

the land should seek to minimize the depletion of non-renewable sources of energy.

13. Land use actions should, to the maximum extent possible, seek to recycle and re-use vacant land and those uses which are not energy efficient.

14. Land use development in the County should, to the maximum extent possible, combine increasing density gradients along high capacity transportation corridors to achieve greater energy efficiency.

15. All plans should be directed toward energy conservation and should consider as a major determinant the existing and potential capacity of the renewable energy sources to yield useful energy output. Renewable energy sources include water, sunshine, wind, geothermal heat and municipal, forest and farm waste.

16. Land use development shall be based on utilization of the following techniques and implementation devices which can have a material impact on energy efficiency:

a. Lot size, dimension, and siting controls; b. Building height, bulk and surface area; c. Density of uses, particularly those which relate to housing densities; d. Availability of light, wind, and air; e. Compatibility of and competition between competing land use activities; and f. Systems and incentives for the collection, reuse and recycling of metallic and nonmetallic waste.

URBANIZATION ELEMENT

See Also New Portion

Introduction

The urbanization of the Plan is set forth primarily as a summary of the Urban Area Comprehensive Plans for the five (5) incorporated Cities of the County; Boardman, Irrigon, Ione, Heppner and Lexington. The "Plans" of all these Cities have been completed and adopted jointly by the County and each respective City. Said "Plans" for the Urban Areas of the Cities of Boardman, Irrigon, and Lexington have previously been "Acknowledged" by the State Land Conservation and Development Commission for Compliance with Statewide Planning Goals, and the "Plans" for the Urban Areas of

1. To encourage renewable and/or efficient energy systems, design, siting and construction materials in all new development and improvements in the County.

2. To conserve energy and develop and use renewable energy resources.

3. Encourage development of solar and wind resources.

4. To revise development regulations to encourage that the orientation of streets and buildings allow for utilization of solar energy and require landscaping to reduce summer cooling needs.

5. To regulate any object from casting a shadow on an existing solar collecting unit.

6. To encourage high density residential development in close and/or convenient proximity to high employment areas and commercial areas.

7. To encourage all systems and efforts for the collection, reuse and recycling of metallic and non-metallic wastes.

8. The County will work closely with individuals and appropriate government officials at all levels to ensure that the County continues to receive its share of the Columbia River power pool.

9. The County will encourage the development of alternative energy sources in County industries and businesses.

10. The County should encourage firms and agencies seeking to study these potential power sources to locate trial projects here, through a publicity campaign directed at interested institutions, business concerns and public agencies.

11. Priority consideration in overall planning should be given to implementation measures that will encourage achievement of maximum efficiency in energy utilization.

12. The allocation of land and uses permitted on

URBANIZATION ELEMENT

Introduction

Goal 14 is designed 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. The original urban growth boundaries established at the time of adoption and acknowledgment for Morrow County and each of the respective communities - Boardman, Heppner, Lone, Irrigon and Lexington - has functioned adequately. Nearly 30 years after the acknowledgment of the Morrow County Comprehensive Plan a complete review and update is being undertaken and each of the communities urban growth boundaries and respective needs will be completed.

Joint Management Agreements are in place, but as part of the Comprehensive Plan update are being reviewed and amended to provide better information to both Morrow County and the respective community.

While none of the communities have needed to do expansive urban growth boundary expansions over the past 30 years there have been actions to increase or provide other support to the communities within or adjacent to the respective urban growth boundary. This update will continue to refine what we know now about how each community has grown under the Oregon statewide planning system, and how they want to continue to grow.

City of Boardman Urban Area

The Boardman Urban Area Plan indicates a major addition to the City. As shown in the Plan, the City could accommodate up to 12,000 people.

The land use pattern is comprised of three basic types of land use: commercial, residential and industrial. The commercial core area is located close to the existing I-80N interchange. Tourist commercial is located around the interchange, with community commercial to the south. The community commercial area contains enough room for a large shopping center, office development and similar uses.

The residential area lies primarily south of the freeway. The existing residential area to the north is also planned for full development. Each residential neighborhood will contain its own park and internal pedestrian system. Major traffic movements will be routed around the perimeter of each neighborhood on arterial streets.

The industrial area lies north of the freeway. Most of it is located on the Port of Morrow property. The general industrial area will accommodate food processors and other heavy industries. The light industrial area will accommodate warehousing, bulk storage facilities, and commercial-industrial establishments such as automobile dealerships.

City of Irrigon Urban Area

The Plan for Irrigon Urban Area indicates complete development of the existing town site, with some residential use in adjoining areas.

Two types of commercial development are indicated; tourist commercial uses along U.S. 730 and a proposed community shopping area north of the railroad. The tourist commercial area is also intended to accommodate mobile home parks. A new civic center is indicated close to the community shopping area. This area will contain a city hall, library, and other community buildings.

Urban residential development is shown between the Columbia River and U.S. 730. This type of development is characterized by single-family homes on lots ranging from 7,000 to 10,000 square feet. Some residents will desire to maintain larger lots. Unneeded streets need to be vacated to permit more orderly and cohesive development. Continued development of the residential area at the densities described will require the installation of a municipal sewerage system.

The land west and south of the urban residential area is designated for residential-farm (rural residential) use. This type of use is characterized by lots ranging from 1 to 5 acres. Tracts this size will permit a limited range of farm operations in conjunction with residential development, provided residents maintain their own water and sewerage facilities.

A linear area along the water front is shown as a park. A portion of this area is being developed with a marina, a picnic area, and a large playfield. A site for a future high school is shown between the park and the present elementary school. To the east is an area the State intends to establish as a wildlife refuge.

East of the residential development is an area for industrial development. Irrigon presently lacks industry, and this area provides an opportunity to accommodate some industrial development in a location that has good highway and rail access.

City of Lone Urban Area

The Plan for the Lone Urban Area shows full development of the existing town site. The City's objective is to completely develop the area shown on the Plan Map before expanding into new areas. Commercial development is shown in the present downtown location and some additional commercial along the highway.

At present, industrial use in Lone is limited primarily to grain elevators. An area next to the highway at the east end of town is shown for industrial. Commercial development would also be suitable at that location if the need develops.

Residential use is indicated in most of the existing, developed portion of the City. Residential development will be primarily single-family homes. Any further multi-family units should be located adjacent to the downtown commercial area. Residential lots will range from 7,000 to 10,000 square feet per dwelling unit. Full development of this area will necessitate the installation of a municipal sewerage system. Future residential development up Rietmann Canyon will be contingent upon the provision of public water and sewerage service and a solution to flood problems.

Town of Lexington Urban Area

The Town of Lexington has a current population of just under 300 individuals in about 125 households, is the location of the Morrow County Grain Growers main office and a large retail

outlet, and has seen the relocation of the Morrow County School District's office out of town. There are several thriving small businesses that serve the community, south Morrow County and in some cases beyond.

The urban growth boundary has not changed since originally created at the time the Town of Lexington's Comprehensive Plan was acknowledged in October of 1979.

City of Heppner Urban Area

The Plan for the Heppner Urban Area shows full development of the existing town site and the implementation of the Willow Creek Dam project.

The commercial district along Main Street is already well-established. Future commercial development will be concentrated in this location. Surrounding the central commercial area is residential development. Much of this area is already built-up, but some vacant lots are available, along with view properties overlooking the community. A new subdivision near the high school is presently being developed. Areas suitable for mobile home parks are also shown.

Heavy industrial development is presently located west of town. Industrial areas within the City, with access to the highway and railroad, are indicated in the Plan.

Rural Residential Areas

In addition to the afore referenced Urban Areas there are two specific areas located outside (but adjacent to) the adopted Urban Growth Boundaries of the Cities of Boardman and Irrigon that demand special consideration. Said areas (as identified hereinafter) are predominately committed to non-commercial agriculture and are platted and partially developed in rural home sites ranging from one (1) to five (5) acres. Although some intensive farming occurs intermittently on isolated parcels with these general areas, the predominance of nonfarm rural home sites precludes most long-term productive and economical agricultural operations.

As set forth herein, the two (2) areas are described herein as those rural residential areas in the immediate vicinity of the urban areas of Boardman and Irrigon. Said areas involve lands located in Section 14, 15, 16, 17, 18, 19, 20, 21, 22 and 23 of Township 4 North, Range 25 East lying North of the West Extension Canal and outside the urban growth boundary of the City of Boardman; and, lands encompassing the major portions of Section 13, 14, 23 and 24 of Township 4 North, Range 24 East, located South of the Interstate Freeway in the proximity of Boardman; and, lands encompassing those portions of Sections 20 and 21 of Township 5 North, Range 26 East located outside the urban growth boundary of the City of Irrigon but contiguous thereto; and the developed and/or platted portions of Sections 22 and 23 of Township 5 North, Range 26 East, lying contiguous to but outside the urban growth boundary of the City of Irrigon. Said areas are shown in general on the County overall Land Use Plan Map and in more detail in maps that follow.

The recognition of these areas also provides a limited alternative to total urban residency without expansion into the major agricultural areas of the County. Said areas are also located in the immediate proximity of two (2) urbanizing areas (Boardman and Irrigon) and therefore are serviceable without excessive expansion of required services and facilities. Failure to give

special consideration to these existing developed areas could compound existing limited land use conflicts in the County and expand the demand for such a living alternative to more predominate agricultural areas of the County.

Rural Service Center

Two (2) unincorporated communities of the County (Hardman and Ruggs) are shown on the overall Comprehensive Land Use Plan Map as rural service centers in recognition of their existing or potential functions of basic services to surrounding agricultural areas. It is anticipated that the economic forces which are responsible for their existence today will, with little change, remain the primary cause for their continued existence.

At the present time little basis can be established to anticipate expanded growth and development of these rural service centers, and therefore insufficient need to warrant preparation of plans for its accommodation. The principal planning task for these areas is then to protect existing uses and necessary expansion or improvement thereof.

Port of Morrow (Industrial Lands Outside an Urban Growth Boundary)

Recognized previously throughout the Plan for its economic importance to the County, necessitates special consideration in this element to those lands under jurisdiction of the Port of Morrow which are located outside the urban growth boundary of the City of Boardman and, are intended and vital for industrial development. Said properties (i.e. owned, controlled and managed by the Port of Morrow) involve a total of approximately 4,000 acres located east and southeast of the City of Boardman and bordered on the northwest by the Columbia River for a distance of about 3,600 feet (2/3 mile). Of this 4,000 acres, approximately 1,980 acres are available for future industrial development.

Major industrial development currently exists on Port property of which 350 acres is already identified as a Food Processing Industrial Park.

The major portion of the property under Port jurisdiction is located in Sections 1, 2, 3, 4, 9, 10, 11, 12 and 24 (Section 24 designated for effluent disposal) of Township 4 North, Range 25 East, and Sections 6 and 18 of Township 4 North, Range 26 East.

