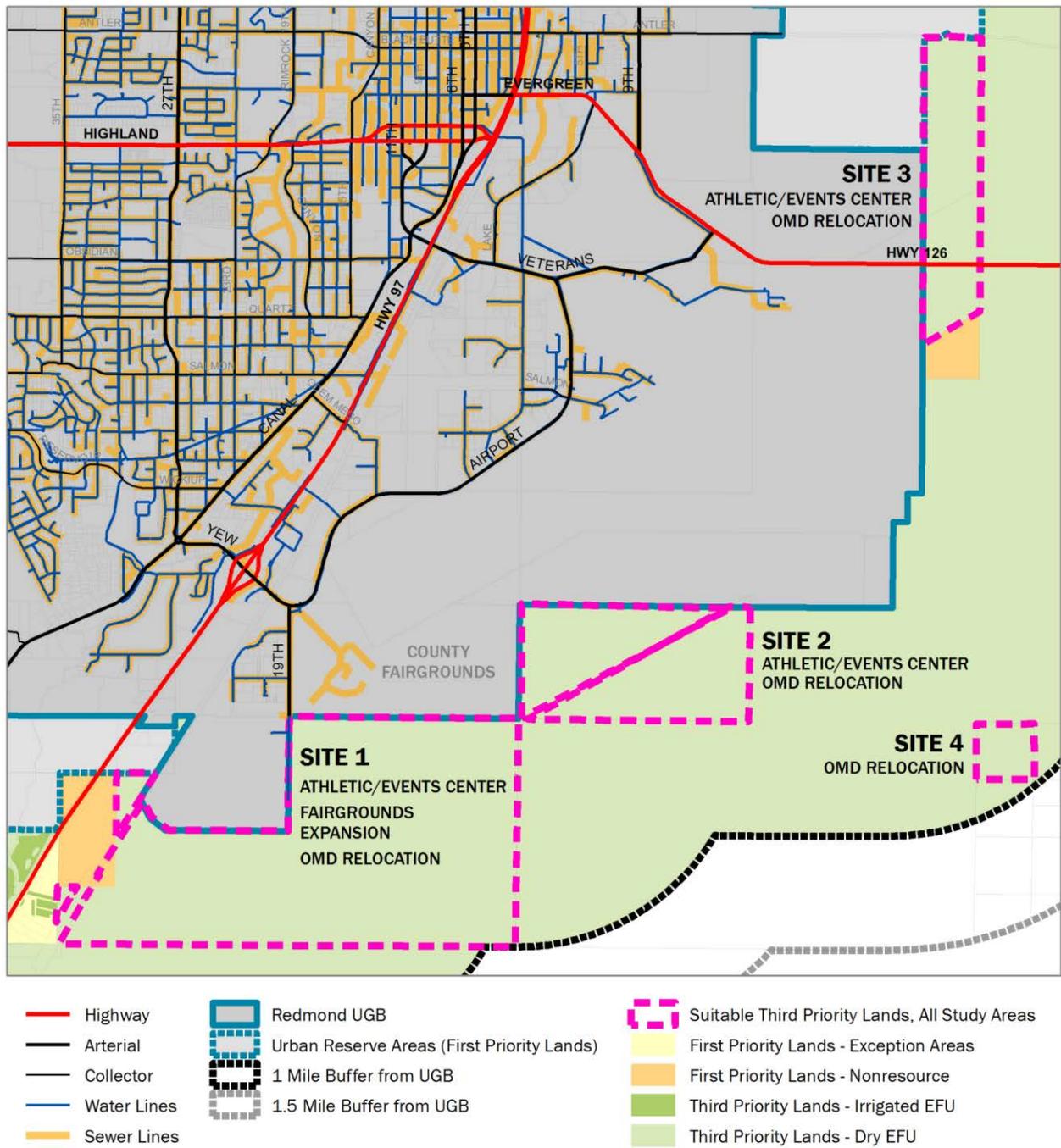
Response: As noted previously, in comparison to the other sites, Site 1 will have lower costs associated with provision of water, sanitary sewer and storm water facilities due to its proximity to existing facilities located along 19th Street.

(10) The adopted findings for UGB amendment must describe or map all of the alternative areas evaluated in the boundary location alternatives analysis.

Response: The text and figures of this section describe and map all the alternative boundary locations evaluated, per this requirement.

Conclusion: In conclusion, Site 1 is superior to the alternative Sites 2 and 3 in addressing the boundary location criteria associated with Third Priority lands included in the study area for each component of the proposed expansion.

Figure 12. Boundary Location Analysis, All Study Areas



GOAL 12: TRANSPORTATION

“To provide and encourage a safe, convenient and economic transportation system.”

Response: The transportation impacts of the proposed UGB amendment were analyzed for their impact on the local and regional transportation system. The results of this analysis are documented in the Transportation Analysis Memorandum (Exhibit H). DSL, the City of Redmond, Deschutes County, and ODOT coordinately closely with project consultants on the methodology of the study. The study concluded that significant impacts on the transportation system of the proposed amendment would be mitigated by construction of planned improvements, with the exception of the impact to the SW 21st Street/SE Airport Way intersection. The impacts to this intersection can be mitigated through the construction of a center median on SE Airport Way. Further details regarding the methodology, assumptions and findings of the study are provided in Transportation Analysis Memorandum (Exhibit H).

OAR 660-012-0060, Plan and Land Use Regulation Amendments

- (1) *If an amendment to a functional plan, an acknowledged comprehensive plan, or a land use regulation (including a zoning map) would significantly affect an existing or planned transportation facility, then the local government must put in place measures as provided in section (2) of this rule, unless the amendment is allowed under section (3), (9) or (10) of this rule. A plan or land use regulation amendment significantly affects a transportation facility if it would:*
 - (a) *Change the functional classification of an existing or planned transportation facility (exclusive of correction of map errors in an adopted plan);*
 - (b) *Change standards implementing a functional classification system; or*
 - (c) *Result in any of the effects listed in paragraphs (A) through (C) of this subsection based on projected conditions measured at the end of the planning period identified in the adopted TSP. As part of evaluating projected conditions, the amount of traffic projected to be generated within the area of the amendment may be reduced if the amendment includes an enforceable, ongoing requirement that would demonstrably limit traffic generation, including, but not limited to, transportation demand management. This reduction may diminish or completely eliminate the significant effect of the amendment.*
 - (A) *Types or levels of travel or access that are inconsistent with the functional classification of an existing or planned transportation facility;*
 - (B) *Degrade the performance of an existing or planned transportation facility such that it would not meet the performance standards identified in the TSP or comprehensive plan; or*

- (C) *Degrade the performance of an existing or planned transportation facility that is otherwise projected to not meet the performance standards identified in the TSP or comprehensive plan.*
- (2) *If a local government determines that there would be a significant effect, then the local government must ensure that allowed land uses are consistent with the identified function, capacity, and performance standards of the facility measured at the end of the planning period identified in the adopted TSP through one or a combination of the remedies listed in (a) through (e) below, unless the amendment meets the balancing test in subsection (2)(e) of this section or qualifies for partial mitigation in section (11) of this rule. A local government using subsection (2)(e), section (3), section (10) or section (11) to approve an amendment recognizes that additional motor vehicle traffic congestion may result and that other facility providers would not be expected to provide additional capacity for motor vehicles in response to this congestion.*
- (a) *Adopting measures that demonstrate allowed land uses are consistent with the planned function, capacity, and performance standards of the transportation facility.*
- (b) *Amending the TSP or comprehensive plan to provide transportation facilities, improvements or services adequate to support the proposed land uses consistent with the requirements of this division; such amendments shall include a funding plan or mechanism consistent with section (4) or include an amendment to the transportation finance plan so that the facility, improvement, or service will be provided by the end of the planning period.*
- (c) *Amending the TSP to modify the planned function, capacity or performance standards of the transportation facility.*
- (d) *Providing other measures as a condition of development or through a development agreement or similar funding method, including, but not limited to, transportation system management measures or minor transportation improvements. Local governments shall, as part of the amendment, specify when measures or improvements provided pursuant to this subsection will be provided.*
- (e) *Providing improvements that would benefit modes other than the significantly affected mode, improvements to facilities other than the significantly affected facility, or improvements at other locations, if:*
- (A) *The provider of the significantly affected facility provides a written statement that the system-wide benefits are sufficient to balance the significant effect, even though the improvements would not result in consistency for all performance standards;*
- (B) *The providers of facilities being improved at other locations provide written statements of approval; and*

- (C) *The local jurisdictions where facilities are being improved provide written statements of approval.*
- (3) *Notwithstanding sections (1) and (2) of this rule, a local government may approve an amendment that would significantly affect an existing transportation facility without assuring that the allowed land uses are consistent with the function, capacity and performance standards of the facility where:*
- (a) *In the absence of the amendment, planned transportation facilities, improvements and services as set forth in section (4) of this rule would not be adequate to achieve consistency with the identified function, capacity or performance standard for that facility by the end of the planning period identified in the adopted TSP;*
 - (b) *Development resulting from the amendment will, at a minimum, mitigate the impacts of the amendment in a manner that avoids further degradation to the performance of the facility by the time of the development through one or a combination of transportation improvements or measures;*
 - (c) *The amendment does not involve property located in an interchange area as defined in paragraph (4)(d)(C); and*
 - (d) *For affected state highways, ODOT provides a written statement that the proposed funding and timing for the identified mitigation improvements or measures are, at a minimum, sufficient to avoid further degradation to the performance of the affected state highway. However, if a local government provides the appropriate ODOT regional office with written notice of a proposed amendment in a manner that provides ODOT reasonable opportunity to submit a written statement into the record of the local government proceeding, and ODOT does not provide a written statement, then the local government may proceed with applying subsections (a) through (c) of this section.*
- (4) *Determinations under sections (1)–(3) of this rule shall be coordinated with affected transportation facility and service providers and other affected local governments.*

[...]

Response: As demonstrated in the analysis and findings presented in the Transportation Analysis Memorandum (Exhibit H), the increase in weekday PM peak hour trips associated with the fairgrounds and OMD sites would constitute a significant impact at two intersections, including 21st Street/Airport Way as well as at Canal Boulevard/Yew Avenue. As noted in the study, the provision of a median restricting 21st Street at its intersection to right-in-right-out movements would mitigate the significant effect. The provision of a median at this intersection should be further evaluated as part of the City’s TSP Update as well.

The improvements required at the Canal Boulevard/Yew Avenue intersection would have significant right-of-way and property impacts, requiring further analysis as part of the City’s TSP update.

All other intersections studied either have (1) no significant effect or (2) have improvements that are considered reasonably funded by ODOT. Further, all improvements have been coordinated with the County, City, ODOT and DSL. For this reason, all four affected criteria are addressed.

(5) *The presence of a transportation facility or improvement shall not be a basis for an exception to allow residential, commercial, institutional or industrial development on rural lands under this division or OAR 660-004-0022 and 660-004-0028.*

Response: This application does not propose a Goal 2 exception; therefore, this section is not applicable.

(6) *In determining whether proposed land uses would affect or be consistent with planned transportation facilities as provided in sections (1) and (2), local governments shall give full credit for potential reduction in vehicle trips for uses located in mixed-use, pedestrian-friendly centers, and neighborhoods as provided in subsections (a)–(d) below;*

[...]

Response: The proposed uses are not located in a mixed-use, pedestrian-friendly center as defined by this section; therefore, this section is not applicable.

(7) *Amendments to acknowledged comprehensive plans and land use regulations which meet all of the criteria listed in subsections (a)–(c) below shall include an amendment to the comprehensive plan, transportation system plan the adoption of a local street plan, access management plan, future street plan or other binding local transportation plan to provide for on-site alignment of streets or accessways with existing and planned arterial, collector, and local streets surrounding the site as necessary to implement the requirements in OAR 660-012-0020(2)(b) and 660-012-0045(3):*

(a) *The plan or land use regulation amendment results in designation of two or more acres of land for commercial use;*

(b) *The local government has not adopted a TSP or local street plan which complies with OAR 660-012-0020(2)(b) or, in the Portland Metropolitan Area, has not complied with Metro's requirement for street connectivity as contained in Title 6, Section 3 of the Urban Growth Management Functional Plan; and*

(c) *The proposed amendment would significantly affect a transportation facility as provided in section (1).*

Response: The proposed amendment does not include a commercial use and the City of Redmond has adopted a TSP; therefore, the amendment does not meet all of these criteria and this section is not applicable.

(8) *A "mixed-use, pedestrian-friendly center or neighborhood" for the purposes of this rule, means:*

[...]

Response: The proposed amendment is not located in a mixed-use, pedestrian-friendly center or neighborhood as defined by this section; therefore, this section is not applicable.

- (9) *Notwithstanding section (1) of this rule, a local government may find that an amendment to a zoning map does not significantly affect an existing or planned transportation facility if all of the following requirements are met.*
- (a) *The proposed zoning is consistent with the existing comprehensive plan map designation and the amendment does not change the comprehensive plan map;*
 - (b) *The local government has an acknowledged TSP and the proposed zoning is consistent with the TSP; and*
 - (c) *The area subject to the zoning map amendment was not exempted from this rule at the time of an urban growth boundary amendment as permitted in OAR 660-024-0020(1)(d), or the area was exempted from this rule but the local government has a subsequently acknowledged TSP amendment that accounted for urbanization of the area.*

Response: The proposed amendment is not consistent with the existing comprehensive plan map designation for the area; therefore, this section is not applicable and an analysis of the transportation impacts of the amendment is provided in Exhibit H.

- (10) *Notwithstanding sections (1) and (2) of this rule, a local government may amend a functional plan, a comprehensive plan or a land use regulation without applying performance standards related to motor vehicle traffic congestion (e.g. volume to capacity ratio or V/C), delay or travel time if the amendment meets the requirements of subsection (a) of this section. This section does not exempt a proposed amendment from other transportation performance standards or policies that may apply including, but not limited to, safety for all modes, network connectivity for all modes (e.g. sidewalks, bicycle lanes) and accessibility for freight vehicles of a size and frequency required by the development.*
- (a) *A proposed amendment qualifies for this section if it:*
 - (A) *Is a map or text amendment affecting only land entirely within a multimodal mixed-use area (MMA); and*
 - (B) *Is consistent with the definition of an MMA and consistent with the function of the MMA as described in the findings designating the MMA.*

[...]

Response: The proposed amendment is not located in a MMA as defined by this section; therefore, this section is not applicable.

- (11) *A local government may approve an amendment with partial mitigation as provided in section (2) of this rule if the amendment complies with subsection (a) of this section, the amendment*

meets the balancing test in subsection (b) of this section, and the local government coordinates as provided in subsection (c) of this section.

Response: The Transportation Analysis Memorandum identifies improvements that would fully mitigate the effects of the amendment; therefore, it is not necessary to apply this provision for partial mitigation and the section is not applicable.

3.2 Other Statewide Planning Goals

GOAL 1: CITIZEN INVOLVEMENT

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

Response: This proposed UGB amendment adhered to the citizen involvement procedures for legislative actions required by the City of Redmond Development Code, including a public hearing and notice of the hearing published in a newspaper at least ten days in advance. Public agencies affected by this amendment were involved throughout the development of the proposal. In addition, individual property owners affected by the amendment were provided notice of the proposed amendment and hearing.

GOAL 2: LAND USE PLANNING

To establish a land use planning process and policy framework as a basis for all decision and actions related to use of land and to assure an adequate factual base for such decisions and actions.

Response: This application was submitted to both the City of Redmond and Deschutes County in accordance with the land use planning processes established by these jurisdictions. The proposal is supported by a factual base of economic analyses, land suitability studies, and transportation analyses that are consistent with state, regional and local requirements for decisions related to UGB amendments.

GOAL 3: AGRICULTURAL LANDS

To preserve and maintain agricultural lands.

Response: The subject property is zoned Exclusive Farm Use (EFU) in the Alfafa Subzone by Deschutes County, but the land has never been farmed and is not suitable for agricultural production. Soils on the property are designated as Class VII and VIII and the property lacks irrigation water rights. The lands zoned EFU adjacent to the property are not actively used for agricultural production due to similar constraints. The proposed UGB amendment meets the goal of preserving agricultural land as the property does not include viable agricultural land and can be made compatible with any future farming uses on adjacent land.

GOAL 4: FOREST LANDS

To conserve forest lands by maintaining the forest land base and to protect the state's forest economy by making possible economically efficient forest practices that assure the continuous growing and harvesting of forest tree species as the leading use on forest land consistent with sound management

of soil, air, water, and fish and wildlife resources and to provide for recreational opportunities and agriculture.

Response: The subject property does not include forest land; therefore, this goal is not applicable.

GOAL 5: OPEN SPACE, SCENIC AND HISTORIC AREAS, AND NATURAL RESOURCES

To protect natural resources and conserve scenic and historic areas and open spaces.

Response: No part of the subject property is identified in Deschutes County's Goal 5 inventory of open spaces and natural, scenic, cultural, or historic resources. As described in Section 2.1.1 of this report, the property does not include any wetlands, habitat for sensitive, threatened or endangered plant or animal species, wilderness values, and no mineral potential or mineral rights. Historic and cultural resources surveys conducted on the site indicate that the Tract was not occupied by prehistoric or historic peoples and contains no significant historic or cultural resources. As no part of the property is identified in a Goal 5 inventory and additional surveys have found no significant resources, this proposed amendment is consistent with Goal 5.

GOAL 6: AIR, WATER AND LAND RESOURCE QUALITY

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

Response: The Tract has no evidence of permanent or seasonal water and the National Wetlands Inventory Map does not identify wetlands on the Tract. Any potential negative impacts of future development on the quality of air, water or land resources will be identified and mitigated during the development review process, as the specific impacts cannot be known until a specific development is proposed. The City of Redmond has adequate provisions in place to protect the quality of air, water, and land resources from negative impacts of new development. In addition, state and federal regulations administered by the US Environmental Protection Agency and Oregon Department of Environmental Quality regulate impacts on air resources to ensure clean air and will apply to any future development located on the subject site. Therefore, this UGB amendment is consistent with Goal 6.

GOAL 7: AREAS SUBJECT TO NATURAL DISASTERS AND HAZARDS

To protect people and property from natural hazards.

Response: There are no areas on the site that are subject to flooding or landslide activity. Wildfire hazards are not substantially different from other areas within or adjacent to the Redmond UGB, and development of the site could improve fire protection by providing access and water infrastructure. Therefore, inclusion of this site within the UGB and subsequent development will be consistent with Goal 7.

GOAL 8: RECREATIONAL NEEDS

To satisfy the recreational needs of the citizens of the state and visitors and, where appropriate, to provide for the siting of necessary recreational facilities including destination resorts.

Response: The primary purpose of the Fairgrounds expansion and new Multi-Purpose Athletic and Events Center is to provide for the recreational needs of local and regional residents and visitors. The Fairgrounds expansion site will incorporate a number of recreational facilities in an accessible and convenient location, including an RV park for camping, equestrian trails, off-road vehicle trails, and potentially a shooting range facility. The Multi-Purpose Athletic and Events Center will include a variety of facilities able to host events and informal use for a wide range of sports and activities, including basketball, volleyball, wrestling, martial arts, soccer, football, lacrosse, baseball, softball, cheerleading, and dance competitions. The facilities to provide for these recreational opportunities are specialized and often not inefficient to provide at a local scale. As a regional facility that generates revenue from both local use and visitors, the Fairground employs an economic and operational model that is not available to most general parks and recreation departments. This amendment proposes to increase the capacity of the Fairgrounds facility and organization to provide a wide range of recreational opportunities to citizens of the state and visitors; therefore, the proposal is consistent with Goal 8.

GOAL 9: ECONOMIC DEVELOPMENT

To provide adequate opportunities throughout the state for a variety of economic activities vital to the health, welfare, and prosperity of Oregon's citizens.

Response: The primary purpose of the facilities is to meet the needs for defense, recreation, and non-profit educational opportunities for residents of the City of Redmond, Deschutes County, and the Central Oregon region.

However, Several of the Fairgrounds facilities planned under this amendment will generate economic activity and employment opportunities by attracting visitors and supporting tourism within the city and region. The RV park will accommodate more visitors to the Fairgrounds during the County fair and for year-round events at the Fairgrounds or general tourism in the area. The Multi-Purpose Athletic and Events Center is estimated to accommodate xx new events annually and will attract visitors from a wide area that includes Oregon, Washington, and Northern California. The OHV tracks will enable the Fairgrounds to accommodate a wider variety of off-road racing competitions and other events. The facility's support of tourism is consistent with the economic development strategies of the City of Redmond and Central Oregon. Tourism leverages the strengths and opportunities presented by Central Oregon's favorable climate, natural beauty, and outdoor recreational opportunities. Further, the facility is strategically located to support tourism as it is regionally central, adjacent to the Redmond Municipal Airport, and adjacent to Juniper Golf Course.

As this amendment will generate economic opportunities by supporting a regional strategy to increase tourism, it is consistent with Goal 9.

GOAL 10: HOUSING

To provide for the housing needs of citizens of the state.

Response: The South Redmond Tract is not identified as a suitable location for residential development in the City of Redmond Comprehensive Plan. The city has identified sufficient acreage of land for future residential development outside the UGB in Urban Reserve Areas within the Eastside Framework Plan and lands to the west of the existing UGB. This UGB amendment is not proposed to meet residential land needs and will not displace land identified as needed for residential uses. Therefore, the proposal is consistent with Goal 10.

GOAL 11: PUBLIC FACILITIES AND SERVICES

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

Response: Public facility planning for the Fairgrounds expansion occurred in coordination with the adjacent large lot industrial uses. The City of Redmond evaluated infrastructure needs for serving the entire South Redmond Tract through the City's application to COIC to include the Tract in the regional large lot industrial program (Exhibit A). A preliminary Infrastructure Analysis was included in that application. The analysis assessed the infrastructure capacity and relative efficiency of infrastructure provision compared to an alternative site east of the UGB. Based on this analysis and subsequent assessments performed through updates to the City's Wastewater Master Plan and Water Master Plan, DSL agreed to finance construction of all facilities necessary to serve the site through an MOA with the City of Redmond (Exhibit B). The agreement requires that DSL construct the facilities within 180 days of approval of this amendment.

The preliminary infrastructure analysis found that there is sufficient electric, natural gas, water, transportation, and telecommunications capacity to serve the site. There is not sufficient capacity for wastewater service to the Tract using existing infrastructure. Transportation, water, and wastewater facilities will be provided along the alignment of 19th Street, an arterial street that is stubbed at the northwest corner of the site and planned for future expansion south of the site. The direct extension of 19th Street will provide a framework for orderly development of the site and future development to the south.

Water lines are available along SW 19th Street and terminate just south of SW Elkhorn Street, near the northwest corner of the Tract. The lines are 12-inch diameter and located within the service area for the Forked Horn Butte reservoir and Forked Horn Butte booster pump station. The preliminary analysis for the large lot industrial uses indicated that the existing pump stations and infrastructure may be sufficient to serve the proposed uses for the entire tract. Subsequently, the City has updated their Water Master Plan, and found that an additional booster pump and reservoir will be needed in the Forked Horn Butte service area in order to serve long-term water needs and provide adequate pressure and fire flow capacity. Pursuant to the MOA with the City, DSL has agreed to finance the construction of these improvements.

Wastewater lines are stubbed at the intersection of SW 19th Street and SW Elkhorn Street. This 12-inch line currently flows to a pump station on Yew Avenue near the Highway 97 interchange. This pump station was intended to be used for an interim period before the completion of the Far East Sewer Interceptor, and thus was not planned to provide capacity to serve all the proposed uses of the SRT. Following the preliminary analysis for the large lot industrial site application, the City updated the Wastewater Master Plan. Through modeling of the wastewater system, the City determined that approximately 670 gallon per minute (gpm) capacity is available in the Westside Sewer Interceptor (WSSI) to serve the SRT. This capacity is available at the SW 27th Street/Yew Avenue/Canal Boulevard intersection.

A new or upgraded pump station is required to deliver flow to the WSSI from the SRT. Two options were considered to provide the pump station capacity: (1) a new pump station near SW 19th/Elkhorn Avenue with a long force main to the WSSI or (2) replacing the existing pump station at SW Yew Avenue/Highway 97 and provide a shorter force main with more direct alignment to the WSSI. The Wastewater Master Plan analysis concluded that replacing the existing pump station at SW Yew Avenue/Highway 97 would be a more efficient method of serving the site.

This amendment is consistent with the purpose of Goal 11. The site will be served through a direct extension of existing public facilities. Infrastructure analyses have identified the necessary improvements to water and wastewater facilities and determined the most efficient method of serving the site. The MOA between DSL and the City of Redmond establishes that DSL will finance construction of the infrastructure in a timely manner in order to prepare the site for development.

GOAL 12: TRANSPORTATION

To provide and encourage a safe, convenient and economic transportation system.

Response: Conformance with Goal 12 is addressed in section 3.1 of this report.

GOAL 13: ENERGY CONSERVATION

To conserve energy.

Response: Energy conservation will be achieved by this amendment through transportation efficiencies and land use/construction efficiencies. The site's adjacency with the existing Fairgrounds and regionally central location provides transportation efficiencies that can encourage non-motorized transportation and reduce Vehicle Miles Traveled (VMT). The relocation of the OMD facility will significantly shorten trips between the facility and the OMD training grounds. The expansion of 4-H facilities adjacent to existing facilities eliminates the need for trips between the site and existing off-site locations for specific activities. The siting of the new Multi-Purpose Athletic and Events Center in a location that is central in the region will reduce overall VMT compared to less central locations.

The location of the proposed uses directly adjacent to the existing Fairgrounds eliminates the need to site and construct redundant support facilities, which conserves energy that would be used for

construction and ongoing operations of those facilities. Both the expansion of existing uses and the new uses can utilize existing, centralized support facilities, including parking, concessions, administration, and maintenance. If the expansion were located elsewhere, redundant facilities would need to be developed for these support needs.

As the location of the proposed amendment provides transportation and land use efficiencies compared to existing locations and alternative relocation sites, the amendment is consistent with the intent of Goal 13 to conserve energy.

GOAL 14: URBANIZATION

To provide for an orderly and efficient transition from rural to urban land use, to accommodate urban population and urban employment inside urban growth boundaries, to ensure efficient use of land, and to provide for livable communities.

Response: Conformance with Goal 14 is demonstrated in section 3.1 of this report.

GOAL 15: WILLAMETTE RIVER GREENWAY; GOAL 16: ESTUARINE RESOURCES; GOAL 17: COASTAL SHORELANDS; GOAL 18: BEACHES AND DUNES; GOAL 19: OCEAN RESOURCES

Response: Goals 15 through 18 are not applicable to this UGB amendment because the Tract is not located within the Willamette River Greenway or a coastal shorelands boundary. Goal 19 is not applicable to any UGB amendment.

3.3 Oregon Revised Statutes

197A.300

Amendment of urban growth boundaries outside Metro; rules

Response: ORS 197A.300 governs amendments to UGBs for all communities outside of Metro, which includes the City of Redmond. This statute is implemented through the OAR Chapter 660, Division 24. Conformance with these OARs is demonstrated section 3.1 of this report. Therefore, this proposal conforms with 197A.300.

3.4 Deschutes County Comprehensive Plan

CHAPTER 1: COMPREHENSIVE PLANNING

Section 1.3. Land Use Planning

Goal 1. Maintain an open and public land use process in which decisions are based on the objective evaluation of facts.

Response: This proposed UGB amendment adhered to the citizen involvement procedures for legislative actions required by the City of Redmond Development Code, including a public hearing and notice of the hearing published in a newspaper at least ten days in advance. Public agencies affected by this amendment were involved throughout the development of the proposal. In addition, individual property owners affected by the amendment were provided notice of the proposed amendment and hearing.

Goal 2. Promote regional cooperation and partnerships on planning issues.

Response: This amendment is the result of substantial regional cooperation and partnership, as described in Project Background section of this report (section 2). Specifically, the regional cooperation and partnerships have included:

- All affected regional agencies and stakeholders were involved in the South Redmond Tract Land Use and Management Plan, which designated the northern portion of the tract for the public facility uses proposed in this amendment. At the inception of the project, DSL engaged partner agencies including OPRD, Oregon Department of Transportation (ODOT), City of Redmond, Deschutes County, and Economic Development for Central Oregon (EDCO). The plan was developed through a regional task force, the South Redmond Collaborative Planning Group, supported by a regional partnership known as the Central Oregon Economic Revitalization Team, and input was sought from the DLCDD and Oregon Economic and Community Development Department (OECD).
- Visit Bend, the regional tourism agency, funded feasibility study for the Multi-Purpose Athletic and Events Center facility that informs the proposed development program for that site.
- The City of Redmond and Deschutes County are conducting a joint land use review and public hearing process to concurrently review proposed amendments to the UGB, the County Comprehensive Plan and the City's zoning map. As part of this process, the City and County conducted a joint pre-proposal conference with the applicant and the applicant (DSL) has continued to coordinate regularly with City and County staff in regards to the proposed amendments.
- As part of a separate but related set of land use amendments associated with the adjacent proposed Large Lot Industrial site, the City and DSL have coordinated closely the COIC and

Deschutes County staff regarding proposed plans for that site and its relationship to the proposed public facility uses.

- City and County staff and the DSL representatives have coordinated closely with ODOT staff in regards to analysis of transportation impacts associated with the proposed land use applications, including approaches for modeling impacts, potential mitigation associated with those impacts and consistency with the Oregon Transportation Planning Rule and other state transportation requirements.
- DSL representatives have consulted with representatives of DLCDC regarding consistency with state requirements associated with UGB amendments, including those intended to support the Central Oregon LLI program and associated administrative rules.
- DSL representatives have coordinated with other state agencies partners including the Oregon Military Department and Oregon Parks and Recreation Department in regards to future land exchanges or agency facilities within or adjacent to the subject property.

Goal 3. Manage County owned lands efficiently, effectively, flexibly and in a manner that balances the needs of County residents.

Response: Approval of this amendment will trigger the conveyance of a 150-acre portion of the South Redmond Tract from DSL to Deschutes County in order to allow for the expansion of the County Fairgrounds and a new Multi-Purpose Athletic and Events Center. As described in the Project Background section of this report (2.2.1), these new facilities will maximize efficiencies by expanding the Fairgrounds while maintaining centralized support facilities. The Expansion and Multi-Purpose Athletic and Events Center also respond to the recreational needs of County residents by providing a range of new and expanded facilities. DSL, as the applicant, has supported the County's efforts to effectively manage County-owned lands and meet the needs of County residents.

CHAPTER 2: RESOURCE MANAGEMENT

Section 2.2 Agricultural Lands Policies

Goal 1. Preserve and maintain agricultural lands and the agricultural industry.

Policy 2.2.1 Retain agricultural lands through Exclusive Farm Use zoning.

Policy 2.2.2 Exclusive Farm Use sub-zones shall remain as described in the 1992 Farm Study and shown in the table below, unless adequate legal findings for amending the sub-zones are adopted or an individual parcel is rezoned as allowed by Policy 2.2.3.

Policy 2.2.3. Allow comprehensive plan and zoning map amendments for individual EFU parcels as allowed by State Statute, Oregon Administrative Rules and this Comprehensive Plan.

Response: Section 3.2 of this report, Statewide Planning Goal 4, addresses Goal 1 and policies 2.21 and 2.2.3. Thus, this report intends to provide adequate legal findings for amending the EFU zone, as required by policy 2.2.2. If the zoning amendment is adopted, this policy will be addressed.

Policy 2.2.3 Allow comprehensive plan and zoning map amendments for individual EFU parcels as allowed by State Statute, Oregon Administrative Rules and this Comprehensive Plan.

Response: This report demonstrates that this amendment is allowed by state statute in Section 3.3, Oregon Administrative Rules in Section 3.1, and the County Comprehensive Plan in this Section, 3.4.

Policy 2.2.4 Develop comprehensive policy criteria and code to provide clarity on when and how EFU parcels can be converted to other designations.

Policy 2.2.5 Uses allowed in Exclusive Farm Use zones shall comply with State Statute and Oregon Administrative Rule.

Response: The subject property is proposed to be rezoned from Exclusive Farm Use to Fairgrounds and Public Facility zones subsequent to being included in the City of Redmond's UGB. Findings of consistency with approval criteria for County zone change provisions are found in Section 3.6 of this report. Subsequent to the proposed zone change and annexation, this policy will no longer be applicable.

Section 2.4 Goal 5 Overview Policies

Goal 1. Protect Goal 5 resources.

Response: No part of the subject property is identified in Deschutes County's Goal 5 inventory of open spaces and natural, scenic, cultural, or historic resources. Therefore, no Goal 5 resources are affected and this Goal is not applicable.

Section 2.7 Open Spaces, Scenic Views and Sites Policies

Goal 1 Coordinate with property owners to ensure protection of significant open spaces and scenic views and sites.

Response: No part of the subject property is identified in an inventory of significant open spaces, scenic views, or sites. Therefore, this Goal is not applicable.

Section 2.8. Energy Policies

Goal 1. Promote energy conservation.

Goal 2. Promote affordable, efficient, reliable and environmentally sound energy systems for individual home and business consumers.

Goal 3. Promote affordable, efficient, reliable and environmentally sound commercial energy facilities.

Response: The findings in Section 3.2 of this report (Statewide Planning Goal 13) address these three goals.

Section 2.9. Environmental Quality

Goal 1 Maintain and improve the quality of the air, water and land.

Goal 2 Promote sustainable building practices that minimize the impacts on the natural environment.

Response: The findings in Section 3.2 of this report (Statewide Planning Goal 6) address these two goals.

CHAPTER 4: URBAN GROWTH MANAGEMENT

Section 4.2 Urbanization Policies

Goal 1. Coordinate with cities, special districts and stakeholders to support urban growth boundaries and urban reserve areas that provide an orderly and efficient transition between urban and rural lands.

Policy 4.2.1. Participate in the processes initiated by cities in Deschutes County to create and/or amend their urban growth boundaries.

Response: This amendment is the result of substantial regional coordination, as described below.

- All affected regional agencies and stakeholders were involved in the South Redmond Tract Land Use and Management Plan, which designated the northern portion of the tract for the public facility uses proposed in this amendment. At the inception of the project, DSL engaged partner agencies including OPRD, Oregon Department of Transportation (ODOT), City of Redmond, Deschutes County, and Economic Development for Central Oregon (EDCO). The plan was developed through a regional task force, the South Redmond Collaborative Planning Group, supported by a regional partnership known as the Central Oregon Economic Revitalization Team, and input was sought from the DLCDD and Oregon Economic and Community Development Department (OECDD).
- Visit Bend, the regional tourism agency, funded feasibility study for the Multi-Purpose Athletic and Events Center facility that informs the proposed development program for that site.
- The City of Redmond and Deschutes County are conducting a joint land use review and public hearing process to concurrently review proposed amendments to the UGB, the County Comprehensive Plan and the City's zoning map. As part of this process, the City and County conducted a joint pre-proposal conference with the applicant and the applicant (DSL) has continued to coordinate regularly with City and County staff in regards to the proposed amendments.

- As part of a separate but related set of land use amendments associated with the adjacent proposed Large Lot Industrial site, the City and DSL have coordinated closely the COIC and Deschutes County staff regarding proposed plans for that site and its relationship to the proposed public facility uses.
- City and County staff and the DSL representatives have coordinated closely with ODOT staff in regards to analysis of transportation impacts associated with the proposed land use applications, including approaches for modeling impacts, potential mitigation associated with those impacts and consistency with the Oregon Transportation Planning Rule and other state transportation requirements.
- DSL representatives have consulted with representatives of DLCD regarding consistency with state requirements associated with UGB amendments, including those intended to support the Central Oregon LLI program and associated administrative rules.
- DSL representatives have coordinated with other state agencies partners including the Oregon Military Department and Oregon Parks and Recreation Department in regards to future land exchanges or agency facilities within or adjacent to the subject property.

Goal 2. Coordinate with cities, special districts and stakeholders on urban growth area zoning for lands inside urban growth boundaries but outside city boundaries.

Goal 3. Coordinate with cities, special districts and stakeholders on policies and zoning for lands outside urban growth boundaries but inside urban reserve areas.

Response: Goals 2 and 3 concern land designated within UGBs but outside city boundaries, or outside UGBs but within an urban reserve area. The proposed amendment would bring the subject property inside the City of Redmond's Urban Growth Boundary and annex the property into the City of Redmond. Therefore, Goals 2 and 3 are not applicable to this amendment.

Goal 4. To build a strong and thriving regional economy by coordinating public investments, policies and regulations to support regional and state economic development objectives in Central Oregon.

Response: Economic development is not the primary purpose for this proposed amendment; however, several of the Fairgrounds facilities planned under this amendment will generate economic activity and employment opportunities by attracting visitors and supporting tourism within the city and region. The proposed facilities will support regional and state economic development objectives to increase tourism. Additionally, the facilities will share infrastructure with a large lot industrial site directly to the south that is associated with the Central Oregon Large Lot Industrial Lands program, a regional economic development initiative. More information about the economic impacts of this amendment is provided under Statewide Planning Goal 9, in section 3.2 of this report.

3.5 Deschutes County Code

TITLE 18, ZONING

18.136.020. Rezoning Standards.

The applicant for a quasi-judicial rezoning must establish that the public interest is best served by rezoning the property. Factors to be demonstrated by the applicant are:

- (A) *That the change conforms with the Comprehensive Plan, and the change is consistent with the plan's introductory statement and goals.*

Response: This proposal's conformance with the goals and policies of the Deschutes County Comprehensive Plan is addressed in Section 3.4 of this report.