Existing ownerships and development patterns, coupled with the economic factors vital to the County, necessitates the designation of the Port of Morrow and properties controlled thereby as industrial. Such designation and appropriate implementing zoning does not, however, preclude the continuance of some agricultural use of said properties as an interim beneficial use until needed for industrial development.

BEFORE THE MORROW COUNTY COURT
OF MORROW COUNTY

AN ORDINANCE AMENDING THE MORROW COUNTY)
COMPREHENSIVE LAND USE PLAN BY ENLARGING)
THE URBAN GROWTH BOUNDARY OF THE CITY OF)
BOARDMAN CONSISTING OF THE EXCEPTION)
STATEMENT, FINDINGS OF FACT AND REVISED)
URBAN GROWTH BOUNDARY MAP)

ORDINANCE NO. MC-2-89

The County of Morrow does ordain as follows:

WHEREAS, Morrow County adopted a Comprehensive Land Use Plan on September 4, 1985; and

WHEREAS, the Morrow County Court has reviewed the recommendation for approval by the Morrow County Planning Commission and the City of Boardman Planning Commission; and

WHEREAS, said Planning Commissions held a joint public hearing on January 30, 1989;

NOW, THEREFORE, be it ordered by the Morrow County Court that the attached exception statement, findings and map (exhibit "A") for the Boardman Urban Growth Boundary be and is hereby made a part of the Morrow County Comprehensive Plan.

As it is necessary for the health, welfare, safety and convenience of the citizens of Morrow County, an emergency exists and this ordinance shall take effect immediately upon the unanimous vote of the County Court and attestation by the County Clerk.

Dated this 8th day of February, 1989.

sl 2/8/89
Morrow County Judge

sl
Morrow County Commissioner

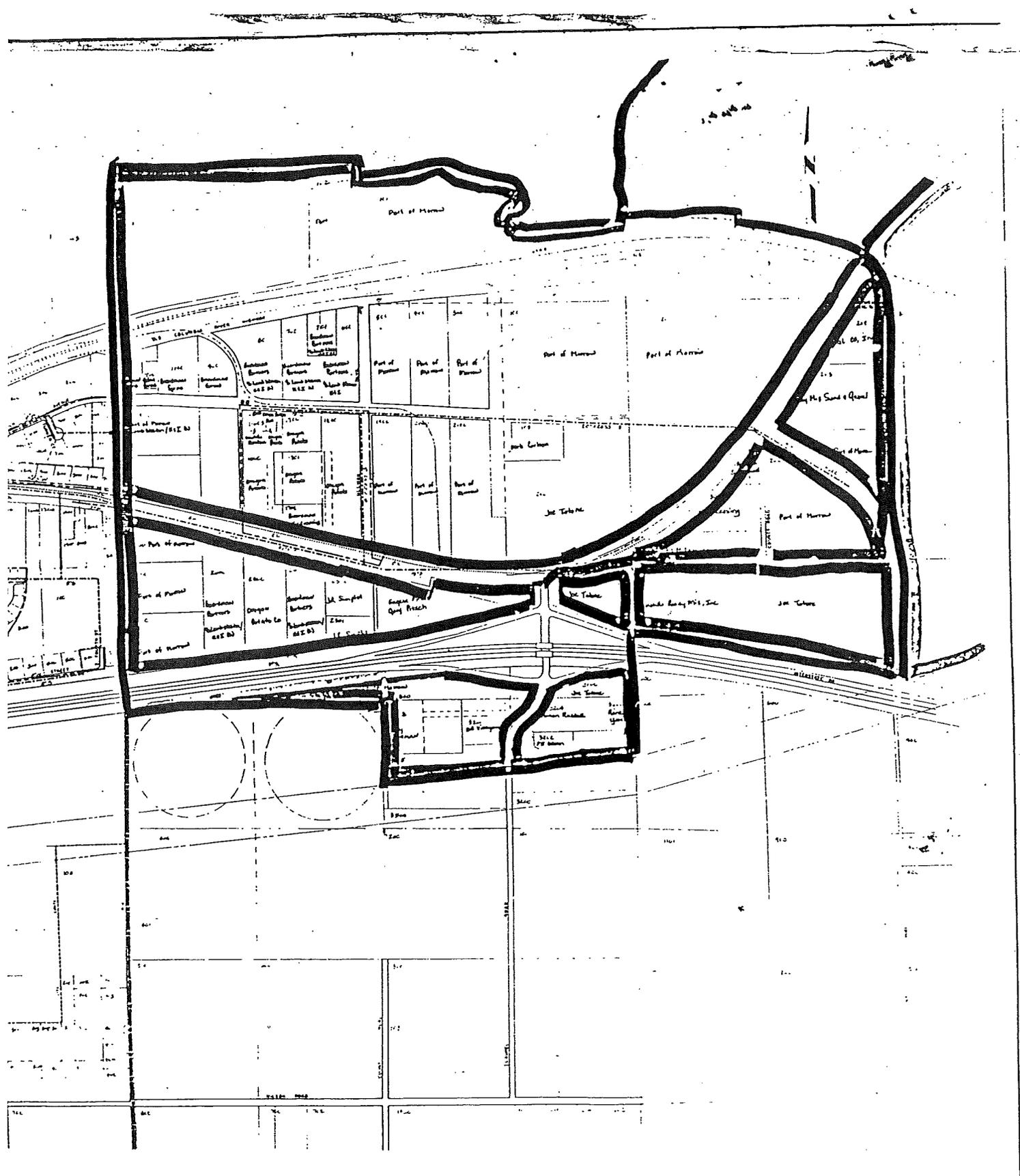
sl
Morrow County Commissioner

ATTEST:

Morrow County Clerk

APPROVED AS TO FORM:

Morrow County Counsel



MORROW COUNTY, OREGON

LEGEND

-  WATER LINE AND SIZE
-  SANITARY SEWER AND SIZE
-  GAS LINE AND SIZE

-  LARGER AMOUNT
-  PORT INDUSTRIAL
-  SMALL PUMP 40
-  REMOVED U.G.B.

**BOARDMAN INDUSTRIAL
U.G.B.**

**Anderson
Associates, Inc.**

1

BEFORE THE MORROW COUNTY COURT
OF MORROW COUNTY

AN ORDINANCE AMENDING THE COMPREHENSIVE PLAN BY GRANTING AN EXCEPTION TO GOAL 11 TO ALLOW DELIVERY OF WASTEWATER TREATMENT SERVICES BY THE CITY OF BOARDMAN OUTSIDE THE URBAN GROWTH BOUNDARY ON PROPERTY DESCRIBED HEREIN AND TO AMEND THE COMPREHENSIVE PLAN AND ZONING MAPS TO APPLY THE LIMITED USE OVERLAY ZONE TO SAID PROPERTY.

ORDINANCE NUMBER MC- 03-04

The County of Morrow does ordain as follows:

WHEREAS the Morrow County Planning Department received an application for a Goal 11 Exception to allow the subject property, outside the City of Boardman City Limits and Urban Growth Boundary, to receive wastewater treatment services from the City of Boardman ; and

WHEREAS Morrow County has jurisdiction to act on this application; and

WHEREAS the Morrow County Planning Commission held a public hearing on September 28, 2004 at Lexington, Oregon; and

WHEREAS the Morrow County Planning Commission voted unanimously to recommend to the County Court approval of the proposed Comprehensive Plan and Comprehensive and Zoning Map amendments; and

WHEREAS the Morrow County Court held a public hearing on October 20, 2004 at the Port of Morrow Riverfront Center in Boardman, Oregon.

NOW THEREFORE be it ordered by the Morrow County Court, that the request to "amend the Comprehensive Plan and apply the Limited Use (LU) Overlay Zone to two parcels adjacent to the City of Boardman Urban Growth Boundary to allow delivery of wastewater treatment services by the City of Boardman" be allowed and the following amendments shall be made:

1. Amend the Public Water & Sewerage Facilities section of the Morrow County Comprehensive Plan (currently pages 183-184) to indicate the approval of a Goal 11 Exception that allows for the City of Boardman to provide wastewater treatment services to the subject property which is currently outside of the City Limits and the Urban Growth Boundary.

"In October of 2004 the Morrow County Court approved a Goal 11 Exception that amended this Comprehensive Plan to allow for wastewater treatment services to be delivered to an organic orchard west of Boardman, outside the city limits and the Urban Growth Boundary. The approval allowed two connections with specific conditions (see Pitney - Comprehensive Plan Amendment)."

2. Amend the Goal Exceptions Statement for Rural Residential Lands section of the Morrow County Comprehensive Plan (currently pages 218-225), the West Boardman

FR-2 subsection, to indicate that a Goal 11 Exception was approved in the West Boardman area to allow wastewater treatment services to the subject property which is currently outside of the City Limits and the Urban Growth Boundary.

"In October of 2004 the Morrow County Court approved a Goal 11 Exception that amended this Comprehensive Plan to allow for wastewater treatment services to be delivered to an organic orchard west of Boardman, outside the city limits and the Urban Growth Boundary. The approval allowed two connections with specific conditions (see Pitney - Comprehensive Plan Amendment)."

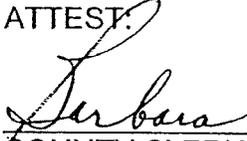
3. Amend the Zoning Map and Comprehensive Plan Map to apply the Limit Use (LU) Overlay Zone to the subject property currently defined as tax lots 1000 and 1005 of Assessor's Map 4N 25 17.

This ordinance shall become effective thirty days after the date of its adoption by the Morrow County Court.

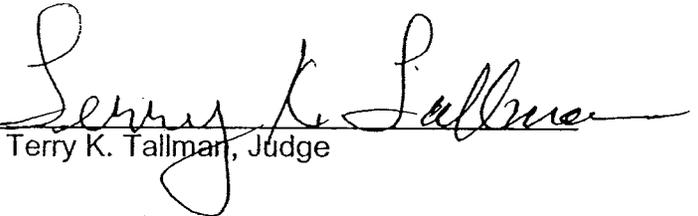
DATE OF FIRST READING: October 20, 2004

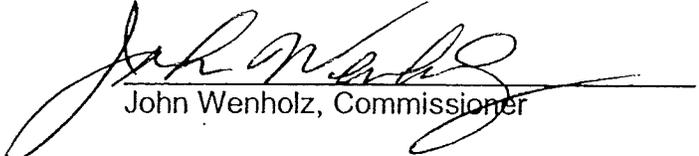
DATE OF SECOND READING: October 27, 2004

ATTEST:

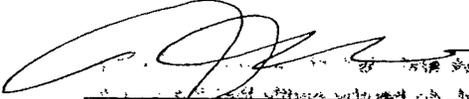

COUNTY CLERK

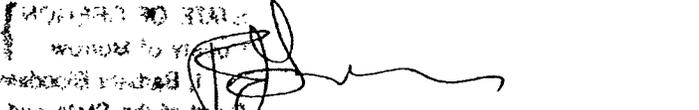



Terry K. Tallman, Judge


John Wenzel, Commissioner

APPROVED AS TO FORM:


COUNTY COUNSEL


Ray Grace, Commissioner

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the remaining two (2) Cities, Heppner and Ione, are expected to be "Acknowledged" in the near future.

Whereas said City Urban Area Plans have been prepared and adopted jointly by the County and each respective City, and whereas there is an adopted Joint Management Agreement for each respective Urban Area, now therefore be it hereby set forth that said Urban Area Plans are adopted by reference as the Urbanization Element of this Plan.

Set forth hereinafter is a summary description of each of the respective City Urban Plans adopted by reference. Also contained herein is a schematic Land Use Development Plan Map for each of the said Urban Areas.

Thereof, the following section briefly describes the Comprehensive Plan for each of the five communities in the County.

City of Boardman Urban Area

The Boardman Urban Area Plan indicates a major addition to the City. As shown in the Plan, the City could accommodate up to 12,000 people.

The land use pattern is comprised of three basic types of land use: commercial, residential and industrial. The commercial core area is located close to the existing I-80N interchange. Tourist commercial is located around the interchange, with community commercial to the south. The community commercial area contains enough room for a large shopping center, office development and similar uses.

The residential area lies primarily south of the freeway. The existing residential area to the north is also planned for full development. Each residential neighborhood will contain its own park and internal pedestrian system. Major traffic movements will be routed around the perimeter of each neighborhood on arterial streets.

The industrial area lies north of the freeway. Most of it is located on the Port of Morrow property. The general industrial area will accommodate food processors and other heavy industries. The light industrial area will accommodate warehousing, bulk

storage facilities, and commercial-industrial establishments such as automobile dealerships.

City of Irrigon Urban Area

The Plan for Irrigon Urban Area indicates complete development of the existing town site, with some residential use in adjoining areas.

Two types of commercial development are indicated; tourist commercial uses along U.S. 730 and a proposed community shopping area north of the railroad. The tourist commercial area is also intended to accommodate mobile home parks. A new civic center is indicated close to the community shopping area. This area will contain a city hall, library and other community buildings.

Urban residential development is shown between the Columbia River and U.S. 730. This type of development is characterized by single-family homes on lots ranging from 7,000 to 10,000 square feet. Some residents will desire to maintain larger lots. Unneeded streets need to be vacated to permit more orderly and cohesive development. Continued development of the residential area at the densities described will require the installation of a municipal sewerage system.

The land west and south of the urban residential area is designated for residential-farm (rural residential) use. This type of use is characterized by lots ranging from 1 to 5 acres. Tracts this size will permit a limited range of farm operations in conjunction with residential development, provided residents maintain their own water and sewerage facilities.

A linear area along the water front is shown as a park. A portion of this area is being developed with a marina, a picnic area, and a large playfield. A site for a future high school is shown between the park and the present elementary school. To the east is an area the State intends to establish as a wildlife refuge.

East of the residential development is an area for industrial development. Irrigon presently lacks industry, and this area provides an opportunity to accommodate some industrial development in a location that has good highway and rail access.

City of Ione Urban Area

The Plan for the Ione Urban Area shows full development of the existing town site. The City's objective is to completely develop the area shown on the Plan Map before expanding into new areas. Commercial development is shown in the present downtown location and some additional commercial along the highway.

At present, industrial use in Ione is limited primarily to grain elevators. An area next to the highway at the east end of town is shown for industrial. Commercial development would also be suitable at that location if the need develops.

Residential use is indicated in most of the existing, developed portion of the City. Residential development will be primarily single-family homes. Any further multi-family units should be located adjacent to the downtown commercial area. Residential lots will range from 7,000 to 10,000 square feet per dwelling unit. Full development of this area will necessitate the installation of a municipal sewerage system. Future residential development up Rietmann Canyon will be contingent upon the provision of public water and sewerage service and a solution to flood problems.

City of Lexington Urban Area

Lexington is presently a major location for buying farm equipment and supplies in the County. The Urban Area Plan shows a large area in the northwest part of town designated for this use.

Community commercial development is indicated in the center of town. Several establishments are already located in this area.

Residential development is shown as the predominate use. Residential lot sizes will range from 7,000 to 10,000 square feet per dwelling unit. Although the street system is established, a large number of vacant lots are available for development. The present City will be developed fully before expanding to new areas. Additional development in Lexington will require the construction of both a new system and a sewerage system.

Some industrial land is shown adjacent to the

railroad. At present, this area accommodates grain elevators and farm equipment storage.

City of Heppner Urban Area

The Plan for the Heppner Urban Area shows full development of the existing town site and the implementation of the Willow Creek Dam project.

The commercial district along Main Street is already well-established. Future commercial development will be concentrated in this location. Surrounding the central commercial area is residential development. Much of this area is already built-up, but some vacant lots are available, along with view properties overlooking the community. A new subdivision near the high school is presently being developed. Areas suitable for mobile home parks are also shown.

Heavy industrial development is presently located west of town. Industrial areas within the City, with access to the highway and railroad, are indicated in the Plan.

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Page Break

GOAL EXCEPTIONS STATEMENT FOR RURAL RESIDENTIAL, RURAL SERVICE CENTERS AND INDUSTRIAL LANDS

Introduction

This section identifies lands where Morrow County will seek to justify an exception to State Planning Goal #3 (Agricultural Lands). Findings and reasons supporting such an exception are also outlined.

Mentioned in the Housing section of the Comprehensive Plan is the fact that the County has had rural residential development in and around its towns and cities for many years. Lands in these rural residential areas have been divided, sold and developed, becoming irrevocably committed to non-resource uses.

At the onset of this exceptions process, it is the County's intention to recognize existing rural residential and rural service centers areas as appropriate locations for additional rural residential service construction. Rural residential areas, and rural service centers are located where roads, public services and public facilities are most readily

available. Vacant land within these areas permits additional rural residential living, but containment and control of future divisions and rural residential uses will ensure that future development at densities appropriate and compatible with the rural environment and consistent with future transportation and utility systems. Beyond these areas, protection of resource lands will be emphasized.

TYPES OF EXCEPTIONS

There are three reasons for taking an exception to the resource goals, Goal 3 and 4. The first reason is that the subject property is physically developed to the extent that it is no longer available for uses allowed by the applicable goal. An example of a "built upon" exception would be a fully developed subdivision that has had all utilities and services physically provided and has had residential construction placed on each individual lot.

The second reason is that the subject property is irrevocably committed to uses not allowed by the applicable goal because of existing adjacent uses and other relevant factors which make uses allowed by the applicable goal impracticable. These factors include the degree to which public facilities and services serve a parcel; parcel size and ownership patterns of the exceptions area and adjacent lands; the extent to which natural boundaries and other buffers separate the exception area from adjacent resource land; and the degree to which the property is physically developed. A parcel of land which is not heavily developed or substantially divided, but which is affected by neighboring development to the point where its resource values are substantially impaired may be designated as committed.

The third type of exception is based on the need for additional nonresource land, including, but not limited to residential, commercial and industrial development. A "need" exception is defined through demonstration of the need to accommodate such a use that cannot be accommodated inside cities, urban growth boundaries or on existing developed or committed rural land.

The majority of exception areas in this Plan are defined on the basis of existing physical development

and irrevocable commitment to nonresource uses. However, certain lands designated for industrial development are defined on the basis of "need" and on the basis that Goal 3 does not apply.

The criteria for developed and committed are:

1) A two acre or less parcel occupied by a dwelling when intermixed with similarly sized non-agricultural parcels under different ownerships. The comments received during public hearings showed that this size is definitely a nonagricultural size and would be non-resource uses.

2) Any subdivision with an approved plat filed in the County Clerk's office that has improvements (roads, utilities, etc.) has some rural residential development and is within established rural residential areas. Findings and reasons consistent with OAR 660-04-028 must be provided to support the conclusions that the area is considered committed to a nonresource use.

3. Existing commercial industrial and/or semi-public uses related to rural residential uses. These uses are usually found in compact or defined areas, however, they sometimes exist among rural residential homes. Where found within rural residential areas, commercial, industrial or public/semi-public are considered developed non-resource parcels.

4) For other sized parcels and/or in different circumstances than that listed above, findings and reasons consistent with OAR 660-04-025 and OAR 660-04-028 must be provided to support a conclusion that the area is considered irrevocably committed to nonresource use.

East Irrigon RR-1

Total Acres 607.0 acres- Number of Parcels 69
Average Parcel Size 8.8 acres- Number of Dwellings 32
Largest Parcel 57.0 acres- Smallest Parcel .55 acres

Findings and Conclusions

1. Numerous partitions, platted subdivision since 1935 and significant numbers of existing rural residential dwellings qualify the area as developed/committed non-resource lands.

2. Area has traditionally been one of the small hobby or part-time farms, mostly pasturing horses or a few head of cattle. None of the parcels qualify for farm deferral.

3. Area has been platted for fifty years. It has been developed as rural residential for years and borders the City of Irrigon Urban Growth Boundary on the West and Umatilla County RR-2 Zone on the East.

4. Soil capabilities are Class VIIe dryland, and IVE irrigated which is minimal for crop production. Small parcel sizes and an old, poorly developed delivery system for irrigation water makes it difficult for anything but hobby farming.

5. Area is separated from agricultural use by topography and the large Westland Irrigation Canal. This makes an excellent area for residential infill without affecting the large circle type farms prevalent in the area.

6. Land south of Oregon Avenue E. Street consist of seven parcels. A cemetery, abandoned gravel pit and a dwelling are located on three of the seven parcels. This type of development along with the fragmented ownership and irrigation ditch which separates this area from agricultural land to the south commits this area to a nonresource use.

West Irrigon RR-1

Total Acres 1286 acres- Number of Parcels 381
Average Parcel Size 3.3 acres-Number of Dwellings 261
Largest Parcel 49.2 acres-Smallest Parcel .58 acres

Findings and Conclusions

1. Numerous partitions, several subdivisions dating back to 1935 and a large number of existing rural residential dwellings qualify the area as developed/committed, non-resource lands.

2. Area has been traditionally small farms or residential lots since the 1930's. Some of the parcels qualify for farm deferral but they are few in number.

3. Two of the parcels are quite large in relation to the others but are surrounded by smaller parcels, the irrigation ditch or the highway, making them not practical for the large scale farming common to this area. They are presently used only for pasture.