- (B) *That the change in classification for the subject property is consistent with the purpose and intent of the proposed zone classification.*

Response: The consistency of the proposed use on the subject property with the purpose and intent of the FG and PF zones is addressed in Section 3.7 of this report.

- (C) *That changing the zoning will presently serve the public health, safety and welfare considering the following factors:*

- (12) *The availability and efficiency of providing necessary public services and facilities*

Response: Section 3.2 of this report (Statewide Planning Goals 11 and 12) demonstrates that public services and facilities are available and can be efficiently provided to the site.

- (13) *The impacts on surrounding land use will be consistent with the specific goals and policies contained within the Comprehensive Plan.*

Response: The compatibility of uses on the site with surrounding land uses is addressed in the findings related to Chapters 3 and 4 of the Deschutes County Comprehensive Plan, which can be found in Section 3.4 of this report.

- (D) *That there has been a change in circumstances since the property was last zoned, or a mistake was made in the zoning of the property in question. Ord. 95-050 §4, 1995; Ord. 91-020 §1, 1991; Ord. 86-032 §1, 1986; Ord. 83-065 §1, 1983)*

Response: The property was last zoned EFU-Alfalfa Subzone subsequent to the Deschutes County Farm Study in 1992. The property has not been actively farmed since that date due to poor soil quality and lack of irrigation rights. Over the last decade, more effective uses of the property have been identified through planning efforts coordinated with local, regional, and statewide stakeholders. These planning efforts represent a change in circumstances that necessitate the zone change. The Project Background section of this report (section 2) describes the planning efforts in more detail.

3.6 City of Redmond Comprehensive Plan

CHAPTER 1: CITIZEN INVOLVEMENT

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

Response: The proposed amendment conforms with the citizen involvement procedures of the City of Redmond, as addressed under Statewide Planning Goal 1 in section 3.2 of this report.

CHAPTER 2: LAND USE PLANNING

Policies

(1) All land use plans shall include identification of issues and problems, inventories and other factual information for each applicable statewide planning goal, evaluation of alternative courses of action and ultimate policy choices, taking into consideration social, economic, energy and environmental needs. The required information shall be contained in the plan document or in supporting documents.

Response: Section 2 of this report, Project Background, generally describe the land use planning processes that led to this proposed UGB amendment. This application was submitted to both the City of Redmond and Deschutes County in accordance with the land use planning processes established by these jurisdictions. The proposal is supported by a factual base of economic analyses, land suitability studies, and transportation analyses that are consistent with state, regional and local requirements for decisions related to UGB amendments. Additionally, proposal is the result of significant regional cooperation to share information and determine the most effective use of the land, as described under Statewide Planning Goal 2, in section 3.2 of this report. An assessment of social, economic, energy and environmental impacts is found in Section 3.1 of this document.

All of the above required information is contained in the findings report and in documents referenced or incorporated into this report.

(5) To provide a sound basis for orderly and efficient urbanization by establishing proper relationships between residential, commercial, industrial, public and open land uses, and transportation uses.

Response: The findings described in Section 3.1, Statewide Planning Goal 14 and associated OARs, address how this proposed UGB amendment is consistent with an orderly and efficient urbanization of land. The findings described in this Sections 3.4, 3.6, and 3.7 address in detail how the proposed amendment establishes proper and compatible relationship between the aforementioned land uses.

(6) To provide for a close correlation between the provision of urban services and urban development in order to bring about a more orderly and efficient development pattern, and

thereby avoid unnecessary tax burdens and excessive utility costs normally associated with scattered, unrelated development.

Response: The findings described in Section 3.2, Statewide Planning Goal 11, describe how the proposed UGB amendment will ensure a close correlation between urban services and urban development in order to bring about an orderly and efficient development pattern.

(7) *To provide a safe, coordinated, efficient and effective transportation system to bring about the best relationship between places where people live, work, shop and play.*

Response: The findings described in Section 3.2, Statewide Planning Goal 12, describe how the proposed UGB amendment will contribute to a safe, coordinated, efficient, and effective transportation system.

(10) *The following purpose statements describe the predominant land uses designated on the Redmond Urban Area Comprehensive Plan Map.*

(j) *Public Facilities (PF) – Areas designated PF on the comprehensive plan map are intended for development as public and quasi-public facilities serving local and regional needs. Uses may include municipal utility installations, electrical installations, schools, public recreational uses, government buildings and other uses. The Redmond Development Code may establish more than one zoning district for the PF designation to address different development review criteria for different types of public facilities.*

Response: The proposed OMD facility will be designated PF on the comprehensive plan map. As a government building, the designation is appropriate for the use.

The Fairgrounds Expansion and Multi-Purpose Athletic and Events Center will be designated FG (Fairgrounds) on the comprehensive plan and zoning map. The Fairgrounds designation is not described in Chapter 2 of the Redmond Comprehensive Plan. Thus, the appropriateness of the proposed uses for the FG zone is addressed in the section of the report on the Redmond Development Code (section 3.7).

CHAPTER 3: AGRICULTURAL LAND

Policies

(1) *Conversion of rural agricultural land to urbanizable land shall be based on the following factors:*

(a) *Environmental, energy, social and economic consequences;*

Response: The findings described in Section 3.1, Statewide Planning Goal 14, Boundary Location, describe the consideration of social, economic, energy, and environmental needs for this proposed amendment.

(b) *Demonstrated need consistent with LCDC goals;*

Response: The findings described in 3.1 and 3.2 of this report describe how the need for a Fairgrounds expansion, Multi-Purpose Athletic and Events Center, and relocation of OMD facility was determined and that the use of the South Redmond Tract to satisfy this need is consistent with LCDC goals.

(c) Unavailability of an alternative suitable location for the requested use;

Response: The findings described in Section 3.1, Statewide Planning Goal 14, OAR 660-024-0050 through OAR 660-024-0067, describe the evaluation of alternative locations for the requested use and the determination that the South Redmond Tract is the most suitable site. As described in that section, no sites within the City's existing UGB or urban reserves were found to be suitable for the combination of uses proposed for the site.

(d) Compatibility of the proposed use with related agricultural land; and

(e) The retention of Class I, II, III, IV soils in farm use.

Response: The findings described in Section 3.2, Statewide Planning Goal 3, address the consistency of the proposed amendment with these two factors.

CHAPTER 5: OPEN SPACES, SCENIC AND HISTORIC AREAS, AND NATURAL RESOURCES

Goals

(1) To conserve open space and protect natural and scenic resources.

Response: No part of the subject property is identified in Deschutes County's Goal 5 inventory of open spaces and natural, scenic, cultural, or historic resources. Therefore, no Goal 5 resources are affected and this Goal is not applicable.

(2) To preserve and retain historic structures, areas, sites and cultural resources throughout the city.

Response: No part of the subject property is identified in an inventory of significant open spaces, scenic views, or sites. Historic and cultural resources surveys conducted on the site indicate that the Tract was not occupied by prehistoric or historic peoples and contains no significant historic or cultural resources. Therefore, this Goal is not applicable.

CHAPTER 6: AIR, WATER, AND LAND RESOURCE QUALITY

Goal

To maintain and improve the quality of the air, water and land resources of the City.

Response: The findings in Section 3.2 of this report (Statewide Planning Goal 6) address this goal.

CHAPTER 7: NATURAL HAZARDS

To protect life and property from natural disasters and hazards.

Response: The findings in Section 3.2 of this report (Statewide Planning Goal 7) address this goal.

CHAPTER 8: RECREATION

Goals

The Redmond Urban Growth Boundary park system should enhance the livability in the Redmond UGB by:

(1) Providing quality green spaces, natural areas, and recreation sites for passive and active recreation through public and private park land throughout the community.

Response: This chapter of the comprehensive plan primarily concerns the City of Redmond's municipal park system. The Fairgrounds Expansion and Multi-Purpose Athletic and Events Center will not be part of the City's park system; however, the primary purpose of the Fairgrounds expansion and new Multi-Purpose Athletic and Events Center is to provide for the recreational needs of local and regional residents and visitors. These recreation facilities will supplement and complement the City's parks and recreation facilities for residents of Redmond while also serving the residents from across the Central Oregon region and visitors.

(2) Neighborhood park, or park site, should be provided within one-half mile of every home.

Response: The proposed recreational facilities are not intended to meet the need for neighborhood parks; therefore, this goal is not applicable.

(3) Establishing a system of trails that are interconnected.

Response: The site will include public trails and paths that can connect to the citywide trail system. More information about these trails is addressed in section 3.7 of this report (Master Development Plan requirements).

(4) Coordinating the development of future park sites with school sites to serve the expanding urban area population.

Response: The proposed recreational facilities are not intended to be compatible with a school site as they serve a regional population and provide specialized facilities that are not limited to children's play or organized school sports. Therefore, this goal is not applicable.

CHAPTER 9: ECONOMIC DEVELOPMENT

Goals

- (1) *Expand, improve and diversify the economy of the Redmond Urban Growth Boundary area while maintaining Redmond's quality of life.*

Response: Economic development is not the primary purpose for this proposed amendment; however, several of the Fairgrounds facilities planned under this amendment will generate economic activity and employment opportunities by attracting visitors and supporting tourism within the city and region. The proposed facilities will support regional and state economic development objectives to increase tourism. Additionally, the facilities will share infrastructure with a large lot industrial site directly to the south that is associated with the Central Oregon Large Lot Industrial Lands program, a regional economic development initiative. More information about the economic impacts of this amendment is provided under Statewide Planning Goal 9, in section 3.2 of this report.

Policies

Tourist Commercial

- (38) *The City shall encourage tourist-related commercial development aimed at attracting investment in businesses serving tourism, and recreation oriented businesses near the fairgrounds. Expand winter tourism activities and events.*

Response: The proposed facilities will be owned by Deschutes County and will primarily serve as public facilities. However, consistent with the current use of the Fairgrounds and Expo Center to host private conferences and events in addition to local public uses, the Fairgrounds Expansion and Multi-Purpose Athletic and Events Center will attract visitors, support tourism in the city, and may generate demand for additional recreation-oriented businesses in the general area. Additionally, the new facilities will enable the Fairgrounds to host more year-round events, consistent with this policy.

More information about the economic impacts of the facilities is provided under Statewide Planning Goal 9, in section 3.2 of this report.

CHAPTER 10: HOUSING

Response: The South Redmond Tract is not identified as a suitable location for residential development in the City of Redmond Comprehensive Plan. The city has identified sufficient acreage of land for future residential development outside the UGB in Urban Reserve Areas. This UGB amendment is not proposed to meet residential land needs and will not displace land identified as needed for residential uses.

CHAPTER 11: PUBLIC FACILITIES AND SERVICES

Goals

- (1) *To provide for a close correlation between the provisions of urban services and urban development in order to bring about a more orderly and efficient development pattern, and thereby avoid unnecessary tax burdens and excessive utility costs normally associated with scattered, unrelated development.*

Response: The findings described in Section 3.2, Statewide Planning Goal 11, describe how the proposed UGB amendment will ensure a close correlation between urban services and urban development in order to bring about an orderly and efficient development pattern.

CHAPTER 12: TRANSPORTATION

Goals

- (1) *Reduce through traffic, congestion, and improve circulation along Highway 97, especially along the 5th and 6th Street couplet.*

Response: As demonstrated in the Transportation Analysis Memorandum (Exhibit H), the proposed uses will not have a significant affect on the performance of Highway 97. Both the southbound and northbound ramps to Highway 97 at Airport Way were studied as part of the analysis. The southbound ramp meets performance standards under existing zoning and under the forecasted trip generation of the proposed uses. The northbound ramp meets performance standards under existing conditions but is forecasted to exceed performance standards by 2040 under existing zoning. The northbound ramp will also not meet standards under the proposed zoning; however, the volume-to-capacity (v/c) ratio increases by less than 0.03 with the proposed zoning. Per ODOT guidance regarding TPR analyses, this low increase in v/c is not considered to be a significant effect at this intersection.

Policies

- (1) *Plan or ordinance amendments which significantly affect a transportation facility shall assure that allowed land uses are consistent with the identified function, capacity, and level of service of the facility. This shall be accomplished by either:*
 - (a) *Limiting allowed land uses to be consistent with the present function, capacity, and level of service of the facility, or*
 - (b) *Amending the TSP and capital improvement programs to provide the transportation facilities adequate to support the proposed land uses, or,*
 - (c) *Altering land use designations, densities, or design requirements to reduce demand for automobile travel and meet travel needs through other modes.*

Response: As outlined in the Transportation Analysis Memorandum (Exhibit H), the increase in weekday PM peak hour trips associated with the fairgrounds and OMD sites would constitute a significant impact at two intersections, including 21st Street/Airport Way as well as at Canal Boulevard/Yew Avenue. As noted above, the provision of a median restricting 21st Street at its intersection to right-in-right-out movements would mitigate the significant effect. The provision of a median at this intersection should be further evaluated as part of the City's TSP Update as well.

The improvements required at the Canal Boulevard/Yew Avenue intersection would have significant right-of-way and property impacts, requiring further analysis as part of the City's TSP update.

All other intersections studied either have (1) no significant effect or (2) have improvements that are considered reasonably funded by ODOT. Further, all improvements have been coordinated with the County, City, ODOT and DSL. For this reason, all four affected criteria are addressed.

- (4) Land use decisions shall include a consideration of their impact on existing or planned transportation facilities for all modes.*
- (12) The City and County shall develop safe and convenient bicycle and pedestrian circulation to major activity centers, including the downtown, schools, shopping areas, community centers, parks, open space and other public gathering spots.*
- (13) Bikeways and pedestrian ways shall be considered as both a transportation and recreation element in the plan, and adequate facilities should be obtained for this purpose in all new development. Efforts should be made to extend bikeways and pedestrian ways through existing residential areas.*
- (14) In areas of new development, the City shall identify existing and potential future opportunities for bicycle and pedestrian access ways, and shall incorporate, when in the Redmond Urban Area Transportation Plan, those existing and potential future pathways into the development plans.*

Response: Policies 4, 12, 13, and 14 address the provision of bicycle and pedestrian infrastructure in the city. As described in response to the Master Development Plan provisions in Section 3.6 of this report, the proposed uses will incorporate complete internal bicycle and pedestrian networks that will be well-connected to the City's network of bicycle and pedestrian infrastructure. The specific design of this network will be determined at the time of site development.

CHAPTER 13: ENERGY

To conserve energy.

Response: The findings in Section 3.2 of this report (Statewide Planning Goal 13) address this goal.

CHAPTER 14: URBANIZATION

Goals

(1) *To direct development within the Redmond UGB at urban level densities in a phased and orderly manner, and with the provision of an adequate level of urban services, including but not limited to public water, sewer and urban streets.*

Response:

- As described in Section 3.1 of this report, Statewide Planning Goals 14 and 12, the location of the proposed amendment will ensure an orderly and efficient development pattern and ensure the provision of adequate urban transportation services.
- The findings described in Section 3.2, Statewide Planning Goal 11, describe how the proposed UGB amendment will ensure a close correlation between urban services and urban development in order to bring about an orderly and efficient development pattern.

(2) *To establish and maintain an Urban Growth Boundary that provides adequate land to accommodate projected population and employment growth during the 20-year planning period.*

Response: The proposed public facilities are intended to serve a variety of needs of a growing population in the City of Redmond and Central Oregon without consuming land that has been designated for essential residential and employment needs. Thus, the facilities are proposed for a site that is not designated to meet 20-year residential or employment needs in the existing UGB. Therefore, the site supports this goal of maintaining a UGB that provides adequate land to accommodate population and employment growth.

Policies

(1) *The establishment and change of the Urban Growth Boundary shall be a cooperative process between the City of Redmond and Deschutes County.*

Response: Section 2 of this report, Project Background, generally describe the land use planning processes that led to this proposed UGB amendment. This application was submitted to both the City of Redmond and Deschutes County in accordance with the land use planning processes established by these jurisdictions. The proposal is supported by a factual base of economic analyses, land suitability studies, and transportation analyses that are consistent with state, regional and local requirements for decisions related to UGB amendments. Additionally, proposal is the result of significant regional cooperation to share information and determine the most effective use of the land, as described under Statewide Planning Goal 2, in section 3.2 of this report.

(8) *The City and County will favor UGB additions that are of sufficient size and scale to be integrated into the urban area as complete neighborhoods or other community elements rather*

than isolated individual parcels. Privately initiated requests for UGB amendments should include a minimum of 150 acres and shall be based on demonstrated land needs to maintain a 20 year supply of urbanizable land within the UGB.

Response: The proposed amendment is 160 acres and is intended to be integrated into the urban area as a well-coordinated set of land uses which share public facilities infrastructure and provide a combined set of trails and transportation facilities. In conjunction with the proposed industrial uses to the south, this combination of uses meets multiple community needs and contributes to a complete set of community elements. The findings under section 3.1 of this report (Statewide Planning Goal 14) demonstrate that the amendment is not based directly on a need to maintain a 20-year supply of land within the UGB for general residential and employment uses. However, the facilities proposed for the subject parcel will generally meet future the needs of current and future residents, including growing needs for recreational facilities, attractions for visitors, and employment for local residents.

(9) *When land is brought into the UGB, it shall be designated URBAN HOLDING AREA (UHA) on the comprehensive plan map. Land that is inside the City may be zoned Urban Holding-10.*

(10) *The Urban Holding Area-10 (UH-10) plan designation may be changed when the land is annexed and approved for urban zoning through a Master Plan approval process or, in limited cases, through a site planning and development review process (see below).*

Response: The UHA zone is intended for land brought into the UGB to meet a long-term general need for employment or residential land. Because this proposal is for a specific type of public facility need, this policy is not applicable to this amendment.

(11) *Development Plans (MDPs) or Partial Master Development Plans (PMDPs) shall address the following requirements and in accordance with the Redmond Development Code....*

Response: This amendment includes a Master Development Plan (MDP) that addresses the requirements of the Comprehensive Plan and Redmond Development Code. The findings of this report serve as the narrative for the MDP. A map diagram that illustrates the MDP is incorporated into this report as Exhibit F.

(12) *Great Neighborhood Principles. Master Development Plans shall address 16. Great Neighborhood Principles. All types of Master Development Plans as well as major land division and site development plans, phased development plans, subdivisions, and site plans, shall address the applicable Great Neighborhood Principles below. In instances where the property proposed for a Master Development Plan is located within the boundary of an adopted Area Plan, the Master Development Plan shall also address the Great Neighborhood Principles according to those specifically provided in the Area Plan.*

Response: The findings in Section 3.7 describe how the amendment addresses the Great Neighborhood Principles.

Special Interest Areas

(25) The Airport/Fairgrounds area will be planned to serve specialty land uses, such as the Community College, the Deschutes County Fairgrounds, industrial uses, and recreation and tourist destination uses. Zoning will be flexible to allow for development of service businesses that support area employers and workers.

Response: As part of the general Airport/Fairgrounds special interest area, the Fairgrounds Expansion, Multi-Purpose Athletic and Events Center, and OMD site are appropriate specialty uses for the South Redmond Tract. This policy identifies the Fairgrounds specifically. The Multi-Purpose Athletic and Events Center is consistent with the policy direction to plan for “recreation and tourist destination uses” in the area. The OMD relocation facility can be considered a specialty facility and institutional use that is consistent with the intent of this policy.

Urbanization Element

(27) The City of Redmond and Deschutes County will work cooperatively to ensure that interim development in Urban Reserve Areas does not interfere with the future extension of urban services. This is accomplished by identifying future urban transportation and utility corridors and regulating uses adjacent to those corridors to prevent encroachment by interim development.

Response: The City and County determined that the Multi-Purpose Athletic and Events Center and OMD facility were not an appropriate use within Urban Reserve Areas, in part as it would interfere with future urban development patterns. Therefore, these facilities are proposed for the SRT, which is not part of a URA, are in alignment with this policy.

(28) Urban development on the edge of the urban growth boundary that is adjacent to land planned for long-term rural use should buffer urban uses with open spaces, when feasible, or lower density residential development, or other appropriate transitional uses.

Response: As shown on the Master Development Plan, the eastern boundary of the site will be adjacent to BLM land planned for long-term rural use. The primary use of these lands is for OMD training areas. The OHV track facilities are proposed to be adjacent to these lands. The OHV tracks will include few buildings and substantial open space; therefore, the tracks act as an appropriate buffer use from the adjacent rural uses.

3.7 City of Redmond Development Code

ZONING STANDARDS

8.0200 Fairgrounds Zone

Response: The Fairgrounds Expansion and Multi-Purpose Athletic and Events Center sites will be designated under the Fairgrounds (FG) zone and subject to the provisions of this section of the Redmond Development Code. Compliance with the approval criteria Section 8.0816 will be demonstrated at the time of development.

8.0210 Public Facility PF Zone

Response: The OMD facility site will be designated under the Public Facility (PF) zone and subject to the provisions of this section of the Redmond Development Code. Compliance with the approval criteria Section 8.0816 will be demonstrated at the time of development.

8.0300 Master Development Plan

8.0300 Master Development Plans. A Master Development Plan is required as a condition of annexation, or after annexation but prior to or concurrent with rezoning from Urban Holding-10 to other City zoning districts. The Master Development Plan shall not create excessive demand on public facilities and services required to serve the development area, and shall not conflict with existing public access easements within or adjacent to the development area. The specific requirements for a Master Development Plan are as follows:

(1) Applicability. This section applies to all properties proposed for annexation and/or rezoning from Urban Holding-10 on or after the date of the adoption of this ordinance.

Response: This amendment proposes to annex the site into the City of Redmond. Therefore, the requirements of Section 8.0300 are applicable.

(2) Purpose. The purpose of Master Development Plan is to provide:

(A) Orderly and efficient development of the City consistent with Urban Framework Plans and an adopted Area Plan.

(B) Compatibility and/or transitions with adjacent developments and the character of the area.

(C) A complementary mix of uses and activities.

(D) An interconnected transportation network – streets, bicycle routes, and pedestrian trails – within the master plan area and to existing and planned City streets, routes and trails.

(E) A range of housing choices for areas planned to have residential components.

- (F) *A range of open spaces and recreation facilities, as needed to facilitate the Framework Plan and an adopted Area Plan.*
- (G) *Public and semi-public facilities and services.*
- (H) *Preservation of historic buildings, scenic views, and natural resources to the greatest extent possible.*
- (I) *Transitions or buffers between urban development and rural areas.*
- (J) *Implementation of Redmond's Comprehensive Plan, including adopted Area Plans and the Great Neighborhood Planning Principles described in 3(C)(13) below.*

Response: The Master Development Plan (MDP) for the public facility uses of the South Redmond Tract was designed to this purpose defined by 8.0030(2). The MDP's consistency with these purposes and associated approval criteria is addressed in detail in 8.0030(3)(B).

(3) *Procedures for Review.*

- (A) *General. Master Development Plans (MDP or PMDP) shall be approved through a quasi-judicial review process. Application procedures and related fees for approval may be streamlined in order to promote timely development of urban planning for land zoned UH-10. The Community Development Director shall inform the applicant during the mandatory pre-application stage if the proposed Master Development Plan area appropriately includes all contiguous UH-10 zoned properties in the plan area. The Community Development Director shall base the determination for the proposed plan area utilizing the following factors:*
 - (1) *whether there are UH-10 properties that abut or are surrounded by the plan boundary that would reasonably fit within the zoning concept for the area plan;*
 - (2) *whether the extension of public services and infrastructure would be enhanced by the inclusion of abutting UH-10 properties;*
 - (3) *whether the total acreage of abutting or enclave UH-10 zoned properties is less than the acreage in the proposed plan area; and*
 - (4) *there is a community interest that would be served by including additional properties in the plan area.*

Response: As noted in the foregoing findings, this application does not propose to apply the UH-10 zone to the subject property, and no adjacent properties are zoned UH-10. The appropriate plan area for the MDP is the entire 170-acre area that includes all the public facility sites, as shown in the MDP map (Exhibit F). The MDP demonstrates how the site will be integrated with the existing Fairgrounds to the north and the proposed large lot industrial site to the south.

- (B) *Review and approval criteria for Master Development Plans or Partial Master Development Plans.*

- (1) *General. In the review of any application for a Development Plan, the Planning Commission and City Council, if required, shall consider the following:*
 - (a) *Whether the proposed Plan is generally consistent with the Framework Plan and is consistent with an adopted Area Plan and Comprehensive Plan in terms of land use, density, transportation systems and networks, adequacy of infrastructure and open space*
 - (b) *Whether the proposed Plan is generally suitable for the area in which it is proposed, considering existing and planned neighborhoods, shopping and employment areas; and natural resources and hazards.*
 - (c) *Whether the proposed Plan is functionally integrated with developed or planned areas.*
 - (d) *The proposed plan meets the applicable Great Neighborhood Principles in Section 8.3050.*

Response: The findings in response to the specific approval criteria under 8.030(C) below address the MDP's consistency with the general criteria listed in 8.030(B).

(C) *Master Development Plan (MDP) or Partial Master Development Plan (PMDP) Submittal Requirements and Approval Process. An application for approval shall include the submittal requirements set forth in the City's Land Use Review application form as well as the elements described below.*

- (1) *Narrative. A narrative shall set forth the goals and objectives of the plan and describe the urban characteristics of the planned area.*

Response: This report serves as the narrative for the MDP. The goals and objectives of the plan and the urban characteristics of the planned area are addressed in detail in Section 2 of this report, Project Background.

- (2) *Development Plan Map. A map of the plan area and surrounding vicinity shall indicate planned land uses for each land parcel in the area, including plans for park and open space and community facilities, if known. The plan shall show proposed comprehensive plan map designations and zoning. The plan shall include a list of all affected properties with tax lot numbers, current ownership, parcel size, and other information that is pertinent to the plan.*

Response: All of the maps required for inclusion in the MDP, including the Development Plan Map and all maps or diagrams defined by 8.030(2) through 8.030(11) are combined in one map that is incorporated as with this report as South Redmond Tract Public Facilities Master Development Plan (PF MDP). The MDP includes all necessary elements identified in 8.020(2). The map shows required information about all of the parcels included in the Master Development Plan. The location

of open space and community facilities is identified on the map. Additional information on this topic is provided in the findings in response to 8.030(C)(3) and 8.030(C)(5), below.

- (3) *Land Use Diagram. The land use diagram shall generally indicate the distribution and location of planned land uses for the master plan area, including plans for park and open space and community facilities, if known. The plan shall show proposed comprehensive plan designations, zoning, and density.*

Response: The MDP shows the proposed distribution of five land uses on the site: the OMD facility, the RV park, Multi-Purpose Athletic and Events Center, 4H facilities, and OHV facilities. A more detailed diagram of the Multi-Purpose Athletic and Events Center is provided to show a potential layout of the multiple fields, indoor facility, parking, and circulation. The MDP identifies preliminary locations for open spaces and public trails and paths. More detailed information about these uses is provided in the findings in response to 8.030(C)(5), below.

- (4) *Significant Resources Inventory. An inventory of significant natural resources, scenic and historic resources, and open space areas including those identified on the City's adopted inventory and those that have the potential to qualify for protection under Redmond's Goal 5 resource protection program. When significant resources are present, the proposed plan shall include a management plan to protect resource sites;*

Response: The site does not include any significant natural, scenic, or historic resources, as addressed in the findings under Statewide Planning Goals 5 and 6 (section 3.2).

- (5) *Parks and Open Space. Identify land suitable for park and recreation use in accordance with the needs analysis in the City of Redmond Park Master Plan (Park Plan) and an adopted Area Plan. In particular, where the Park Plan indicates there is a need for neighborhood or community park, the master plan shall identify sites that may be suitable for park development using the design and location criteria from the Park Plan or an adopted Area Plan. Density transfers, SDC credits, dedication, and other value consideration may be identified in the planning process to compensate property owners for land dedicated to public use;*

Response: The MDP identifies preliminary locations for open spaces and trails on the site. The City of Redmond Park Master Plan does not indicate a need for a neighborhood or community park on the property. In addition, no such facilities are expected to be needed within the subject area given that no residential development is proposed or contemplated for the area.¹⁴ The entire property is intended to serve local and regional recreational needs, as addressed under the findings for Statewide Planning Goal 8 (section 3.2).

- (6) *Air, Noise, and Water Resources. Review air, noise and water resources that may be impacted by planned development and address how adverse impacts will be avoided*

¹⁴ City of Redmond Parks Master Plan, p. XX

or mitigated in compliance with applicable local, state, and federal regulations. The analysis may use City public facility plans, technical studies, and policies to meet this requirement when those plans address how urban development in the plan area can be served. In these instances, the Master Development Plan must show that the envisioned land uses in the plan area are consistent with the land use assumptions in the public facility plans. This requirement is particularly important for storm water management.

Response: There are no water resources on the site (rivers, streams or wetlands) and as a result, there will be no direct impact to water resources. Any other potential impacts of future development on the quality of air, water or noise resources will be identified during the development review process, as the specific impacts cannot be known until a development is proposed. The City of Redmond has adequate provisions in place to protect the quality of air, water, and land resources from negative impacts of new development. In addition, state and federal regulations administered by the US Environmental Protection Agency and Oregon Department of Environmental Quality regulate impacts on air resources to ensure clean air and will apply to any future development located on the subject site. The Redmond Municipal Airport is within close proximity to the site; as a result, adjacent developments are primarily non-residential uses that are minimally affected by noise impacts.

- (7) *Natural Hazard Areas. Inventory areas subject to natural hazards, particularly steep slopes, and program urban development that is suitable for the identified hazard areas;*

Response: No natural hazards are located on the site, as addressed in the findings in Section 3.2, Statewide Planning Goal 7.

- (8) *Residential Uses. Identify areas planned for housing development, if any, and the proposed zoning districts to be applied. The housing plan must identify a mix of housing types and densities so that the overall density in the area meets or exceeds the housing density objectives for the area that are identified in the Redmond Urban Framework Plan, adopted Area Plans, and the Comprehensive Plan. The Framework Plan and adopted Area Plans provide general guidance on housing densities that need to be achieved in order to meet future housing needs. Where proposed residential land uses differ from those shown in the Redmond Urban Framework Plan or adopted Area Plans, the master plan shall demonstrate how it meets the overall housing objectives of the Redmond Urban Framework Plan or adopted Area Plans. Applicants may propose new zoning districts when the proposed district(s) in total achieve the housing densities envisioned in the Redmond Urban Framework Plan or adopted Area Plans.*

Response: No residential uses are proposed for the site; therefore, this requirement is not applicable.

- (9) *Employment Uses. Identify areas planned for employment use and/or mixed uses and the proposed zoning for these areas. Applicants may propose new zoning districts in cases where existing districts are not suitable for the planned development provided the proposed district(s) achieve similar land improvement values and/or employment densities envisioned in the Redmond Urban Framework Plan or adopted Area Plans.*

Response: The primary purpose of the amendment is to provide specific public facilities. The facilities may provide an employment benefit, but will not be considered employment uses or employment land for planning purposes.

- (10) *Transportation Analysis and Diagram. Prepare a transportation impact analysis including a grid street plan that is consistent with street spacing and connectivity guidelines in the Redmond Transportation System Plan (TSP) and adopted Area Plans. Show the proposed classification for all streets down to collector roadways. Show the location of approved TSP improvement projects and any capital improvements that may need to be added to the TSP in order to serve the plan area. Show proposed bicycle pedestrian, and trail routes. Show how planned transportation facilities will connect to transportation facilities in adjacent urban areas.*

Response: The MDP illustrates a preliminary street network that could be developed on the site, consistent with the spacing and connectivity guidelines of the Redmond TSP. Given the size of the site and the fact that the application is not for a specific development proposal, this illustration is preliminary and only represents one example of how the connectivity guidelines of the TSP could be met. The alignment, classification, and cross-section design of streets on the Tract will be determined at the time of site design and development when additional factors are considered.

The MDP map illustrates conceptual locations of trails and/or pathways that are based on the conceptual location of trails and/or pathways to provide for pedestrian and bicycle circulation. At this time, no other local or regional trail connections have been identified on properties abutting or adjacent to the subject property. To the extent that such plans are identified in the future, prior to development of the site, connections to those trails will be incorporated in subsequent development proposals for the property.

The only capital improvement identified in the TSP on the site is the extension of 19th Street, the arterial that will serve as primary access to the site. The scope and conceptual alignment of this project is identified on the MDP map.

- (11) *Public Facilities Analysis and Diagram. The plan shall include a conceptual layout of public facilities, (including sanitary sewer, water, and storm drainage, needed to support the planned uses. The Public Facilities Analysis must be consistent with the city's adopted Public Facility Plan (PFP) and related facility master plans, including improvements related to the adopted Area Plan that may require amending the PFP.*

Response: The MDP identifies the conceptual layout of public facilities be constructed along the same alignments as the conceptual street network. Additionally, the MDP identifies the location of the off-site pump station at Yew Avenue and Highway 97 that will be upgraded in order to provide wastewater service on the site. Additional information related to these facilities, as well as water and storm drainage facilities is found in Section 3.2, Statewide Planning Goal 11 of this document.

*(12) North Redmond US 97 Interchange Area Management Plan (IAMP) Compliance.
The master plan shall comply with the following policies, if applicable:*

Response: The site is not within the planning area of the North Redmond US 97 Interchange Area Management Plan; therefore, this requirement is not applicable.

(13) Great Neighborhood Principles. Master Development Plans shall address applicable Redmond Great Neighborhood Principles described below. In instances where the property proposed for a Master Development Plan is located within the boundary of an adopted Area Plan, the Master Development Plan shall also address the Great Neighborhood Principles according to the specificity provided in the Area Plan.

(a) Transportation. Connect people and places through a complete grid street network and trail system that invites walking and bicycling and provides convenient access to parks, schools, neighborhood service centers, and possible future transit stops.

Response: The illustrative example conceptual street network presented in the MDP is consistent with the spacing and connectivity guidelines of the TSP, which are intended to create interconnected street grids that invite walking and biking. The cross-section design of each street will be consistent with the design standards of the City of Redmond in order to facilitate safe and reliable travel for all modes. Development of a well-connected street system in the area will be the foundation for convenient and safe access to all future destinations on the site.

The MDP also illustrates conceptual connections to off-site trails and pathways that have potential to tie into a network of trails and pathways throughout the site. At a minimum, the trails will connect to the existing Fairgrounds site to the north, 19th Street, and to the proposed industrial development to the south, in order to facilitate safe and convenient walking and biking connections to and from adjacent sites. Additionally, the trails and pathways will provide for internal circulation for walking and biking to access destinations within the site. All trails and pathways will be constructed to City of Redmond design standards.

The locations of individual streets, pathways and trails will be identified as part of future specific development proposals. Locations and designs will be based on considerations for lot configuration, location of key destinations and building entrances, and location of open spaces, plazas, or other amenities. The final network will remain consistent with the spacing/connectivity guidelines and design standards in the City of Redmond TSP and will ensure travel within the site, as well as connection to future existing or planned trail or pathway systems.

- (b) *Housing. A mix of housing types and densities should be integrated into the design of new neighborhoods.*

Response: No residential uses are proposed for the site; therefore, this requirement is not applicable.

- (c) *Open spaces, greenways, recreation. All new neighborhoods shall provide useable open spaces with recreation amenities that are integrated to the larger community. Central parks and plazas shall be used to create public gathering places. Incorporate significant geological features such as rock outcroppings, stands of clustered native trees, etc. into the design of new neighborhoods. Neighborhood and community parks shall be shown in appropriate locations consistent with policies in Redmond's Parks Master Plan.*

Response: The MDP illustrates that locations for open spaces, plazas, or other gathering places to be integrated into the eventual site design. The City of Redmond Park Master Plan does not indicate a need for a neighborhood or community park on the subject property. City staff also has indicated that it is not necessary or applicable to this application to incorporate features such as rock outcroppings, stands or clustered trees or similar features into the design of the types of small plazas or public spaces that may be established on this site in the future.

- (d) *Integrated design elements. Streets, civic spaces, signage, and architecture shall be coordinated to establish a coherent and distinct character for the Master Development Plan. Plans may integrate design themes with adjacent developed or planned areas.*

Response: As a large site with only two owners (OMD and Deschutes County), the site presents a valuable opportunity to contribute to a coherent and distinct character for the entire area of South Redmond. DSL and Deschutes County recognize this opportunity and the importance of high-quality urban design and aesthetic character to the long-term value of the site. As defined by this Great Neighborhoods Principle, the design of streets, civic spaces, signage, and architecture will be coordinated throughout the site and integrated with the design features of the exiting Fairgrounds. Such elements could include street or other wayfinding signage, landscaping, gateway features, lighting, street furnishings, and/or building forms.

- (e) *Diverse mix of activities. A variety of uses is encouraged in order to create vitality and bring many activities of daily living within walking and biking distance or a short drive of homes.*

Response: The site is intended to provide a centralized location for a diverse mix of activities, but the activities are more specialized in nature, intended to provide for both local and regional needs rather than everyday living. Generally, the diversity of uses will bring vitality to the area by generating activity at different times of day and throughout the year. The Multi-Purpose Athletic and Events Center will host events and tournaments for various sport seasons and other activities. The RV park will be open year-round and generate some activity in the evening when nearby uses may

not generate activity. The 4H and OHV areas are intended to host a wider range of year-round activities. Generally, the integration of diverse uses on this site promotes a sense of vitality.

- (f) *Public art. Public art is encouraged at the gateways to neighborhoods and/or in and around the center of neighborhoods to provide focal points.*

Response: As with urban design, DSL and Deschutes County recognize the contribution that public art can make to the long-term value of the site. As part of future development of the site, public art will be used to distinguish the site from surrounding development and create a sense of arrival at a distinct and important place.

- (g) *Scenic views. Identify and preserve scenic views and corridors of the Cascade Range, Ochoco Mountains, and Smith Rock. Streets and common or public open spaces should be located and oriented to capture and preserve scenic views for the public. Minimize visual clutter within scenic corridors.*

Response: Scenic view corridors will be a key consideration of the building orientation, street and trail alignments, and the location and furnishing of public spaces throughout the site. View corridors will be considered for the design and placement of signage, service areas, parking areas, and other elements, in order to ensure that views are preserved or created and to minimize visual clutter that detracts from the scenic views.

- (h) *Urban – rural interface. Urban development shall interface with rural areas through open space buffers at least 100 feet wide and the length of the urban development, excluding public streets, or shall be transitioned from higher density development to lower density development at the urban - rural interface, or utilize other appropriate and equivalent transitional elements.*

Response: As shown on the MDP map, the OHV area will provide an open space buffer to the adjacent rural BLM lands to the east. The OHV tracks will include few buildings and substantial open space; therefore, the tracks act as an appropriate buffer use from the adjacent rural uses.

- (i) *“Pocket Parks” or “tot lots” shall be incorporated into medium and high density zoned residential subdivisions and site plans. These areas shall be developed for every twenty-five lots/units, a minimum of 1,500 square feet and privately maintained.*

Response: This principle is relevant to residential areas but is not applicable to this amendment. The findings in response to 8.030(c) outline a general approach to public spaces throughout the site.

- (j) *Canal trails. If canals or laterals are present, multi-use trails at least 10 feet wide shall be provided, subject to the Central Oregon Irrigation District’s review and approval. Pedestrian amenities such as benches and trash receptacles shall be provided at appropriate locations.*

Response: No canals are present on the site; therefore, this principle is not applicable to the amendment.

- (k) *Green Design. Environmentally friendly and energy efficient design is encouraged for public and private infrastructure, architecture and building orientation, open spaces and natural areas and transportation facilities. In addition, the planting of native, drought-resistant trees is encouraged to provide shade and to minimize water usage.*

Response: DSL has stated a commitment to development of the South Redmond Tract in an environmentally responsible and energy efficient manner beginning with the South Redmond Tract Land Use and Management Plan developed in 2008. The plan identified “response to global climate change” as a key consideration for the selection of a preferred use for the site and for the design of the development. More detailed plans for green design will be presented at the time of site development.

- (D) *Implementation. Upon approval of a Master Development Plan, all subsequent development located within the area master plan boundaries shall be consistent with the approved master plan.*
- (E) *Amendment/Modification to Master Development Plan. Any modifications to the approved master development plan shall be subject to the standards and procedures in Article II, “Modifications”, and subject to the review criteria contained in this section.*
- (F) *Expiration of Master Development Plan. An approved Master Development Plan or Partial Master Development Plan shall be subject to the requirements of Section 8.1605 of this Code concerning expiration, unless a specific timeline is approved through the land use review process.*

Response: DSL acknowledges that provisions 8.030(D) through 8.030(F) regulate the implementation, modification, and expiration of the MDP. DSL will conform to these requirements upon approval of the amendment.

AMENDMENTS

8.0750 Authorization to Initiate Amendments

An amendment to the text of these standards, or to a zoning or plan map may be initiated by either City Council, or the Planning Commission. A property owner may initiate a request for a map or text amendment by filing an application with the Community Development Director using the form(s) prescribed by Article II of these standards.

Response: DSL, as the property owner, has initiated the request for a map amendment by filing an application with the Community Development Director using the Comp Plan/Zoning Map Amendment Application Form.

8.0760 Criteria for Amendments

The burden of proof is upon the applicant. The applicant shall show the proposed change is:

(29) In conformity with all applicable State statutes;

Response: The findings of Section 3.3 of this report demonstrates that this amendment is in conformity with all applicable state statutes.

(30) In conformity with the State-wide planning goals whenever they are determined to be applicable;

Response: The findings of Section 3.2 of this report demonstrates that this amendment is in conformity with all applicable Statewide Planning Goals.

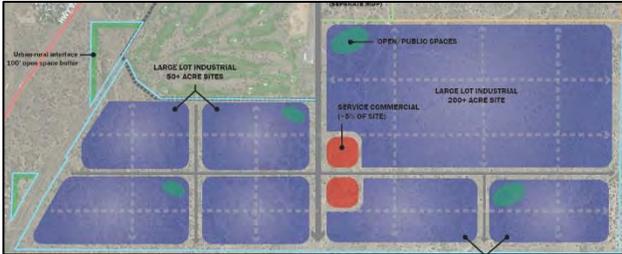
(31) In conformity with the Redmond Comprehensive Plan, land use requirements and policies; and

Response: The findings of Section 3.6 of this report demonstrates that this amendment is in conformity with all applicable requirements and policies or the Redmond Comprehensive Plan.

(32) That there is a change of circumstances or further studies justifying the amendment or mistake in the original zoning.

Response: The property was last zoned EFU-Alfalfa Subzone subsequent to the Deschutes County Farm Study in 1992. The property has not been actively farmed since that date due to poor soil quality and lack of irrigation rights. Over the last decade, more effective uses of the property have been identified through planning efforts coordinated with local, regional, and statewide stakeholders. These planning efforts represent a change in circumstances that necessitate the zone change. The Project Background section of this report (section 2) describes the planning efforts in more detail.

South Redmond Tract Large Lot Industrial Site



Findings Report and Master Development Plan

Urban Growth Boundary Amendment (City of Redmond)

Master Development Plan (City of Redmond)

Comprehensive Plan Amendment (Deschutes County)

Prepared for
City of Redmond and Deschutes County
By Oregon Department of State Lands
Angelo Planning Group
Kittelson & Associates



September 2018

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List of Exhibits

- Exhibit A** Intergovernmental Agreement with Central Oregon Intergovernmental Council
- Exhibit B** City of Redmond Application to Large Lot Industrial Lands Program
- Exhibit C** COIC Resolution to Approve South Redmond Tract for Large Lot Industrial Lands Program
- Exhibit D** Memorandum of Understanding Between DSL and OMD for Land Exchange
- Exhibit E** Master Development Plan Map
- Exhibit F** Transportation Analysis Memorandum
- Exhibit G** South Redmond Tract Title Report

1 Introduction

1.1 Proposal Overview

This report supplements the application of the Oregon Department of State Lands to the City of Redmond and Deschutes County to amend the Urban Growth Boundary (UGB) of the City of Redmond and the comprehensive plan and zoning maps of the City of Redmond and Deschutes County. The application proposes to include the South Redmond Tract in the City of Redmond UGB and apply the City of Redmond Large Lot Industrial (LLI) zone to a portion of the site, in accordance with the Central Oregon Regional Large Lot Industrial Lands Program.

The South Redmond Tract is a 949-acre parcel owned by the Department of State Lands (DSL) located south of the existing Redmond UGB and adjacent to Deschutes County Fairgrounds (Figure 1). This parcel is currently zoned Exclusive Farm Use (EFU) – Alfalfa Subzone. Approximately 789 acres of the parcel is proposed for large-lot industrial development and to be designated under the City's LLI zone. A 160-acre portion of the South Redmond Tract is planned for an expansion of the Deschutes County Fairgrounds and a relocated facility for the Oregon Military Department (OMD). The application to amend the Redmond UGB and rezone this portion of the site is being submitted concurrently with this application. See Figure 2 for a map of these proposed land uses.

Figure 1. Vicinity Map

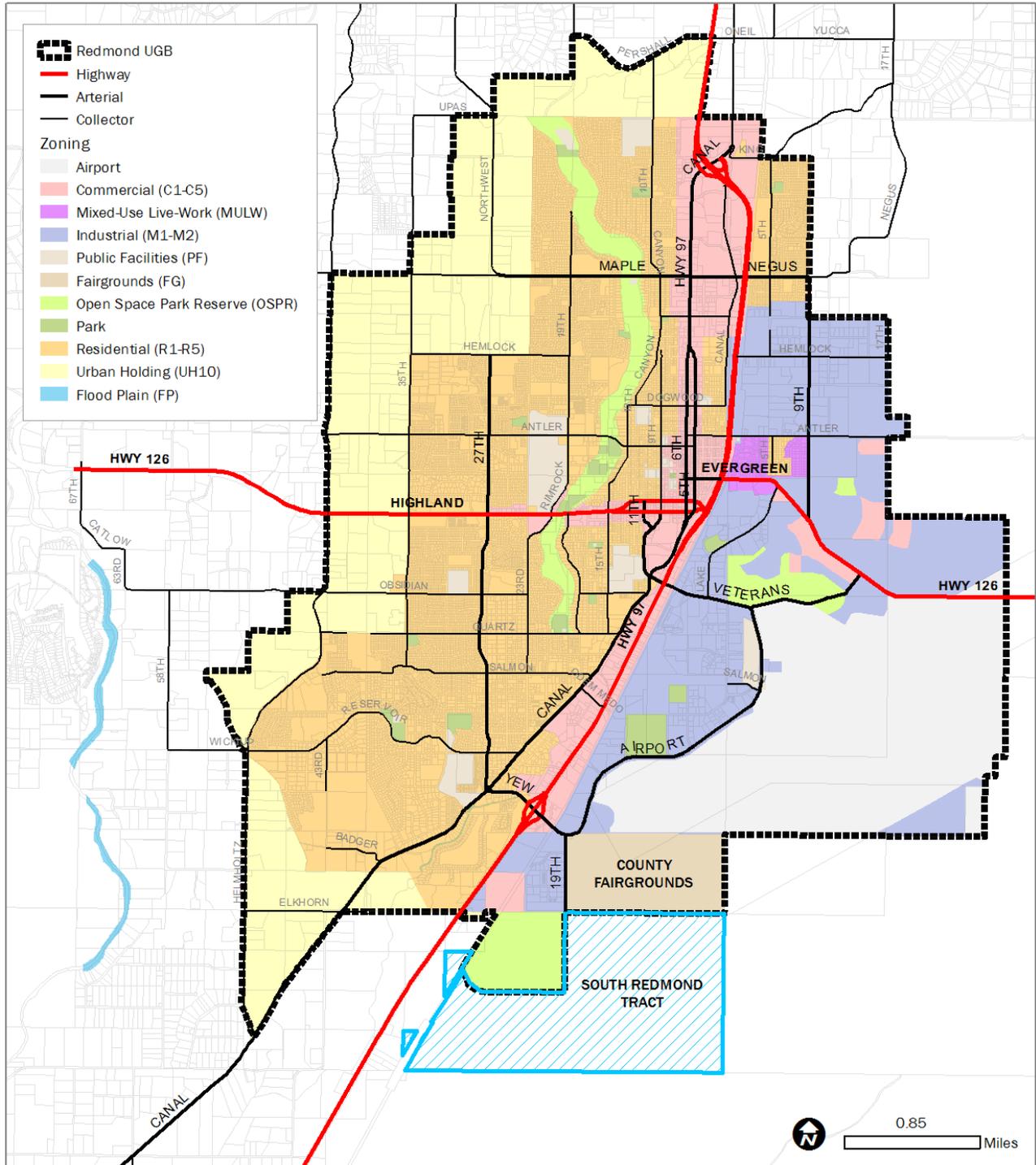
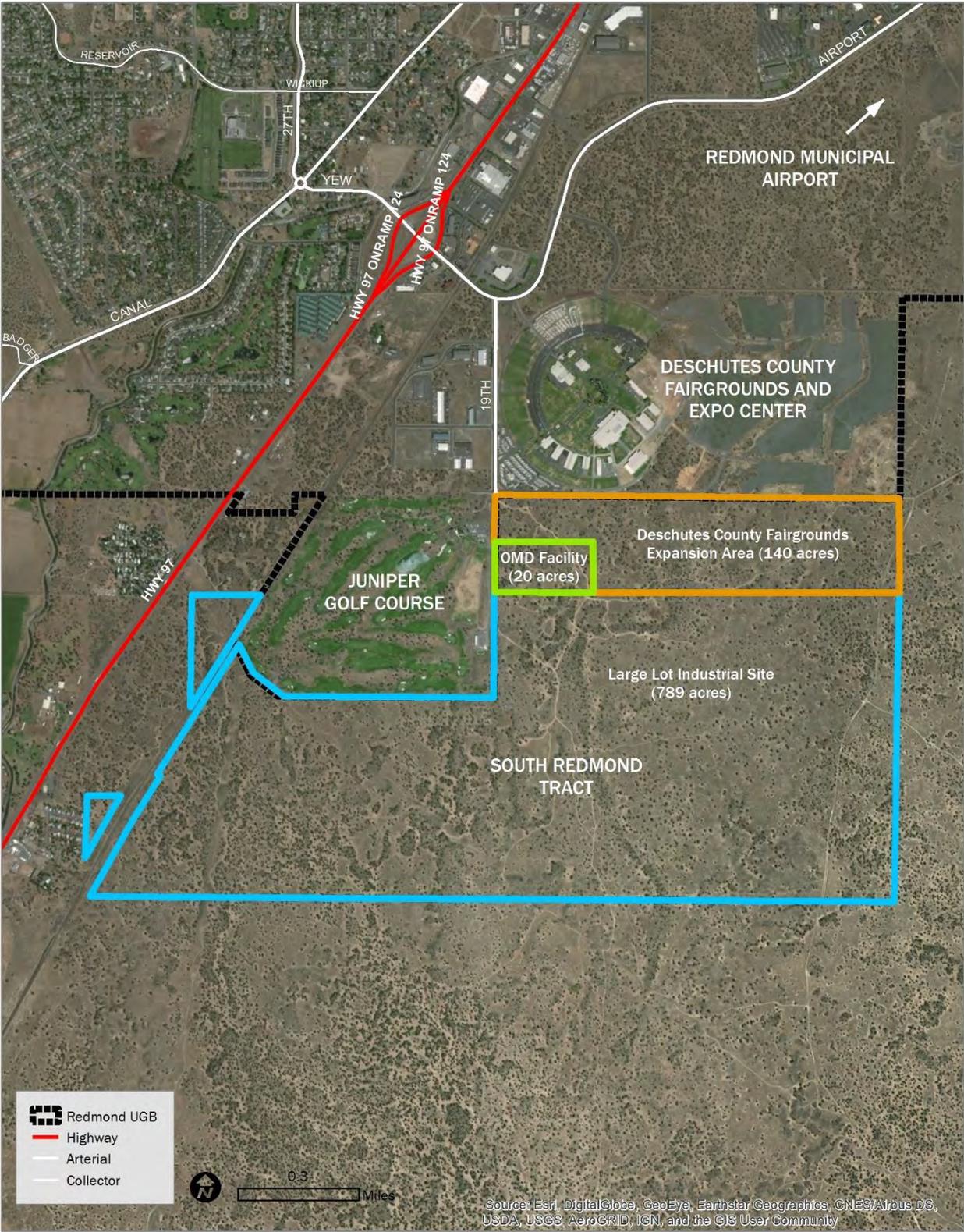


Figure 2. Site Map



1.2 Requested Approvals

The purpose of this report is to demonstrate conformance with the approval criteria for all applications that are required to bring the South Redmond Tract within the City of Redmond UGB. These applications and the relevant approval criteria are summarized in Table 1. The table also presents the section of this report where the findings that address each approval criteria can be found.

Table 1. Applications and Approval Criteria

APPLICATION	APPROVAL CRITERIA	SECTION
<i>Master Development Plan and Annexation (City of Redmond)</i>	<u>City of Redmond Development Code, Section 8.0300(3)(B)(1)</u>	Sections 3.6 and 3.7
	(a) Whether the proposed Plan is generally consistent with the Framework Plan and is consistent with an adopted Area Plan and Comprehensive Plan in terms of land use, density, transportation systems and networks, adequacy of infrastructure and open space	
	(b) Whether the proposed Plan is generally suitable for the area in which it is proposed, considering existing and planned neighborhoods, shopping and employment areas; and natural resources and hazards.	Section 3.7
	(c) Whether the proposed Plan is functionally integrated with developed or planned areas.	Section 3.7
	(d) The proposed plan meets the applicable Great Neighborhood Principles in Section 8.3050.	Section 3.7
<i>Urban Growth Boundary Expansion (City of Redmond)</i>	<u>City of Redmond Development Code, Section 8.0760</u>	Section 3.3
	1. In conformity with all applicable State statutes;	
	2. In conformity with the State-wide planning goals whenever they are determined to be applicable;	Section 3.1 and 3.2
	3. In conformity with the Redmond Comprehensive Plan, land use requirements and policies; and	Section 3.6 and 3.7
	4. That there is a change of circumstances or further studies justifying the amendment or mistake in the original zoning.	Section 3.7
<i>Comprehensive Plan Amendment (Deschutes County)</i>	<u>Deschutes County Code, Section 18.136.020</u>	Section 3.4
	(A) That the change conforms with the Comprehensive Plan, and the change is consistent with the plan's introductory statement and goals.	
	(B) That the change in classification for the subject property is consistent with the purpose and intent of the proposed zone classification.	Section 3.7

APPLICATION	APPROVAL CRITERIA	SECTION
	(C) That changing the zoning will presently serve the public health, safety and welfare considering the following factors: (1) The availability and efficiency of providing necessary public services and facilities	Section 3.2
	(2) The impacts on surrounding land use will be consistent with the specific goals and policies contained within the Comprehensive Plan.	Section 3.4
	(D) That there has been a change in circumstances since the property was last zoned, or a mistake was made in the zoning of the property in question.	Section 3.5

1.3 Report Organization

The report is organized into three sections. This first section establishes the purpose and reviews the organization of the report. The second section reviews the research and analysis, planning, and coordination by the City of Redmond and Deschutes County, in collaboration with DSL and regional partners, to identify the need for large lot industrial land in Central Oregon and to determine that the South Redmond Tract is a suitable site to fulfill part of the land need.

The third section demonstrates conformity of the proposed amendment with all required and relevant approval standards. The section begins with key Statewide Planning Goals and Oregon Administrative Rules that govern UGB amendments and ends with relevant county and city comprehensive plan policies and development code standards. The findings are organized as follows.

3.1. Statewide Planning Guidelines and Oregon Administrative Rules (OAR)

- Goal 9: Economic Development
- Goal 12: Transportation
- Goal 14: Urbanization

3.2. Other Statewide Planning Goals

3.3. Oregon Revised Statutes (ORS)

3.4. Deschutes County Comprehensive Plan

3.5. Deschutes County Code

3.6. City of Redmond Comprehensive Plan

3.7. City of Redmond Development Code

Additional factual documentation in support of the findings are cited throughout the report. Most of these documents are incorporated with this report as Exhibits. Other publicly-accessible documents are also cited in footnotes but not incorporated into this report.

2 Project Background

2.1 South Redmond Tract Land Use and Management Plan (2008)

The South Redmond Tract (Tract) is a 949-acre property located on the southern boundary of the City of Redmond. The Tract is owned by the Oregon Department of State Lands (DSL), and is managed for the benefit for the Common Schools Fund (CSF). Revenues generated by the land are dedicated to the support of K-12 public education in Oregon. CSF lands are managed by the State Land Board as to maximize short- and long-term revenues consistent with sound stewardship and business management principles.

In October 2008, the State Land Board, which oversees DSL, adopted the South Redmond Tract Land Use and Management Plan (Plan). The Plan sets out a concept for urban development of the Tract that is consistent with state land use law, advances DSL's mission to maximize revenue for the CSF, and benefits the local community and regional economy of Central Oregon. The development concept is centered on meeting an identified regional need for large-lot industrial land and specific public facility uses. The sections below outline the characteristics of the site and the considerations of the planning process that led to the land use and management plan.

2.1.1 Site Characteristics

Located directly south of the Deschutes County Fairgrounds and Exposition Center and south and east of the City of Redmond's Juniper Golf Course, the South Redmond Tract was acquired in 2007 from the U.S. Bureau of Land Management (BLM) as a land grant.

Current Uses, Access, and Zoning

Past and recent uses of the South Redmond Tract have been wildlife habitat, rangeland, open space for recreation, and military training by the Oregon National Guard and Army Reserve units. The property was previously owned and managed by BLM, during which the land was subject to livestock grazing. A BNSF railroad right-of-way crosses the Tract at its west end. Electric utility lines parallel the railroad right-of-way and Bonneville Power Administration and Central Electric Cooperative electric transmission lines extend through the property. There are no current leases or other official developed uses on the Tract. Informal uses include hiking and horseback riding. Access to the property is available from the north via 19th Street, which provides direct access to Airport Way and the Yew Avenue interchange at U.S. Highway 97.

The Tract is zoned by Deschutes County for Exclusive Farm Use (EFU) with an Alfalfa Subzone. The very northeast portion of the property is within an Airport Safety Combining Zone for Roberts Field-Redmond Municipal Airport that restricts the height of buildings and other structures to 35 feet for areas nearest to the runway.

Physical Characteristics and Agricultural Potential

The property is relatively level with scattered lava rock outcrops. Surrounding the rock outcrops are level areas of shallow, sandy soils. Elevation ranges from 3,050 to 3,180 feet. The site is physically characterized as juniper woodland and considered rangeland. Vegetation includes western juniper and sagebrush and the soils are mostly sandy loam with basalt outcrops.

Located two miles east of the Deschutes River and nine miles south of the Crooked River, the Tract has no evidence of permanent or seasonal water and there are no water rights associated with this property. The National Wetlands Inventory Map does not identify wetlands on the Tract. There are no known sensitive, threatened or endangered plant or animal species, hazardous or solid wastes, nor wilderness values on the Tract. There are no designated flood hazard zones. There is no current or historic record of any mining activity on or near the Tract. The previous owner, BLM assessed the property's mineral potential and determined that the Tract had none.

Soils on the Tract are designated as Class VII and VIII. A vegetation survey was completed by DSL in 2007 and found no special values. The land is not recommended for dry land grazing due to a lack of water and proximity to urban uses. The Tract has never been farmed and is not suitable for agricultural production.

Archaeological and Cultural Resources

A surface survey of cultural resources was conducted in June of 2006 by DSL and two extensive archaeological surveys were completed by BLM in 1983 and 1997. These surveys indicate that the Tract was not occupied by either prehistoric or historic peoples. The Huntington Wagon Road passed through the Tract but was eliminated as an Area of Critical Environmental Concern (ACEC) by BLM because it is no longer historically significant. Isolated artifacts and historic dumping sites found during the 2006 survey are considered ubiquitous in central Oregon and not eligible for inclusion in the National Registry.

2.1.2 Planning Considerations

DSL and partner agencies considered many factors in determining the best use of the land in the South Redmond Tract. The State Land Board, through DSL, has a legal mandate for lands dedicated to the Common Schools Fund to generate the greatest potential revenues for public schools. This obligation requires DSL to make land management decisions that maximize the value of the property while practicing sound stewardship of land resources and the balancing of other public policy goals. Additionally, the site's land use context and assets informed DSL's decision to plan for urban development of the Tract.

The Tract is one of very few large, undeveloped parcels in the region that has access to rail service and is within or in close proximity to an urban area. The site is well-positioned for improved roadway access in the future. The planned extension of 19th Street to provide an alternative to US

Highway 97 between Redmond and Bend will run through the site. A secondary access road to the Pronghorn Resort, south of the Tract, will likely connect to 19th Street through or near the tract.

The Tract's location near the Redmond Municipal Airport makes it convenient for air freight and passenger travel. Development constraints resulting from a portion of the tract being in the Airport Safety Combining zone are minimal. As identified in the Redmond Comprehensive Plan, non-residential uses are most compatible with land surrounding the airport.

The Tract is adjacent to public uses and facilities that need to be expanded. OMD uses land to the east of the tract for training purposes and is seeking to relocate their training facility to be in closer proximity to the training grounds. The Deschutes County Fairgrounds and Expo Center is directly north of the Tract and needs to expand to accommodate both county fair activities and year-round events. Infrastructure built to serve industrial uses on the site can also serve these public facilities. An application to amend the Redmond UGB to include these public facility uses is being submitted concurrently with this application.

Water and wastewater infrastructure are readily available for the site through provisions of those facilities in concert with the extension of 19th Street. Gas and electric lines are also available.

These considerations led DSL to conclude the urban development of the site was feasible and would be consistent with state, regional and local policy goals.

2.1.3 Land Use Concept

DSL and partner agencies developed four alternative development concepts for the South Redmond Tract. All concepts assumed that land would be exchanged with Deschutes County for public facility uses. Two of the concepts included residential development; however, these concepts were not selected due to concerns about compatibility with the airport.

The other two concepts focused on employment uses that could meet a potential need for large-lot industrial land in the Central Oregon region. The site had several features that were scarcely available on other land in the region, including access to transportation infrastructure, lack of development constraints, and singular ownership. The preferred concept adopted elements of both employment-oriented concepts but was adjusted for the needed amount of land to be used for public facility uses adjacent to the Deschutes County Fairgrounds and ancillary commercial development supportive of large lot industrial uses. The proposed concept also maintained flexibility to accommodate a range of potential alignments for future access roads.

2.2 Central Oregon Large Lot Industrial Lands Program (2010-2015)

The South Redmond Tract was approved as one of six sites to be included in the Central Oregon Large Lot Industrial Lands (LLI) Program in May of 2015. The program is a collaboration of Central Oregon cities and counties and the Central Oregon Intergovernmental Council (COIC). The purpose of the program is to ensure the region can attract and retain traded-sector industries that require an

adequate supply of large, developable parcels of industrial land. State economic development officials have identified a supply of large lot industrial lands as one of most important statewide economic development challenges and opportunities. The sections below outline the policy basis and legal framework for the program, including the City of Redmond's application and approval for the South Redmond Tract to be included in the program.

2.2.1 Central Oregon Large Lot Industrial Land Needs Analysis

Over the last several decades, economic trends of globalization and technological change have produced demand for developable parcels of industrial land from 50 to 200 or more acres in size. The cities and counties of Central Oregon, in coordination with state economic development officials, identified this potential demand as an economic opportunity for the region in 2009-2010. Large-lot industrial development had potential to diversify the regional economy of Central Oregon and ensure greater resilience through economic downturns, such as the recession of 2009-2011. However, economic development officials found that site selectors who represent firms interested in large-lot development would not consider a location if the region did not have an adequate pool of sites of a sufficient size that were suitable and available for industrial development.

Conventional employment land needs analysis had not accounted for this specific type of industrial land need. As a result, the cities and counties of Central Oregon had not identified a sufficient number of sites nor applied appropriate zoning designations that allowed large-lot industrial uses. Under Oregon's statewide land use planning program—Oregon Administrative Rule (OAR) 660, Divisions 9 and 24—cities and counties plan for employment land at a jurisdictional level. These land need analyses ensure that each jurisdiction designates a sufficient supply of employment land in aggregate; however, the analyses do not account for the specific need for a supply of industrial parcels of a significant size of over 50 acres.

The conventional land needs analysis also does not account for the possibility for the cities and counties of Central Oregon to compete as a unified region when attempting to attract or retain firms. Due to the significant size of the large-lot industrial sites, a single city or county cannot designate a sufficient number of sites to compete with larger regions across the United States and internationally. However, a region-wide supply of large-lot industrial sites of varying sizes and characteristics could enable Central Oregon to compete on a global scale.

In response to this challenge, the cities and counties of Central Oregon collaborated to perform a regional land needs analysis that would assess the demand for this specific type of large-lot industrial land and evaluate Central Oregon's capacity to meet that demand. Deschutes County, in coordination with regional partners, completed that *Central Oregon Large Lot Industrial Land Needs Analysis (LLA)* in 2012.

The Analysis surveys broad national, state and local economic trends, outlooks and factors that affect demand for large-lot industrial land in Central Oregon. The specific trends and dynamics of the large-lot market are assessed in tandem with the strengths and challenges for this type of development in Central Oregon. The Analysis identifies a set of target industries that may find

Central Oregon suitable for large-lot development, including data centers, high technology manufacturing, and warehousing and distribution. Finally, the Analysis determines the needed characteristics of sites and estimates the short-term demand for large-lot sites in the region.

The Analysis concludes that there is an unmet need for six sites in at least three jurisdictions of Central Oregon. According to the analysis, a range of site acreages should be made available in order to provide sufficient options for prospective industries or site selectors (Table 2).

Table 2. Recommended Short-Term Competitive Large Lot Industrial Inventory¹

	50-100 ACRES	100-200 ACRES	200+ ACRES	TOTAL
Number of Sites	3	2	1	6
Jurisdictions	3	2	1	

Pursuant to OAR 660-024-0045, Large Lot Industrial Land, if the Analysis is adopted into the comprehensive plans of the counties of Central Oregon and the cities and counties of Central Oregon have entered into an Intergovernmental Agreement to implement the Analysis, the Analysis provides an adequate factual basis for a determination of need for large-lot industrial land for any participating city that adopts the Analysis into its comprehensive plan.

2.2.2 Intergovernmental Agreement with Central Oregon Intergovernmental Council and Amendments to Comprehensive Plans of Counties

The Central Oregon Large Lot Industrial Lands Program is administered by COIC. Pursuant to OAR 660-024-0045, the cities and counties of Central Oregon entered into an Intergovernmental Agreement (IGA) with COIC to administer the process of qualifying sites for inclusion in the program. The IGA was executed on April 9th, 2013 and is incorporated into this report as Exhibit A. The cities and counties of Central Oregon are authorized to enter written agreement with COIC and execute the provisions of the agreement by statute (ORS 190.010 to 190.030, 190.003, and 195.025).

In accordance with OAR 660-024-0045, the IGA defines the process by which the counties and cities of Central Oregon and COIC will identify and select sites to meet the need for large lot industrial land determined by the Analysis. The IGA stipulates, among other responsibilities, that counties shall adopt the Analysis into their comprehensive plan, cities and counties shall coordinate to identify and propose sites to COIC for inclusion in the program, and COIC shall review sites to verify they conform to the criteria defined by the Analysis and the applicable administrative rules that govern the program.

¹ Adapted from Central Oregon Large Lot Industrial Land Needs Analysis, p. 60

Following the execution of the IGA, Jefferson, Crook, and Deschutes Counties amended their comprehensive plans to adopt the Analysis and associated goals and policies in support of the Central Oregon Large Lot Industrial Lands program.

2.2.3 City of Redmond Comprehensive Plan Amendment

The City of Redmond amended its comprehensive plan to adopt the Analysis and associated goals and policies in support of the LLI program on December 10th, 2013 (City of Redmond Ordinance #2013-15). The amendment adopts the Analysis as a reference document to the comprehensive plan. Chapter 9 of the comprehensive plan (Economic Development) was amended to include goal 12 and policies 45 through 50, which recognize the importance of the large lot industrial program to the city's economic development and describe the intergovernmental coordination required to implement the program. Chapter 14 (Urbanization) was amended to include policies 27 through 31 that describe the specific process by which the city will amend the city's comprehensive plan, Urban Growth Boundary (UGB) and land use regulations in order to designate a site for inclusion in the program and subsequent large lot industrial development. This application represents the implementation of these policies.

2.2.4 City of Redmond Proposal of South Redmond Tract

The City of Redmond submitted a proposal to COIC to include the South Redmond Tract in the LLI program on April 17, 2015. The City proposed that the Tract meet the regional need for one site of 200 or more acres in size. Each component of the proposal can be found in Exhibit B. The proposal addresses all requirements for application to the program, as governed by OAR 660-024-0045 and the IGA between COIC and participating cities and counties. These requirements include the following:

1. *Submission Letter*, signed by Mayor of Redmond, that certifies the city qualifies as a participating city under OAR 660-024-0045(2)(d), has adopted the Analysis as part of the city's comprehensive plan, and is party to the IGA with COIC to participate in the LLI program.
2. *Vicinity Map and Site Map* that shows the site's location and context.
3. *Site Description Memorandum* that outlines site dimensions, development status, zoning, ownership, and other information.
4. *Property Owner Statement* that provides evidence that the owner of the site is willing to accept the provisions of the LLI program.
5. *Candidate Site Analysis Memorandum* that establishes that alternative sites located within the City of Redmond UGB are not suitable for large lot industrial development.
6. *Infrastructure Analysis Memorandum* that assesses the current and potential serviceability of the site for public utilities and infrastructure.

7. *Servicing Proposal Memorandum* that demonstrates the location of existing water and sewer lines, the willingness of the property owner to extend water and sewer lines in the future, and the specific timeline for the extension.
8. *Letters of Support* from Business Oregon and Economic Development of Central Oregon (EDCO) that provides evidence of coordination between the City and economic development partners.
9. *County Coordination Statement* from Deschutes County that demonstrates collaboration between the county and City and intent to pursue applicable comprehensive plan and zoning amendments to prepare the site for development.

On May 7, 2015, the COIC board passed a resolution finding that the application meets all the applicable requirements and approved the South Redmond Tract as a 200 plus acre site for the LLI program. This resolution is incorporated into this report as Exhibit C.

2.2.5 City of Redmond Large Lot Industrial Zone Adoption

On September 22, 2015, the City of Redmond amended the Redmond City Code, Chapter 8, Article 1, Zoning Standards, to add a Large Lot Industrial Zone (Section 8.0186 to 8.0195). The zone addresses the requirements of OAR 660-024-0045, which is intended to preserve sites designated to meet large lot industrial need by the LLI program for primarily large lot industrial development. The code stipulates that the any property within the zone cannot be rezoned to any other city zone within ten years of initial designation. Further, any proposed uses outside of traded-sector uses must either be subordinate industrial uses in support of the traded-sector use or a limited amount of service commercial or retail development that supports the traded-sector use. Pursuant to OAR 660-024-0045 and the requirements of the LLI program, this application proposes the South Redmond Tract be designated for the LLI zone.

3 Findings in Support of Urban Growth Boundary, Comprehensive Plan, and Zoning Map Amendments

This section of the report demonstrates conformity of the proposed amendment with all required and relevant approval standards. The section begins with key Statewide Planning Goals and OARs that govern UGB amendments and ends with relevant county and city plan policies and development code standards. The Master Planning Requirements for annexation into the City of Redmond are addressed in Section 3.7, alongside other provisions of the Redmond Development Code. The findings are organized as follows.

- 3.1. Statewide Planning Guidelines and OARs
 - Goal 9: Economic Development
 - Goal 12: Transportation
 - Goal 14: Urbanization
- 3.2. Other Statewide Planning Goals
- 3.3. Oregon Revised Statutes (ORS)
- 3.4. Deschutes County Comprehensive Plan
- 3.5. Deschutes County Code
- 3.6. City of Redmond Comprehensive Plan
- 3.7. City of Redmond Development Code

3.1 Statewide Planning Guidelines and Oregon Administrative Rules (OARs) for Goals 9, 12, and 14

GOAL 9: ECONOMY OF THE STATE

To provide adequate opportunities throughout the state for a variety of economic activities vital to the health, welfare, and prosperity of Oregon's citizens.

Response: This proposal directly advances the intent of Goal 9 to provide for a range of economic opportunities for Oregon's citizens. A central goal of the LLI program is to diversify and expand the economic base of Central Oregon by attracting and retaining traded-sector firms that can provide employment and business opportunities in the region. The South Redmond Tract is an important site within the implementation of the program because it will be the largest site in the regional large lot inventory and has many features that make it suitable for industrial development. This proposed UGB amendment to designate the tract for industrial development is consistent with the purpose of Goal 9.

Goal 9 specifies that comprehensive plans for urban areas shall:

- (1) Include an analysis of the community's economic patterns, potentialities, strengths, and deficiencies as they relate to state and national trends;*
- (2) Contain policies concerning the economic development opportunities in the community;*
- (3) Provide for at least an adequate supply of sites of suitable sizes, types, locations, and service levels for a variety of industrial and commercial uses consistent with plan policies;*
- (4) Limit uses on or near sites zoned for specific industrial and commercial uses to those which are compatible with proposed uses.*

Response: This proposal is consistent with these four planning requirements that direct implementation of Goal 9, as follows:

1. The *Central Oregon Large Lot Industrial Land Needs Analysis* includes an analysis of local economic conditions in relation to state and national trends.²
2. The City of Redmond amended their comprehensive plan to adopt policies in support of the economic opportunities that can be provided by large lot industrial development that is enabled by this proposal.
3. This proposal is one step towards ensuring an adequate local and regional supply of sites for industrial development, and the City demonstrated that the site has adequate service levels to support industrial and commercial uses through the proposal for the LLI program. More

² Central Oregon Large Lot Industrial Land Needs Analysis, pp. 13-26

information about the adequacy of infrastructure to serve the site is found in Section 3.2 of this document in relation to Statewide Planning Goal 11.

4. The surrounding existing and proposed mix of commercial, recreational, and public facility uses are and/or will be compatible with industrial uses. The LLI zone limits non-industrial uses on the site to those that are compatible with and support the industrial uses, including limiting non-industrial supporting uses to 5% of the total site area.³

Goal 9 Planning Guidelines

- (1) *A principal determinant in planning for major industrial and commercial developments should be the comparative advantage of the region within which the developments would be located. Comparative advantage industries are those economic activities which represent the most efficient use of resources, relative to other geographic areas.*

Response: The Analysis demonstrated that Central Oregon has a comparative advantage over other regions in attracting large lot industrial development. The region benefits from a high quality of life provided by diverse natural, recreational, and commercial amenities; quality of life is important for attracting both executives of firms and a skilled, mobile workforce. Transportation access is strong in Central Oregon as the region is a commercial hub in a larger rural area and is well-served by highways, rail lines, and commercial airports. The region also benefits from affordable and adequate water supply, affordable energy costs, and a suitable climate for specific energy-intensive industrial uses, such as data centers.