4. The area has had one-acre zoning for eight years. The subdivisions range in size from one acre parcels to 3 acre parcels. The area has been thought of and divided into rural residential parcels by the residents. The City of Irrigon Urban Growth Boundary borders to the North and East side of this area.

5. Soil capabilities are Class VIIe dryland and IVs irrigated which is marginal for crop production. The divided nature of the parcels and an old, poorly developed delivery system for the flood irrigation system makes commercial agricultural uses possible. Row crops are very difficult because of the problems with sand blowing. This also limits the number of commercial agricultural uses.

6. Numerous county roads and Highway 730 discrete the area and provide access to the small parcels while making large parcels difficult to bring together for commercial farming.

7. In the previous review, LCDC identified 120 acres as lacking adequate justification for commitment. The site is located east of Wagon Wheel subdivision and described as the north half of the northeast quarter and the northeast quarter of the northwest quarter of Section 36, Township 5 north, Range 26 east, W.M. The site consists of three parcels under separate ownerships (65 acres, 55 acres and 5 acres). The 5 acre parcel contains a residential homesite (see detail sheet 4). The site contains Class VII soils - Class IV if irrigated which is marginal farmland in this area. The three parcels are bounded on three sides by residential development. Based on the size of these parcels (65, 55 and 5 acres), adjacent residential development and marginal soils, it would be impracticable to apply Goal 3. In addition, designating this area EFU would create an inappropriate spot zoning within an area that is physically developed to residential uses.

7. Interstate Highway 84 borders this area on the North and Wilson Road, a County arterial bisects the area in an East-West direction.

West Boardman FR-2

Total Acres 1992 acres-Number of Parcels 70-Average Parcel Size 28.5 acres-Number of Dwellings 68- Largest Parcel 130.74-Smallest Parcel 1.8 acres

Findings and Conclusions

1. Several partitions and 68 rural residential dwelling units qualify the area as developed lands.

2. The area has traditionally been small hobby or part-time farms, mostly pasturing horses and a few head of cattle. There is a golf course near the West end of the area, lending an urban atmosphere to the area. Some of the parcels are under farm deferral.

3. There is one large parcel in the area being 130.7 acres, however, the Main Transmission Line for BPA bisects this parcel, making it unusable for large scale farming operations.

4. The area has had two acre zoning for eight years. Boardman residents have viewed this area as Rural Residential for some time due to the Boardman Urban Growth Boundary on the East side, the Boeing Airfield and PGE Carty site on the West side. It lies between town and the industrial sites, PGE and Boeing.

5. Soil capabilities are Class VIIe dryland, and IVE irrigated which is minimal for crop production. Some of the land is rock outcrop or dune land which is non-resource. Because of the flood irrigation system, and a Calcareous hardpan at a depth of about 28 inches, quality of the soil has deteriorated due to the buildup of salts and other minerals. Row crops are difficult because of problems with blowing sand when the cover is removed.

6. This area is separated from large scale irrigation farming by the West Division Canal to the South. Numerous paved county roads dissect the area making it impossible to utilize large scale farming practices.

Total Acres 878 acres-Number of Parcels 110-Average Parcel Size 7.98 acres-Number of Dwellings 68- Largest Parcel 33 acres-Smallest Parcel .68 acres

Findings and Conclusions

1. Numerous partitions, two platted subdivisions during the 1970's and significant numbers of existing rural residential dwellings qualify the area as developed/committed non-resource lands.

2. The area has traditionally been small hobby or part-time farms. Some horses and cattle have been pastured in the area, including a commercial horse boarding operation. A small vineyard has been started in the Northern part of this area and a winery built. The majority of the parcels are not under farm deferral and have separate ownerships.

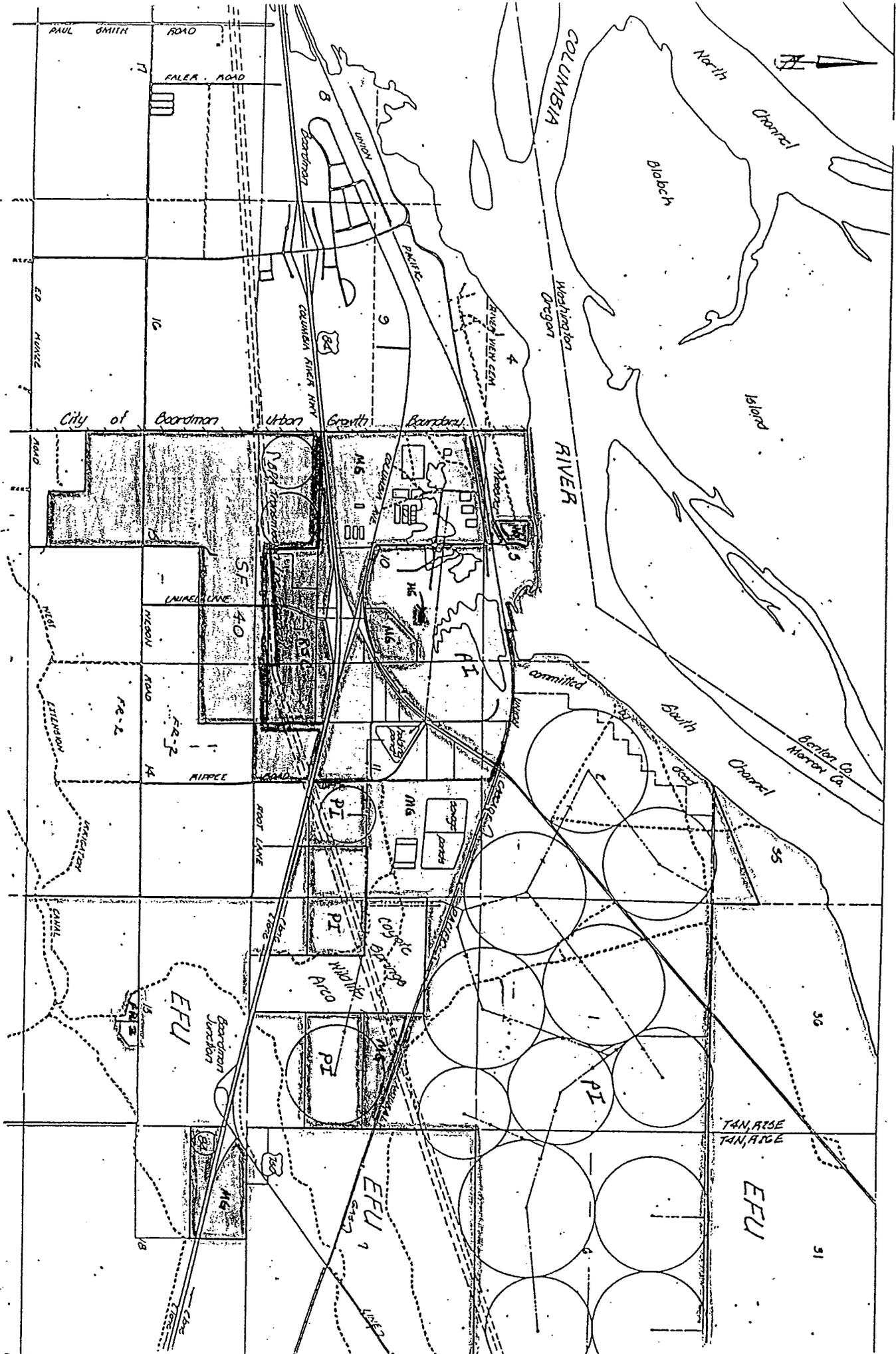
3. The largest parcel does have circle irrigation systems on it, however it borders the City of Boardman Urban Growth Boundary on the West and the Port of Morrow Industrial area on the North. As the equipment is nearing the end of its useful life, it most likely will not be replaced due to the encroachments on large scale farming methods.

4. The area has had two acre zoning for eight years. Boardman residents have viewed this area as rural residential for some time due to the City's Urban Growth Boundary on the West side, the Port of Morrow Industrial area on the North side and the West Division Canal on the South. These geographical and political divisions make this unsuitable for commercial farming.

5. Soil capabilities are Class VIIe dryland and IVE irrigated, which is minimal for crop production. Small parcel sizes and an old, poorly developed flood irrigation delivery system make it difficult for commercial farming to develop. Row crops are difficult because of problems with blowing sand when the cover is removed.

6. As mentioned above, there are geographical and political boundaries that separate this area from large scale farming areas to the South of the Irrigation canal. In addition, a new road is being built by Morrow County South from the new Port of Morrow Interchange to serve this area with better vehicular access.

INDUSTRIAL LANDS



MORROW CO. PLANNING DEPT
 P.O. BOX 706
 IRVING, OR 97844

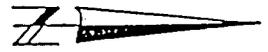
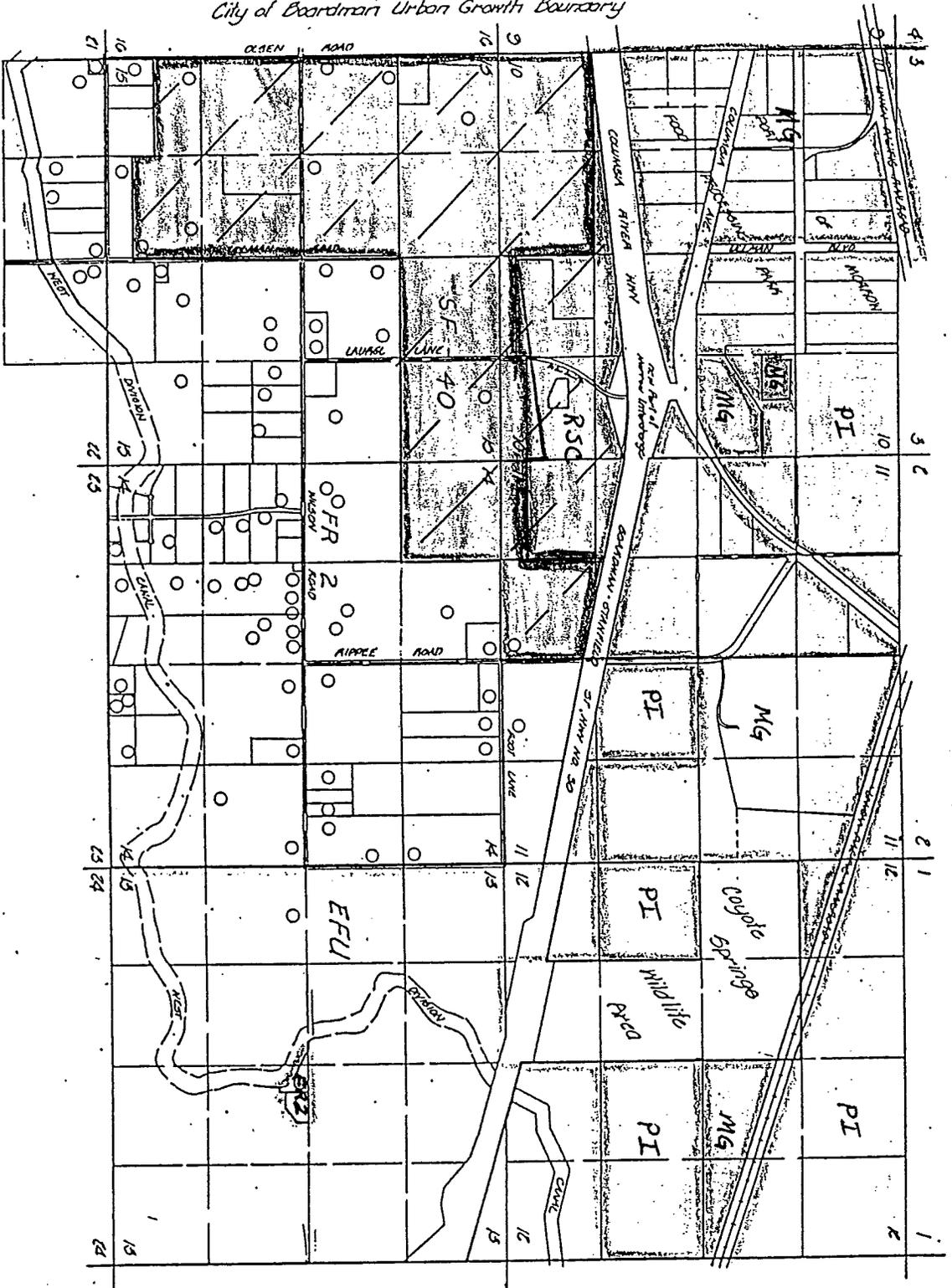