- (2) *The economic development projections and the comprehensive plan which is drawn from the projections should take into account the availability of the necessary natural resources to support the expanded industrial development and associated populations. The plan should also take into account the social, environmental, energy, and economic impacts upon the resident population.*

Response: The City of Redmond's proposal of the Tract for the LLI program considered the impact of development of the site on natural resources and the resident population. The site itself does not contain significant natural resource value. No significant natural or cultural resources or natural hazards have been identified on the site. It is not suitable for agriculture and it does not include forest land.⁴ A small portion of the site is adjacent to mixed-use rural areas that include housing, but the provisions of the LLI zone will ensure minimal impact to rural residential areas, as addressed in the findings in response to Deschutes County rural growth management policies, addressed in Section 3.4 of this report. At the same time, development of the site for large lot industrial uses will have a positive impact on residential populations by providing jobs for local and regional residents and by increasing the local tax base and ability for the City of Redmond and Deschutes County to provide needed public services and facilities to their residents.

³ Redmond Development Code, Large Lot Industrial Zone, Section 8.0186(1)(C)

⁴ South Redmond Tract Land Use and Management Plan, pp. 9-12

The Candidate Site Analysis Memorandum concluded that several alternatives sites would have a greater impact on natural resources or resident populations, and therefore excluded these sites from consideration.⁵ The proposal's impacts on specific natural resources are addressed in the findings of Section 3.2, Statewide Planning Goals 6 and 7. Additionally, some specific impacts of this UGB amendment will remain unknown until a specific development is proposed for the site. The City of Redmond has development code regulations in place to address and mitigate these impacts at the time of development.

(3) *Plans should designate the type and level of public facilities and services appropriate to support the degree of economic development being proposed.*

Response: The LLI program required jurisdictions to demonstrate that sufficient public facilities and services were available to support any proposed large lot industrial development. The Infrastructure Analysis found that the Tract had sufficient electric, natural gas, water, and telecommunications capacity. There is not currently sufficient capacity for wastewater service to the SRT, but DSL has agreed to finance the construction of facilities necessary to establish sufficient service capacity. The provisions of this agreement are established in a Memorandum of Understanding (MOU) between DSL and the City of Redmond. Further information on this topic is addressed in Section 3.2 of this report, Statewide Planning Goal 11. The capacity of transportation facilities is addressed in findings under Section 3.2, Statewide Planning Goal 12 of this report.

(4) *Plans should strongly emphasize the expansion of and increased productivity from existing industries and firms as a means to strengthen local and regional economic development.*

Response: The LLI analysis and program is designed to both attract new firms from outside the region and enable existing firms to remain in the region as they grow and expand. The specific users or tenants of the Tract may include both firms from outside the region and existing firms that need a larger space or additional location. Additionally, the attraction of firms from outside the region will support the expansion and increased productivity of existing firms. Large firms that compete in traded-sector industries can provide business opportunities to local suppliers, attract a skilled labor force to the region, and improve general local economic conditions. Lastly, efforts to support existing firms are well-established and will not be diminished by this proposal.

(5) *Plans directed toward diversification and improvement of the economy of the planning area should consider as a major determinant, the carrying capacity of the air, land and water resources of the planning area. The land conservation and development actions provided for by such plans should not exceed the carrying capacity of such resources.*

Response: The carrying capacity of air, land, and water resources has been considered throughout the development of this proposal. The City of Redmond's application to the LLI program

⁵ Exhibit B: Candidate Site Analysis Memorandum, City of Redmond Application to Large Lot Industrial Lands Program, pp. 2-5

demonstrated that sufficient water resources are available to serve the proposed uses on the site.⁶ Alternative sites for which development would have a greater impact on these resources were removed from consideration during the Candidate Site Analysis. The proposal's impacts on specific air, land and water resources are addressed in the findings related to Statewide Planning Goals 5 and 6 (Section 3.2). As noted under guideline two of this section, some specific impacts of this UGB amendment on air, land and water resources will remain unknown until a specific development is proposed for the site. The City of Redmond has development code regulations in place to address and mitigate these impacts at the time of development. In addition, state and federal regulations administered by the US Environmental Protection Agency and Oregon Department of Environmental Quality regulate impacts on air resources to ensure clean air and will apply to any future development located on the subject site.

OAR 660-009-0010, Application

(1) This division applies to comprehensive plans for areas within urban growth boundaries. This division does not require or restrict planning for industrial and other employment uses outside urban growth boundaries. Cities and counties subject to this division must adopt plan and ordinance amendments necessary to comply with this division.

Response: The requirements of the administrative rules under Goal 9 (OAR 660, Division 9) do not apply to this proposal. The provisions of OAR 660-024-040 and OAR 660-024-045 define an alternative process for addressing the purpose of these requirements—including the Economic Opportunities Analysis (EOA), land needs determination, and designation of lands for industrial and employment uses—for the specific need for large-lot industrial lands for the cities and counties of Central Oregon. This alternative process includes all of the steps of an EOA and land needs determination provided under Division 9, but enables the cities and counties of Central Oregon to complete these steps in a regionally coordinated manner. This regional coordination is critical to the ability of the region to compete effectively with other regions to attract and retain large-lot industrial development. This proposal's conformance with this alternative process is described under the Goal 14 section of this report.

⁶ Exhibit B: Infrastructure Analysis Memorandum, City of Redmond Application to Large Lot Industrial Lands Program, p. 2

GOAL 12: TRANSPORTATION

To provide and encourage a safe, convenient and economic transportation system.

Response: The transportation impacts of the proposed UGB amendment were analyzed for their impact on the local and regional transportation system. The results of this analysis are documented in the Transportation Analysis Memorandum (Exhibit F). DSL, the City of Redmond, Deschutes County, and ODOT coordinately closely with project consultants on the methodology of the study. The study concluded that significant impacts on the transportation system of the proposed amendment would be mitigated by construction of planned improvements, with the exception of the impact to the SW 21st Street/SE Airport Way intersection. The impacts to this intersection can be mitigated through the construction of a center median on SE Airport Way. Further details regarding the methodology, assumptions and findings of the study are provided in Transportation Analysis Memorandum (Exhibit F).

OAR 660-012-0060, Plan and Land Use Regulation Amendments

- (1) *If an amendment to a functional plan, an acknowledged comprehensive plan, or a land use regulation (including a zoning map) would significantly affect an existing or planned transportation facility, then the local government must put in place measures as provided in section (2) of this rule, unless the amendment is allowed under section (3), (9) or (10) of this rule. A plan or land use regulation amendment significantly affects a transportation facility if it would:*
- (a) *Change the functional classification of an existing or planned transportation facility (exclusive of correction of map errors in an adopted plan);*
 - (b) *Change standards implementing a functional classification system; or*
 - (c) *Result in any of the effects listed in paragraphs (A) through (C) of this subsection based on projected conditions measured at the end of the planning period identified in the adopted TSP. As part of evaluating projected conditions, the amount of traffic projected to be generated within the area of the amendment may be reduced if the amendment includes an enforceable, ongoing requirement that would demonstrably limit traffic generation, including, but not limited to, transportation demand management. This reduction may diminish or completely eliminate the significant effect of the amendment.*
 - (A) *Types or levels of travel or access that are inconsistent with the functional classification of an existing or planned transportation facility;*
 - (B) *Degrade the performance of an existing or planned transportation facility such that it would not meet the performance standards identified in the TSP or comprehensive plan; or*

- (C) *Degrade the performance of an existing or planned transportation facility that is otherwise projected to not meet the performance standards identified in the TSP or comprehensive plan.*
- (2) *If a local government determines that there would be a significant effect, then the local government must ensure that allowed land uses are consistent with the identified function, capacity, and performance standards of the facility measured at the end of the planning period identified in the adopted TSP through one or a combination of the remedies listed in (a) through (e) below, unless the amendment meets the balancing test in subsection (2)(e) of this section or qualifies for partial mitigation in section (11) of this rule. A local government using subsection (2)(e), section (3), section (10) or section (11) to approve an amendment recognizes that additional motor vehicle traffic congestion may result and that other facility providers would not be expected to provide additional capacity for motor vehicles in response to this congestion.*
- (a) *Adopting measures that demonstrate allowed land uses are consistent with the planned function, capacity, and performance standards of the transportation facility.*
- (b) *Amending the TSP or comprehensive plan to provide transportation facilities, improvements or services adequate to support the proposed land uses consistent with the requirements of this division; such amendments shall include a funding plan or mechanism consistent with section (4) or include an amendment to the transportation finance plan so that the facility, improvement, or service will be provided by the end of the planning period.*
- (c) *Amending the TSP to modify the planned function, capacity or performance standards of the transportation facility.*
- (d) *Providing other measures as a condition of development or through a development agreement or similar funding method, including, but not limited to, transportation system management measures or minor transportation improvements. Local governments shall, as part of the amendment, specify when measures or improvements provided pursuant to this subsection will be provided.*
- (e) *Providing improvements that would benefit modes other than the significantly affected mode, improvements to facilities other than the significantly affected facility, or improvements at other locations, if:*
- (A) *The provider of the significantly affected facility provides a written statement that the system-wide benefits are sufficient to balance the significant effect, even though the improvements would not result in consistency for all performance standards;*
- (B) *The providers of facilities being improved at other locations provide written statements of approval; and*

- (C) *The local jurisdictions where facilities are being improved provide written statements of approval.*
- (3) *Notwithstanding sections (1) and (2) of this rule, a local government may approve an amendment that would significantly affect an existing transportation facility without assuring that the allowed land uses are consistent with the function, capacity and performance standards of the facility where:*
- (a) *In the absence of the amendment, planned transportation facilities, improvements and services as set forth in section (4) of this rule would not be adequate to achieve consistency with the identified function, capacity or performance standard for that facility by the end of the planning period identified in the adopted TSP;*
 - (b) *Development resulting from the amendment will, at a minimum, mitigate the impacts of the amendment in a manner that avoids further degradation to the performance of the facility by the time of the development through one or a combination of transportation improvements or measures;*
 - (c) *The amendment does not involve property located in an interchange area as defined in paragraph (4)(d)(C); and*
 - (d) *For affected state highways, ODOT provides a written statement that the proposed funding and timing for the identified mitigation improvements or measures are, at a minimum, sufficient to avoid further degradation to the performance of the affected state highway. However, if a local government provides the appropriate ODOT regional office with written notice of a proposed amendment in a manner that provides ODOT reasonable opportunity to submit a written statement into the record of the local government proceeding, and ODOT does not provide a written statement, then the local government may proceed with applying subsections (a) through (c) of this section.*
- (4) *Determinations under sections (1)–(3) of this rule shall be coordinated with affected transportation facility and service providers and other affected local governments.*

[...]

Response: As demonstrated in the analysis and findings presented in the Transportation Analysis Memorandum (Exhibit F), the increase in weekday PM peak hour trips associated with the LLI site would constitute a significant impact at two intersections, including 21st Street/Airport Way as well as at Canal Boulevard/Yew Avenue. As noted in the study, the provision of a median restricting 21st Street at its intersection to right-in-right-out movements would mitigate the significant effect. The provision of a median at this intersection should be further evaluated as part of the City's TSP Update as well. The improvements required at the Canal Boulevard/Yew Avenue intersection would have significant right-of-way and property impacts, requiring further analysis as part of the City's TSP update.

All other intersections studied either have (1) no significant effect or (2) have improvements that are considered reasonably funded by ODOT. Further, all improvements have been coordinated with the County, City, ODOT and DSL. For this reason, all four affected criteria are addressed.

(5) *The presence of a transportation facility or improvement shall not be a basis for an exception to allow residential, commercial, institutional or industrial development on rural lands under this division or OAR 660-004-0022 and 660-004-0028.*

Response: This application does not propose a Goal 2 exception; therefore, this section is not applicable.

(6) *In determining whether proposed land uses would affect or be consistent with planned transportation facilities as provided in sections (1) and (2), local governments shall give full credit for potential reduction in vehicle trips for uses located in mixed-use, pedestrian-friendly centers, and neighborhoods as provided in subsections (a)–(d) below;*

[...]

Response: The proposed uses are not located in a mixed-use, pedestrian-friendly center as defined by this section; therefore, this section is not applicable.

(7) *Amendments to acknowledged comprehensive plans and land use regulations which meet all of the criteria listed in subsections (a)–(c) below shall include an amendment to the comprehensive plan, transportation system plan the adoption of a local street plan, access management plan, future street plan or other binding local transportation plan to provide for on-site alignment of streets or accessways with existing and planned arterial, collector, and local streets surrounding the site as necessary to implement the requirements in OAR 660-012-0020(2)(b) and 660-012-0045(3):*

- (a) *The plan or land use regulation amendment results in designation of two or more acres of land for commercial use;*
- (b) *The local government has not adopted a TSP or local street plan which complies with OAR 660-012-0020(2)(b) or, in the Portland Metropolitan Area, has not complied with Metro's requirement for street connectivity as contained in Title 6, Section 3 of the Urban Growth Management Functional Plan; and*
- (c) *The proposed amendment would significantly affect a transportation facility as provided in section (1).*

Response: The proposed amendment does not include a commercial use and the City of Redmond has adopted a TSP; therefore, the amendment does not meet all of these criteria and this section is not applicable.

(8) *A "mixed-use, pedestrian-friendly center or neighborhood" for the purposes of this rule, means:*

[...]

Response: The proposed amendment is not located in a mixed-use, pedestrian-friendly center or neighborhood as defined by this section; therefore, this section is not applicable.

- (9) *Notwithstanding section (1) of this rule, a local government may find that an amendment to a zoning map does not significantly affect an existing or planned transportation facility if all of the following requirements are met.*
- (a) *The proposed zoning is consistent with the existing comprehensive plan map designation and the amendment does not change the comprehensive plan map;*
 - (b) *The local government has an acknowledged TSP and the proposed zoning is consistent with the TSP; and*
 - (c) *The area subject to the zoning map amendment was not exempted from this rule at the time of an urban growth boundary amendment as permitted in OAR 660-024-0020(1)(d), or the area was exempted from this rule but the local government has a subsequently acknowledged TSP amendment that accounted for urbanization of the area.*

Response: The proposed amendment is not consistent with the existing comprehensive plan map designation for the area; therefore, this section is not applicable and an analysis of the transportation impacts of the amendment is provided in Exhibit H.

- (10) *Notwithstanding sections (1) and (2) of this rule, a local government may amend a functional plan, a comprehensive plan or a land use regulation without applying performance standards related to motor vehicle traffic congestion (e.g. volume to capacity ratio or V/C), delay or travel time if the amendment meets the requirements of subsection (a) of this section. This section does not exempt a proposed amendment from other transportation performance standards or policies that may apply including, but not limited to, safety for all modes, network connectivity for all modes (e.g. sidewalks, bicycle lanes) and accessibility for freight vehicles of a size and frequency required by the development.*
- (a) *A proposed amendment qualifies for this section if it:*
 - (A) *Is a map or text amendment affecting only land entirely within a multimodal mixed-use area (MMA); and*
 - (B) *Is consistent with the definition of an MMA and consistent with the function of the MMA as described in the findings designating the MMA.*

[...]

Response: The proposed amendment is not located in an MMA as defined by this section; therefore, this section is not applicable.

- (11) *A local government may approve an amendment with partial mitigation as provided in section (2) of this rule if the amendment complies with subsection (a) of this section, the amendment*

meets the balancing test in subsection (b) of this section, and the local government coordinates as provided in subsection (c) of this section.

Response: The Transportation Analysis Memorandum identifies improvements that would fully mitigate the effects of the amendment; therefore, it is not necessary to apply this provision for partial mitigation and the section is not applicable.

GOAL 14: URBANIZATION

“To provide for an orderly and efficient transition from rural to urban land use, to accommodate urban population and urban employment inside urban growth boundaries, to ensure efficient use of land, and to provide for livable communities.”

Response: The purpose and intent of Goal 14 was considered throughout the development of this proposed UGB amendment. The proposal provides for orderly and efficient transition to urban land uses because the site is directly adjacent to the City of Redmond’s existing UGB, can be served by a direct extension of existing public facilities, and because the proposed use of the site for large-lot industrial development is suitable and compatible with existing uses in the area. The proposal accommodates the need for employment in an accessible location. The demonstrated economic benefits of large-lot industrial development and the development standards and other provisions of the LLI zone will ensure an efficient use of land. The proposal generally contributes to livable communities by increasing employment opportunities; the specific contributions to livability needs are addressed in other findings throughout this report, including conformance with Statewide Planning Goal 12 and the Great Neighborhood Principles provided under the City of Redmond’s Master Planning Requirements (Section 3.2 and 3.7)

Urban Growth Boundaries

Urban growth boundaries shall be established and maintained by cities, counties and regional governments to provide land for urban development needs and to identify and separate urban and urbanizable land from rural land. Establishment and change of urban growth boundaries shall be a cooperative process among cities, counties and, where applicable, regional governments. An urban growth boundary and amendments to the boundary shall be adopted by all cities within the boundary and by the county or counties within which the boundary is located, consistent with intergovernmental agreements, except for the Metro regional urban growth boundary established pursuant to ORS chapter 268, which shall be adopted or amended by the Metropolitan Service District.

Response: This proposal conforms to established processes for designating and amending the UGB of the City of Redmond. The proposal is a result of a cooperative process between DSL, the City of Redmond, Deschutes County, and other agencies and jurisdictions participating in the regional LLI program. The UGB amendment is proposed for adoption to both the City of Redmond and Deschutes

County, in accordance with the provisions of the UGB Joint Management Agreement between the city and county.

Land Need

Establishment and change of urban growth boundaries shall be based on the following:

- (1) *Demonstrated need to accommodate long range urban population, consistent with a 20-year population forecast coordinated with affected local governments; and:*

Response: The Analysis demonstrates a need to accommodate employment opportunities for the long-range population growth anticipated for the Central Oregon region. The cities and counties of Central Oregon were projected to grow at an annual pace of 2.1 percent over the 20-year period from 2010 to 2030, adding 45,000 new residents by 2020.⁷

While the regional analysis considered future population growth, the analysis is regional in nature and is governed by state requirements specific to the Central Oregon regional large lot industrial analysis. As a result, this proposal does not need to meet the state requirements to demonstrate a local need to accommodate a 20-year supply of residential land. In addition, because the proposed expansion area will be used to meet future employment needs, state requirements associated with residential land need and housing are not applicable to this application.

- (2) *Demonstrated need for housing, employment opportunities, livability or uses such as public facilities, streets and roads, schools, parks or open space, or any combination of the need categories in this subsection (2). In determining need, local government may specify characteristics, such as parcel size, topography or proximity, necessary for land to be suitable for an identified need. Prior to expanding an urban growth boundary, local governments shall demonstrate that needs cannot reasonably be accommodated on land already inside the urban growth boundary.*

Response: The Analysis demonstrates a need for employment opportunities to accommodate population growth. At the time of the Analysis, the average unemployment rate within Central Oregon counties was 15 percent, significantly higher than the statewide and national average.⁸ In order to meet this need, the Analysis specifies characteristics of sites necessary for land to be suitable for large-lot industrial development. The City of Redmond applied these site characteristics in the land inventory that concluded the South Redmond Tract was suitable to meet the need for large-lot industrial land. The Candidate Site Analysis considered sites already inside the urban growth boundary and found these lands did not meet the site characteristics and were therefore not suitable to meet the regional need for large-lot industrial land.⁹

⁷ Central Oregon Large Lot Industrial Land Needs Analysis, p. 27

⁸ Central Oregon Large Lot Industrial Land Needs Analysis, p. 26

⁹ Exhibit B: Candidate Site Analysis Memorandum, City of Redmond Application to Large Lot Industrial Lands Program, pp. 2-5

While the regional analysis considered future employment growth, the analysis is regional in nature and is governed by state requirements specific to the Central Oregon regional large lot industrial analysis. As a result, this proposal does not need to meet the state requirements to demonstrate a local need to accommodate a 20-year supply of employment land.

Boundary Location

The location of the urban growth boundary and changes to the boundary shall be determined by evaluating alternative boundary locations consistent with ORS 197.298 and with consideration of the following factors:

Response: Alternative locations to meet the need for proposed large-lot industrial land within the City of Redmond were evaluated through a Candidate Site Analysis and Infrastructure Analysis. The following factors were considered in those analyses.

(1) Efficient accommodation of identified land needs;

Response: The Candidate Site Analysis was limited to tracts of land that (1) met the identified need for a site of at least 200 acres in size and (2) was located within the existing UGB, within a City of Redmond Urban Reserve Area, or directly adjacent to the existing UGB. By limiting the analysis to these areas and excluding areas further removed from existing urban development, the City sought to efficiently accommodate the identified land need. More detailed information regarding the suitability of sites within the UGB and the comparative analysis of sites outside the UGB can be found in Section 3.1 of this report, in the findings in response to OAR 660-0024-0045.

(2) Orderly and economic provision of public facilities and services;

Response: The Infrastructure Analysis found that public facilities and services could be provided to the site in an orderly and economic fashion. More detailed information related to public facilities and services can be found in Section 3.2 of this report, under the findings in response to Statewide Planning Goals 11 and 12.

(3) Comparative environmental, energy, economic and social consequences; and

Response: The City of Redmond considered the relative environmental, energy, economic and social consequences of development of the site through the Candidate Site Analysis and Infrastructure Analysis, as detailed below.

- *Environmental consequences.* One candidate site was removed from the analysis due to potential environmental consequences because it contained 99 acres of natural resource land identified under Goal 5.¹⁰ The South Redmond Tract was partially selected over the East Redmond site because transportation access to the Tract is less constrained and may result in fewer environmental consequences. The South Redmond Tract was also found to be in a

¹⁰ Exhibit B: Candidate Site Analysis Memorandum, City of Redmond Application to Large Lot Industrial Lands Program, p. 3

more central and accessible location for the regional workforce. As noted in findings associated with Statewide Planning Goal 5 (Section 3.2) no significant natural resources have been identified on the site, with the exception of a County scenic corridor overlay zone. As a result, there are no significant environmental consequences associated with development of this site, making it preferable to other potential alternative sites.

- *Energy consequences.* The relative transportation efficiencies of the Tract compared to alternative candidate sites will conserve energy resources. Additionally, the construction of infrastructure to serve the site may use less energy than the East Redmond site, which required a longer extension of water and wastewater infrastructure.¹¹
- *Economic consequences.* The proposed UGB amendment is part of an economic development strategy and program for the Central Oregon region. Future large-lot industrial development of the site will generate employment and business opportunities for residents of the region. Relative to other candidate sites, the South Redmond Tract is more marketable and prepared for industrial development, so the economic benefits of the development may be realized more quickly and be more significant.
- *Social consequences.* Approximately 1,400 acres of land designated for non-industrial uses in the East Redmond Framework Area—including residential, open space, and commercial mixed-use—were excluded from the Candidate Site Analysis partly due to the potential consequences of displacing this land previously identified for other social needs, including housing, parks, and commercial services.

(4) Compatibility of the proposed urban uses with nearby agricultural and forest activities occurring on farm and forest land outside the UGB.

Response: There are no active farm or forest activities near the South Redmond Tract. The land to the south and east of the Tract is zoned for Exclusive Farm Use, but is not suitable or used for agriculture due to poor soil quality and lack of irrigation rights for the land. As a result, development of the site would be compatible with farm and forest use outside the UGB. Additional findings associated with Statewide Goal 3 (Farmland) are found in Section 3.2 of this document.

Urbanizable Land

Land within urban growth boundaries shall be considered available for urban development consistent with plans for the provision of urban facilities and services. Comprehensive plans and implementing measures shall manage the use and division of urbanizable land to maintain its potential for planned urban development until appropriate public facilities and services are available or planned.

¹¹ Exhibit B: Candidate Site Analysis Memorandum, City of Redmond Application to Large Lot Industrial Lands Program, p. 2

Response: The requirements of the LLI zone will ensure that the use and division of the land within the South Redmond Tract is consistent with the planned large-lot industrial development. The zone requires that the lot remain the size of its original minimum designation approved by COIC under the LLI program until a primary user is sited. The zone requires a minimum lot size of 50 acres for all subsequent development in order to preserve remaining land within the tract for large-lot industrial uses. Subordinate industrial uses must also allow and support the primary traded-sector use. Any non-industrial uses, such as service commercial or retail, must be an accessory to or in support of the industrial use, and are limited to a 5,000 square feet or 5 percent of the net developable area of the site. Lastly, any property designated under for the LLI zone cannot be rezoned until ten years after the initial designation.¹²

Unincorporated Communities

Single-Family Dwellings in Exception Areas

Rural Industrial Development

Response: These three provisions of the Goal 14 planning guidelines are not applicable to this proposal. The proposed amendment is not located within an unincorporated community and does not propose single-family residential uses. The proposal is not considered rural industrial development because it is proposed for the site to be included within the City of Redmond UGB.

OAR 660-024-0020, Adoption or Amendment of a UGB

- (1) *All statewide goals and related administrative rules are applicable when establishing or amending a UGB, except as follows:*
- (a) *The exceptions process in Goal 2 and OAR chapter 660, division 4, is not applicable unless a local government chooses to take an exception to a particular goal requirement, for example, as provided in OAR 660-004-0010(1);*

Response: This proposal does not seek a goal exception and therefore these provisions are not applicable to this application.

- (b) *Goals 3 and 4 are not applicable;*

Response: Goals 3 and 4 are not applicable.

- (c) *Goal 5 and related rules under OAR chapter 660, division 23, apply only in areas added to the UGB, except as required under OAR 660-023-0070 and 660-023-0250;*

¹² City of Redmond Development Code, Large Lot Industrial Zone, Section 8.0186-8.0195

Response: As described in foregoing findings under Goal 5, in section 3.2 of this report, it is proposed that the Goal 5 scenic resources impacted by this proposal be removed from the Deschutes County inventory of Goal 5 resources.

- (d) *The transportation planning rule requirements under OAR 660-012-0060 need not be applied to a UGB amendment if the land added to the UGB is zoned as urbanizable land, either by retaining the zoning that was assigned prior to inclusion in the boundary or by assigning interim zoning that does not allow development that would generate more vehicle trips than development allowed by the zoning assigned prior to inclusion in the boundary;*

Response: Concurrent with the proposed UGB expansion, an urban zoning designation of Large Lot Industrial use will be applied to the subject property. As a result, these exceptions do not apply to this proposal; therefore, this provision of the transportation planning rule is applicable. Consistency with additional provisions of the Transportation Planning Rule are found in Section 3.1 under the findings for Statewide Planning Goal 12.

- (e) *Goal 15 is not applicable to land added to the UGB unless the land is within the Willamette River Greenway Boundary;*

Response: The proposal is not located within the Willamette River Greenway Boundary; therefore, Goal 15 is not applicable.

- (f) *Goals 16 to 18 are not applicable to land added to the UGB unless the land is within a coastal shorelands boundary;*

Response: The proposal is not located within the coastal shorelands boundary; therefore, Goals 16 through 18 are not applicable.

- (g) *Goal 19 is not applicable to a UGB amendment.*

Response: Goal 19 is not applicable.

- (2) *The UGB and amendments to the UGB must be shown on the city and county plan and zone maps at a scale sufficient to determine which particular lots or parcels are included in the UGB. Where a UGB does not follow lot or parcel lines, the map must provide sufficient information to determine the precise UGB location.*

Response: The maps incorporated into this report display specific lots, including boundary lines and identification numbers, that are proposed to be included in the UGB.¹³

¹³ See Exhibit B: Vicinity Map and Site Map, City of Redmond Application to Large Lot Industrial Lands Program and Exhibit E: Master Development Plan Map

OAR 660-024-0040, Land Need

- (1) *The UGB must be based on the appropriate 20-year population forecast for the urban area as determined under Rules in OAR 660, div 32, and must provide for needed housing, employment and other urban uses such as public facilities, streets and roads, schools, parks and open space over the 20-year planning period consistent with the land need requirements of Goal 14 and this rule. The 20-year need determinations are estimates which, although based on the best available information and methodologies, should not be held to an unreasonably high level of precision. Local governments in Crook, Deschutes or Jefferson Counties may determine the need for Regional Large-Lot Industrial Land by following the provisions of OAR 660-024-0045 for areas subject to that rule.*

Response: This UGB amendment is proposed to meet the need for Regional Large-Lot Industrial Land in Crook, Deschutes, and Jefferson Counties. As the City of Redmond is a local government within Deschutes County, the provisions of OAR 660-024-0045 were followed to determine this land need. Therefore, the subsequent provisions of OAR 660-024-0040 are not applicable to this UGB amendment.

OAR 660-024-0045, Large Lot Industrial Land

- (1) *Local governments in Crook, Deschutes or Jefferson Counties may determine a need for large lot industrial land in the region and provide sites to meet that need in accordance with this rule.*

Response: The City of Redmond is a local government in Deschutes County; therefore, the City is qualified to provide sites to meet the need for large-lot industrial land in the region. This UGB amendment proposes the South Redmond Tract meet the identified need for one site in the region that is 200 acres or greater in size, in accordance with the provisions of this rule.

- (2) *In addition to the definitions in OAR 660-024-0010, the following definitions apply to this rule:*
- (a) *“Analysis” means the document that determines the regional large lot industrial land need within Crook, Deschutes, or Jefferson County that is not met by the participating local governments’ comprehensive plans at the time the analysis is adopted. The analysis shall also identify necessary site characteristics of needed land.*
 - (b) *“COIC” means the Central Oregon Intergovernmental Council.*
 - (c) *“Intergovernmental Agreement (IGA)” means the document adopted by the three counties and any participating city to implement the provisions of the analysis.*
 - (d) *“Participating city” means a city within Crook, Deschutes, or Jefferson County that has adopted the analysis and entered into the intergovernmental agreement to implement the provisions of the analysis.*
 - (e) *“Participating local government” means Crook, Deschutes, and Jefferson Counties, and participating cities.*

- (f) *“Regional large lot industrial land need” means the need for a specific type of 20-year employment land need, as described in OAR 660-024-0040(1) and (5), that is determined based upon the analysis.*
- (g) *“Site” means land in the region that:*
 - (A) *Provides the site characteristics necessary for traded sector uses as set forth in the analysis;*
 - (B) *Is 50 acres or larger as provided in section (3) of this rule; and*
 - (C) *Is determined to be "available," as that term is defined in OAR 660-009-0025(7), for regional large-lot industrial users and for purposes identified by the analysis.*
- (h) *“Site characteristics” has the meaning given that term in OAR 660-009-0005(1).*
- (i) *“Traded Sector use” has the meaning given that term in ORS 285B.280.*

Response: This section defines multiple terms specific to implementation of this rule and the LLI program. The use of these terms within this report is consistent with the definitions prescribed in this section.

- (3) *For purposes of subsection (2)(g) of this rule, a large lot is at least 50 acres if it is:*
 - (a) *A single lot, parcel that is at least 50 acres,*
 - (b) *An aggregation of existing lots or parcels under the same ownership that comprises at least 50 acres, or*
 - (c) *An aggregation of existing lots or parcels not in the same ownership created and maintained as a unit of land comprising at least 50 acres through a binding agreement among the owners.*

Response: The South Redmond Tract totals approximately 945 acres in size under the sole ownership of the Department of State Lands; therefore, the site meets the definition of a large lot under subsection 3(b) of this rule.¹⁴

- (4) *Participating local governments may adopt the analysis and implement its provisions. The analysis may demonstrate a need for six vacant, suitable and available sites in the region, and up to three additional sites that may be designated in order to replace one of the original six sites that is developed or committed to development as provided in section (12) of this rule. The original six sites must include two sites of at least 100 acres and not more than 200 acres, and one site more than 200 acres.*

Response: The Analysis was adopted into the comprehensive plans of Deschutes County and the City of Redmond, as participating local governments. This UGB amendment proposes the South

¹⁴ South Redmond Tract Land Use and Management Plan, p. 3

Redmond Tract meet the need for one site in the region that is more than 200 acres in size, in accordance with the Analysis.

- (5) *If a participating city adopts the analysis, it is deemed to provide an adequate factual basis for the determination of regional large lot industrial land need for that city provided:*
- (a) *The city and other participating local governments have entered into an intergovernmental agreement with the COIC, and*
 - (b) *The analysis is adopted by Crook, Deschutes and Jefferson Counties.*

Response: The Analysis is an in-depth study of the economic trends that are causing demand for large-lot industrial land and the Central Oregon region's capacity to attract this type of development. The Analysis surveys broad national, state and local economic trends, outlooks and factors that affect demand for large-lot industrial land in Central Oregon. The specific trends and dynamics of the large-lot market are assessed in tandem with the strengths and challenges for this type of development in Central Oregon. The Analysis identifies a set of target industries that may find Central Oregon suitable for large-lot development, including data centers, high technology manufacturing, and warehousing and distribution. Finally, the Analysis determines the needed characteristics of sites and estimates the short-term demand for large-lot sites in the region.

The City of Redmond adopted the Analysis through Ordinance No. 2013-15 and entered into an intergovernmental agreement with COIC on May 9, 2013 (Exhibit A). The analysis was adopted by Crook, Deschutes, and Jefferson Counties. Therefore, the provisions of subsections 5(a) and 5(b) are met; therefore, the Analysis is deemed to provide an adequate factual basis for the determination of regional large lot industrial land need for the City of Redmond.

- (6) *Participating cities may adopt the analysis and enter into the intergovernmental agreement without amending the Economic Opportunities Analysis adopted by the city prior to the adoption of the analysis.*

Response: The City of Redmond has adopted the analysis and entered into the intergovernmental agreement with COIC without amending the Economic Opportunities Analysis previously adopted by the City in 2005.

- (7) *The intergovernmental agreement shall describe the process by which the COIC shall coordinate with participating local governments in:*
- (a) *The determination of a qualifying site that a participating city may designate in order to satisfy the regional large lot industrial land need; and*

Response: Section 3 of the intergovernmental agreement describes the process by which the COIC shall coordinate with participating local governments to qualify and designate a site to meet the regional large lot industrial land need.

- (b) *The allocation of the qualifying sites among the participating cities in accordance with section (4) of this rule.*

Response: The intergovernmental agreement describes how the qualifying sites are to be allocated among participating cities, in accordance with this rule.¹⁵ This section states that the six sites are (1) located in at least three separate jurisdictions and (2) include two sites of at least 100 acres and not more than 200 acres, and one site of more than 200 acres. The South Redmond Tract is proposed to meet the need for the one site of more than 200 acres.

(8) *A participating city may amend its comprehensive plan and land use regulations, including urban growth boundaries (UGB), in order to designate a site in accordance with the requirements of this rule, other applicable laws and the intergovernmental agreement, as follows:*

(a) *A participating city must show whether a suitable and available site is located within its existing UGB. If a participating city determines that a suitable site already exists within the city's urban growth boundary, that site must be designated to meet the regional industrial land need. Cities shall not be required to evaluate lands within their UGB designated to meet local industrial land needs.*

Response: The City of Redmond performed a Candidate Site Analysis and sought the involvement of property owners of potential sites in order to evaluate sites that were potentially suitable and available for large lot industrial development. The City found that no sites within the City's existing UGB were suitable and available for large lot industrial development.

Pursuant to the LLI Analysis, the City found that a single regional site of over 200 acres should be located in the southern or eastern areas of Redmond, due to known infrastructure and land use compatibility considerations¹⁶. The Candidate Site Analysis identified several contiguous land areas of 200 acres or more within and outside the City's UGB in the southern and eastern quadrants of the city. Within these areas, the City identified nine parcels within the existing UGB that could meet the criteria for a site of 200 acres or more, independently or in assembly with other parcels. The parcels were determined not suitable or available for large lot industrial development as follows.¹⁷

- Three parcels were determined not available for development because they were inside the security fence of the Redmond Municipal Airport and thus cannot be developed due to Federal Aviation Administration (FAA) regulations.
- One additional parcel was adjacent to one these three parcels, but was only 24 acres in size, and assembly with the larger adjacent parcel was not an option because development of the larger parcel was not permitted under FAA regulations.
- One parcel that contained industrial land was determined not suitable because it also included significant acreage of land zoned for open space and commercial uses. The remaining 104

¹⁵ Exhibit A: Intergovernmental Agreement with Central Oregon Intergovernmental Council, p. 4

¹⁶ Central Oregon Large Lot Industrial Land Needs Analysis, p. 61

¹⁷ Exhibit B: Candidate Site Analysis Memorandum, City of Redmond Application to Large Lot Industrial Lands Program, pp. 2-5

acres of industrial land were not contiguous and therefore do not meet the requirement for a single site of 200 acres or more.

- The remaining four parcels wholly or partly within the UGB were lands designated for industrial uses within the Redmond Eastside Framework Plan area. The Candidate Site Analysis found these sites potentially suitable for large lot industrial development. Subsequently, the City of Redmond contacted the owners of these parcels to assess their willingness to make the parcels available for large lot industrial development. The owners included Deschutes County, the Central Oregon Irrigation District, and the Redmond School District. No owners were willing to include these sites in the LLI program; therefore, the City removed these sites from consideration because the sites did not meet the criteria identified in the Analysis that the owner must be willing to sell the site at market-competitive prices and conform with other requirements of the program.

(b) If a site is not designated per subsection(a), then a participating city may evaluate land outside the UGB to determine if any suitable sites exist. If candidate sites are found, the city may amend its UGB in accordance with Goal 14, other applicable laws and the intergovernmental agreement.