--- denotes proposed changes

Sheet
 84-72

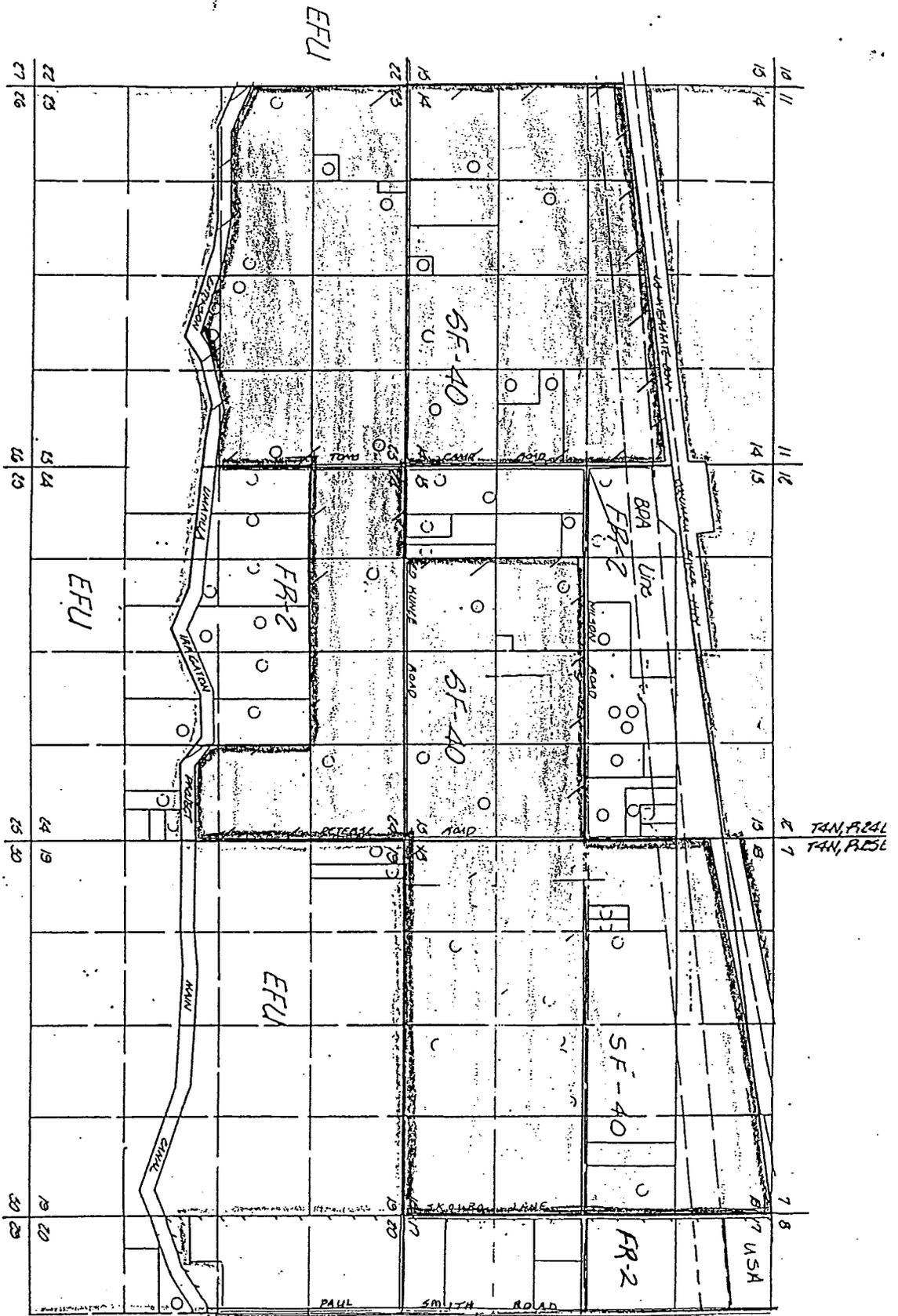
City of Boardman Urban Growth Boundary

74N, R 25E, W.1M.



Scale: 1" = 1000'

KORROGW CO. PLANNING DEPT
 P.O. BOX 765
 IRRIGON, OR 97644



City of Boardman Urban Growth Boundary

Scale: 1"=1000'



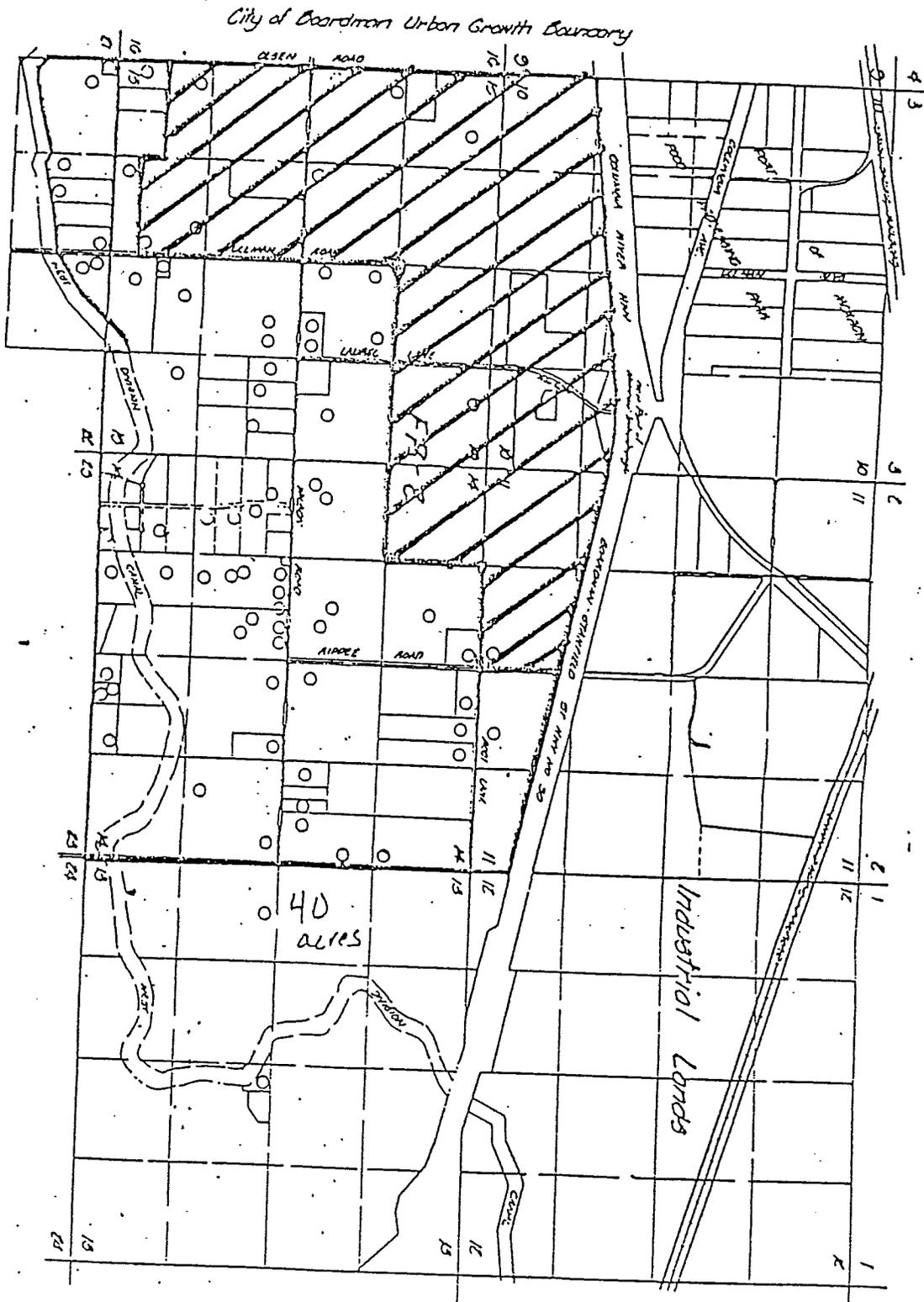
HORROW CO. PLANNING DEPT
 P.O. BOX 705
 IRVINGTON, OR 97844

Sheet

64

EXHIBIT A

East Boardman Exception



TAN ROSE WM

MC-C-1-86

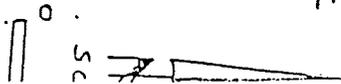
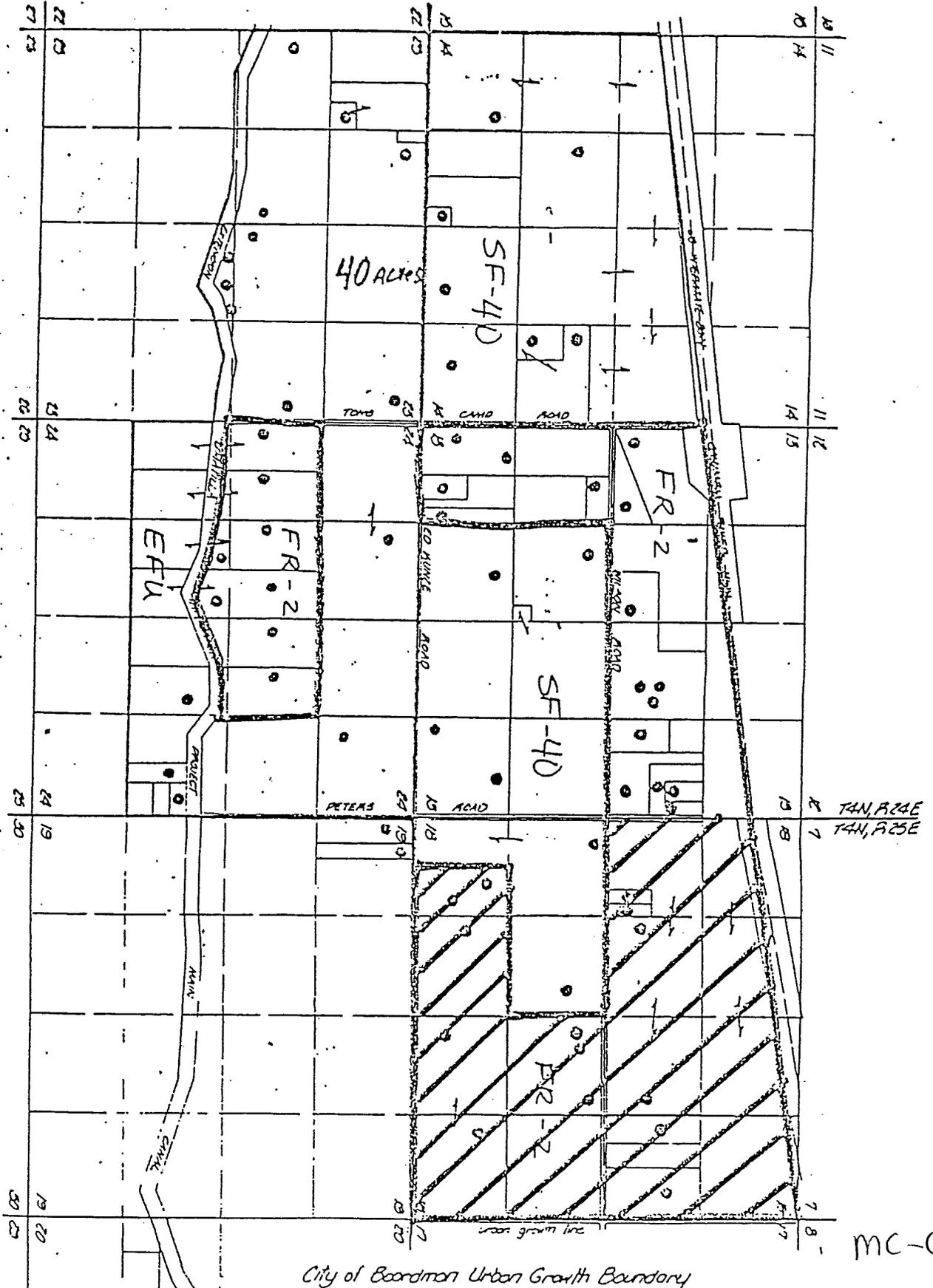


EXHIBIT B

West Boardman Exception



City of Boardman Urban Growth Boundary

MC-C-2-86

7. Interstate Highway 84 borders this area on the North and Wilson and Kunze roads, County Arterials run through the area in an East-West direction.

Rural Service Centers

There are two areas which are designated as Rural Service Centers. These are Ruggs, 11 miles Southwest of Heppner and Hardman, 9 miles Southwest of Ruggs.

Ruggs 9.2 acres

This area has developed at the intersection of State Highway 206 and 207 and a major County Arterial which runs from Ione up Creek to this area. It consists of a grain elevator, store, gas station and a truck repair shop. This development started more than 30 years ago and has been stagnant for the past 10 years. Little growth is forecast for this area but it is designated to protect this important commercial resource.

Hardman 59 acres

This area has been platted since the early 1900's. Twenty-one of the parcels have dwellings on them and from six to twenty families live there depending on the time of year. The State of Oregon Forestry Department maintains a summer office in town. A store, gas station combination operates part of the year. The area is not expected to grow but designation as a Rural Service Center will protect the potential commercial-residential character of the area. It's isolation from other developed areas makes it a desirable location for this type of activity.

Industrial Lands

Morrow County designates approximately 8,146 acres, at nine different sites for industrial uses. The amount of land zoned for industrial uses is described for each exception area:

Area	Acreage
Port of Morrow (931 developed)	2,820
Kinzua Property	120
Eastern Oregon Farms	27

Western Oregon Farms	33
KLM Leasing	8
Boeing Riverfront Industrial Tract	1,700
Boardman Air/Industrial Park	2,700
PGE Carty Coal Fire Plant	640
Morrow County Grain Growers	18
Tidewater Terminal Company	80
Total	<u>8,146</u>

The Kinzua Property, Eastern Oregon Farms, Western Oregon Farms, KLM Leasing, PGE Carty Coal Fire Plant and Morrow County Grain Growers exception are all based on the "built and committed" requirements under OAR 660-04-025 and 028. Portion of the Port of Morrow (931 acres) is based on the "built and committed" requirements of OAR 660-04-025 and 028, while the remaining area, (1,889 acres) is based on the "need" requirements under OAR 660-04-020 and 022. The entire Boardman Air/Industrial Park (2,700 acres) is also based on the "need" requirements under OAR 660-04-020 and 022. The 1,700 acre Boeing Riverfront Industrial tract is based on a supremacy clause of the U.S. Constitution substantial evidence that Statewide Goal 3 does not apply.

Port of Morrow

There are 2,825 acres outside Boardman's UGB at the Port of Morrow designated for industrial development. Approximately 931 acres are physically developed and irrevocably committed to nonresource uses (see exception map). The following facilities and services are currently in place:

A. Cascade Natural Gas: eight-inch, high pressure pipeline;

B. Union Pacific Railroad: east-west mainline and industrial siding;

C. Interstate 84, with Port of Morrow Industrial Park Interchange (Exist #165);

D. Port and County system of roads, including two railroad overpasses and some 12 miles of streets, most of them constructed to withstand heavy truck and industrial vehicle traffic;

BEFORE THE MORROW COUNTY COURT
OF MORROW COUNTY

AN ORDINANCE CHANGING THE
COMPREHENSIVE PLAN DESIGNATION FROM
AGRICULTURAL TO INDUSTRIAL ON
APPROXIMATELY 510 ACRES AND TO CHANGE
THE COMPREHENSIVE PLAN DESIGNATION FROM
INDUSTRIAL TO AGRICULTURAL ON
APPROXIMATELY 515 ACRES; TO AMEND THE
COMPREHENSIVE PLAN MAP ACCORDINGLY TO
APPLY THE PORT INDUSTRIAL USE ZONE TO
APPROXIMATELY 510 ACRES AND APPLY THE
EXCLUSIVE FARM USE ZONE TO APPROXIMATELY
515 ACRES; AND AMEND THE ZONING MAP
ACCORDINGLY.

COUNTY ORDINANCE

NO. mc-1-2011

WHEREAS, ORS 203.035 authorizes Morrow County to exercise authority within the county over matters of County concern; and

WHEREAS, Morrow County adopted a Comprehensive Land Use Plan which was acknowledged by the Land Conservation and Development Commission on January 15, 1986; and

WHEREAS, the Port of Morrow made application to amend the Morrow County Comprehensive Plan Text and Map and Zoning Map and adopt exceptions to Goals 3, 11 and 14, with supporting findings of fact and statement of reasons; and

WHEREAS, the Morrow County Planning Commission held hearings to review the request and consider testimony on September 14 and October 12, 2010, at the Port of Morrow Riverfront Center in Boardman, Oregon; and

WHEREAS, the Morrow County Planning Commission unanimously recommended approval of the request and adopted Planning Commission Final Findings of Fact; and

WHEREAS, the Morrow County Court held a hearing to consider the recommendation of the Morrow County Planning Commission on December 15, 2010, at the Port of Morrow Riverfront Center in Boardman, Oregon; and

WHEREAS, the Morrow County Court did consider the testimony and evidence presented to them;

NOW THEREFORE THE COUNTY COURT OF MORROW COUNTY ORDAINS AS
FOLLOWS:

Section 1 Title of Ordinance:

This Ordinance shall be known, and may be cited, as the "2010 Port of Morrow Comprehensive Plan and Zone Change Amendment."

Comprehensive Plan and Map Amendment
Zoning Ordinance and Map Amendment
2010 Port of Morrow Zone Change
Page 1

Section 2 Affected Documents

1. Morrow County Comprehensive Plan will be amended by including appropriate text from the attached application and Findings of Fact labeled Exhibit 1.
2. Morrow County Comprehensive Plan Map will be amended as identified on the attached map labeled Exhibit 2
3. Morrow County Zoning Ordinance Map will be amended as identified on the attached map labeled Exhibit 3.

Section 3 Effective Date

This ordinance shall be effective on March 1, 2011.

Date of First Reading: January 12, 2011

Date of Second Reading: January 19, 2011

DONE AND ADOPTED BY THE MORROW COUNTY COURT THIS 19th DAY OF JANUARY 2011

ATTEST:



Bobbi Childers by
Theresa Crawford Deputy Clerk
Bobbi Childers
County Clerk

MORROW COUNTY COURT:

Terry K. Tallman
Terry K. Tallman, Judge

Ken a. Grieb
Ken Grieb, Commissioner

APPROVED AS TO FORM:

Ryan Swinburnson
Ryan Swinburnson
County Counsel

ABSENT
Leann Réa, Commissioner

**Morrow County Planning Commission
Final Findings of Fact
AC-031-10 Comprehensive Plan Amendment
AC(M)-032-10 Comprehensive Plan Map Amendment
AZ-033-10 Zoning Ordinance Amendment
AZ(M)-034-10 Zoning Map Amendment
Port of Morrow East Beach Industrial Park
*Amended October 1, 2010
Finalized October 12, 2010***

REQUEST: (1) Change the Comprehensive Plan designation from "Agricultural" to "Industrial" on approximately 510 acres and to change the Comprehensive Plan designation from "Industrial" to "Agricultural" on approximately 515 acres. (2) Amend the Comprehensive Plan Map accordingly. (3) Apply the "Port Industrial Use Zone" to approximately 510 acres and apply the "Exclusive Farm Use Zone" to approximately 515 acres. (4) Amend the Zoning Map accordingly.