Response: The Candidate Site Analysis also included lands outside the Redmond UGB. In addition to the South Redmond Tract, two of the parcels designated for industrial use within the Eastside Framework Plan area were located outside the UGB. Deschutes County owned both of these parcels. Deschutes County determined they were unwilling to commit these parcels to the requirements of the LLI program, but offered an adjacent parcel that was also within the Eastside Framework Plan and outside the UGB. This parcel was not identified in the Candidate Site Analysis because it was designated for mixed use – employment in the Eastside Framework Plan. The City of Redmond chose to consider this site and termed it the “Eastside Large Lot Industrial Site”.¹⁸

Subsequently, the City performed a reconnaissance-level Infrastructure Analysis to compare the relative advantages and disadvantages of the South Redmond Tract and the Eastside Large Lot Industrial Site. The City found that South Redmond Tract was more suitable for large lot industrial development as the site was better positioned for transportation access, including potential rail access, and was in closer proximity water and wastewater infrastructure.¹⁹

(9) A participating city that designates a site shall apply a regional large-lot industrial zone or overlay zone to the site in order to protect and maintain the site for regional large lot purposes. The zone or overlay zone must:

¹⁸ Exhibit B: Infrastructure Analysis Memorandum, City of Redmond Application to Large Lot Industrial Lands Program, p. 1

¹⁹ Exhibit B: Infrastructure Analysis Memorandum, City of Redmond Application to Large Lot Industrial Lands Program, pp. 2-4

- (a) *Include development agreements and other provisions that prevent redesignation of the site for other uses for at least 10 years from the time the site is added to the city's comprehensive plan to meet regional large lot industrial land needs;*
- (b) *Prohibit division or separation of lots or parcels within the site to new lots or parcels less than the minimum size of the site need until the site is developed with a primary traded sector use requiring a large lot; and*
- (c) *Limit allowed uses on the site to the traded sector uses, except as provided in section (10) of this rule.*

Response: The City of Redmond adopted the Large Lot Industrial Zone through Ordinance No. 2015-11. This application proposes to designate the South Redmond Tract under that zone. The zone meets the three criteria of 660-024-0045(9)(a-c) with the following provisions:

- *Minimum lot size is 50 acres. The lot must remain the size of its original minimum designation as acknowledged by the Central Oregon Intergovernmental Council until such time that a primary user is sited. (8.0186(1)(A))*
- *No property that is zoned LLI can be rezoned to another city zone within ten years of the LLI designation. (8.0186(1)(B))*
- *Allowed uses are limited to traded sector uses per ORS 285B.280, until such time that a primary traded sector user occupies the site, at that time the following uses are allowed with the following provisions...(8.0186(1)(C))*

(10) *The zone or overlay zone established under section (9) may allow:*

- (a) *Subordinate industrial uses that rely upon and support the primary traded sector use when a site is occupied by a primary traded sector use; and*
- (b) *Non-industrial uses serving primarily the needs of employees of industrial uses developed on the site provided the zone includes measures that limit the type, size and location of new buildings so as to ensure such non-industrial uses are intended primarily for the needs of such employees;*

Response: The Large Lot Industrial zone meets the two criteria of 660-024-0045(10)(a-b) with the following provisions under Section 8.0186(1)(A)(i-iii):

- *Allowed uses are limited to traded sector uses per ORS 285B.280, until such time that a primary traded sector user occupies the site, at that time the following uses are allowed with the following provisions:*
 - *Subordinate industrial uses are allowed that rely upon and support the primary traded sector use;*

- *Service commercial uses that support the traded sector uses are allowed if they are limited to 5000 square feet per use and not more than 5% of the net developable area of the site in combination with retail uses; and*
- *Retail uses are allowed only as an accessory to a traded sector use and shall be limited to 5000 square feet and not more than 5% of the net developable area of the site in combination with service commercial uses.*

(11) If a participating city adds a site to its plan pursuant to this rule, it must consider the site in any subsequent urban growth boundary evaluation conducted to determine local industrial land needs and the adequacy of land available to meet local industrial land needs.

Response: The City of Redmond recognizes this requirement and will include the South Redmond Tract in any future UGB evaluations that consider industrial land needs.

(12) A site may be considered developed or committed to industrial development if a large-lot traded sector user demonstrates a commitment to develop the site by obtaining land use approvals such as site plan review or conditional use permits, and

(a) Obtaining building permits; or

(b) Providing other evidence that demonstrates at least an equivalent commitment to industrial development of the site as is demonstrated by a building permit.

Response: The City of Redmond recognizes this requirement and will consider the South Redmond Tract as developed or committed to development at such time as these criteria are met. At this time, the site is not considered developed or committed to development.

(13) The participating local governments shall review the analysis after the regional supply of six sites has either been replenished by three additional sites or after ten years, whichever comes first.

Response: The City of Redmond recognizes this requirement and will coordinate with other participating local governments to review the Analysis when the criteria is met.

OAR 660-024-0050, Land Inventory and Response to Deficiency

OAR 660-024-0065, Establishment of Study Area to Evaluate Land for Inclusion in the UGB

OAR 660-024-0067, Evaluation of Land in the Study Area for Inclusion in the UGB; Priorities

Response: These three sections of OAR 660, Division 24, are not applicable to this UGB amendment. These sections apply to UGB amendments proposing to meet a land need identified under the process defined by OAR 660-024-0040. Pursuant to OAR 660-024-0040(1), cities in

Central Oregon may determine a specific need for regional large lot industrial land and determine the location of land to meet that need by following the requirements of OAR 660-024-0045.

3.2 Other Statewide Planning Goals

GOAL 1: CITIZEN INVOLVEMENT

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

Response: This proposed UGB amendment adhered to the citizen involvement procedures for legislative actions required by the City of Redmond Development Code, including a public hearing and notice of the hearing published in a newspaper at least ten days in advance. Public agencies affected by this amendment were involved throughout the development of the proposal. In addition, individual property owners affected by the amendment were provided notice of the proposed amendment and hearing.

GOAL 2: LAND USE PLANNING

To establish a land use planning process and policy framework as a basis for all decision and actions related to use of land and to assure an adequate factual base for such decisions and actions.

Response: This application was submitted to both the City of Redmond and Deschutes County in accordance with the land use planning processes established by these jurisdictions. The proposal is supported by a factual base of economic analyses, land suitability studies, and transportation analyses that are consistent with state, regional and local requirements for decisions related to UGB amendments.

GOAL 3: AGRICULTURAL LANDS

To preserve and maintain agricultural lands.

Response: The subject property is zoned Exclusive Farm Use (EFU) in the Alfafa Subzone by Deschutes County, but the land has never been farmed and is not suitable for agricultural production. Soils on the property are designated as Class VII and VIII and the property lacks irrigation water rights. The lands zoned EFU adjacent to the property are not actively used for agricultural production due to similar constraints. If the lands were eventually used for farming in the future, the master planning requirements of the LLI zone can be implemented to ensure that agricultural operations are not affected by industrial uses on the subject site. The proposed UGB amendment meets the goal of preserving agricultural land as the property does not include viable agricultural land and can be made compatible with any future farming uses on adjacent land.

GOAL 4: FOREST LANDS

To conserve forest lands by maintaining the forest land base and to protect the state's forest economy by making possible economically efficient forest practices that assure the continuous growing and

harvesting of forest tree species as the leading use on forest land consistent with sound management of soil, air, water, and fish and wildlife resources and to provide for recreational opportunities and agriculture.

Response: The subject property does not include forest land; therefore, this goal is not applicable.

GOAL 5: OPEN SPACE, SCENIC AND HISTORIC AREAS, AND NATURAL RESOURCES

To protect natural resources and conserve scenic and historic areas and open spaces.

Response: The South Redmond Tract does not include any significant historic or natural resources. As described in Section 2.1.1 of this report, the property does not include any wetlands, habitat for sensitive, threatened or endangered plant or animal species, wilderness values, and no mineral potential or mineral rights. Historic and cultural resources surveys conducted on the site indicate that the Tract was not occupied by prehistoric or historic peoples and contains no significant historic or cultural resources.

Two small land areas on the western boundary of the Tract, west of the BNSF rail line, are currently regulated under the Deschutes County Landscape Management (LM) overlay zone. The LM overlay zone implements one element of the County's Goal 5 open space and scenic areas protection program. The LM overlay is applied to all lands within a quarter-mile of certain designated roadways, and the zone requires certain setbacks and design standards intended to preserve scenic qualities of rural and natural open spaces adjacent to the roadways. US 97 is one of the designated roadways.

The LM overlay was adopted as part of a 1992 periodic review Comprehensive Plan update by Deschutes County. The adopting ordinance specifies that the LM overlay adjacent to US 97 shall apply to the highway corridor between the northern boundary of the City of Bend to the southern boundary of the City of Redmond.²⁰ As this application proposes to expand the southern city boundary of the City of Redmond through inclusion of the property in the Redmond UGB and annexation into the City, the LM overlay zone will no longer apply. The overlay zone is intended to apply to the rural corridor between the two cities and not to the land planned for urban development within either city.

As there are no natural or historic resources designated in a Goal 5 inventory, and the scenic area protections of the LM overlay zone will not apply to the property once annexed into the City of Redmond, this proposal is consistent with Goal 5.

GOAL 6: AIR, WATER AND LAND RESOURCE QUALITY

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

²⁰ City of Redmond Ordinance No. 92-052, p.7.

Response: The Candidate Site Analysis concluded that several alternatives sites would have a greater impact on natural resources, and therefore excluded these sites from consideration. Any potential negative impacts of future development on the quality of air, water or land resources will be identified and mitigated during the development review process, as the specific impacts cannot be known until a specific development is proposed. The City of Redmond has adequate provisions in place to protect the quality of air, water, and land resources from negative impacts of new development. In addition, state and federal regulations administered by the US Environmental Protection Agency and Oregon Department of Environmental Quality regulate impacts on air resources to ensure clean air and will apply to any future development located on the subject site. Therefore, this UGB amendment is consistent with Goal 6.

GOAL 7: AREAS SUBJECT TO NATURAL DISASTERS AND HAZARDS

To protect people and property from natural hazards.

Response: There are no areas on the site that are subject to flooding or landslide activity. Wildfire hazards are not substantially different from other areas within or adjacent to the Redmond UGB, and development of the site could improve fire protection by providing access and water infrastructure. Therefore, inclusion of this site within the UGB and subsequent development will be consistent with Goal 7.

GOAL 8: RECREATIONAL NEEDS

To satisfy the recreational needs of the citizens of the state and visitors and, where appropriate, to provide for the siting of necessary recreational facilities including destination resorts.

Response: The Deschutes County Comprehensive Plan, and City of Redmond Comprehensive Plan and Parks Master Plan do not identify any existing or planned parks, trails, or other recreation areas on the subject property. In addition, no residential development will be proposed or allowed on the property, significantly limiting the need for parks or recreational facilities on the site. The Master Development Plan for the site identifies potential future trails and open space that will connect to the sports complex and County Fairgrounds facilities to the north of the site to provide both connectivity for bicycling and walking and recreational opportunities. The Master Development Plan also will identify opportunities for creation of small plazas or gathering places for future workers on the site. The associated UGB amendment to expand the Deschutes County Fairgrounds also will enhance recreational facilities for residents of the city, county, and region. These aspects of the development will result in consistency with Goal 8.

GOAL 10: HOUSING

To provide for the housing needs of citizens of the state.

Response: The South Redmond Tract is not identified as a suitable location for residential development in the City of Redmond Comprehensive Plan. The city has identified sufficient acreage

of land for future residential development outside the UGB in Urban Reserve Areas within the Eastside Framework Plan and lands to the west of the existing UGB. The City choose to exclude residential areas for the Candidate Site Analysis in order to preserve these lands for residential uses, an identified need in the City's 2005 Urbanization Study. The South Redmond Tract Land Use and Management Plan found that housing development on the tract would not be compatible with adjacent land uses, particularly the airport to the north. This UGB amendment is not proposed to meet residential land needs and will not displace land identified as needed for residential uses. Therefore, the proposal is consistent with Goal 10.

GOAL 11: PUBLIC FACILITIES AND SERVICES

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

Response: The City of Redmond evaluated infrastructure needs for serving the entire South Redmond Tract through the City's application to COIC to include the Tract in the regional large lot industrial program. A preliminary Infrastructure Analysis was included in that application. The analysis assessed the infrastructure capacity and relative efficiency of infrastructure provision compared to an alternative site east of the UGB (Exhibit B). Based on this analysis and subsequent assessments performed through updates to the City's Wastewater Master Plan and Water Master Plan, DSL agreed to finance construction of all facilities necessary to serve the site through an MOA with the City of Redmond (Exhibit B). The agreement requires that DSL construct the facilities within 180 days of approval of this amendment.

The preliminary infrastructure analysis found that there is sufficient electric, natural gas, water, transportation, and telecommunications capacity to serve the site. There is not sufficient capacity for wastewater service to the Tract using existing infrastructure. Transportation, water, and wastewater facilities will be provided along the alignment of 19th Street, an arterial street that is stubbed at the northwest corner of the site and planned for future expansion south of the site. The direct extension of 19th Street will provide a framework for orderly development of the site and future development to the south.

Water lines are available along SW 19th Street and terminate just south of SW Elkhorn Street, near the northwest corner of the Tract. The lines are 12-inch diameter and located within the service area for the Forked Horn Butte reservoir and Forked Horn Butte booster pump station. The preliminary analysis for the large lot industrial uses indicated that the existing pump stations and infrastructure may be sufficient to serve the proposed uses for the entire tract. Subsequently, the City has updated their Water Master Plan, and found that an additional booster pump and reservoir will be needed in the Forked Horne Butte service area in order to serve long-term water needs and provide adequate pressure and fire flow capacity. Pursuant to the MOA with the City, DSL has agreed to finance the construction of these improvements.

Wastewater lines are stubbed at the intersection of SW 19th Street and SW Elkhorn Street. This 12-inch line currently flows to a pump station on Yew Avenue near the Highway 97 interchange. This pump station was intended to be used for an interim period before the completion of the Far East Sewer Interceptor, and thus was not planned to provide capacity to serve all the proposed uses of the SRT. Following the preliminary analysis for the large lot industrial site application, the City updated the Wastewater Master Plan. Through modeling of the wastewater system, the City determined that approximately 670 gallon per minute (gpm) capacity is available in the Westside Sewer Interceptor (WSSI) to serve the SRT. This capacity is available at the SW 27th Street/Yew Avenue/Canal Boulevard intersection.

A new or upgraded pump station is required to deliver flow to the WSSI from the SRT. Two options were considered to provide the pump station capacity: (1) a new pump station near SW 19th/Elkhorn Avenue with a long force main to the WSSI or (2) replacing the existing pump station at SW Yew Avenue/Highway 97 and provide a shorter force main with more direct alignment to the WSSI. The Wastewater Master Plan analysis concluded that replacing the existing pump station at SW Yew Avenue/Highway 97 would be a more efficient method of serving the site.

This amendment is consistent with the purpose of Goal 11. The site will be served through a direct extension of existing public facilities. Infrastructure analyses have identified the necessary improvements to water and wastewater facilities and determined the most efficient method of serving the site. The MOA between DSL and the City of Redmond establishes that DSL will finance construction of the infrastructure in a timely manner in order to prepare the site for development.

GOAL 13: ENERGY CONSERVATION

To conserve energy.

Response: Energy efficiency was considered throughout the evaluation of potential sites to meet the need for large lot industrial development. The Candidate Site Analysis and Infrastructure Analysis found that the relative transportation efficiencies of the Tract compared to alternative sites would conserve energy resources. The construction of infrastructure to serve the site may use less energy than the alternatives East Redmond Industrial Site, which required a longer extension of water and wastewater infrastructure.

Renewable energy is one of the target industries identified by the *Central Oregon Large Lot Industrial Analysis*, including both manufacturers of renewable energy equipment—such as solar panel fabrication—and renewable energy generation, such as a solar power farm. The Analysis also identified manufacturing of wind power equipment and battery technology as examples of other renewable energy industries that may be suitable for large lot development in Central Oregon.

As the locational analysis to site this UGB amendment considered energy efficiency and a future potential use is for renewable energy industries, this proposal is consistent with Goal 13.

GOAL 15: WILLAMETTE RIVER GREENWAY; GOAL 16: ESTUARINE RESOURCES; GOAL 17: COASTAL SHORELANDS; GOAL 18: BEACHES AND DUNES; GOAL 19: OCEAN RESOURCES

Response: Goals 15 through 18 are not applicable to this UGB amendment because the Tract is not located within the Willamette River Greenway or a coastal shorelands boundary. Goal 19 is not applicable to any UGB amendment.

3.3 Oregon Revised Statutes

ORS 197.298, Priority of land to be included within urban growth boundary

- (1) *In addition to any requirements established by rule addressing urbanization, land may not be included within an urban growth boundary of Metro except under the following priorities:*
- (a) *First priority is land that is designated urban reserve land under ORS 195.145 (Urban reserves), rule or metropolitan service district action plan.*
 - (b) *If land under paragraph (a) of this subsection is inadequate to accommodate the amount of land needed, second priority is land adjacent to an urban growth boundary that is identified in an acknowledged comprehensive plan as an exception area or nonresource land. Second priority may include resource land that is completely surrounded by exception areas unless such resource land is high-value farmland as described in ORS 215.710 (High-value farmland description for ORS 215.705).*
 - (c) *if land under paragraphs (a) and (b) of this subsection is inadequate to accommodate the amount of land needed, third priority is land designated as marginal land pursuant to ORS 197.247 (1991 Edition).*
 - (d) *If land under paragraphs (a) to (c) of this subsection is inadequate to accommodate the amount of land needed, fourth priority is land designated in an acknowledged comprehensive plan for agriculture or forestry, or both.*

Response: The requirements of ORS 197.298 are not applicable to this UGB amendment. OAR 660-024-0045, Large Lot Industrial Land, allow for governments in Central Oregon to determine a specific regional need for large lot industrial land in accordance with the requirements of that rule. Consistent with the priorities established by this statute, OAR 660-024-0045(8) requires that governments evaluate if land inside their existing UGB can satisfy the land need, based on specific site characteristics identified in the Central Oregon Large Lot Industrial Land Need Analysis, prior to consideration of land outside the UGB to satisfy that need.

3.4 Deschutes County Comprehensive Plan

CHAPTER 1: COMPREHENSIVE PLANNING

Section 1.3. Land Use Planning

Goal 1. Maintain an open and public land use process in which decisions are based on the objective evaluation of facts.

Response: As described in the findings in response to statewide planning Goal 1, this UGB amendment is the result of an open public land use process. The provisions of the LLI program and OAR rules that implement the program ensure that this land use decision is based on an objective evaluation of facts. This proposal is supported by a factual base of economic analyses, land suitability studies, and transportation analyses that are consistent with state, regional and local requirements for decisions related to UGB amendments.

Goal 2. Promote regional cooperation and partnerships on planning issues.

Response: This UGB amendment is an outcome of the Central Oregon LLI program, which was been designed and administered with the cooperation of cities and counties of Central Oregon, the Economic Development Council of Oregon, the Central Oregon Intergovernmental Council, and state land use and economic development agencies.

CHAPTER 2: RESOURCE MANAGEMENT

Section 2.2 Agricultural Lands Policies

Goal 1. Preserve and maintain agricultural lands and the agricultural industry.

Policy 2.2.1 Retain agricultural lands through Exclusive Farm Use zoning.

Policy 2.2.2 Exclusive Farm Use sub-zones shall remain as described in the 1992 Farm Study and shown in the table below, unless adequate legal findings for amending the sub-zones are adopted or an individual parcel is rezoned as allowed by Policy 2.2.3.

Policy 2.2.3. Allow comprehensive plan and zoning map amendments for individual EFU parcels as allowed by State Statute, Oregon Administrative Rules and this Comprehensive Plan.

Response: Section 3.2 of this report, Statewide Planning Goal 4, addresses Goal 1 and policies 2.21 and 2.2.3. Thus, this report intends to provide adequate legal findings for amending the EFU zone, as required by policy 2.2.2. If the zoning amendment is adopted, this policy will be addressed.

Policy 2.2.3 Allow comprehensive plan and zoning map amendments for individual EFU parcels as allowed by State Statute, Oregon Administrative Rules and this Comprehensive Plan.

Response: This report demonstrates that this amendment is allowed by state statute in Section 3.3, Oregon Administrative Rules in Section 3.1, and the County Comprehensive Plan in this Section, 3.4.

Policy 2.2.4 Develop comprehensive policy criteria and code to provide clarity on when and how EFU parcels can be converted to other designations.

Policy 2.2.5 Uses allowed in Exclusive Farm Use zones shall comply with State Statute and Oregon Administrative Rule.

Response: The subject property is proposed to be rezoned from Exclusive Farm Use to Large Lot Industrial subsequent to being included in the City of Redmond's UGB. Findings of consistency with approval criteria for County zone change provisions are found in Section __ of this report. Subsequent to the proposed zone change and annexation, this policy will no longer be applicable.

Section 2.7 Open Spaces, Scenic Views and Sites Policies

Goal 1 Coordinate with property owners to ensure protection of significant open spaces and scenic views and sites.

Response: DSL consulted with Deschutes County about the nature of the scenic view protections that apply to the South Redmond Tract in preparing this application. County staff informed DSL that neither of the subject parcels are included in the County inventory of significant open spaces or scenic views.

As described in response to Statewide Planning Goal 5, in section 3.2 of this report, a portion of the site is currently subject to the requirements of the Landscape Management (LM) overlay zone. The LM overlay was adopted as part of a 1992 periodic review Comprehensive Plan update by Deschutes County. The intent of the zone was to protect the scenic qualities of rural areas throughout the US 97 corridor. The adopting ordinance specifies that the LM overlay shall apply to the US 97 corridor between the northern boundary of the City of Bend to the southern boundary of the City of Redmond.²¹ As this application proposes to expand the southern city boundary of the City of Redmond to include this property, the LM overlay zone will no longer apply to the property. The overlay zone is intended to apply to the rural corridor between the two cities and not to the land planned for urban development within either city.

Policy 2.7.1 Goal 5 open spaces, scenic views and sites inventories, ESEEs and programs are retained and not repealed.

Response: As noted above, this application will not impact the County's Goal 5 inventories or protection programs. The designation of the LM overlay is limited to rural lands between Redmond and Bend. Upon approval of this application, the LM overlay will no longer apply. The proposal will not impact any other Goal 5 inventories or programs outside the LM overlay.

²¹ City of Redmond Ordinance No. 92-052, p.7.

Policy 2.7.2 Cooperate with stakeholders to establish a comprehensive system of connected open spaces.

Response: Although the LM overlay standards no longer apply, DSL and the City of Redmond have collaborated with Deschutes County to identify opportunities for the South Redmond Tract to connect and contribute to the city and county’s system of open spaces. The Master Development Plan for the site identifies areas for open space on the site and connections to off-site trails and paths. See Section 3.7 of this report for more information.

Policy 2.7.3 Support efforts to identify and protect significant open spaces and visually important areas including those that provide a visual separation between communities such as the open spaces between Bend and Redmond or lands that are visually prominent.

Response: As noted above, the subject property is not designated a visually important open space on its own, only as part of the wider LM overlay corridor. The removal of the subject property from the LM overlay corridor will not substantially affect the visual separation between the Bend and Redmond. The property accounts for approximately 0.85 miles of the 12-mile corridor, and is limited to the western side of the quarter-mile wide buffer that extends outward from US 97.

Policy 2.7.4 Encourage a variety of approaches that protect significant open spaces and scenic views and sites.

Policy 2.7.5 Encourage new development to be sensitive to scenic views and sites.

Response: Other approaches to protecting scenic views and encouraging new development to be sensitive to scenic views—outside of the LM overlay zone—are addressed in this application and will be considered further when a specific development is proposed for the site. The Master Development Plan, which was developed in consultation with the County, identifies areas for open spaces on the site and scenic views that will be considered during the design of future development. See Section 3.7 of this report for more information.

Additionally, the City of Redmond’s LLI zone requires a Conceptual Development Plan be submitted when a development is proposed for the site. The Conceptual Development Plan must include an identification of land for open spaces and urban design approaches for integrating open spaces with other elements throughout the site. The County may suggest approaches for protecting scenic views when a development is proposed in the future.

Section 2.8. Energy Policies

Goal 1. Promote energy conservation.

Goal 2. Promote affordable, efficient, reliable and environmentally sound energy systems for individual home and business consumers.

Goal 3. Promote affordable, efficient, reliable and environmentally sound commercial energy facilities.

Response: The findings in Section 3.2 of this report (Statewide Planning Goal 13) address these three goals.

Section 2.9. Environmental Quality

Goal 1 Maintain and improve the quality of the air, water and land.

Goal 2 Promote sustainable building practices that minimize the impacts on the natural environment.

Response: The findings in Section 3.2 of this report (Statewide Planning Goal 6) address these two goals.

CHAPTER 3: RURAL GROWTH MANAGEMENT

Section 3.3 Rural Housing Policies

Goal 1. Maintain the rural character and safety of housing in unincorporated Deschutes County.

Response: This amendment will not affect the rural character or safety of housing in unincorporated Deschutes County. The site is not zoned or planned for housing uses. A small portion of the western and northern boundaries of the site is adjacent to land zoned Multiple-Use Agricultural (MUA). These areas zoned MUA are in unincorporated Deschutes County. The MUA zone serves a number of purposes and allows a wide range of uses, including large lot single-family housing and manufactured homes, as well as agricultural and limited rural commercial uses. A primary intent of the zone is to “preserve rural character...while permitting development consistent with that character”. The MUA areas adjacent to the South Redmond Tract include two manufactured home parks and a small number of large lot single-family homes.

Any potential impacts of future large lot industrial development on rural housing in adjacent MUA areas can be mitigated through application of the Master Development Plan requirements for annexation into the City and the Conceptual Phased Site Development Plan requirements of the LLI Zone. Pursuant to the Master Development Plan Requirements, the master plan for the site must be consistent with Redmond’s Great Neighborhood Principles. One of these principles is to establish an appropriate urban-rural interface, including a 100’ buffer between urban areas within the UGB and adjacent rural areas and other transitional elements, such as transitions to lower intensities of development. As shown on the MDP Map (Exhibit E), this buffer will apply to the site boundaries adjacent to MUA areas. Additionally, where appropriate, the height of buildings will decrease along these frontages to provide a transition to rural areas.

Secondly, the LLI zone requires a Conceptual Phased Site Development Plan. The site plan must identify areas for open spaces, among other requirements. The Redmond Planning Commission may require sufficient open space adjacent to these residential areas to preserve their rural character. In addition, development in the zone is subject to the Redmond’s general design review criteria, which includes provisions for building form, screening, landscaping, and parking lot design that may be used to minimize any impacts to rural character.

Due to the design review provisions of the LLI zone and Master Development Plan requirements for annexation into the City, this amendment will not impact the rural character of these MUA areas. Thus, the amendment is consistent with rural housing Goal 1.

Section 3.4 Rural Economy Policies

Goal 1. Maintain a stable and sustainable rural economy, compatible with rural lifestyles and a healthy environment.

Response: As noted in findings addressing Deschutes County Comprehensive Plan, Section 3.2 (Rural Housing Policies), a portion of the site is adjacent to the County MUA zone, which allows rural economic uses. The findings in that section are pertinent to rural economic uses as well. In summary, the development-constrained nature of this portion of the site and the design review requirements of the LLI zone related to building form, screening, landscaping, and parking lot design will minimize or eliminate any potential impacts on the stability or sustainability of rural economic uses.

Section 3.10 Area Specific Policies

Policy 3.10.3. Support an overlay zone for property owned and/or utilized by the Oregon Military Department to protect the military site and neighboring properties from noise and land use conflicts.

Response: The Oregon Military Department (OMD) is a partner to DSL in this proposed UGB amendment. OMD has agreed to purchase 20 acres of land in the northwest corner of South Redmond Tract, conditioned upon the approval of this amendment and application of urban zoning to the site (Exhibit D). OMD is familiar with the provisions of the LLI zone and DSL's expected future use of the site for industrial development. OMD has determined that these uses are compatible with the department's training activities on BLM land to the west of the site and the future location for the department's administrative and training facility on the land to be purchased from DSL. Thus, this amendment is consistent with the intent of Policy 3.10.3 to protect the military site from noise and land use conflicts.

CHAPTER 4: URBAN GROWTH MANAGEMENT

Section 4.2 Urbanization Policies

Goal 1. Coordinate with cities, special districts and stakeholders to support urban growth boundaries and urban reserve areas that provide an orderly and efficient transition between urban and rural lands.

Response: This UGB amendment is an outcome of the Central Oregon LLI program, which was designed and administered with the cooperation of cities and counties of Central Oregon and other regional and state partners. The South Redmond Tract was selected through an analysis of alternative sites because it could be more efficiently served by infrastructure and provided an orderly extension of existing development along 19th Street. Further coordination has been conducted between

Deschutes County, the City of Redmond, the Oregon Department of State Lands (DSL), the Oregon Department of Land Conservation and Development, the Central Oregon Intergovernmental Council and the Oregon Department of Transportation (ODOT). That coordination included the following activities:

- The City of Redmond and Deschutes County are conducting a joint land use review and public hearing process to concurrently review proposed amendments to the UGB, the County Comprehensive Plan and the City's zoning map. As part of this process, the City and County conducted a joint pre-proposal conference with the applicant and the applicant (DSL) has continued to coordinate regularly with City and County staff in regards to the proposed amendments.
- As part of a separate but related set of land use amendments associated with the adjacent proposed County Fairgrounds expansion site, the City and DSL have coordinated closely with County staff regarding proposed plans for that site and its relationship to the proposed future LLI site.
- City and County staff and the DSL representatives have coordinated closely with ODOT staff in regards to analysis of transportation impacts associated with the proposed land use applications, including approaches for modeling impacts, potential mitigation associated with those impacts and consistency with the Oregon Transportation Planning Rule and other state transportation requirements.
- DSL representatives have consulted with representatives of DLCD regarding consistency with state requirements associated with UGB amendments, including those intended to support the Central Oregon LLI program and associated administrative rules.
- DSL representatives have coordinated with other state agencies partners including the Oregon Military Department and Oregon Parks and Recreation Department in regards to future land exchanges or agency facilities within or adjacent to the subject property.

Policy 4.2.1. Participate in the processes initiated by cities in Deschutes County to create and/or amend their urban growth boundaries.

Response: Deschutes County has participated in each phase of the LLI program. The county helped to lead the Analysis to identify the land need, assisted the City in evaluating alternative sites to meet the need, participated in the concurrent UGB amendment to address the public facility land needs, and is coordinating with the City to organize a joint hearing on the amendment.

Goal 2. Coordinate with cities, special districts and stakeholders on urban growth area zoning for lands inside urban growth boundaries but outside city boundaries.

Goal 3. Coordinate with cities, special districts and stakeholders on policies and zoning for lands outside urban growth boundaries but inside urban reserve areas.

Response: Goals 2 and 3 concern land designated within UGBs but outside city boundaries, or outside UGBs but within an urban reserve area. The proposed amendment would bring the subject property inside the City of Redmond’s Urban Growth Boundary and annex the property into the City of Redmond. Therefore, Goals 2 and 3 are not applicable to this amendment.

Goal 4. To build a strong and thriving regional economy by coordinating public investments, policies and regulations to support regional and state economic development objectives in Central Oregon.

Response: This UGB amendment is supported by coordinated public investments in infrastructure between the City of Redmond and Deschutes County and coordinated policies adopted to implement the LLI program. This UGB amendment represents a coordinated regulatory change to support regional economic development efforts. Additional relevant findings are found in Section __ of this report.

Policy 4.2.12. Deschutes County supports a multi-jurisdictional cooperative effort to pursue a regional approach to establish a short-term supply of sites particularly designed to address out-of-region industries that may locate in Central Oregon.

Response: Policies 4.2.12 through 4.2.17 describe Deschutes County’s role in implementation of the regional LLI program. This UGB amendment is one component of this multi-jurisdictional effort to establish a supply of large lot industrial sites

Policy 4.2.13. Deschutes County recognizes the importance of maintaining a large-lot industrial land supply that is readily developable in Central Oregon.

Response: Approval of this UGB amendment and designating the site under the LLI zone will contribute to a readily developable supply of large-lot industrial sites in Central Oregon.

Policy 4.2.14. The Central Oregon Regional Large Lot Industrial Land Need Analysis (“Analysis”), adopted by Ordinance 2013-002 is incorporated by reference herein.

Policy 4.2.15. Within 6 months of the adoption of Ordinance 2013-002, in coordination with the participating local governments in Central Oregon, Deschutes County shall, execute an intergovernmental agreement (“IGA”) with the Central Oregon Intergovernmental Council (“COIC”) that specifies the process of allocation of large lot industrial sites among the participating local governments.

Response: The Analysis and IGA referenced in policies 4.2.14 and 4.2.15, respectively, are incorporated and referenced throughout this report to demonstrate this UGB amendment’s conformance with the requirements of the LLI program and relevant OAR.

Policy 4.2.16. In accordance with OAR 660-024-004 and 0045, Deschutes County, fulfilling coordination duties specified in ORS 195.025, shall approve and update its comprehensive plan when participating cities within their jurisdiction legislatively or through a quasi-judicial process designate regionally significant sites.

Response: This application proposes to amend the comprehensive plan of Deschutes County, through a legislative process, to designate the South Redmond Tract as a site in the regional inventory of large lot industrial sites.

Policy 4.2.17. Deschutes County supports Economic Development of Central Oregon (“EDCO”), a non-profit organization facilitating new job creation and capital investment to monitor and advocate for the region’s efforts of maintaining an inventory of appropriate sized and located industrial lots available to the market

Response: This UGB amendment will support EDCO’s efforts by contributing to the region’s inventory of developable industrial sites.

3.5 Deschutes County Code

TITLE 18, ZONING

18.136.020. Rezoning Standards.

The applicant for a quasi-judicial rezoning must establish that the public interest is best served by rezoning the property. Factors to be demonstrated by the applicant are:

- (A) *That the change conforms with the Comprehensive Plan, and the change is consistent with the plan's introductory statement and goals.*

Response: This proposal's conformance with the goals and policies of the Deschutes County Comprehensive Plan is addressed in Section 3.4 of this report.

- (B) *That the change in classification for the subject property is consistent with the purpose and intent of the proposed zone classification.*

Response: The consistency of the proposed use on the subject property with the purpose and intent of the City of Redmond LLI zone is addressed in Section 3.7 of this report.

- (C) *That changing the zoning will presently serve the public health, safety and welfare considering the following factors:*

- (1) *The availability and efficiency of providing necessary public services and facilities*

Response: Section 3.2 of this report (Statewide Planning Goals 11 and 12) demonstrates that public services and facilities are available and can be efficiently provided to the site.

- (2) *The impacts on surrounding land use will be consistent with the specific goals and policies contained within the Comprehensive Plan.*

Response: The compatibility of industrial uses on the site with surrounding land uses is addressed in the findings related to Chapters 3 and 4 of the Deschutes County Comprehensive Plan, which can be found in Section 3.4 of this report.

- (D) *That there has been a change in circumstances since the property was last zoned, or a mistake was made in the zoning of the property in question. Ord. 95-050 §4, 1995; Ord. 91-020 §1, 1991; Ord. 86-032 §1, 1986; Ord. 83-065 §1, 1983)*

Response: The property was originally zoned EFU-Alfalfa Subzone subsequent to the Deschutes County Farm Study in 1992. Between 2008 and 2016, in response to changing economic circumstances, Deschutes County and other cities and counties in Central Oregon determined there was a regional need for large lot industrial land and that the South Redmond Tract was a suitable site to satisfy this need. Section 2 of this report, Project Background, describes the significant research, planning efforts, and policy decisions that led to this change in circumstances.

3.6 City of Redmond Comprehensive Plan

CHAPTER 2: LAND USE PLANNING

Policies

(1) *All land use plans shall include identification of issues and problems, inventories and other factual information for each applicable statewide planning goal, evaluation of alternative courses of action and ultimate policy choices, taking into consideration social, economic, energy and environmental needs. The required information shall be contained in the plan document or in supporting documents.*

Response: Section 2 of this report, Project Background, generally describe the land use planning processes that led to this proposed UGB amendment. The specific analyses and evaluation identified by this policy are addressed as follows:

- The *Central Oregon Large Lot Industrial Land Needs Analysis* identified the issue: a lack of developable land throughout the region for large lot industrial uses, despite growing demand.
- Sections 3.1 and 3.2 of this report, and the referenced supporting documents, include inventories and other factual information related to each applicable statewide planning goal.
- The findings described in Section 3.1, Statewide Planning Goal 14, OAR 660-024-0045, describe the evaluation of alternative courses of action and adopted policy choices.
- The findings described in Section 3.1, Statewide Planning Goal 14, Boundary Location, describe the consideration of social, economic, energy, and environmental needs.

All of the above required information is contained in the findings report and in documents referenced or incorporated into this report.

(5) *To provide a sound basis for orderly and efficient urbanization by establishing proper relationships between residential, commercial, industrial, public and open land uses, and transportation uses.*

Response: The findings described in Section 3.1, Statewide Planning Goal 14 and associated OARs, address how this proposed UGB amendment is consistent with an orderly and efficient urbanization of land. The findings described in this Sections 3.4, 3.6, and 3.7 address in detail how the proposed amendment establishes proper and compatible relationship between the aforementioned land uses.

CHAPTER 3: AGRICULTURAL LAND

Policies

(1) *Conversion of rural agricultural land to urbanizable land shall be based on the following factors:*

(a) *Environmental, energy, social and economic consequences;*

Response: The findings described in Section 3.1, Statewide Planning Goal 14, Boundary Location, describe the consideration of social, economic, energy, and environmental needs for this proposed amendment.

(b) *Demonstrated need consistent with LCDC goals;*

Response: The findings described in 3.1 and 3.2 of this report describe how the need for large lot industrial land was determined and that the use of the South Redmond Tract to satisfy this need is consistent with LCDC goals.

(c) *Unavailability of an alternative suitable location for the requested use;*

Response: The findings described in Section 3.1, Statewide Planning Goal 14, OAR 660-024-0045, describe the evaluation of alternative locations for the requested use and the determination that the South Redmond Tract was the most suitable site. As described in that section, no sites within the City's existing UGB or urban reserves were found to be suitable for the use.

(d) *Compatibility of the proposed use with related agricultural land; and*

(e) *The retention of Class I, II, III, IV soils in farm use.*

Response: The findings described in Section 3.2, Statewide Planning Goal 3, address the consistency of the proposed amendment with these two factors.

CHAPTER 9: ECONOMIC DEVELOPMENT

Goals

(1) *Expand, improve and diversify the economy of the Redmond Urban Growth Boundary area while maintaining Redmond's quality of life.*

Response: The *Central Oregon Large Lot Industrial Land Needs Analysis* describes how large lot industrial development can help to expand, improve, and diversify local economies. Many of the industries targeted to use large lot industrial land are not currently well-established in Redmond or Central Oregon, such as renewable energy or high technology manufacturing. Recruitment of these industries would diversify the economy and improve local resilience by reducing impacts associated with cyclical economic fluctuations. Further, the industries represent the traded-sector, meaning they operate on a national or international scale; thus, they are capable of attracting economic activity from outside the region for the benefit the local economy. Finally, many of these industries are part of stable or high-growth sectors, so they are projected to sustain this economic value in the future.²²

²² Central Oregon Large Lot Industrial Land Needs Analysis, pp. 7-11, 29-34

The proposed location for this use for large lot industrial land will minimize any negative impacts on Redmond's quality of life. The findings of Sections 3.2, Statewide Planning Goals, and this section (3.6) addresses the proposal's impact on a wide range of concerns related to quality of life.

(2) Provide family wage employment opportunities for area residents.

Response: The industries targeted for large lot industrial development typically offer a significant number of family wage employment opportunities. Job opportunities may range from executive and professional occupations that pay high salaries to technical occupations that require less education, such as a certificate or associate's degree, and offer reasonably high pay compared to other industries.²³

(3) Retain or create industrial, office, professional services, technology, medical, tourism, retail and other jobs through expansion and retention of existing businesses and recruitment of new businesses.

Response: The findings within Section 3.1, Goal 9 Planning Guidelines (4), describes how large lot industrial development can create jobs through both expansion and retention of existing businesses and recruitment of new businesses.

(4) Improve the appearance of the community's employment districts, particularly along Highways 97 and 126, the Downtown, central east side industrial areas, and the Airport/Fairgrounds area.

Response: The LLI zone requires that development proposals include a site plan that identifies open space areas, the location and connectivity of trails, and urban design features that are integrated and coordinated throughout the site, in addition to the design standards applicable to all new development in the city.²⁴ New development that addresses these requirements is intended to improve the overall appearance of the Airport/Fairgrounds Area. Additionally, this proposal meets the Master Development Plan requirements associated with annexation into the City of Redmond (addressed in Section 3.7 of this report). These requirements include demonstrating consistency with the City's Great Neighborhood Principles, many of which are designed to improve aesthetic outcomes of new development.

(10) The City and County shall continue to work cooperatively with the State and Federal government and economic development agencies to implement economic development within the Redmond Urban Growth Boundary.

Response: This UGB amendment is an outcome of the Central Oregon LLI program, which was designed and administered with the cooperation of cities and counties of Central Oregon and other regional and state partners. Further coordination has been conducted between Deschutes County, the City of Redmond, the Oregon Department of State Lands (DSL), the Oregon Department of Land Conservation and Development, the Central Oregon Intergovernmental Council, Economic

²³ Central Oregon Large Lot Industrial Land Needs Analysis, p.40-41

²⁴ City of Redmond Development Code, Large Lot Industrial Zone, Section 8.0186-8.0195

Development of Central Oregon (EDCO), Business Oregon, and the Oregon Department of Transportation (ODOT). Section 3.4 of this report includes more detailed information about coordination with state and regional agencies.

(11) Maintain Redmond's favorable employment to housing ratio by taking affirmative steps to ensure that economic development and employment growth keeps pace with population growth, especially for industrial employment.

Response: The use of the South Redmond Tract for large lot industrial development is one affirmative step toward ensuring that employment growth keeps pace with population growth. Development of the site will provide substantial employment while reserving other lands within the UGB and urban reserve areas for needed residential, commercial and public uses.

(12) To build a strong and thriving regional economy by coordinating public investments, policies and regulations to support regional and state economic development objectives in Central Oregon as determined through the Central Oregon Large Lot Industrial Land Need Analysis.

Response: This UGB amendment will implement a key recommendation of *Central Oregon Large Lot Industrial Land Need Analysis* to designate one site in the region of over 200 acres for large lot industrial development. The proposal's conformity with objectives determined by the Analysis are described in more detail in Section 3.1 of this report (Statewide Planning Goal 14, OAR 660-024-0045).

Policies

(1) Sufficient vacant industrial lands with a diversity of sizes, types, and service levels for future industrial development shall be designated on the comprehensive plan/zoning map.

Response: The *Central Oregon Large Lot Industrial Land Need Analysis* identified a regional need for one site of over 200 acres to be designated for large lot industrial development in order to create a sufficient pool of developable industrial lands of varying sizes and types. This UGB amendment proposes to designate the South Redmond Tract on the City of Redmond comprehensive plan/zoning map to satisfy this need. It will add significantly to the local and regional supply of land suitable for large lot industrial development. It will be zoned for large lot industrial development on the City's Comprehensive Plan and Zoning maps.

(3) Industrial areas should be set aside primarily for industrial activities. Other supporting uses, including some retail uses, may be allowed if limited to sizes and locations intended to serve the primary uses and the needs of people working or living in the immediate industrial areas.

Response: The LLI zone establishes a set of requirements to ensure that industrial uses of the subject property will remain the primary use on the site, as required by OAR 660-024-0045(10). The specific provisions of the zone that address this policy are described in the findings related to the OAR, in Section 3.1 of this report.

(45) The City supports a multi-jurisdictional cooperative effort to pursue a regional approach to establish a short-term supply of sites particularly designed to address out-of-region industries that may locate in Central Oregon.

Response: This policy calls for the city to support the Central Oregon Large Lot Industrial Lands Program. The City has demonstrated report for the efforts by participating in all phases of the program, as described in Section 2.2 of this report. Approval of this UGB amendment is one of the final steps in implementation of the program within the City of Redmond.

(46) The City recognizes the importance of maintaining a large-lot industrial land supply that is readily developable in Central Oregon.

Response: Approval of this UGB amendment and designating the site under the LLI zone will contribute to a readily developable supply of large-lot industrial sites in Central Oregon.

(47) The Central Oregon Regional Large Lot Industrial Land Need Analysis (“Analysis”, dated November 20, 2012), adopted by Ordinance 2013-15 is incorporated by reference herein.

(48) Within 6 months of the adoption of Ordinance 2013-15, in coordination with the participating local governments in Central Oregon, the City of Redmond will participate in an intergovernmental agreement (“IGA”) with the Central Oregon Intergovernmental Council (“COIC”) that specifies the process of allocation of large lot industrial sites among the participating local governments.

Response: The Analysis and IGA referenced in policies 47 and 48, respectively, are incorporated and referenced throughout this report to demonstrate this UGB amendment’s conformance with the requirements of the LLI program and relevant OAR.

(49) The City supports Economic Development of Central Oregon (“EDCO”), a non-profit organization facilitating new job creation and capital investment to monitor and advocate for the region’s efforts of maintaining an inventory of appropriate sized and located industrial lots available to the market.

Response: This UGB amendment will support EDCO’s efforts by contributing to the region’s inventory of developable industrial sites.

(50) The City will continue to collaborate with regional public and private representatives to engage the Oregon Legislature and state agencies and their commissions to address public facility, transportation and urbanization issues that hinder economic development opportunities in Central Oregon.

Response: This policy concerns the actions of the City to generally support economic development in Central Oregon through engagement with state government. As described in foregoing findings, the City has engaged with state government in collaboration with regional agencies and institutions throughout the development of this proposal.

CHAPTER 11: PUBLIC FACILITIES AND SERVICES

Goals

- (1) *To provide for a close correlation between the provisions of urban services and urban development in order to bring about a more orderly and efficient development pattern, and thereby avoid unnecessary tax burdens and excessive utility costs normally associated with scattered, unrelated development.*

Response: The findings described in Section 3.2, Statewide Planning Goal 11, describe how the proposed UGB amendment will ensure a close correlation between urban services and urban development in order to bring about an orderly and efficient development pattern.

CHAPTER 12: TRANSPORTATION

Policies

- (1) *Plan or ordinance amendments which significantly affect a transportation facility shall assure that allowed land uses are consistent with the identified function, capacity, and level of service of the facility. This shall be accomplished by either:*
 - (a) *Limiting allowed land uses to be consistent with the present function, capacity, and level of service of the facility, or*
 - (b) *Amending the TSP and capital improvement programs to provide the transportation facilities adequate to support the proposed land uses, or,*
 - (c) *Altering land use designations, densities, or design requirements to reduce demand for automobile travel and meet travel needs through other modes.*

Response: The transportation impacts of the proposed UGB amendment were analyzed for their impact on the local and regional transportation system. The results of this analysis are documented in the Transportation Analysis Memorandum (Exhibit F). DSL, the City of Redmond, Deschutes County, and ODOT coordinately closely with project consultants on the methodology of the study. The study concluded that significant impacts on the transportation system of the proposed amendment would be mitigated by construction of planned improvements, with the exception of the impact to the SW 21st Street/SE Airport Way intersection. The impacts to this intersection can be mitigated through the construction of a center median on SE Airport Way. Further details regarding the methodology, assumptions and findings of the study are provided in Transportation Analysis Memorandum (Exhibit F).

CHAPTER 14: URBANIZATION

Goals

- (1) *To direct development within the Redmond UGB at urban level densities in a phased and orderly manner, and with the provision of an adequate level of urban services, including but not limited to public water, sewer and urban streets.*

Response: As described in Section 3.1 of this report, Statewide Planning Goal 14, the location of the proposed amendment will ensure an orderly and efficient development pattern. Further, the site development plan requirements of the LLI zone will ensure that phased development of the site occurs in an orderly manner. The findings described in Section 3.2, Statewide Planning Goal 11, describe how the proposed UGB amendment will ensure a close correlation between urban services and urban development in order to bring about an orderly and efficient development pattern.

- (2) *To establish and maintain an Urban Growth Boundary that provides adequate land to accommodate projected population and employment growth during the 20-year planning period.*

Response: The purpose of this UGB amendment is to meet a need for employment land, pursuant to the provisions of OAR 660-024-0045. The amendment's conformance with these provisions are described in the findings related to the OAR, in Section 3.1 of this report.

Policies

- (1) *The establishment and change of the Urban Growth Boundary shall be a cooperative process between the City of Redmond and Deschutes County.*

Response: This UGB amendment is an outcome of the Central Oregon Large Lot Industrial Lands program, which was designed and administered with the cooperation of the City of Redmond and Deschutes County, as well as many other regional and state partners. The UGB amendment and associated land use permit approval process has included coordination with many of those same partner agencies. Section 3.4 of this report includes more detailed information about the cooperative process between the City of Redmond and Deschutes County to develop this proposal.

- (8) *The City and County will favor UGB additions that are of sufficient size and scale to be integrated into the urban area as complete neighborhoods or other community elements rather than isolated individual parcels. Privately initiated requests for UGB amendments should include a minimum of 150 acres and shall be based on demonstrated land needs to maintain a 20 year supply of urbanizable land within the UGB.*

Response: The South Redmond Tract is 949 acres in size, and therefore meets the size requirements of Policy 8. The use of the land for large lot industrial development is based on a demonstrated need for employment land, pursuant to the provisions of OAR 660-024-0045. The amendment's

conformance with these provisions are described in the findings related to the OAR, in Section 3.1 of this report.

(9) When land is brought into the UGB, it shall be designated URBAN HOLDING AREA (UHA) on the comprehensive plan map. Land that is inside the City may be zoned Urban Holding-10.

Response: The UHA zone is intended for land brought into the UGB to meet a long-term general needs for employment or residential land. Because this proposal is for a specific type of employment land (large lot industrial), this policy is not applicable to this amendment. Pursuant to the provisions of OAR 660-024-0045(9), the City of Redmond must designate lands brought into the UGB to satisfy the need for regional large lot industrial land under a zone that is specific to that use. The land is proposed to be designated under the City's Large Lot Industrial zone to meet this requirement.

(10) Development Plans (MDPs) or Partial Master Development Plans (PMDPs) shall address the following requirements and in accordance with the Redmond Development Code.

Response: This amendment includes a Master Development Plan (MDP) that addresses the requirements of the Comprehensive Plan and Redmond Development Code. The findings of this report serve as the narrative for the MDP. A map diagram that illustrates the MDP is incorporated into this report as Exhibit E.

(11) Great Neighborhood Principles. Master Development Plans shall address 16. Great Neighborhood Principles. All types of Master Development Plans as well as major land division and site development plans, phased development plans, subdivisions, and site plans, shall address the applicable Great Neighborhood Principles below. In instances where the property proposed for a Master Development Plan is located within the boundary of an adopted Area Plan, the Master Development Plan shall also address the Great Neighborhood Principles according to those specifically provided in the Area Plan.

Response: The findings in Section 3.7 describe how the amendment addresses the Great Neighborhood Principles. The South Redmond Tract is not located within the boundary of an adopted area plan, so no additional Great Neighborhood Principles are applicable to this amendment.

(18) The City will adopt an Urban Framework Plan for future urban areas in the Urban Growth Boundary and Urban Reserve Area. The Redmond Urban Framework Plan will be used as a conceptual guide for future urban land uses in urban reserve areas and areas within the UGB. The Framework Plan is not parcel-specific and is intended to provide general guidance as to community form and design, and to be used as the basis for preparation of Area Plans.

Response: The Redmond Urban Framework Plan does not designate the South Redmond Tract for any specific urban land use. The plan focused on general employment, residential, and community facility needs to serve long-term population growth. Consistent with OAR 660-024-0045, this amendment is to serve a specific land need. Therefore, this policy is not applicable to this amendment. Policy 25 below demonstrates that the proposed use for industrial development is consistent with the Redmond Comprehensive Plan.

(25) The Airport/Fairgrounds area will be planned to serve specialty land uses, such as the Community College, the Deschutes County Fairgrounds, industrial uses, and recreation and tourist destination uses. Zoning will be flexible to allow for development of service businesses that support area employers and workers.

Response: As part of the general Airport/Fairgrounds area, industrial uses are identified an appropriate specialty use for the South Redmond Tract. The provisions of the LLI zone allow secondary commercial and industrial uses to serve the primary traded-sector industrial user.

(26) Urban development on the edge of the urban growth boundary that is adjacent to land planned for long-term rural use should buffer urban uses with open spaces, when feasible, or lower density residential development, or other appropriate transitional uses.

Response: The provisions of the LLI zone allow for design treatments to ensure appropriate buffers between development on the site and adjacent lands to the south and west, which are planned for long-term rural use. The zone requires a Conceptual Phased Site Development Plan that must include identified areas for open spaces, trails, and coordinated urban design features. In addition, development in the zone is subject to the Redmond's general design review criteria, which includes provisions for building form, screening, landscaping, and parking lot design that may be used to require appropriate transitions to rural uses. The specific location and design of these features will be regulated at the time of development.

(27) The Central Oregon Regional Large Lot Industrial Need Analysis ("Analysis", dated November 20, 2012), adopted by Ordinance 2013-15 is incorporated by reference herein.)

Response: This policy documents the incorporation of the *Central Oregon Regional Large Lot Industrial Need Analysis* into the City of Redmond Comprehensive Plan. The addition of the South Redmond Tract to the City of Redmond UGB is an implementation action recommended by the Analysis.

(28) The City of Redmond will amend its Comprehensive Plan and land use regulations, including the Urban Growth Boundary (UGB), in order to designate a site in accordance with the requirements of OAR 660-024-0045 and the intergovernmental agreement.

Response: This application proposes to amend the comprehensive plan map, zoning map, and UGB of the City of Redmond in order to designate the South Redmond Tract in accordance with this policy.

(29) Upon designation and adoption of a site, the City will apply a regional large lot industrial zone or overlay zone to the site in order to comply with OAR 660-024-0045 and to protect and maintain the site for regional large lot purposes.

Response: This application proposes to apply the City's Large Lot Industrial zone to the South Redmond Tract, in accordance with this policy.

- (30) *Upon addition of such a site, the City will consider the site in any subsequent urban growth boundary evaluation conducted to determine local industrial land needs and the adequacy of land available to meet local industrial land needs.*
- (31) *The City will participate with the other local Central Oregon governments in reviewing the analysis after the regional supply of six sites has either been replenished by three additional sites or after ten years, whichever comes first.*

Response: Policies 30 and 31 concern future actions of the City of Redmond subsequent to approval of this amendment and to the designation of the other five sites throughout the region. These policies are not relevant approval criteria for this current amendment.

3.7 City of Redmond Development Code

ZONING STANDARDS

8.0186 Large Lot Industrial (LLI) Zone

Response: The South Redmond Tract will be designated under the LLI zone and subject to the provisions of this section of the Redmond Development Code. Compliance with the approval criteria Section 8.0816 will be demonstrated at the time of development.

8.0300 Master Development Plan

8.0300 Master Development Plans. A Master Development Plan is required to annexation as a condition of annexation, or after annexation but prior to or concurrent with rezoning from Urban Holding-10 to other City zoning districts. The Master Development Plan shall not create excessive demand on public facilities and services required to serve the development area, and shall not conflict with existing public access easements within or adjacent to the development area. The specific requirements for a Master Development Plan are as follows:

(1) Applicability. This section applies to all properties proposed for annexation and/or rezoning from Urban Holding-10 on or after the date of the adoption of this ordinance.

Response: This amendment proposes to annex the South Redmond Tract into the City of Redmond. Therefore, the requirements of Section 8.0300 are applicable.

(2) Purpose. The purpose of Master Development Plan is to provide:

- (A) Orderly and efficient development of the City consistent with Urban Framework Plans and an adopted Area Plan.*
- (B) Compatibility and/or transitions with adjacent developments and the character of the area.*
- (C) A complementary mix of uses and activities.*
- (D) An interconnected transportation network – streets, bicycle routes, and pedestrian trails – within the master plan area and to existing and planned City streets, routes and trails.*
- (E) A range of housing choices for areas planned to have residential components.*
- (F) A range of open spaces and recreation facilities, as needed to facilitate the Framework Plan and an adopted Area Plan.*
- (G) Public and semi-public facilities and services.*
- (H) Preservation of historic buildings, scenic views, and natural resources to the greatest extent possible.*

- (I) *Transitions or buffers between urban development and rural areas.*
- (J) *Implementation of Redmond's Comprehensive Plan, including adopted Area Plans and the Great Neighborhood Planning Principles described in 3(C)(13) below.*

Response: The Master Development Plan (MDP) for the LLI uses of the South Redmond Tract was designed to this purpose defined by 8.0030(2). The MDP's consistency with these purposes and associated approval criteria is addressed in detail in 8.0030(3)(B).

(3) *Procedures for Review.*

- (A) *General. Master Development Plans (MDP or PMDP) shall be approved through a quasi-judicial review process. Application procedures and related fees for approval may be streamlined in order to promote timely development of urban planning for land zoned UH-10. The Community Development Director shall inform the applicant during the mandatory pre-application stage if the proposed Master Development Plan area appropriately includes all contiguous UH-10 zoned properties in the plan area. The Community Development Director shall base the determination for the proposed plan area utilizing the following factors:*
 - (1) *whether there are UH-10 properties that abut or are surrounded by the plan boundary that would reasonably fit within the zoning concept for the area plan;*
 - (2) *whether the extension of public services and infrastructure would be enhanced by the inclusion of abutting UH-10 properties;*
 - (3) *whether the total acreage of abutting or enclave UH-10 zoned properties is less than the acreage in the proposed plan area; and*
 - (4) *there is a community interest that would be served by including additional properties in the plan area.*

Response: As noted in the foregoing findings, this application does not propose to apply the UH-10 zone to the subject property, and no adjacent properties are zoned UH-10. The appropriate plan area for the MDP is the same plan area defined in the City of Redmond's application of the South Redmond Tract for inclusion in the regional LLI program. This includes the entire 949-acre site, as shown in the MDP map for this application (Exhibit E) and the associated application for the Fairgrounds/OMD site.

- (B) *Review and approval criteria for Master Development Plans or Partial Master Development Plans.*
 - (1) *General. In the review of any application for a Development Plan, the Planning Commission and City Council, if required, shall consider the following:*
 - (a) *Whether the proposed Plan is generally consistent with the Framework Plan and is consistent with an adopted Area Plan and Comprehensive Plan in terms*

of land use, density, transportation systems and networks, adequacy of infrastructure and open space

- (b) *Whether the proposed Plan is generally suitable for the area in which it is proposed, considering existing and planned neighborhoods, shopping and employment areas; and natural resources and hazards.*
- (c) *Whether the proposed Plan is functionally integrated with developed or planned areas.*
- (d) *The proposed plan meets the applicable Great Neighborhood Principles in Section 8.3050.*

Response: The findings in response to the specific approval criteria under 8.030(C) below address the MDP's consistency with the general criteria listed in 8.030(B).

(C) *Master Development Plan (MDP) or Partial Master Development Plan (PMDP) Submittal Requirements and Approval Process. An application for approval shall include the submittal requirements set forth in the City's Land Use Review application form as well as the elements described below.*

- (1) *Narrative. A narrative shall set forth the goals and objectives of the plan and describe the urban characteristics of the planned area.*

Response: This report serves as the narrative for the MDP. The goals and objectives of the plan and the urban characteristics of the planned area are addressed in detail in Section 2 of this report, Project Background.

- (2) *Development Plan Map. A map of the plan area and surrounding vicinity shall indicate planned land uses for each land parcel in the area, including plans for park and open space and community facilities, if known. The plan shall show proposed comprehensive plan map designations and zoning. The plan shall include a list of all affected properties with tax lot numbers, current ownership, parcel size, and other information that is pertinent to the plan.*

Response: All of the maps required for inclusion in the MDP, including the Development Plan Map and all maps or diagrams defined by 8.030(2) through 8.030(11) are combined in one map that is incorporated as with this report as Exhibit E, South Redmond Tract Large Lot Industrial Master Development Plan (LLI MDP). The LLI MDP includes all necessary elements identified in 8.020(2). The map shows required information about all of the parcels included in the Master Development Plan. The location of open space and community facilities is not known at this time and will be identified and specified during future specific development proposals. Additional information on this topic is provided in the findings in response to 8.030(C)(3) and 8.030(C)(5), below.

- (3) *Land Use Diagram. The land use diagram shall generally indicate the distribution and location of planned land uses for the master plan area, including plans for park*

and open space and community facilities, if known. The plan shall show proposed comprehensive plan designations, zoning, and density.

Response: In accordance with the LLI zone, the LLI MDP generally indicates that the entire South Redmond Tract will be planned and zoned for large lot industrial development with secondary industrial and commercial uses in support of the primary, traded-sector user(s) of the site. The specific location of the primary, traded-sector user and the secondary commercial uses will not be determined until the time of development.

The MDP identifies that parks, open spaces, and/or community facilities may also be integrated into the future site design, but the specific location of these elements will not be known until the time of development. The Conceptual Development Plan required by the LLI zone will ensure these uses are addressed at the time of development. More detailed information about these uses is provided in the findings in response to 8.030(C)(5), below.

- (4) *Significant Resources Inventory. An inventory of significant natural resources, scenic and historic resources, and open space areas including those identified on the City's adopted inventory and those that have the potential to qualify for protection under Redmond's Goal 5 resource protection program. When significant resources are present, the proposed plan shall include a management plan to protect resource sites;*

Response: The South Redmond Tract does not include any significant natural or historic resources, as described in the findings under Statewide Planning Goal 5 in section 3.2 of this report. As noted in those findings, a small portion of the site is included in the Deschutes County Landscape Management Overlay, which is intended to protect scenic views from U.S. 97. The overlay is not intended to include urban areas within the City of Redmond, however, so the MDP does not identify the areas where the overlay currently applies, as they will not longer be applicable to the site if it is included in the Redmond UGB.

- (5) *Parks and Open Space. Identify land suitable for park and recreation use in accordance with the needs analysis in the City of Redmond Park Master Plan (Park Plan) and an adopted Area Plan. In particular, where the Park Plan indicates there is a need for neighborhood or community park, the master plan shall identify sites that may be suitable for park development using the design and location criteria from the Park Plan or an adopted Area Plan. Density transfers, SDC credits, dedication, and other value consideration may be identified in the planning process to compensate property owners for land dedicated to public use;*

Response: The MDP identifies that parks, open spaces, and/or community facilities may be integrated into the future site design, but the specific location of these elements will not be known until the time of development. The City's Park Master Plan does not indicate a need for a neighborhood or community park on the subject property. In addition, no such facilities are expected

to be needed within the subject area given that no residential development is proposed or contemplated for the area.

- (6) *Air, Noise, and Water Resources. Review air, noise and water resources that may be impacted by planned development and address how adverse impacts will be avoided or mitigated in compliance with applicable local, state, and federal regulations. The analysis may use City public facility plans, technical studies, and policies to meet this requirement when those plans address how urban development in the plan area can be served. In these instances, the Master Development Plan must show that the envisioned land uses in the plan area are consistent with the land use assumptions in the public facility plans. This requirement is particularly important for storm water management.*

Response: Any potential impacts of future development on the quality of air, water or noise resources will be identified during the development review process, as the specific impacts cannot be known until a development is proposed. The City of Redmond has adequate provisions in place to protect the quality of air, water, and land resources from negative impacts of new development. In addition, state and federal regulations administered by the US Environmental Protection Agency and Oregon Department of Environmental Quality regulate impacts on air resources to ensure clean air and will apply to any future development located on the subject site. The Redmond Municipal Airport is within close proximity to the site; as a result, adjacent developments are primarily non-residential uses that are minimally affected by noise impacts.

- (7) *Natural Hazard Areas. Inventory areas subject to natural hazards, particularly steep slopes, and program urban development that is suitable for the identified hazard areas;*

Response: No natural hazards are located on the site, as addressed in the findings in Section 3.2, Statewide Planning Goal 7.

- (8) *Residential Uses. Identify areas planned for housing development, if any, and the proposed zoning districts to be applied. The housing plan must identify a mix of housing types and densities so that the overall density in the area meets or exceeds the housing density objectives for the area that are identified in the Redmond Urban Framework Plan, adopted Area Plans, and the Comprehensive Plan. The Framework Plan and adopted Area Plans provide general guidance on housing densities that need to be achieved in order to meet future housing needs. Where proposed residential land uses differ from those shown in the Redmond Urban Framework Plan or adopted Area Plans, the master plan shall demonstrate how it meets the overall housing objectives of the Redmond Urban Framework Plan or adopted Area Plans. Applicants may propose new zoning districts when the proposed district(s) in total achieve the housing densities envisioned in the Redmond Urban Framework Plan or adopted Area Plans.*

Response: No residential uses are proposed for the site; therefore, this requirement is not applicable.

- (9) *Employment Uses. Identify areas planned for employment use and/or mixed uses and the proposed zoning for these areas. Applicants may propose new zoning districts in cases where existing districts are not suitable for the planned development provided the proposed district(s) achieve similar land improvement values and/or employment densities envisioned in the Redmond Urban Framework Plan or adopted Area Plans.*

Response: The entire site is proposed to be planned and zoned for employment uses under the LLI zone. As allowed under this zone, supporting retail and commercial uses, public spaces, open space, trails, or other community facilities may ultimately be incorporated into future development of the site, as described in the findings in response to 8.030(5). However, the primary use of the site will be for large lot industrial uses and other secondary uses will developed after or in conjunction with the primary use.

- (10) *Transportation Analysis and Diagram. Prepare a transportation impact analysis including a grid street plan that is consistent with street spacing and connectivity guidelines in the Redmond Transportation System Plan (TSP) and adopted Area Plans. Show the proposed classification for all streets down to collector roadways. Show the location of approved TSP improvement projects and any capital improvements that may need to be added to the TSP in order to serve the plan area. Show proposed bicycle pedestrian, and trail routes. Show how planned transportation facilities will connect to transportation facilities in adjacent urban areas.*

Response: Future local street grid patterns and proposed street classification will be identified at the time of development proposals and will be consistent with the spacing and connectivity guidelines of the Redmond TSP. The LLI MDP includes an example of the type of street network grid pattern that could be developed on the site for illustrative purposes and for meeting the City's Great Neighborhood Principles for Transportation, described under section 13(a).

The only capital improvement identified in the TSP near the site is the extension of 19th Street, the arterial that will serve as primary access to the site. The scope and conceptual alignment of this project is identified on the MDP map.

Given the size of the site and the fact that the application is not for a specific development proposal, this illustration is preliminary and only represents one example of how the connectivity guidelines of the TSP could be met. The alignment, classification, and design of streets and trails/pathways on the Tract will be determined at the time of site design and development when additional factors are considered, including lot configuration, internal circulation, and connections to off-site trails and pathways.

- (11) *Public Facilities Analysis and Diagram. The plan shall include a conceptual layout of public facilities, (including sanitary sewer, water, and storm drainage, needed to support the planned uses. The Public Facilities Analysis must be consistent with the*

city's adopted Public Facility Plan (PFP) and related facility master plans, including improvements related to the adopted Area Plan that may require amending the PFP.

Response: The MDP identifies the conceptual layout of public facilities be constructed along the same alignments as the conceptual street network. Additional information related to these facilities, as well as water and storm drainage facilities is found in Section 3.2, Statewide Planning Goal 11 of this document.

(12) North Redmond US 97 Interchange Area Management Plan (IAMP) Compliance. The master plan shall comply with the following policies, if applicable:

Response: The site is not within the planning area of the North Redmond US 97 Interchange Area Management Plan; therefore, this requirement is not applicable.

(13) Great Neighborhood Principles. Master Development Plans shall address applicable Redmond Great Neighborhood Principles described below. In instances where the property proposed for a Master Development Plan is located within the boundary of an adopted Area Plan, the Master Development Plan shall also address the Great Neighborhood Principles according to the specificity provided in the Area Plan.

(a) Transportation. Connect people and places through a complete grid street network and trail system that invites walking and bicycling and provides convenient access to parks, schools, neighborhood service centers, and possible future transit stops.

Response: An illustrative, conceptual street network presented in the MDP consistent with the spacing and connectivity guidelines of the TSP, which are intended to create interconnected street grids that invite walking and biking. The cross-section design of each street will be consistent with the design standards of the City of Redmond in order to facilitate safe and reliable travel for all modes. Development of a well-connected street system in the area will be the foundation for convenient and safe access to all future destinations on the site.

The specific and final locations of individual streets, pathways and trails will be identified as part of future specific development proposals. Locations and designs will be based on considerations for lot configuration, location of key destinations and building entrances, and location of open spaces, plazas, or other amenities. The transportation network will remain consistent with the spacing/connectivity guidelines and design standards in the City of Redmond TSP and will ensure travel within the site, as well as connection to future existing or planned trail or pathway systems. All streets, trails and pathways will be constructed to City of Redmond design standards.

(b) Housing. A mix of housing types and densities should be integrated into the design of new neighborhoods.

Response: No residential uses are proposed for the site; therefore, this standard is not applicable.

- (c) *Open spaces, greenways, recreation. All new neighborhoods shall provide useable open spaces with recreation amenities that are integrated to the larger community. Central parks and plazas shall be used to create public gathering places. Incorporate significant geological features such as rock outcroppings, stands of clustered native trees, etc. into the design of new neighborhoods. Neighborhood and community parks shall be shown in appropriate locations consistent with policies in Redmond's Parks Master Plan.*

Response: The MDP illustrates that locations for open spaces, plazas, or other gathering places to be integrated into the eventual site design. The specific location of open or public spaces is unknown at this time. The City of Redmond Park Master Plan does not indicate a need for a neighborhood or community park on the subject property. City staff also has indicated that it is not necessary or applicable to this application to incorporate features such as rock outcroppings, stands or clustered trees or similar features into the design of the types of small plazas or public spaces that may be established on this site in the future.

Generally, DSL or subsequent property owners or developers will construct open spaces such as courtyards, plazas or other gathering spaces for the use and enjoyment of future employees on the site. Open spaces will include a combination of amenities including but not limited to seating, landscaping (a combination of paved and vegetated areas), trees or shelters providing shade, exercise equipment, and/or public art. Open spaces will contribute to an attractive, sustainable site design and a campus-like feel for the property.

- (d) *Integrated design elements. Streets, civic spaces, signage, and architecture shall be coordinated to establish a coherent and distinct character for the Master Development Plan. Plans may integrate design themes with adjacent developed or planned areas.*

Response: As a large site with one owner, the Tract presents a valuable opportunity to contribute to a coherent and distinct character for the entire area of South Redmond. DSL recognizes this opportunity and the importance of high-quality urban design and aesthetic character to the long-term value of the site. As defined by this Great Neighborhoods Principle, the design of streets, civic spaces, signage, and architecture will be coordinated throughout the site. Such elements could include street or other wayfinding signage, landscaping, gateway features, lighting, street furnishings, and/or building forms. The specific character and form of these elements cannot be known at this early stage of development as a specific user has not been identified. However, the LLI zone requires a Conceptual Development Plan that includes a description of how urban design elements will be integrated throughout the site. This requirement will ensure that integrated design elements are addressed at the time of development.

- (e) *Diverse mix of activities. A variety of uses is encouraged in order to create vitality and bring many activities of daily living within walking and biking distance or a short drive of homes.*

Response: The MDP identifies that secondary service commercial or retail uses will be integrated into the site design. These secondary uses will primarily support the daily needs of employees that work for the primary traded-sector user of the site, and will be designed to be accessible for walking and biking through the streets, trails/pathways, and internal circulation network of the site.

That service commercial uses will be integrated into the site in accordance with the above provisions is illustrated conceptually on the MDP map. The location and form of service commercial uses will be addressed in more detail as part of the Conceptual Development Plan required by the LLI zone at the time of development.

- (f) *Public art. Public art is encouraged at the gateways to neighborhoods and/or in and around the center of neighborhoods to provide focal points.*

Response: As with urban design, DSL recognizes the contribution that public art can make to the long-term value of the site. DSL will use public art to distinguish the site from surrounding development and create a sense of arrival at a distinct and important place.

- (g) *Scenic views. Identify and preserve scenic views and corridors of the Cascade Range, Ochoco Mountains, and Smith Rock. Streets and common or public open spaces should be located and oriented to capture and preserve scenic views for the public. Minimize visual clutter within scenic corridors.*

Response: Scenic view corridors will be a key consideration of the building orientation, street and trail alignments, and the location and furnishing of public spaces throughout the site. View corridors will be considered for the design and placement of signage, service areas, parking areas, and other elements, in order to ensure that views are preserved or created and to minimize visual clutter that detracts from the scenic views.

- (h) *Urban – rural interface. Urban development shall interface with rural areas through open space buffers at least 100 feet wide and the length of the urban development, excluding public streets, or shall be transitioned from higher density development to lower density development at the urban - rural interface, or utilize other appropriate and equivalent transitional elements.*

Response: Open space buffers at least 100 feet wide will be reserved along all boundaries of the site that abut rural areas. Additionally, the height of buildings, if varied across the site, will step down along any frontages to these open space areas in order to mark a transition to less intensive development.

- (i) *“Pocket Parks” or “tot lots” shall be incorporated into medium and high density zoned residential subdivisions and site plans. These areas shall be developed for every twenty-five lots/units, a minimum of 1,500 square feet and privately maintained.*

Response: This principle is relevant to residential areas; therefore, it is not applicable to this amendment. The findings in response to 8.030(c) outline a general approach to public spaces throughout the site.

- (j) *Canal trails. If canals or laterals are present, multi-use trails at least 10 feet wide shall be provided, subject to the Central Oregon Irrigation District's review and approval. Pedestrian amenities such as benches and trash receptacles shall be provided at appropriate locations.*

Response: No canals are present on the site; therefore, this principle is not applicable to the amendment.

- (k) *Green Design. Environmentally friendly and energy efficient design is encouraged for public and private infrastructure, architecture and building orientation, open spaces and natural areas and transportation facilities. In addition, the planting of native, drought-resistant trees is encouraged to provide shade and to minimize water usage.*

Response: DSL has stated a commitment to development of the South Redmond Tract in an environmentally responsible and energy efficient manner beginning with the South Redmond Tract Land Use and Management Plan developed in 2008. The plan identified “response to global climate change” as a key consideration for the selection of a preferred use for the site and for the design of the development. DSL will work with the user of the site to ensure that the development will incorporate sustainable design principles and techniques to the greatest extent that is economically feasible. These design features may include LEED Certification for energy-efficient building design, green infrastructure—such as bioswales or rain gardens—and landscape design that uses native plants and trees.