APPLICANT: Port of Morrow
P.O. Box 200
Boardman, OR 97818

PROPERTY OWNERS: Port of Morrow
P.O. Box 200
Boardman, OR 97818

Westland Enterprises, LLC
822 Highway 395 South
Hermiston, OR 97838

PROPERTY DESCRIPTION: Tax lots 901, 1999 and 1201 of Assessor's Map 4N 25 11
Tax lots 200, 300, 301 and 901 of Assessor's Map 4N 25 12
Tax lots 100 and 200 of Assessor's Map 4N 25 07
Tax lot 202 of Assessor's Map 4N 25 08

PROPERTY LOCATION: The property changing from Exclusive Farm Use (EFU) to Port Industrial (PI) is located north of the Interstate 84 and Highway 730 interchange. The property changing from General Industrial (MG) to EFU is located along the west side of Bombing Range Road, south of Wilson Lane and just north of the Bombing Range.

I SUMMARY OF APPLICATION AND PROCESS:

The Port of Morrow (Port) has a large industrial complex north and east of the City of Boardman which was established in the 1960s and has grown over the past five decades. In the current Morrow County Comprehensive Plan there is extensive work justifying the Port's facilities including the necessary exceptions to allow urban scale development outside of the Boardman Urban Growth Boundary. This application seeks to expand the current footprint of the Port operations with a primary goal being to support the transportation network necessary to facilitate movement of goods, services

and employees into and out of the Port and in particular the East Beach Industrial Park. This is also a first and necessary step to support the development of a transportation network connecting the Port to Highway 730 and to the Interstate 84/Highway 730 interchange. Work is currently underway to develop required Interchange Area Management Plans (IAMPs) for the Port interchange and the proposed enhancements to the Interstate 84/Highway 730 interchange.

Attached is the Port's application which addresses the Exceptions process described under Goal 2 for the Port to apply for and have approved a "reasons" exception. The application addresses the necessary Goals, State Statute and Rule, and the necessary portions of the Morrow County Comprehensive Plan and Zoning Ordinance. Planning staff have worked with the applicant and their consultant on this process and would concur with the application as presented.

During the course of the public hearing process both the Morrow County Planning Commission and the Morrow County Court will need to review the application for consistency with the necessary criteria (briefly outlined above) to determine if the threshold for approval has been met.

Upon completion of this action the Comprehensive Plan, Comprehensive Plan Map, and the Zoning Ordinance Map will be amending. New portions will be added to the Comprehensive Plan outlining the justifications put forth for the requested changes. The two maps will reflect new Comprehensive Plan designations and use zones.

Over the course of the next several months there will be held at a minimum two Planning Commission public hearings and one County Court public hearing. The dates and places for those hearings is identified later in these findings.

Prior to the first Planning Commission public hearing on September 14 Planning Director Carla McLane received from Jon Jinnings, DLCD Regional Representative an email (see attached) with three questions. Those were presented at the public hearing and the applicant did respond to the issues presented. Additional comments concerning those issues appears later in these findings.

Between the first and second public hearing additional comment was received from the Oregon Department of Transportation (ODOT). Region 5 Planning Manager Teresa Penninger provided comment in a letter dated September 29 (see attached). Additional comments concerning the ODOT request can be found later in these findings.

- II SUMMARY OF APPLICABLE CRITERIA** The applicable criteria can be found in the Morrow County Comprehensive Plan Review and Revision Process, the Morrow County Zoning Ordinance Article 8 Amendments, the Morrow County Transportation System Plan (TSP), the Statewide Planning Goals (predominately 3, 11, 12 and 14), and Oregon Administrative Rule Chapter 660 Division 4 and Division 14. Both the Comprehensive Plan and Zoning Ordinance criteria are reviewed below by staff. The TSP does not have specific review criteria to analyze an application against, but the applicant has done an analysis of the TSPs Goals and Policies. The application also does a thorough review of the Statewide Planning Goals and Oregon Administrative Rule Chapter 660 Divisions 4 and 14. Planning staff would concur with those analyses.

The Morrow County Comprehensive Plan Review and Revision Process requires "at a minimum, the review should determine Plan and Implementing Ordinance conformity with changes in:

1. The Oregon Revised Statutes;

No change in Oregon Revised Statute or Oregon Administrative Rule are prompting this request.

2. Oregon Case Law;

No case law is requiring this action.

3. Oregon Statewide Planning Goals;

Changes in the Statewide Planning Goals are not causing or directing this amendment or zone change. However a number of the Goals should be and shall be considered as part of this action. The application addresses the Goals that are required to be reviewed as part of this application. Those applicable are Goals 1, 2, 3, 6, 9, 11, 12, 13 and 14. Specifically exceptions must be taken to Goals 3, 11 and 14 allowing for the proposed uses. The type of exception to be taken is a "reasons" exception which is explained and analyzed within the application. Staff support the application in this manner.

Also to be considered is Goal 12 and the Transportation Planning Rule. The Port of Morrow is also currently doing work on two IAMPs and an Access Management Plan for the proposed connections to the State Interstate and Highway system. Those IAMPs will meet the requirements of Goal 12 and the Transportation System Plan. The ODOT is requesting in their letter dated September 29 that this approval should be conditioned as follows, "Prior to development (issuance of zoning and building permits) of the land proposed to be zoned Port Industrial an Interchange Area Management Plan will be completed and adopted by the County." Planning staff would find this request to be reasonable and are incorporating the Condition below.

Comment received from Jon Jinnings concerning the necessary ESEE analysis is a function of Goal 2, the exceptions process. His question is how reverting the southern property back to EFU is or isn't supported by the ESEE analysis to convert the northern property to Port Industrial. The ESEE analysis to convert the approximately 510 acres north of I-84 to Portland Industrial also strongly supports the conversion of the southern 515-acre property back to an EFU zoning. Economically, needed public facilities and services are already located at the East Beach Industrial Park but are not located on the southern property. Accordingly, it will be far less expensive and far more cost effective to extend public facilities and services to the approximately 510 acres proposed for industrial development immediately adjacent to the East Beach Industrial Park than to extend them across Interstate 84 and then a mile south along Bombing Range Road to reach the southern property. Likewise, the UP mainline rail cuts directly through the northern area proposed for industrial development but is more than a mile from the southern property. Extending a rail line across I-84 to the southern property would be extremely expensive compared to providing a spur off the existing mainline north of I-84. Socially, the Port's proposal would expand industrial development in an area that already has a significant industrial character. It would, in effect, expand the East Beach Industrial Park to Oregon 730, which as an arterial highway would provide a good boundary separating industrial uses to the west and agricultural uses to the east. In contrast, establishing industrial uses on the industrial property south of I-84, while permitted under current zoning, would significantly change the existing agricultural

character of that area. Environmentally, neither site contains any significant natural resources. However, from an energy standpoint, using the approximately 510 acres north of I-84 and adjacent to Oregon 730 to access rail and highways would be more energy efficient than using the 515 acres to the south given the shorter distance to the UP mainline and major roadways like I-84 and Oregon 730, and because less energy would be needed to accommodate more unit trains because a new rail line would not need to be extended to a location more than a mile south of the UP mainline.

4. Requirements of the County and Cities;

There are no specific requirements of the County or any effected cities requiring the proposed changes.

5. Needs of residents or landowners within the County and Urban growth areas.

The residents of Morrow County look to the Port to act as the economic development agency to support job growth. This action to bring additional acreage into the Port, specifically the East Beach Industrial Park, and facilitate a local transportation network to serve the Port does meet the needs of the residents and landowners of Morrow County.

One of the questions posed by Jon Jinnings has to do with economic opportunities and unit trains. At the September 14 public hearing Port Engineer Ron McKinnis provided credible testimony that increasing the Port of Morrow's capacity to accommodate unit trains will create additional economic opportunities at the Port's East Beach Industrial Park. Mr. McKinnis stated that in 2005, the Port completed its unit train facility serving the East Beach Industrial Par, and in 2007 Pacific Ethanol completed its ethanol plant and began utilizing that facility. Then in 2008 and 2009 the facility began receiving wind tower trains, at which time Union Pacific raised concerns about access to the facility for future development. Union Pacific was particularly concerned that one train might get stuck on the mainline for many hours while another unit train was loading or unloading on Port property, and this would hold up other rail traffic on the mainline. For this reason, UP did not want more development reliant on unit trains going on the property. Mr. McKinnis testified that the Port lost some clients for East Beach because of this, and that the proposed application, which provides siding along the mainline to use for staging, would resolve the issue by allowing adequate space to avoid train backups on the mainline. He said this approach is acceptable to Union Pacific and will result in more development, including a new Transload facility.

A second question posed by Jon Jinnings was why the property can't be included in the Boardman Urban Growth Boundary. While with option could be considered it is not reasonable or practical for several reasons. First and foremost the subject property is not contiguous to Boardman's UGB. At its closest point, the area proposed for rezoning is approximately 1/4 mile away from the UGB. Most of the area identified in the application is located a substantial distance from Boardman's UGB—from 1.5 to 3 miles. Additionally the current East Beach Industrial Park is not in the Boardman UGB and it is the East Beach Industrial Park that is being extended. It is not practical or logical and would not result in an efficient urban form to expand the UGB at this point in time.

It may be appropriate at some future date to have a conversation with the City, County, Port and other involved landowners and parties concerning an UGB expansion. This would not be an appropriate time or mechanism for such a discussion. As there is no need to obtain necessary services from the City of Boardman, or to connect to other aspects of city infrastructure, that discussion is best left for a later date.

In summary, if the subject property involved land immediately adjacent to the UGB that was compact in its form and would be served by the City of Boardman, an UGB amendment might be appropriate. But that is not the case here. The subject property is rural in nature with connections to the East Beach Industrial Park.

6. Concerns of the County and other affected governmental units.

No specific concerns have been brought forward requiring this proposed action.

The applicant makes the case that as this is an applicant request the above section would not directly apply, however Planning staff prefer to review this criteria to assure that the request can be locally supported.

The Morrow County Zoning Ordinance **ARTICLE 2 ESTABLISHMENT OF ZONES SECTION 2.020 LOCATION OF ZONES AND SECTION 2.030 ZONING MAP** require that map amendments be accomplished by ordinance. This action, if completed in its entirety, will include an adoption by ordinance of a new Zoning Map applying the Port Industrial and Exclusive Farm Use zone to the subject properties.

Also to be considered is **ARTICLE 8 AMENDMENTS SECTION 8.050 BURDEN AND CRITERIA** which states **The proponent of the application or permit has the burden of proving justification for its approval. The more drastic the request or the greater the impact of the application or permit on the neighborhood, area, or county, the greater is the burden on the applicant. The following criteria shall be considered by the Planning Commission in preparing a recommendation and by the County Court in reaching their decision.**

A. That conditions have changed since the adoption of the Comprehensive Plan and zoning map that warrant an amendment, or that there was a mistake in the original designation.