Additionally, the primary traded-sector user of the site may represent the renewable energy industry. Renewable energy is one of the target industries identified by the *Central Oregon Large Lot Industrial Analysis*, including both manufacturers of renewable energy equipment—such as solar panel fabrication—and renewable energy generation, such as a solar power farm. The Analysis also identified manufacturing of wind power equipment and battery technology as examples of other renewable energy industries that may be suitable for large lot development in Central Oregon.²⁵

- (D) *Implementation. Upon approval of a Master Development Plan, all subsequent development located within the area master plan boundaries shall be consistent with the approved master plan.*
- (E) *Amendment/Modification to Master Development Plan. Any modifications to the approved master development plan shall be subject to the standards and procedures in Article II, “Modifications”, and subject to the review criteria contained in this section.*

²⁵ Central Oregon Large Lot Industrial Land Needs Analysis, p. 40

(F) *Expiration of Master Development Plan. An approved Master Development Plan or Partial Master Development Plan shall be subject to the requirements of Section 8.1605 of this Code concerning expiration, unless a specific timeline is approved through the land use review process.*

Response: DSL acknowledges that provisions 8.030(D) through 8.030(F) regulate the implementation, modification, and expiration of the MDP. DSL will conform to these requirements upon approval of the amendment.

AMENDMENTS

8.0750 Authorization to Initiate Amendments

An amendment to the text of these standards, or to a zoning or plan map may be initiated by either City Council, or the Planning Commission. A property owner may initiate a request for a map or text amendment by filing an application with the Community Development Director using the form(s) prescribed by Article II of these standards.

Response: DSL, as the property owner, has initiated the request for a map amendment by filing an application with the Community Development Director using the Comp Plan/Zoning Map Amendment Application Form.

8.0760 Criteria for Amendments

The burden of proof is upon the applicant. The applicant shall show the proposed change is:

(1) *In conformity with all applicable State statutes;*

Response: The findings of Section 3.3 of this report demonstrates that this amendment is in conformity with all applicable state statutes.

(2) *In conformity with the State-wide planning goals whenever they are determined to be applicable;*

Response: The findings of Section 3.2 of this report demonstrates that this amendment is in conformity with all applicable Statewide Planning Goals.

(3) *In conformity with the Redmond Comprehensive Plan, land use requirements and policies; and*

Response: The findings of Section 3.6 of this report demonstrates that this amendment is in conformity with all applicable requirements and policies or the Redmond Comprehensive Plan.

(4) *That there is a change of circumstances or further studies justifying the amendment or mistake in the original zoning.*

Response: The property was originally zoned EFU-Alfalfa Subzone subsequent to the Deschutes County Farm Study in 1992. Between 2008 and 2016, in response to changing economic circumstances, Deschutes County and other cities and counties in Central Oregon determined there

was a regional need for large lot industrial land and that the South Redmond Tract was a suitable site to satisfy this need. Section 2 of this report, Project Background, describes the significant research, planning efforts, and policy decisions that led to this change in circumstances.

South Redmond Tract approvals timeline

State Land Board: August 14, 2018

1. Application fees
2. Annexation agreement
3. Pay for annexation agreement obligations (infrastructure)

APPROVED

City of Redmond: Land Use applications submitted September 12, 2018

1. UGB expansion, annexation, comp plan amendment for OMD and fairgrounds (PF)
2. UGB expansion, annexation, comp plan amendment for L.L.I. (LLI)

CITY OF REDMOND REVIEW PERIOD (Sept. through Dec.)

Redmond Planning Commission: December 17, 2018

1. UGB expansion
2. Annexation
3. Master Development Plan for OMD and fairgrounds (PF)
4. Master Development Plan for Large Lot Industrial (LLI)

APPROVED - Referred to City Council and Deschutes County BOC

Redmond City Council and Deschutes County BOC joint meeting: September 11, 2018

1. UGB expansion
2. Annexation
3. Master Development Plan for OMD and fairgrounds (PF)
4. Master Development Plan for Large Lot Industrial (LLI)

APPROVED - Referred to DLCD for vetting and authorization for final approval

Redmond City Council: August 13, 2019

1. Final approval and resolution to annex new lands into City of Redmond
2. Property eligible for partition application to create 20 acres for OMD readiness center and 140-acre expansion of Deschutes County fairgrounds

City of Redmond: Partition application submitted August 14, 2019



Oregon

Kate Brown, Governor

Department of State Lands

775 Summer Street NE, Suite 100
Salem, OR 97301-1279
(503) 986-5200
FAX (503) 378-4844
www.oregon.gov/dsl

State Land Board

Kate Brown
Governor

Bev Clarno
Secretary of State

Tobias Read
State Treasurer

State Land Board

**Regular Meeting
October 22, 2019
Agenda Item 6**

SUBJECT

The Department of State Lands (Department) requests approval to initiate permanent rulemaking to impose restrictions on the public recreational use of state-owned land in Multnomah County.

ISSUE

Whether the State Land Board (Land Board) should initiate permanent rulemaking to impose restrictions on the public's recreational use of the state-owned banks of the Columbia River from river mile 102 to 106 (including the north side of Hayden Island) (Columbia River and Hayden Island-Appendix B) and from river mile 120 to 121 (Columbia River at Sandy River Delta-Appendix A). Also, to initiate rulemaking to impose restrictions on the public's recreational use of the state-owned banks of the Oregon Slough River (including the south side of Hayden Island) (Columbia River and Hayden Island-Appendix B) from river mile 0 to 2.5.

AUTHORITY

Oregon Constitution, Article VIII, Section 5, specifies that the State Land Board is responsible for managing Common School Fund lands.

ORS 274.025; Jurisdiction over submersible and submerged lands generally.

ORS 273.041 to 273.071; authorizing the Department to exercise the administrative functions of the State Land Board; relating to the general powers and duties of Department and Board.

OAR 141-088; Public Recreational Use of State-Owned Property.

SUMMARY

The Port of Portland (Port) currently manages upland property adjacent to the Columbia River (Sandy River Delta), the Willamette River (vicinity of Hayden Island), and the Oregon Slough River, in Portland, Oregon. Camping is not allowed on Port property; but attempts to keep unauthorized camps off the Port's property adjacent to the river are complicated by the indistinct property boundary they share with the State of Oregon. At these locations, the State of Oregon owns the bed and banks of the river up to the line of Ordinary High Water (Appendix A and Appendix B). Since 2018, the Department and the Port regularly receive calls from the public highlighting the accumulation of garbage and human waste in the area, safety concerns, and the diminished ability for the public to access and recreate on the river. The Port regularly removes camps and debris from their own property but are unable to pursue enforcement on the banks and beaches of the Willamette River where the line of Ordinary High Water is difficult to discern.

The Department and the Port have documented illegal or nuisance activity on state-owned land at the Columbia River (Sandy River Delta), the Willamette River (surrounding Hayden Island), and the Oregon Slough, in Portland, Oregon. These activities have included:

- Offensive littering and dumping;
- Reckless burning and open fires;
- Damage to riparian vegetation and wildlife habitat;
- Unseaworthy, or derelict boats and vessels;
- Harassment, interference and damage to property; and
- Diminished public safety and recreational opportunities.

Appendix C provides photo documentation collected by Department and Port staff. Some of the illegal activities occur at night and are difficult for the Department and law enforcement to monitor. The repeated accumulation of garbage and human waste is a concern for wildlife habitat, water quality and human health. On July 28, 2019, the Department received a formal request from Don Larson, chair of the Waterfront Organizations of Oregon Waterways Committee, to enact restrictions on public use of the beaches to address these issues (Appendix E). On August 14, 2019, the Department received a formal request from the Port of Portland to enact restrictions on public use of the beaches to address similar issues (Appendix D). In response, the Department recommends that all state-owned lands identified in Appendix A and Appendix B be closed to all uses between 10:00 p.m. and 5:00 a.m. Moreover, the Department recommends those state-owned lands be closed to camping at any time in order to assist the Port of Portland in posting the scheduled removal of occupied encampments.

This rulemaking is in addition to the rulemaking process the Land Board approved in June 2019 in response to a request from the Port of Portland to restrict overnight use on

the Willamette River near Swan Island (river mile 9.0-10.0 east bank). That rulemaking process is underway. The Department plans to bring approval of the permanent rules to the Land Board in December of this year.

The Department currently has an emergency closure in place and will propose recreational use restrictions through the following proposed permanent rule language, if authorized, to initiate permanent rulemaking:

OAR 141-088-0230

**RESTRICTIONS FOR STATE-OWNED OF THE COLUMBIA RIVER, OREGON
SLOUGH RIVER, AND WILLAMETTE RIVER**

(Columbia River, Oregon Slough, and Willamette River)

All state-owned land that is under the jurisdiction of the Department between the line of ordinary high water and the line of ordinary low water along of the Columbia River from river mile 102 to 106 (Hayden Island to the north side and Marine Drive to the south side), river mile from 120 to 121 (Sandy River Delta), and the banks of the Oregon Slough River from river mile 0 to 2.5, in Multnomah County, Oregon, is closed to:

- (1) All uses between 10 p.m. and 5 a.m.*
- (2) The establishment of a campsite at any time. For purposes of this section, "campsite" means any place where any bedding, sleeping bag or other material used for bedding purposes, or any stove is placed, established or maintained for the purpose of maintaining a temporary place to live, whether such a place incorporates the use of any tent, lean-to, shack, or any other structure.*
- (3) Fires at any time.*

Excepted from this restriction are Government personnel on official business, public and private employees performing company business, vehicles and persons involved in rescue or emergency activities, Department authorized persons, and adjacent landowners inspecting or maintaining property.

Upon approval to initiate permanent rulemaking by the Board, the Department will convene a Rulemaking Advisory Committee (RAC) to review and provide input on the proposed rules and the "Notice of Proposed Rulemaking Filing Including Statement of Need and Fiscal Impact." The Department will solicit input on the proposed rules through a public comment period and will hold at least one public hearing on the proposed rules in Multnomah County.

The Department will take into consideration public comment, input from the RAC and other local and state agencies, and affected stakeholders to determine the appropriate final proposed restrictions in accordance with OAR 141-088-0006.

RECOMMENDATION

In an effort to preserve public trust values for all Oregonians, the Department recommends the State Land Board authorize the Department to initiate permanent rulemaking to impose restrictions in Multnomah County, Oregon, on the public recreational use of the state-owned banks of the Columbia River from river mile 102 to 106 (including the north side of Hayden Island) and from river mile 120 to 121 (Sandy River Delta). Also, to initiate permanent rulemaking to impose restrictions on the public recreational use of the state-owned banks of the Oregon Slough (including the south side of Hayden Island) from river mile 0 to 2.5.

APPENDICES

- A. Site Map for Sand River Delta at the Columbia River
- B. Site Map for the area around Hayden Island, including the Oregon Slough
- C. Photo Documentation
- D. Don Larson Letter
- E. Port of Portland Letter

State of Oregon Department of State Lands



Esri, HERE, Garmin, (c) OpenStreetMap contributors, Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community, Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community

APPENDIX A

Columbia River at Sandy River Delta

 Requested Closure Area  River Miles

This map depicts the approximate location and extent of a Department of State Lands Proprietary authorization for use. This product is for informational purposes only and may not have been prepared for, or be suitable for legal, engineering, or surveying purposes. Users of this information should review or consult the primary data and information sources to ascertain the usability of the information.

0 640 1,280

Feet



Map Projection:
Oregon Statewide Lambert
Datum NAD83
International Feet
State of Oregon
Department of State Lands
775 Summer St NE, Suite 100
Salem, OR 97301
503-986-5200
www.oregon.gov/DSL
Date: 9/5/2019



State of Oregon Department of State Lands



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APPENDIX B

Columbia River and Hayden Island

 Requested Closure Area  River Miles

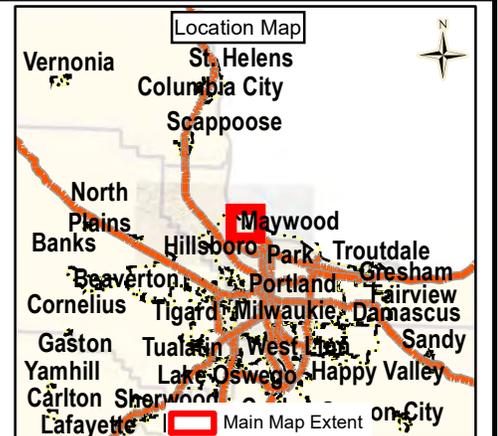
This map depicts the approximate location and extent of a Department of State Lands Proprietary authorization for use. This product is for informational purposes only and may not have been prepared for, or be suitable for legal, engineering, or surveying purposes. Users of this information should review or consult the primary data and information sources to ascertain the usability of the information.

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Feet



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Don Larson

July 28, 2019

Vicki Walker
Director
Oregon Department of State Lands
775 Summer Street NE
Salem, OR 97301

RE: Request for Department of State Lands (DSL) restrictions on public recreation use North Portland Harbor – adjacent to Columbia River

Dear Ms. Walker:

By way of introduction, my name is Don Larson. I am past-president and current member of Class Harbor Association, a floating home community located within North Portland Harbor, and current committee chair of WOOO (Waterfront Organizations of Oregon) Waterways committee. I am requesting that DSL take appropriate action to address camping on its property adjacent to the North Portland Harbor (Hayden Island to the north side and Marine Drive to the south side).

Property owners along the North Portland Harbor, including DSL, Port of Portland, Waypoints Properties, and Ecoservices, among others, have experienced years of illegal camping on submerged lands owned by DSL. I have attached recent pictures of these camps, specifically along the south side of North Portland Harbor along Port of Portland Terminal 6 lands.

As you are no doubt aware, long-term unauthorized camping has been increasing exponentially in the Portland metropolitan area, giving rise to several major concerns. Camping is not allowed on Port of Portland property or Ecoservices' property; attempts to keep unauthorized camps off Ecoservices' property adjacent to North Portland Harbor have been challenging and complicated in part because of the indistinct property boundary. Even after posting and repairing security fencing, illegal campers continue to trespass and camp on DSL beach area – crossing daily over Ecoservices upland property.

Class Harbor Association and our neighbors Ecoservices and Waypoints Properties have documented illegal or nuisance activity on state-owned land at the North Portland Harbor area. These activities include, but not limited to:

- Open fires
- Harassment
- Recent boat theft
- Damage to property
- Offensive littering and dumping (both hazardous and non-hazardous)
- Derelict boats – abandoned
- Illegal discharge of human waste to lands and waters of the Columbia River
- Interference with property.

As I routinely use the North Portland Harbor waterways, I regularly witness these growing activities. The accumulation of garbage and human waste is a concern to water quality and the public's ability to enjoy the river, North Portland Harbor, and adjacent state-owned property.

We request that DSL impose and implement restrictions on public use, including prohibiting overnight camping and campfires, on its North Portland Harbor property adjacent to the Columbia River. These restrictions will help Class Harbor Association, Ecosystems, DSL and other property owners enforce our property rights and ensure that the beaches along North Portland Harbor are available for everyone's use and enjoyment.

Please contact me directly if you have any questions or need additional information on this matter,

Respectfully submitted,

Don Larson

Don Larson

Attachments - photographs

August 14, 2019

Vicki Walker
Director
Oregon Department of State Lands
775 Summer Street NE
Salem, OR 97301

Re: Request for Department of State Lands (DSL) restrictions on public recreation use
Columbia River, River Mile 102 to 105.5; 120 to 121
Oregon Slough River Mile 0 to 2.5
Willamette River, River Mile 1 to 5.5; 8 to 10

Dear Ms. Walker:

I am a property manager with the Port of Portland (Port). I am writing to request that DSL take appropriate action to address camping on its property along the Columbia and Willamette Rivers at the River Miles listed above. These are areas adjacent to Port property. The concerns identified in this letter are similar to those brought to your attention in the Port's May 7, 2019 letter, which described homeless camping on DSL property at Swan Island.

As you are no doubt aware, long-term unauthorized camping has been increasing exponentially in the Portland metropolitan area, giving rise to a host of concerns. The Port is currently dealing with illegal camping and dumping on a number of its properties. Camping is not allowed on Port property; attempts to keep unauthorized camps off the Port's property adjacent to DSL's property are challenging and complicated in part because of the indistinct property boundary. The Port recently entered into an Intergovernmental Agreement with Metro to assist with a regional approach to unauthorized camping matters.

The Port, with the assistance of businesses and private property owners along the Columbia and Willamette River, has documented illegal or nuisance activity on state-owned land. These activities include, but are not limited to:

- Offensive littering and dumping (both hazardous and non-hazardous);
- Open fires;
- Harassment;
- Interference with property;
- Damage to property; and
- Unseaworthy boats and vessels.

Oregon Department of State Lands
Attn: Vicki Walker
August 14, 2019
Page 3 of 4



Oregon Department of State Lands
Attn: Vicki Walker
August 14, 2019
Page 4 of 4



DSL RULEMAKING STATUS UPDATE
As of September 17, 2019

Chapter	Division	Division Title	Title/Topic	Location	Staff Person	Effective Date	Active?	Current Status	PRP Period?	Public Hearing?	Public Hearing location	Steps left	LB Item?	What LB Mtg? (Initiate)	What LB Mtg? (Approval to Adopt)	Notes/Comments
141	88	Public Recreational Use of State-Owned Property	Restricted Use on State-owned lands	Eugene Islands	Blake Helm & Jacob Taylor	1/1/2020	Active	Waiting for public comment	10/1-31/2019	10/16/2019 10/22/2019	Eugene Salem	Public comment, DOJ & Director review, LB agenda item Dec 2019, file for adoption	yes	Tuesday, April 9, 2019	Tuesday, December 10, 2019	Comment period and LB agenda items will be done together with the Swan Island rulemaking, comment period closes 5 pm on 10/31
141	88	Public Recreational Use of State-Owned Property	Restricted Use on State-owned lands	Swan Island Area	Blake Helm & Jacob Taylor	1/1/2020	Active	Waiting for public comment	10/1-31/2019	10/21/19 10/22/19	Portland Salem	Public comment, DOJ & Director review, LB agenda item Dec 2019, file for adoption	yes	Tuesday, June 11, 2019	Tuesday, December 10, 2019	Comment period and LB agenda items will be done together with the Swan Island rulemaking
141	102	Oregon Essential Indigenous Anadromous Salmonid Habitat	ESH GIS maps	Statewide	Peter Ryan	ASAP	Active	waiting for ODFW to supply data point - tentatively October	none needed			Update our GIS maps with the data from ODFW	no			Peter will coordinate with GIS staff to do update of map once data is received, rulemaking process will take place also.
142	10	Public Uses of the South Slough National Estuarine Research Reserve	Restricted Use	South Slough	Bree Yednock	12/1/2019	Active	Waiting for public comment	10/1-31/2019	10/29/2019	Coos Bay/Charleston	Public comment, DOJ & Director review, SSNERRR Commission in Nov 2019 for rule amendment approval, file for amendment by December 1, 2019	no- SSNERR Commission	Thursday, May 30, 2019	SSNERR Commission in November 2019	Temp rule expires 12/10/19, RAC done 8/20, update to Commission on 8/29, will hold public hearing on 10/29, comment period closes on 10/31 at 5 pm
141	93	General Permits	General Use Permit	Statewide	Dana Hicks	TBD	Pending	in queue	TBD				no			Edits and updates to the ARMF rules
141	88	Public Recreational Use of State-Owned Property	Restricted Use on State-owned lands	North Portland Harbor, Oregon Slough	TBD	TBD	Active	October LB agenda item to approve initiating rulemaking	TBD			Land Board approval to start process in January 2020, rulemaking process	yes	Tuesday, October 22, 2019		This is the latest request for Port of Portland and Don Larsen for river mile closures (July/August letters). Combining one of the Port's requests with the current rulemaking for the Swan Island area.
141	85	Administrative Rules Governing the Issuance and Enforcement of Removal-Fill Authorizations Within Waters of Oregon Including Wetlands	Agricultural Channel Maintenance (HB 2437)(Removal-Fill)	Statewide	Eric Metz	TBD	Pending	discussing the timeline and steps to conduct	TBD			rulemaking process	unknown			Discussing the possibility of filing a temporary rule to be effective for 2020 harvest season and then conduct the permanent rulemaking process to be effective 180 days after temporary rule is in effect if the permanent process cannot be completed within the given timeframe.
141	30	Rules of Procedure for the Recovery of Escheat Property	Trust Property program	Statewide	Claudia Ciobanu	TBD	Queue	discussing the timeline and steps to conduct	TBD			rulemaking process	no			Manager needs to determine what rules will be affected by the transition and do cleanup of the rules before the transfer to Treasury. This could be quite extensive depending on the changes needed. Will be done in advance of the actual transfer to Treasury.
141	40	Unclaimed Property Claims/Finders Rules	Trust Property program	Statewide	Claudia Ciobanu	TBD	Queue	discussing the timeline and steps to conduct	TBD			rulemaking process	no			Manager needs to determine what rules will be affected by the transition and do cleanup of the rules before the transfer to Treasury. This could be quite extensive depending on the changes needed. Will be done in advance of the actual transfer to Treasury.
141	45	Administration of Unclaimed Property	Trust Property program	Statewide	Claudia Ciobanu	TBD	Queue	discussing the timeline and steps to conduct	TBD			rulemaking process	no			Manager needs to determine what rules will be affected by the transition and do cleanup of the rules before the transfer to Treasury. This could be quite extensive depending on the changes needed. Will be done in advance of the actual transfer to Treasury.
141	1	Model Rules	Model Rules	Statewide	Anne Friend	TBD	Pending	discussing the timeline and steps to conduct	none needed			set up meeting with Matt DeVore to discuss process for updating model rules	no			These need to be updated since the new AG books have been published, This rule needs to reflect that. May be possible to do this with a Statutory Minor Correction and not need the rulemaking process.
141	2-145		5 year review	Statewide	Anne Friend		Queue	review each rule for last changes made	TBD			create list of rules that need to go through the 5-year review	unknown			Anne is working with Matt DeVore to determine the needs of DSL
141	80	Lower Willamette River Management Plan	Update Lower Willamette River Management Plan	Willamette River	Richard Fitzgerald	TBD	Holding	reviewing for changes needed	TBD			rulemaking process	unknown			
141	85	Administrative Rules Governing the Issuance and Enforcement of Removal-Fill Authorizations Within Waters of Oregon Including Wetlands	Payment into Oregon RF Mitigation Fund (HB 2436)	Statewide	Dana Hicks	TBD	Holding	reviewing for changes needed	TBD			rulemaking process	unknown			
141	85	Administrative Rules Governing the Issuance and Enforcement of Removal-Fill Authorizations Within Waters of Oregon Including Wetlands	Stream Mitigation Accounting	Statewide	Dana Hicks	TBD	Holding	reviewing for changes needed	TBD			rulemaking process	unknown			
141	85	Administrative Rules Governing the Issuance and Enforcement of Removal-Fill Authorizations Within Waters of Oregon Including Wetlands	Define tidal waters jurisdiction at 50% exceedance	Coastal Area	Peter Ryan	TBD	Holding	reviewing for changes needed	TBD			rulemaking process	unknown			
141	85, 86, 90	Various	General cleanup of rules	Statewide	TBD	TBD	Holding	reviewing for changes needed	TBD			rulemaking process	unknown			These are corrections, name changes, number alignments, and other housekeeping corrections that will be identified.
141	86	Wetland Conservation Plan, Local Wetlands Inventory, and Identifying Significant Wetlands	Wetland Assessment for Planning in Oregon (WAPO) or ORWAP	Statewide	Jevra Brown	TBD	Holding	reviewing for changes needed	TBD			rulemaking process	unknown			
141	86 & 120	Wetland Conservation Plan, Local Wetlands Inventory, and Identifying Significant Wetlands (86) AND Wetland Conservation Plan Wetland Resource Designations and Analysis of Alternatives (120)	LWI mapping and submittal requirements	Statewide	Jevra Brown	TBD	Holding	reviewing for changes needed	TBD			rulemaking process	unknown			
141	88	Public Recreational Use of State-Owned Property	Upland Camping on the East Side	East side	Nancy P	TBD	Holding	reviewing for changes needed	TBD			rulemaking process	unknown			

DSL RULEMAKING STATUS UPDATE
As of September 17, 2019

Chapter	Division	Division Title	Title/Topic	Location	Staff Person	Effective Date	Active?	Current Status	PRP Period?	Public Hearing?	Public Hearing location	Steps left	LB Item?	What LB Mtg? (Initiate)	What LB Mtg? (Approval to Adopt)	Notes/Comments
141	90	Administrative Rules for Wetland Delineation Report Requirements and for Jurisdictional Determinations for the Purpose of Regulating Fill and Removal Within Waters of the State	Incorporate wetland and stream classifications and ARSCs into determinations/delineations	Statewide	Peter Ryan	TBD	Holding	reviewing for changes needed	TBD			rulemaking process	unknown			Possibly combine all the Division 90 rulemaking together where possible.
141	90	Administrative Rules for Wetland Delineation Report Requirements and for Jurisdictional Determinations for the Purpose of Regulating Fill and Removal Within Waters of the State	Clarify when to map wetland polygons below ordinary high water	Statewide	TBD	TBD	Holding	reviewing for changes needed	TBD			rulemaking process	unknown			Possibly combine with Stream Mitigation Division 85
141	90	Administrative Rules for Wetland Delineation Report Requirements and for Jurisdictional Determinations for the Purpose of Regulating Fill and Removal Within Waters of the State	Stream Mitigation Accounting	Statewide	TBD	TBD	Holding	reviewing for changes needed	TBD			rulemaking process	unknown			Let expire and delete or renew during cleanup of other division rules, expires January 2, 2022
141	90	Administrative Rules for Wetland Delineation Report Requirements and for Jurisdictional Determinations for the Purpose of Regulating Fill and Removal Within Waters of the State	Require GIS files for wetland and waterway delineations	Statewide	Peter Ryan	TBD	Holding	reviewing for changes needed	TBD			rulemaking process	unknown			Possibly combine with DIV 86
141	93	General Permits	Transportation GP	Statewide	Dana Hicks	TBD	Holding	reviewing for changes needed	TBD			rulemaking process	unknown			Revise -0141(4) to not include wetlands.
141	93	General Permits	Agricultural Drainage in the wetlands	Statewide	TBD	TBD	Queue	waiting for OSU research to be completed	TBD			rulemaking process	unknown			This will be for the 2019 HB 2437 implementation
141	125	Administrative Rules for Authorizing Special Uses on State-Owned Land	Fee structure; site administration; remove/combine listed uses	Statewide	Nancy P	TBD	Holding	reviewing for changes needed	TBD			rulemaking process	unknown			
141	82	Rules for Leasing and Registration of Structures On, and Uses of State-Owned Submerged and Submersible Lands	ARM Sustainable funding	Statewide	Eric Metz	TBD	Holding	still developing	TBD			rulemaking process	unknown			

Oregon Department of State Lands

Aquatic Resource Management Program Report

Fiscal Year 2019
(July 1, 2018 through June 30, 2019)



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INTRODUCTION

The Oregon Department of State Lands (Department) is the administrative arm of the State Land Board, Oregon's oldest board. Established by the Oregon Constitution in 1859, the Land Board has been composed of the Governor, Secretary of State, and State Treasurer throughout its history.

The Department's Aquatic Resources Management (ARM) Program manages aquatic resources dedicated to the Common School Fund at statehood, including among other resources, submerged and submersible lands within the bed and banks of 12 waterways within the state. Those waterways include all or segments of the John Day, Chetco, Columbia, Coos, Coquille, Klamath, McKenzie, Rogue, Sandy, Snake, Umpqua, and Willamette Rivers, as well as many lakes such as the Klamath, Devils, Siltcoos, Tahkenitch and North and South Tenmile. Submerged and submersible lands also include tidally influenced bays and estuaries along the Pacific Ocean to three miles offshore (the Territorial Sea). The Department processes applications within submerged and submersible land for waterway leases, easements, boat docks and boat house registrations, public facility licenses, sand and gravel operations, and special uses.

The ARM also protects the state's waterways and wetlands through administration of Oregon's Removal-Fill Law, enacted in 1967. The Removal-Fill Law was passed to conserve, restore and protect water resources for their contribution to aquatic life and habitats, fisheries, aquatic-based economies, tourism, public recreation, navigation, water quality, floodwater storage, and other natural resource functions.

This report provides information regarding management of state-owned waterways and fulfills the annual report requirement in the state's Removal-Fill Law (Oregon Revised Statutes (ORS) 196.885). This report covers Fiscal Year (FY) 2019. A fiscal year for Oregon state government is July 1 through June 30.

SECTION 1 – STATE WATERWAYS

State-Owned Waterways

Upon becoming a state, the State of Oregon acquired ownership of all submerged and submersible land underlying navigable waterways, waterways affected by tidal action, and the Territorial Sea (waters and seabed extending three geographical miles seaward from the Pacific coastline). The state also owns the submerged and submersible land underlying meandered lakes within its borders.

After Statehood, other water bodies have been determined to be navigable, and therefore state-owned, through legislative, judicial or administrative proceedings which include rivers, lakes, and tidally influenced waters. Further information, including rivers and lakes that have been determined navigable please refer to the website: Oregon.gov/DSL.

Uses of a State-owned Waterway

The people of Oregon are the owners of the submerged and submersible land and the Department is responsible for management of these publicly owned lands. The public has rights to use the beds and banks of navigable waterways for any legal activity, such as boating, fishing and swimming.

The following are typical uses of state-owned submerged and submersible lands that require an authorization from the Department. Authorizations include leases, licenses, easements, registrations and short-term access agreements.

- Houseboats
- Boat ramps
- Docks, floats and wharfs
- Marinas and moorages
- Marine industrial facilities
- Bridges
- Utilities and pipeline crossings
- Sand and gravel operations
- Remedial cleanup
- Non-water dependent commercial uses (restaurants, for example)
- Pilings, mooring buoy, voluntary habitat restoration, revetment, attenuations, retaining wall, rip rap, tide-gates

The following are common terms used with authorizations and their definitions.

- **Lease** - Uses that are generally longer term and are either water or non-water dependent.
- **Public Facilities License** - Publicly owned structures and uses such as boat ramps, docks, fishing and swimming platforms, viewing structures, and navigation aids.
- **Registrations** - Non-commercial uses and smaller structures such as boat docks, float or small boat houses (under 2,500 square feet), or floating recreational cabins (under 1,500 square feet), pilings, erosion control structures and voluntary habitat restorations.
- **Easements** - Required for long-term or permanent structures and uses on state-owned land. Types of uses include bridge and utility line crossings, erosion control structures and dredge spoils.
- **Remedial Activity** - All environmental remediation and restoration activities proposed on state-owned lands require an authorization. This includes access authorizations for individual or regular sampling, to leases and easements for long-term environmental dredging or the placement of a sediment cap.

Proprietary Authorizations

The Department manages over 5,000 authorizations for a variety of uses (see above) on state-owned submerged and submersible land. Table 1 provides an overview of the number of authorizations managed by the Department by use classification as of the end of FY 2019. Department staff focused on obtaining authorizations for new uses of state-owned waterways and on renewing existing approved uses for authorizations that will expire.

Table 1. Active Proprietary Authorizations by Type

Authorization Type	As of July 1, 2019
Public Facility License Waterway (WW)	226
Easements WW	1,200
Registration of Waterway Structures	2,785
Waterway Lease	512
Sand & Gravel WW	15
Short Term Access Authorization	127
Special Use License/Permit	41
Special Use Lease	17
Temporary Use Permit WW	7
Totals	4,930

Table 2 looks at the Department workload for new waterway authorizations over the last five years. Most notably, there has been a surge of new registrations as staff have been diligent in ensuring docks and other structures are authorized and in compliance with the program. Most of the Special Use authorizations in Table 2 are from the Real Property Management group for upland uses. Additionally, the Special Use authorizations include Memorandum of Understanding agreements the Department has with various entities for database tracking purposes.

Table 2. New Proprietary Authorizations by Type

Authorization Type	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	5-Year Total	5-Year Average
Public Facility License WW	4	6	2	2	3	17	3
Easements WW	25	21	27	32	20	125	25
Registration of Waterway Structures	45	76	27	13	82	243	49
Waterway Lease	8	9	3	4	6	30	6
Sand & Gravel WW	1	0	1	1	1	4	1
Short Term Access Authorization	32	41	30	34	37	174	35
Special Use License/Permit	2	2	2	0	17	23	5
Special Use Lease	1	2	1	0	0	4	1
Temporary Use Permit WW	0	0	0	0	0	0	0
Totals	118	157	93	86	166	620	125

Table 3 evaluates the trend for Department workload to renew authorizations. Most notable is the increased number of registration renewal authorizations. The Department initiated a new and efficient way for the public to renew registration authorizations using an online renewal process in FY2017. The new renewal process allows the public to renew an authorization and pay for it with only a few clicks online, simultaneously providing improved customer service and reducing Department staff time.

Table 3. Renewed Proprietary Authorizations by Type

Authorization Type	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	5-Year Total	5-Year Average
Public Facility License WW	48	9	12	12	11	92	18
Easements WW	2	2	4	5	8	21	4
Registration of Waterway Structures	738	282	390	331	557	2,298	460
Waterway Lease	69	50	55	20	25	219	44
Sand & Gravel WW	1	2	7	1	2	13	3
Short Term Access Authorization	1	2	0	0	0	3	1
Special Use License/Permit	0	3	2	3	1	9	2
Special Use Lease	1	1	1	1	0	4	1
Temporary Use Permit WW	0	0	0	0	0	0	0
Totals	860	351	471	373	604	2,659	533

Table 4 outlines the revenue received for the past four fiscal years. Fiber optic cable easements in the territorial sea have been a large source of revenue for the Department as noted in Table 4 below.

Table 4. Gross Revenue Received by the Department

Agency Object Type	FY 2016	FY 2017	FY 2018	FY 2019
Public Facility License	\$10,500	\$40,666	\$9,000	\$7,125
Easements-WW	\$207,253	\$768,133	\$177,300	\$718,136
Registration of Waterway Structures	\$111,355	\$128,353	\$119,590	\$204,320
Waterway Lease	\$2,302,702	\$2,040,479	\$2,182,514	\$2,070,827
Sand & Gravel WW	\$584,203	\$677,043	\$521,478	\$578,205
Short Term Access Authorization	\$750	\$4,250	\$1,000	\$1,625
Special Use License/Permit	\$2,625.00	\$3,050.00	\$0	\$6,080
Special Use Lease	\$27,699.58	\$40,474.39	\$74,057.71	\$23,094
Totals (rounded)	\$3,247,088	\$3,702,448	\$3,084,940	\$3,609,412

Table 5 forecasts proprietary authorizations that will be renewed for the upcoming year. The online renewal process for registrations will assist the Department in handling the anticipated workload for that program.

Table 5. Future Renewing Proprietary Authorizations by Type

Authorization Type	FY 2020
Public Facility License WW	11
Easements WW	10
Registration of Waterway Structures	584
Waterway Lease	31
Sand & Gravel WW	4
Short Term Access Authorization	26
Special Use License/Permit	4
Temporary Use Permit WW	3
Totals	673

Submerged Lands Enhancement Fund

The Department funded three projects in 2018 through the Submerged Lands Enhancement Fund. The projects granted are for controlling invasive aquatic plant management by the Willamette Riverkeeper; removal and replacement of a boat ramp and dock structure for the City of Coquille; and removal of small-scale debris along 70 miles of the Lower Columbia, Lower Willamette, and Multnomah Channel by the Lower Columbia Estuary Partnership. The City of Coquille and Lower Columbia Estuary Partnership projects will be complete by October 31 and November 30, respectively. The Willamette Riverkeeper's project will be complete by December 31, 2019.

The Department plans to fund additional projects in the current biennium but has not yet announced the next grant cycle.

Rulemaking

Easements on Trust and Non-Trust Lands

The Department completed rulemaking for OAR 141-122 and 141-123. Rules became effective on January 8, 2019, and achieved the following objectives:

- Consistency with HB 2460 (2015).
- Adoption of OAR 141-145 (Rules governing the management of state-owned submerged and submersible land subject to remediation and habitat restoration activities).
- Complete rule language changes recommended by Department of Justice.
- Review and update the administrative procedures for reviewing and issuing easements.
- Review and update the compensation formulas for issuing easements.

Rules Governing the Establishment of Restrictions on the Public Recreation Use of State-Owned Land

The Department began rulemaking in April 2019 to restrict the public recreational use of state-owned banks and islands on the Willamette River within Eugene city limits, Lane County, Oregon (OAR 141-088). These restrictions are designed to protect against: (1) the loss of, or damage to property; (2) the loss of, or damage to natural resources and the environment; (3)

degradation of water quality; and (4) loss of, or damage to riparian vegetation and wildlife habitat.

To this end, DSL believes all state-owned banks and islands on the Willamette River within Eugene city limits should be closed to:

- (1) All uses between 10 p.m. and 5 a.m.; and
- (2) The establishment of a campsite at any time; and
- (3) Fires at any time.

For the purposes of this section, “campsite” means any place where any bedding, sleeping bag or other material used for bedding purposes, or any stove is placed, established or maintained for the purpose of maintaining a temporary place to live, whether such a place incorporates the use of any tent, lean-to, shack or any other structure. Excepted from this restriction are Government personnel on official business, public and private employees performing company business, vehicles and persons involved in rescue or emergency activities, and Department authorized persons and adjacent landowners inspecting or maintaining property.

This rulemaking is ongoing. Two rules advisory committee meetings have been held to date and the public comment period is scheduled to occur in October 2019. The rulemaking is scheduled to go to the Land Board for approval and adoption in December with an effective date of January 1, 2020.

Inter-Governmental Agreements for Management of Some State Lands

The Department is currently party to the following agreements.

- Inter-Governmental Agreement (IGA) with Multnomah County Sheriff Office (MSCO) – Assistance with monitoring of State waterways in Multnomah County, \$10,000 per biennium.
- Inter-Agency Agreement (IAA) with Oregon Parks and Recreation (OPRD) – monitoring and cleaning up property owned by the Department along the Sandy River on or near Dabney State Park and Lewis and Clark State Park, \$26,000 per biennium.
- IAA with OPRD – monitoring and cleaning up property owned by the Department near the South Jetty of the Siuslaw River, \$5,000 per year.
- IGA with Metro Regional Government – Assistance with cleanup of illegal camps on state-owned lands in the Portland Metro area., \$10,000 per fiscal year for the biennium.
- Memorandum of Understanding with Willamette Riverkeepers – Assistance with cleanup of illegal camps, as well as the restoration and stewardship of Department owned lands.

Abandoned and Derelict Vessels and Illegal Camps

The Department of State Lands has witnessed an increase in the frequency and cost of abandoned and derelict vessels in recent years and has dedicated more and more staff time to this issue. Oregon, particularly it’s metro areas, has experienced a rise in houselessness. DSL, along with partner agencies and local municipalities, has seen an increase in the unauthorized use of abandoned and/or derelict vessels related to houseless issues.

In April 2019, the Department, Oregon State Marine Board (OSMB), and Oregon Department

of Environmental Quality jointly presented to the House Committee on Agriculture and Land Use on the issue of Abandoned and Derelict Vessels (ADV). These vessels are of concern as the living conditions on board are often unsafe, they have a higher risk of pollution due to their condition, and they may sink requiring public money for retrieval and disposal, among other concerns.

The Department continues to work with the OSMB in cost sharing for the disposal of ADV. Staff is also part of a regional work group that is identifying strategies that may assist states in handling both commercial and recreation ADV. Specifically, a Blue Ribbon Program is being developed in coordination with staff from the states of Alaska, Washington, and California, as well as British Columbia. The Blue Ribbon Program will cover the following topics as they relate to ADV: authorities, funding, prevention, removal and deconstruction, and public outreach and education. A report describing these issues and strategies that could be implemented to address them will be released in November 2019 at the Oil Spill Task Force annual meeting in Bellingham, Washington.

In addition to the growing problem of ADV on the waterway, there is a growing incidence of unauthorized transient use on state-owned land, specifically overnight camping throughout the state. The major concerns around these unauthorized uses are the amount of trash and debris, the environmental degradation caused from the camps and fires, restriction and loss of public access, and illegal activities occurring at camps. Staff recently wrote guidance for how the Department will notice illegal camps and the procedures they will use for processing cleanup of camps. The Department has also successfully entered into contract agreements with Willamette Valley Riverkeeper and Metro Regional Government to assist in some of the cleanup work of illegal camps.

This work has put significant demands on staff time and resources and has not traditionally been part of the Department's core work. In 2019, the Department designated an Abandoned and Derelict Vessel and Camping (ADVAC) team of staff who are coordinating this work. The purpose of this effort is to increase both the Department's responsiveness to the issue as well as our continued coordination with other agencies to develop a strategic, comprehensive, statewide approach to this issue and to leverage resources. The Department brought on a Portland State University Hatfield Fellow in September 2019 to help facilitate this work. Additionally, the Department designated \$250K in funding for additional cleanup efforts.

The Metro Abandoned and Derelict Vessel and Camping (Metro ADVAC) Group

The Metro ADVAC Group (formerly Transient Boater Work Group) was formed in Summer 2014 to address the increased number of people living on boats or on land adjacent to waterways without an authorization in the Portland Metro area. The work group includes representatives from the following agencies and citizen groups:

- Department of State Lands (DSL)
- Oregon State Marine Board (OSMB)
- Department of Environmental Quality (DEQ)
- Oregon State Police (OSP)
- Portland Housing Bureau
- City of Portland Office of Neighborhood Involvement
- City of Portland Mayor's office
- JOIN, Connecting a Street to a

- Oregon Department of Justice (DOJ)
- Multnomah County Sheriff's Office (MCSO)
- Multnomah County Housing
- Multnomah County Chair's Office
- Citizens
- City of Portland Parks and Recreation
- Home
- Columbia River Yachting Association
- Waterfront Organization of Oregon
- City of Portland Police Dept. Intensive Street Engagement
- Metro Regional Government

In the spring, the group developed a 2019/2020 work plan of its top priorities, which are:

- Reduce impacts of transient boats: work within this focus area concentrates on reducing the impacts (environmental, social, and otherwise) of illegal live-aboard boating.
- Cleanup unoccupied boats: work within this focus area concentrates on removing boats that are unoccupied, abandoned, or derelict from the water.
- Proactively address potential problem boats: work within this focus area concentrates on encouraging proper disposal or reuse of boats and structures that are derelict or have the potential to become derelict.

The Department, OSMB, and MCSO conducted outreach to transient boaters explaining the regulations and provided brochures with information about complying with moorage and boating safety laws. Outreach efforts were followed by notices of trespass and ultimately seizure of vessels in a recent cleanup coordinated by members of the Metro ADVAC at the Swan Island Lagoon. The focused area cleanup was directly tied to the work plan.

Staff are currently coordinating with members of the Metro ADVAC and the Port of Portland on its first illegal camp cleanup at North Portland Harbor. Staff are working directly with social services to help provide resources in advance of illegal camp closures, specifically Cascadia Behavioral Health. Metro Regional Government is assisting with debris disposal and storage of personal property for reclamation from campers.

Portland Harbor Superfund Site

The Department continues to engage with public partners and other stakeholders on various aspects of the Portland Harbor Superfund Site. Specifically, Department staff processed applications for conducting sediment sampling on state-owned submerged and submersible lands and for other activities directly and indirectly related to response actions and cleanup on submerged and submersible lands. Staff also coordinated with other public agencies (including EPA, ODOT, DEQ, and OHA), the Governor's Office, and others on issues associated with investigation, cleanup, and other issues. In response to current and anticipated applications, the Department continued to refine and develop its procedures, guidance, and other materials for authorizing remediation activities on state-owned lands. The Department also planned for future outreach to stakeholders. Staff continued work to clarify the state's ownership boundaries within the Portland Harbor Superfund Site and supported Department of Justice work related to the nonjudicial allocation of Portland Harbor response costs, including reviewing technical information and materials and researching and providing program information. Staff also participated in public entity partnership efforts including the Portland Harbor Remedial Design Trust, Willamette Cove Remedial Design, an Institutional

Control Implementation and Assurance Plan (ICIAP), and an Information Management Plan (IMP).

SECTION 2 – REMOVAL-FILL PROGRAM TRENDS

Removal-Fill Permits

There are four types of permits available to conduct work in wetlands and waterways:

Individual Permits (IP): A permit for projects that have more than minimal adverse effects to waterways and wetlands, are more complicated and often involve more than one removal-fill activity, may involve a substantial mitigation obligation, and do not qualify for any of the General Permits or General Authorizations. The processing timeline is up to 120 days.

General Permits (GP): A streamlined permit covering activities substantially similar in nature, recurring or ongoing, and have predictable effects and outcomes. A GP may be established by order or by rule. GPs issued by rule may be on a statewide basis or a geographic basis. GPs issued by order are for an applicant or group of applicants. The processing timeline is up to 40 days for most GPs.

General Authorizations (GA): A streamlined permit for nine specific types of removal-fill activities that have minimal adverse effects on wetlands and waterways. General Authorizations are pre-approved but require a 30-day notice to the Department prior to the removal-fill activity.

Emergency Permits (EP): Authorizations for emergencies that pose a direct threat to human health, safety or substantial property, and where prompt removal-fill action is required to address the threat. Approval is given as quickly as possible in emergency situations. Work must be limited to the minimum necessary to alleviate the threat.

The Department saw an increase of 22% (502 to 613) in permits issued compared to FY 2018 (Table 6). This includes increases in IPs by 20% (338 to 406), GAs by 11% (83 to 92), and GPs by 53% (57 to 87). Emergency Permits increased by 17% (24 to 28). The increased permit numbers reflect the continuing strong economy, except for Emergency Permits which tend to be driven by weather events rather than the economy.

Table 6. Removal-Fill Authorizations by Type

Authorization Type	Applications Received	Approved	Denied	Total Decisions	Approved in ESH
IP	254	406	0	406	155
GA	107	92	0	92	57
GP	60	87	0	87	27
EP	37	28	1	29	15
Totals	458	613	1	614	254

One GP of interest is the Bureau of Land Management/U.S. Forest Service permit, GP-42104, which is issued by order and is represented in Table 6 as one authorization. However, this GP authorizes projects that fall within 11 aquatic restoration activities through a notice-based process. Reporting occurs by calendar year (federal fiscal year). Based on the December 2018 report, there were 75 projects constructed July 1 to December 30, 2018, and 92

additional projects were noticed for construction between January 1 and June 30, 2019.

Essential Indigenous Anadromous Salmonid Habitat (ESH)

The Department’s essential indigenous anadromous salmonid habitat (ESH) requirements were established by the 1993 Legislative Assembly and fully implemented by the Department in 1996. An authorization is required for any amount of fill or removal for activities occurring within stream reaches used for spawning or rearing of state and federally listed anadromous fish species, unless the activity is specifically exempt. Table 7 includes the subset of permits issued for work in ESH waters.

The Department works with the Oregon Department of Fish and Wildlife to update the ESH designations for Oregon’s waterways to reflect new data, improved mapping techniques, and habitat reopened to salmonid and other species through recovery and restoration efforts. Designations are available on the Department’s website through an online map. The designations and map were last updated and adopted into rule in March 2015. ODFW is currently generating the data needed for the Department to update the ESH map and the Department anticipates rulemaking in early 2020.

Authorized Volumes of Removal and Fill

Table 7 contains total volumes (in cubic yards) of material permitted to be removed and filled in all waters of the state, including wetlands. Figure 1 depicts the location of the authorized removal-fill activities. It is important to note the total volume authorized each year will always be more than the actual volume removed or filled. Many, if not most, projects take several years to complete, but the permit is granted for the total amount and kept active each year. There are significant volumes permitted for some activities, particularly maintenance dredging, that occur on an as-needed basis, but are kept active, some of them for decades.

Table 7. Removal-Fill Authorized Volumes (cubic yards) for FY 2019

Auth Type	Removal Volume	Fill Volume	ESH Only Removal	ESH Only Fill	Wetland Removal Volume	Wetland Fill Volume
IP	3,386,619	3,963,166	877,138	883,354	714,666	2,030,486
GA	4,215	3,895	165	123	431	431
GP	91,107	49,024	14,572	12,937	14,566	22,341
EP	10,481	10,423	1,256	1,388	6,000	6,000
Total	3,492,422	4,026,508	893,131	897,802	735,663	2,059,258

Table 8 shows the number of acres of wetlands authorized to be removed from the landscape or created or restored. The net gain and loss of acres is a meaningful measurement for wetlands but is not useful for waterways. Wetlands can be removed from the landscape entirely, whereas streams can be improved or degraded, but they generally are not removed from the landscape.

The Department’s goal is no net loss of wetlands over time from the aggregate of property development and creation and restoration of wetlands (including from mitigation banks). In

FY 2019 there was a net loss of 17.40 acres of wetland from authorized activities. Wetland gains have outpaced authorized wetland losses over the past five years by 374.5 acres largely due to a few large voluntary restoration projects.

Table 8. Authorized Gains and Losses in Wetlands for FY 2019

Authorization Type	Wetland Acres Gained	Wetland Acres Lost	Net Wetland Acres
IP	57.73	73.20	-15.47
GA	0.00	0.00	0.00
GP	0.53	2.46	-1.93
EP	0.00	0.00	0.00
Totals	58.26	75.66	-17.40

Recreational Placer Mining

In Essential Salmonid Habitat (ESH), a removal-fill permit is required to fill, remove, or move any amount of material below the ordinary high-water mark. The Department has a General Authorization to facilitate permitting for placer mining in ESH designated waters.

The number of recreational placer mining authorizations has steadily decreased since hitting a peak of 2,409 authorizations in 2012. Part of this decrease was due to a moratorium on placer mining with passage of Senate Bill 838 in 2013. The moratorium was lifted in 2017 with passage of Senate Bill 3 which included significant limitations on recreational placer mining in ESH waters, including only allowing non-motorized methods (e.g. gravity and siphon dredges) through the streamlined general authorization process. There were 18 authorizations issued in FY 2019, which is an increase from only one in FY 2018.

The Department constructed a new web-based application that only allows applicants to proceed in the submittal process when allowable stream, type of activity, method, and type or size of equipment that may be used are filled in. This has added significant clarity to the general authorization application process for applicants and has saved staff resources by minimizing the number of incorrect, inaccurate, and ineligible applications received by the Department.

Recreational Placer Mining Reporting

The Department received three year-end reports from recreational placer miners on work they performed during FY 2019. Two of the reports indicated no removal had occurred within waterways. One reported 5 cubic yards of removal.

Legislation

House Bill 2436

House Bill 2436 enacted by the 2019 Legislative Assembly directs the Department to put together recommendations, including proposed legislation, for the 2020 Legislature to allow DSL to continue plans to take on partial assumption of the federal Clean Water Act 404 dredge and fill program currently administered by the U.S. Army Corp of Engineers (Corps). Successful implementation of a partial 404 assumption program would result in saving applicants the time and money of obtaining overlapping state/federal approvals over development in wetland and waters and could have a positive impact on the state's housing availability.

Partial 404 assumption means that DSL would apply to the Environmental Protection Agency to partially assume the 404 authorities from the Corps for "development activities" within Urban Growth Boundaries, mining and activities associated with mining; and the creation and operation of mitigation banks. Farming, ranching and forestry activities are specifically excluded (i.e., DSL would not assume authority and the status quo remains for those activities).

HB 2436 also modifies ORS 196.643 to allow the Department to accept payment into the in-lieu fee program even if a private sector bank already has credits available in the service area. Note this is a concern to private sector bankers who are worried DSL might undercut them.

Currently, the Department does not intend to change its policy of not competing with the private sector, but is exploring options for increasing staff capacity to successfully deliver credits in areas not served by the private sector, while also promoting public or private sponsorship for new mitigation banks or in-lieu fee programs in these areas.

House Bill 2437

House Bill 2437, also enacted by the 2019 Legislative Assembly, directs the Department of State Lands, Oregon Department of Agriculture (ODA) and Oregon Department of Fish and Wildlife (ODFW) to work together to put ODA in the lead on managing a notice-based process for reviewing removal-fill activities in traditionally maintained agricultural drainage channels that are not designated Essential Salmonid Habitat and that are seasonally dry. The shift in oversight for these activities aims to increase communication and relationships between the state and the agricultural community and promote use of best management practices that will protect wetlands, waterways, and wildlife. Rulemaking by the Department, ODA and ODFW will be required to implement these changes.

House Bill 2437 also: 1) provides funds for the College of Agricultural Sciences at Oregon State University to study the benefits and impacts of maintenance activities on habitat complexity and other biological parameters, including the benefits and impacts of maintenance activities for fish and wildlife that inhabit the channels; 2) requires the Department, ODA, and ODFW to perform joint reporting on and adaptive management of activities related to implementation; and 3) directs the Department to develop and adopt a General Permit for channel maintenance during wet conditions.

Rulemaking

Non-motorized Placer Mining General Authorization

Rulemaking for OAR 141-089 achieved consistency with Senate Bill 3 (2017) and sought to streamline the process for administering removal-fill permits, reducing paperwork, increasing certainty and timeliness, and enhancing resource protection.

Aquatic Resource (Compensatory) Mitigation Framework

Rulemaking for OAR 141-085, 141-089, and 141-093 was completed to update the statewide compensatory mitigation requirements using a watershed-based approach and function-based assessment and accounting methods; and to make other non-substantive edits for routine rules maintenance.

The Department changed policy because in 2008, the federal government adopted a new rule – the Final Compensatory Mitigation Rule – which promotes a watershed- and function-based approach to compensatory mitigation. Studies show that the current practice of requiring acreage-based mitigation is leading to an overall loss of functions and values of aquatic resources across the United States. The new mitigation framework aims to bring Oregon’s mitigation program into alignment with the federal standard and to provide more successful, sustainable benefits for the environment.

This new approach to compensating for wetland and stream losses is being collaboratively implemented by DSL, Corps-Portland District, and US Environmental Protection Agency-

Region 10 (EPA). The rules became effective on April 1, 2019.

Statewide Wetlands Inventory and Goal 5 Planning Assistance

Statewide Wetlands Inventory

The Department is responsible for developing, maintaining and distributing the Statewide Wetlands Inventory (SWI). The SWI initially was based upon the National Wetlands Inventory (NWI) developed by the U.S. Fish and Wildlife Service (USFWS). Local Wetlands Inventories (LWIs) that cover many urban and urbanizing areas in Oregon are added to the SWI as they are approved. The SWI also includes other recognized mapping that indicates potential locations of wetlands and waters. Other Department-approved wetland mapping such as wetland delineations and compensatory mitigation sites are part of the SWI but are not yet available in digital GIS format.

Development of an SWI web map tool began in 2017. Internal and external reviews were completed in previous years and revisions to the web page and web map continued in FY 2019. The initial release, without LWI mapping, is anticipated before the end of this calendar year. The Department obtained an EPA Wetland Program Development Grant to support the digitization and addition of all approved LWIs to the SWI web map. This work will be completed in early 2020. Local governments will be able to use the SWI to check for the need to submit a Wetland Land Use Notice (WLUN) to DSL upon receipt of certain land use applications. Outreach about the SWI update web map to local government planners and other groups is ongoing.

Local Wetland Inventories

Local Wetland Inventories (LWIs) have much more detailed and accurate mapping than the NWI and include other descriptive information and wetland functional assessments that are used to make Locally Significant Wetland determinations for Goal 5 compliance. LWIs are used by cities and counties for planning purposes, they also provide good wetland location information for the public, landowners, and developers. The Department's Aquatic Resource Planner assists local governments and their consultants with LWI development, and ultimately reviews and approves LWIs. In FY 2019, staff provided support for the initiation, first public meeting and site review for the City of Dallas LWI. A good deal of effort was provided with Pendleton, Oregon Department of Land Conservation and Development (DLCDD) and their LWI consultant to reinitiate and complete the LWI, but the city could not secure enough funding this year.

Staff have been leading an effort to develop a new wetland functional assessment method for local planning efforts, especially for LWIs. This new assessment method will replace the Oregon Freshwater Wetland Assessment Methodology for Locally Significant Wetland determinations. The Department staff has worked through some technical issues this year. A final meeting will be held with the technical advisory committee to discuss how to integrate the new assessment method into the Division 86 Locally Significant Wetland rules in FY 2020.

Outreach

Outreach included presentations to local planning staff about the SWI, the WLUN process, regulations, and participation in long-range wetland planning efforts. Events included two

Oregon Coastal Zone Planners meetings, three DLCD/Oregon chapter of the American Planning Association (OAPA) Joint Regional Planners meetings, the DLCD/OAPA Statewide Planners Conference, the League of Cities mid-Willamette meeting, the Clatsop County Soil and Water Conservation District water quality meeting, and presentations to planning staff of Oregon City, Clatsop County, Warrenton, and Astoria.

The Aquatic Resource Planner corresponded with county and city representatives and with members of the public about notices, land use planning, related wetland topics, regulatory process and other inquiries. In FY 2019, there were 570 general notices received from 21 counties, 42 cities and 13 other federal, state and non-governmental organizations regarding proposed activities. The Aquatic Resource Planner reviews these for WLUN outreach opportunities. These notices are also reviewed by the Real Property Analyst for proprietary concerns.

Wetland Conservation Plans and Advance Aquatic Resource Plans

Wetland Conservation Plans (WCP) were developed as a method for local governments and communities to make long range plans for development, mitigation and protection of wetlands identified on LWIs. WCPs are approved by final order of the Director and include local land use planning decisions. To date, West Eugene has the only WCP, which was approved in 1994.

Advance Aquatic Resource Plan (AARP) rules were developed from a long process involving multiple state, federal, local government and other stakeholder participation. AARPs are similar in many ways to WCPs. Wetlands and waters are identified, functional assessments completed, and decisions are made regarding the best use of each wetland; then the plan is approved by final order of the Director. AARPs differ from WCPs because the plan is not a land use decision; the plan area is determined by the participants, and both the landowners and future developers voluntarily agree, or not, to the conditions of the plan. If the participant chooses to comply with the terms of the AARP, there is streamlining of the removal-fill permitting process.

Two AARPs have been approved and are active. The first, for 19 selected industrial sites in Linn and Benton Counties sponsored by the Oregon Cascades West Consortium was approved on October 2, 2015. The Port of The Dalles sponsored an AARP for six industrial sites, approved July 8, 2016. After participating in the development of both plans, the U.S. Army Corps of Engineers declined to recognize the plan efforts with either a Letter of Permission or a Regional General Permit, respectively, on October 6, 2017. This is unfortunate because the wetlands planning, and regulatory permit streamlining provided by the AARP process for state removal-fill permits is not realized in the federal Section 404 wetlands permitting process.

SECTION 3 – PROGRAM REPORTING FOR THE REMOVAL-FILL LAW

Monitoring

The Department monitors mitigation sites and impact sites that require restoration, both for permitted activities and violations. Due to the nature of the time it takes for establishment of mitigation sites and restoring impact sites, including soil stability and plant development, there will always be a quantity of sites actively being monitored. Currently, the Department is actively monitoring 498 projects (see Table 11 below). The Department's goal is to keep pace by closing as many as are opened; however, this will vary from year to year depending on the number of permits or enforcements each year.

Table 9. Mitigation Monitoring FY 2019

Authorization Type	Active	Opened	Closed
Wetland	273	33	134
Stream	225	48	17
Totals	498	81	151

Enforcement

When the Department becomes aware of potential noncompliance issues, the alleged violation is investigated to determine whether a violation has occurred. Table 10 shows the number of permitted and nonpermitted enforcements opened and closed. Also shown are the subset of those violations specifically occurring in ESH waters. The civil penalties collected may or may not be assessed in the same year as the violation, which may increase or decrease the penalties collected in a fiscal year relative to the penalties assessed. The total amount of civil penalties collected will also be affected by negotiations during resolution of the violation.

The Department opened 82 enforcement files during the reporting period. Of the almost 500 active permits only three enforcements were opened for projects with a permit. This is likely due, at least in part, to the interaction, coordination, and education that is made possible through permitting and monitoring. The Department closed 73 enforcement files in FY 2019. Enforcement files are closed either through Consent Agreements and other orders, or when further investigation reveals either no violation occurred or there was insufficient evidence to confirm a violation.

Table 10. Compliance Checks, Enforcements, Civil Penalties, & Final Orders FY 2019

	Number of compliance checks	Enforcement Files Opened	Enforcement Files Closed	Civil Penalties Assessed	Civil Penalties Collected	Final Orders
Permitted	156	3	5	\$0	\$0	0
Unpermitted Work	159	79	68	\$191,049	\$171,773	34
ESH Permitted	30	1	2	\$0	\$0	0
ESH Un-permitted Work	52	23	21	\$16,000	\$37,918	7

A BLM /USFS general permit, GP-42104, though only one permit, authorizes many restoration projects statewide. As a result, there are many compliance checks unrepresented in Table 10. In FY 2019, staff reviewed 38 project reports for the BLM/USFS general permit and conducted 10 on-site project compliance checks.

Contested Case Hearings

The Department managed 8 files with a request for a contested case during FY 2019. Many of the requests remained active from prior years. Table 11 below shows the final status of the contested cases within the fiscal year.

Table 11. Status of Requested Hearings at End of FY 2019

Cases Settled or Withdrawn	Hearings Requested	Hearings Pending	Hearings Held	Dept. Decision Upheld	Appealed to Higher Court	Higher Court Upheld Dept Decision	Higher Court Overturned Dept Decision
3	5	8	2	1	1	0	0

Wetland Land Use Notification

The wetland land use notification process was initiated in 1989 as part of the Oregon Wetlands Conservation Act. All counties and cities are required to notify the Department of certain development activities proposed in wetlands that are mapped on the Statewide Wetlands Inventory. The Department reviews the notice and provides a written response within 30 days to the applicant and local government as to whether the proposed action requires a removal-fill permit and/or a more precise wetland boundary location (wetland delineation). The Department was successful in responding within 30 days for 634 notices but exceeded that time for 121 notices (16% of all notices) in FY 2019.

The objective of the notification process is to provide coordination between local (city or county) development approvals and state wetland regulations. Overall, the wetland land use notice process has proven to be an effective “early warning” mechanism for landowners and developers that a state permit may be required in addition to the local approval.

The Department continues to receive more notices each fiscal year (Table 12). The increase can be attributed to the Department’s continuing outreach efforts to local government planners and the continually growing economy. Table 12 shows a dramatic increase in FY 2019 for the number of notices that took more than a 30-day response time. Of the 121 that took more than 30 days response time, 92 received a written response within 35 days. The increase can be attributed to problems with the online land use notice system that was failing for a period to notify staff about new notices, losing and needing to hire and train two new staff members to review notices, and the continuing problem of balancing workloads between regions of the state. While the online form notification problem was fixed and our two newest staff members are trained and up to speed, there still is a need for additional staff to handle the workload. The Department is planning to hire additional staff before the end of the calendar year using funds allocated by the 2019 Legislature (HB 2436).

Table 12. Department Response Time for Wetland Land Use Notices

Response Time	FY 2017	FY 2018	FY 2019
30 Days or Less	596	677	634
More than 30 Days	24	19	121
Total	620	696	755

Wetland/Jurisdictional Determinations and Wetland Delineation Report Review and Approval

The Department offers the public service of providing an agency determination on whether wetlands or other waters of the state may be present on a parcel of land and provides reviews of delineation reports. A wetland determination, conducted without charge, identifies if wetlands or other waters of the state are present on a site that may be subject to state permit requirements. If wetlands and/or waters are present, a delineation and report by a wetland consultant may be needed to accurately locate and map the wetlands and waters (a wetland delineation report). Wetlands staff review the delineation reports submitted to the Department. Landowners, developers and local governments use the approved delineation report and maps to avoid or minimize impacts to waters of the state, or to determine the impacts that will require a state permit. Table 15 shows the number of wetland determinations and delineation report reviews conducted for FY 2019.

Table 13. Wetland Determinations and Delineation Report Reviews

Number of Reviews	FY 2017	FY 2018	FY 2019
Determination	185	330	320
Delineation	281	333	319
Total	466	663	639

Compensatory Mitigation

Oregon Administrative Rule 141-085-0006(3) defines compensatory mitigation as follows: *“Compensatory mitigation” means replacement of water resources that are damaged or destroyed by an authorized activity.*”

Applicants have several mitigation options to choose from. They may conduct their own mitigation at the impact site or elsewhere nearby by either creating or restoring wetlands, enhancing degraded wetlands, or in certain limited cases, preserving high-value wetlands that are threatened. Some applicants have the option of purchasing wetland credits from a mitigation bank or an in-lieu fee project, or they may pay into the Department’s Removal-Fill Mitigation Fund. The Department promotes mitigation banking because it is ecologically valuable to consolidate mitigation and generally more efficient to perform compensatory mitigation on a larger scale.

Mitigation Banking

There are currently 27 approved mitigation banks in Oregon, of which 8 have sold out of credits but have ongoing monitoring requirements. Table 14 shows the cumulative sales and balances of the mitigation banks for FY 2019. During the fiscal year, 12 active mitigation banks made 56 separate sales totaling 28.85 credits. Seven new mitigation banks are currently in process of review but have not yet been approved.

Table 14. Mitigation Bank Credit Sales and Balances as of June 30, 2019

Mitigation Bank	County	Total possible credits	% of credit released	% sold to date	Balance of credits remaining
Amazon Creek	Lane	39.78	100	100	0
Butler	Washington	45.60	55	54	20.89
Claremont	Clatsop	11.97	28	25	8.93
Cow Hollow	Douglas	15.22	100	100	0
Coyote Prairie North	Lane	78.68	81	76	17.65
Evergreen	Benton	84.52	98	92	6.66
Foster Creek	Clackamas	27.57	95	75	6.99
Frazier Creek	Benton	13.00	100	100	0
Garret Creek	Clackamas	15.49	50	43	8.77
Long Tom	Lane	59.51	85	85	8.98
Marion	Marion	38.30	88	61	14.76
Mid-Valley phase 1	Benton	16.80	100	100	0
Mid-Valley phase 2	Benton	4.73	90	90	0.47
Muddy Creek	Benton	60.33	85	75	12.78
Mud Slough phases 1-2	Polk	73.82	100	100	0
Mud Slough phase 3	Polk	41.50	100	100	0
Mud Slough phase 4	Polk	42.58	75	19	36.49
Oak Creek	Linn	38.98	58	58	16.41
ODOT Bobcat Marsh	Washington	5.26	100	28	3.76
ODOT Crooked River	Crook	5.56	90	26	4.11
ODOT Greenhill	Lane	8.11	20	14	6.97
ODOT Lost River	Klamath	13.41	80	32	9.1
ODOT Vernal Pool	Jackson	20.95	83	48	10.86
One Horse Slough	Linn	66.91	98	91	6.18
Rogue Valley Vernal Pool	Jackson	24.70	70	21	19.48
Tualatin Valley	Washington	31.13	75	72	8.61
Weathers	Marion	9.19	100	100	0
West Eugene	Lane	135.52	100	100	0
Wilbur Estuary	Lane	44.12	75	6	41.37
Total wetland credits		1,073.24	-	-	270.22
Salem Stream Bank *	Marion	10,741*	75	0.5	10,683

*Salem Stream Bank credit units are not based on acreage and thus are not comparable to the wetland credits balances

Mitigation Bank Program Compliance and Efficiency

Mitigation banking represents an important efficiency for both the Department and for permit applicants. They can provide greater ecological benefits, are more efficient for Department staff to manage than smaller mitigation sites and can be a profitable business venture for the

bank sponsor. Banks are also a popular option for applicants because the per acre cost is generally less than individual mitigation sites, and obligation for the mitigation requirement is transferred to the bank sponsor once credits are purchased.

Department staff inspect each mitigation bank annually to evaluate whether expectations have been met, to verify information in the monitoring reports, and to discuss and resolve emerging issues. One bank is in remedial status due to weed invasion. Staff have also been working with some bank sponsors to promote the establishment of long-term stewardship plans where previous administrative rules did not require such plans.

Compensatory Mitigation – Department In-Lieu Programs

In-lieu fees are accepted into the Oregon Removal-Fill Mitigation Fund as a form of compensatory mitigation for unavoidable adverse effects on waters of this state. The funds are used by the Department to construct mitigation sites and compensate for lost functions and values. There are two in-lieu fee programs available. The Payment In-Lieu (PIL) program allows payment for compensatory mitigation for small impacts (generally <0.2 acres) to waters of this state when other methods of providing compensatory wetland mitigation are not available or are inadequate. The Corps does not accept PIL mitigation for their federal 404 permits. The Oregon Department of State Land In-Lieu Fee (ILF) program was approved by the Corps in 2009 and provides compensatory mitigation for both waters of this state and waters of the United States; i.e., the credits may be used to satisfy mitigation requirements for both Oregon removal-fill permits and federal 404 permits. Under the ILF program, areas are approved to sell a maximum number of credits, but a project must be approved and meet performance requirements before credits are released and the mitigation obligation is fulfilled.

The Department’s in-lieu programs provided mitigation for 33 permit authorizations for a total of 3.706 credits. Credits sales for PIL and ILF, and ILF credit sales and balances are shown in Table 17 and 18, respectively. Funds are deposited in the Oregon Removal-Fill Mitigation Fund.

No new projects were funded through the Oregon Removal-Fill Mitigation Fund in FY 2018. The Department has ongoing projects funded in previous years for all areas shown in Table 16, except the Umpqua Interior Foothills. For this area, the Department has continued working with a private mitigation bank developer and plans to purchase credits once that project is approved and credits are released.

Table 15. Deposits into the Oregon Removal-Fill Mitigation Fund in FY 2019

Number of Permits using the PIL Program	22
PIL \$ Totals	\$445,765
PIL Credits Sold	3.427
Number of Permits using the ILF Program	7
ILF \$ Totals	\$182,946
ILF Credits Sold	2.019
Mitigation Fund Deposits \$ Total	\$630,457
Total Mitigation Credits Sold	5.452

Table 16. In-Lieu Credit Sales and Balances as of June 30, 2019

Site Name	County	Credits Released in FY	Cumulative Credits Sold	Balance
Tamara Quays	Lincoln	2.16	1.81	0.34
Half Mile Lane	Washington	13.24	4.93	8.11
Pixieland	Lincoln	4.02	2.08	1.94
Lower Columbia advance credit area	Clatsop	0	3.29	-3.29
Umpqua Interior Foothills advance credit area	Douglas	0	7.52	-7.52
Wilson Trask Nestucca advance credit area	Tillamook	0	2.20	-2.20

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Oregon

Kate Brown, Governor

Department of State Lands

775 Summer Street NE, Suite 100

Salem, OR 97301-1279

(503) 986-5200

FAX (503) 378-4844

www.oregon.gov/dsl

State Land Board

Kate Brown
Governor

Bev Clarno
Secretary of State

Tobias Read
State Treasurer

M E M O R A N D U M

October 22, 2019

To: Governor Kate Brown
Secretary of State Bev Clarno
State Treasurer Tobias Read

From: Vicki L. Walker
Director

Subject: Aquatic Resource Management (ARM) Sustainable Funding

A sustainable funding study was commenced in early 2019 in accordance with the Department of State Lands' (Department) 2017-2021 Strategic Plan, Objective 4.3. Within Objective 4.3, the Department has identified a need to more thoroughly track statutory and trust lands separately, quantify labor time and costs for each program area, and adjust program rates and fees based on market analysis.

A separate rate study was conducted of each ARM program component through the lens of equity, administrative and economic efficiency, and whether rates and fees were achieving market rates when appropriate.

The Waterway Leasing Rate Study of the ARM's proprietary leasing operations was completed in October 2018.

Summary of findings:

- The proprietary rate structure has not been changed since 1999. (Some fees have been added.)
- The Department should engage in rulemaking to support the waterway leasing program. Some recommendations include:

- The Department should transition from the use of Assessed Value to the use of Real Market Value in the calculation of leasing rents. Ballot Measure 50, which was passed in 1997, removed market forces from a property's Assessed Value.
- The use of the Gross Receipts category decreases equity within the program. It is also administratively and economically inefficient and requires additional work from the lessee. The rate category should be removed.
- An additional fee could be added to all program participants to cover externalities and potential environmental impacts of waterway development. These funds could be placed into the Department's Submerged Lands Enhancement Fund to help serve the Department's mission of stewardship of public lands and response to unplanned issues that impact aquatic lands. Issues could include ADVs and unauthorized camping.

The Removal-Fill Rate Study of the ARM's regulatory removal-fill permitting program was completed in September of 2019. This report is currently being analyzed by our fiscal staff to verify the accuracy of the financial projections.

Summary of findings:

- The Removal-Fill Program is not covering program costs. Removal-Fill charges for service cover approximately 20% of operating expenses on average over the 2008-2018 data set. The highest percentage of cost recovery was 26% which occurred in 2008. The lowest percentage of cost recovery was 13% in 2014.
- Substantive changes have not been made to the regulatory rate structure since its creation in 1989, except for the addition of an annual consumer price index adjustment which went into effect in 2009. This means that the program went about 20 years without rate increases. (Some fees have been added.)
- The current removal and fill, volume-based rate system which calculates permitting payments based on the amount of material removed or filled (in cubic yards), is not representative of staff's workload in review of applications. Additional consideration should be given to inform the creation of a new rate structure that is representative of staff workload and the goals of the Removal-Fill Program. A new rate structure should be developed that captures the complexity of a project, environmental impacts, market forces, and project type.
- An across-the-board increase in the current rate structure would disproportionately affect small private (individual residential) development and public entities.
- Salaries and wages have stayed relatively constant from 2008-2018, with a 3.27% increase on average per year. From year-to-year, salaries and wages have varied and sometimes even declined.

With the information from the two rate studies and additional financial analysis, a draft sustainable funding report was developed which is still undergoing internal review. The final report will identify current issues within the ARM that are barriers to financial sustainability and suggest alternative approaches to funding ARM programs. The report will also make recommendations for future areas of study and highlight information and data needed to support rate and fee setting efforts.

The figures used in this memo are preliminary. We will have a final report for the Land Board in February but wanted to share our initial numbers with you today.

Summary of findings:

- From 2008–2018 data, the ARM has covered approximately 44% of its expenditures with revenue generated from charges for service. This number does not include Department overhead such as administrative support, finance, human resources, or IT services including GIS, needed to support daily operations.
- With consideration of core vs. variable expenses, projections show between \$4M and \$7M of additional revenue needed annually to support ARM cost recovery. Core expenses include only salaries and benefits and the program's services and supplies. Variable expenses include Abandoned and Derelict Vessel (ADV) removal, the cleanup of the Portland Harbor Superfund Site, and estimates for Department overhead.
- Long-term financial planning should consider variable expenses incurred by the Department. Revenue should be set aside to support future large ADV cleanups like the New Carissa (\$16.4M in 2009) and River Queen (\$12.2M in 2018).
- From 2008–2018 regulatory data, the program only charged a fee for 60% of issued authorizations. This leaves 40% of the services administered by the regulatory program uncompensated. This is due to several different statutory exemptions and services that are provided but no fees are currently set.
- Data is currently not available to quantify staff time in the administration of ARM program functions. The Department should determine the average amount of staff time that is needed to administer core ARM functions. This information should be used to support data driven rate and fee setting efforts.
- No matter how the Department chooses to address cost recovery in the future, rates and fees will need to be reviewed and adjusted more regularly to meet program needs. Rates and fees that are not periodically adjusted will inevitably become out of sync with operational costs. One strategy to facilitate more periodic review and adjustment is to build the political support needed to move rates currently set in statute to administrative rule.