There was no mistake. During the past 30 plus years the Port has grown, resulting in the need for more land appropriately planned and zoned for industrial and supporting uses. The application also supports activities to connect the eastern portion of the Port, the East Beach Industrial Park, to the larger regional transportation network.

B. That public services and facilities are sufficient to support a change in designation, including, but not limited to, streets and roads (refer to the Transportation System Plan and Transportation Planning Rule).

- 1. Amendments to the zoning ordinance or zone changes which significantly affect a transportation facility shall assure that land uses are consistent with the function, capacity, and level of service of the facility identified in the Transportation System Plan. This shall be accomplished by one of the following:**
 - a. Limiting allowed land uses to be consistent with the planned function of the transportation facility or roadway;**
 - b. Amending the Transportation System Plan to ensure that existing, improved, or new transportation facilities are adequate to support the proposed land uses consistent with the requirement of the Transportation Planning Rule; or,**
 - c. Altering land use designations, densities, or design requirements to reduce demand for automobile travel to meet needs through other modes.**

2. **A plan or land use regulation amendment significantly affects a transportation facility if it:**
 - a. **Changes the functional classification of an existing or planned transportation facility;**
 - b. **Changes standards implementing a functional classification;**
 - c. **Allows types or levels of land use that would result in levels of travel or access that are inconsistent with the functional classification of a transportation facility; or**
 - d. **Would reduce the level of service of the facility below the minimal acceptable level identified in the Transportation System Plan.**

The application submitted by the Port completes a thorough review of these criteria as part of section III Compliance with Goal Exception Criteria. ~~Planning staff would not add any additional comment but to affirm that it has been met.~~ Planning staff have made additional comment above based on comment received from ODOT and have added a Condition of Approval. These criteria have been met.

- C. **That the proposed amendment is consistent with unamended portions of the Comprehensive Plan and supports goals and policies of the Comprehensive Plan, that there is a public need for the proposal, and that the need will be best served by allowing the request. If other areas in the county are designated for a use as requested in the application, then a showing of the necessity for introducing that use into an area not now so zoned and why the owners there should bear the burden, if any, of introducing that zone into their area.**

The application submitted by the Port completes a thorough review of these criteria as part of section V Compliance with Morrow County Comprehensive Plan and Land Use Requirements A Compliance with Morrow County Comprehensive Plan. Portions of the Comprehensive Plan reviewed include citizen involvement, general land use, agricultural lands, economy, public facilities and services, transportation, energy conservation and urbanization. Planning staff would find the analysis completed to be thorough and appropriate for the application. We would find this criterion to be met.

- D. **The factors listed in ORS 215.055 or others which relate to the public need for healthful, safe and aesthetic surroundings and conditions.**

This criterion reflects a portion of Statute that has been repealed and is now supported through the statewide land use planning Goals. The section of the application that addresses the Goals would be sufficient in meeting this criterion. Please see section IV Compliance with Statewide Planning Goals.

- | | | |
|-----|---|--|
| III | DLCD 45 DAY NOTICE: | July 29, 2010 |
| IV | PROPERTY OWNER NOTICE: | August 25, 2010 |
| V | LEGAL NOTICE: | Heppner Gazette Times and East-Oregonian
September 1 and 28, 2010 |
| VI | AGENCIES NOTIFIED: Linda Hayes-Gorman and Phil Richerson, Department of Environmental Quality; Jon Jinnings and Angela Houck, Department of Land Conservation and Development; Teresa Penninger and Marilyn Holt, Oregon | |

Department of Transportation; Mike Ladd, Oregon Water Resources; Marc Rogelstad, Boardman RFPD; Karen Pettigrew and Barry Beyeler, City of Boardman; Greg Sweek, Morrow County Assessor; Burke O'Brien, Morrow County Public Works; Tony Justus, Watermaster.

VII HEARING DATES:

Planning Commission
September 14, 2010
Port of Morrow Riverfront Center
Boardman, Oregon

October 12, 2010
Port of Morrow Riverfront Center
Boardman, Oregon

County Court (Tentative)
December 15, 2010
Port of Morrow Riverfront Center
Boardman, Oregon

VIII RECOMMENDATION OF THE MORROW COUNTY PLANNING COMMISSION:

Recommend to the Morrow County Court approval of the application as follows:

- Amend the Comprehensive Plan incorporating the application to serve as the justification statement for the 'reasons' exception.
- Amend the Comprehensive Plan Map changing the designation from "Industrial" to "agriculture" on approximately 515 acres and changing the designation from "agriculture" to "Industrial" on approximately 510 acres.
- Amend the Zoning Map changing the designation from "General Industrial" to "Exclusive Farm Use" on approximately 515 acres and changing the designation from "Exclusive Farm Use" to "Port Industrial" on approximately 510 acres.
- Apply the Exclusive Farm Use Zone to the approximate 515 acres and apply the Port Industrial Use Zone to the approximate 510 acres as shown on the amended Zoning Map.

Recommend the application of the following Condition(s) of Approval:

- Prior to the development (issuance of zoning and building permits) of the land proposed to be zoned Port Industrial an Interchange Area Management Plan will be completed and adopted by the County.



David Sykes, Chair

20/11/2010

Date

Attachments:

Vicinity Map

Email from Jon Jinnings dated September 14, 2010

Letter from Teresa Penninger dated September 29, 2010

Written comments from Ron McKinnis presented at September 14, 2010 public hearing
Application

Application to Amend the Morrow County Comprehensive Plan Text and Map and Zoning Map and Adopt Exceptions to Goals 3, 11 and 14, with Supporting Findings of Fact and Statement of Reasons

Port of Morrow, Applicant

I. Introduction.

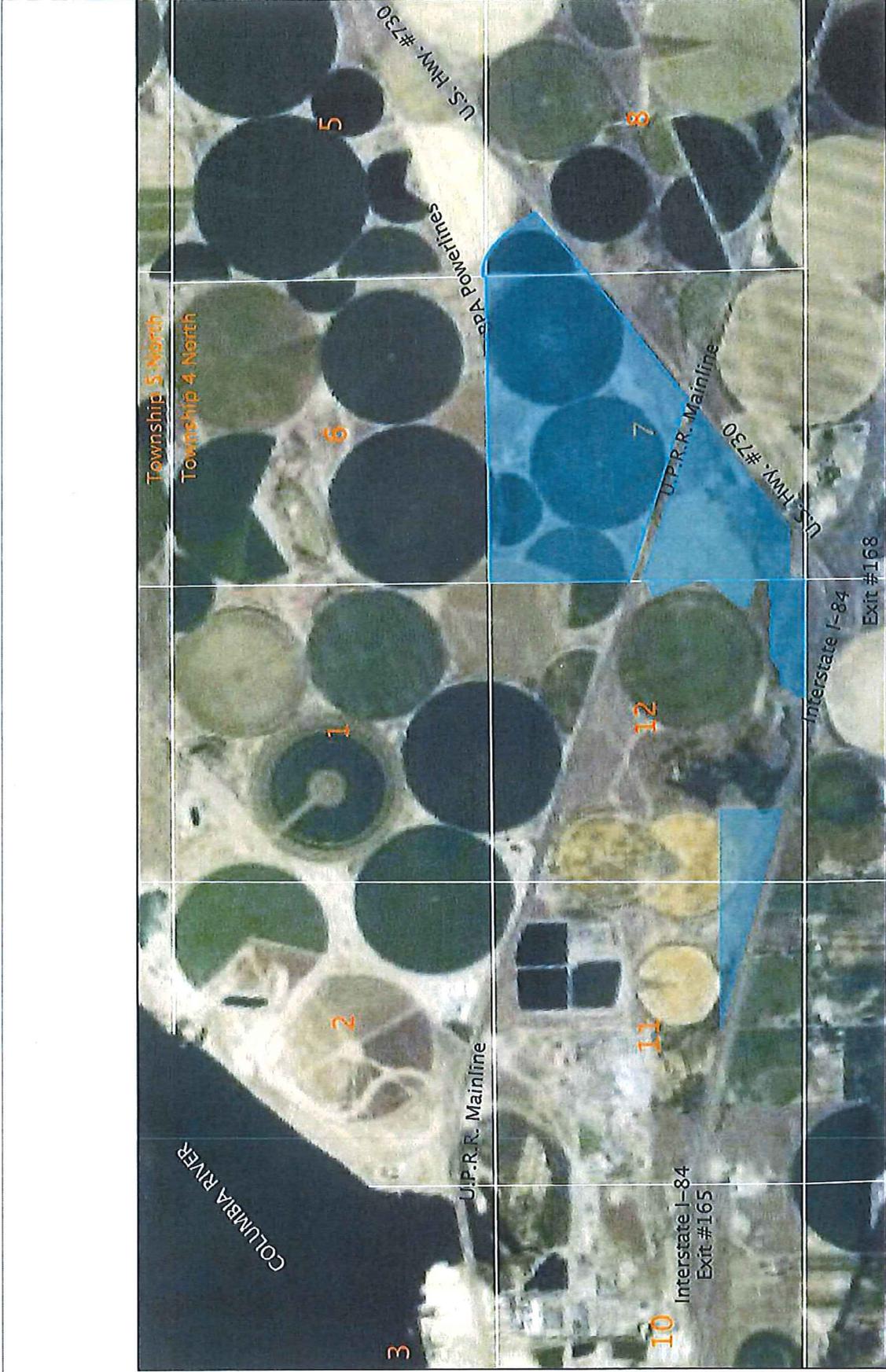
Applicant Port of Morrow (the Port) requests Morrow County approval of this application to amend the Morrow County Comprehensive Plan and Zoning Map to convert approximately 514 acres of agricultural land zoned Exclusive Farm Use (EFU) to industrial land zoned Port Industrial (PI), and to convert 515 acres of industrial land zoned PI to agricultural land zoned EFU. More specifically, the Port requests the following:

- Redesignating approximately 514 acres from Agriculture to Industrial and rezoning those acres from EFU to PI. These acres are located in Sections 7, 8, 11 and 12 of Township 4 North, Range 25 East, W.M. They include Tax Lot numbers 4N 25 11-0901, 4N 25 11-1000, 4N 25 11-1201, 4N 25 12-0200, 4N 25 12-00000901, 4N 25 12-0300, 4N 25 12-0301, 4N 25 07-0100, 4N 25 07-0200, and 4N 25 08-0202.
- Redesignating 515 acres from Industrial to Agriculture and rezoning those acres from PI to EFU. These acres are located in Section 24 of Township 4 North, Range 25 East, W.M.

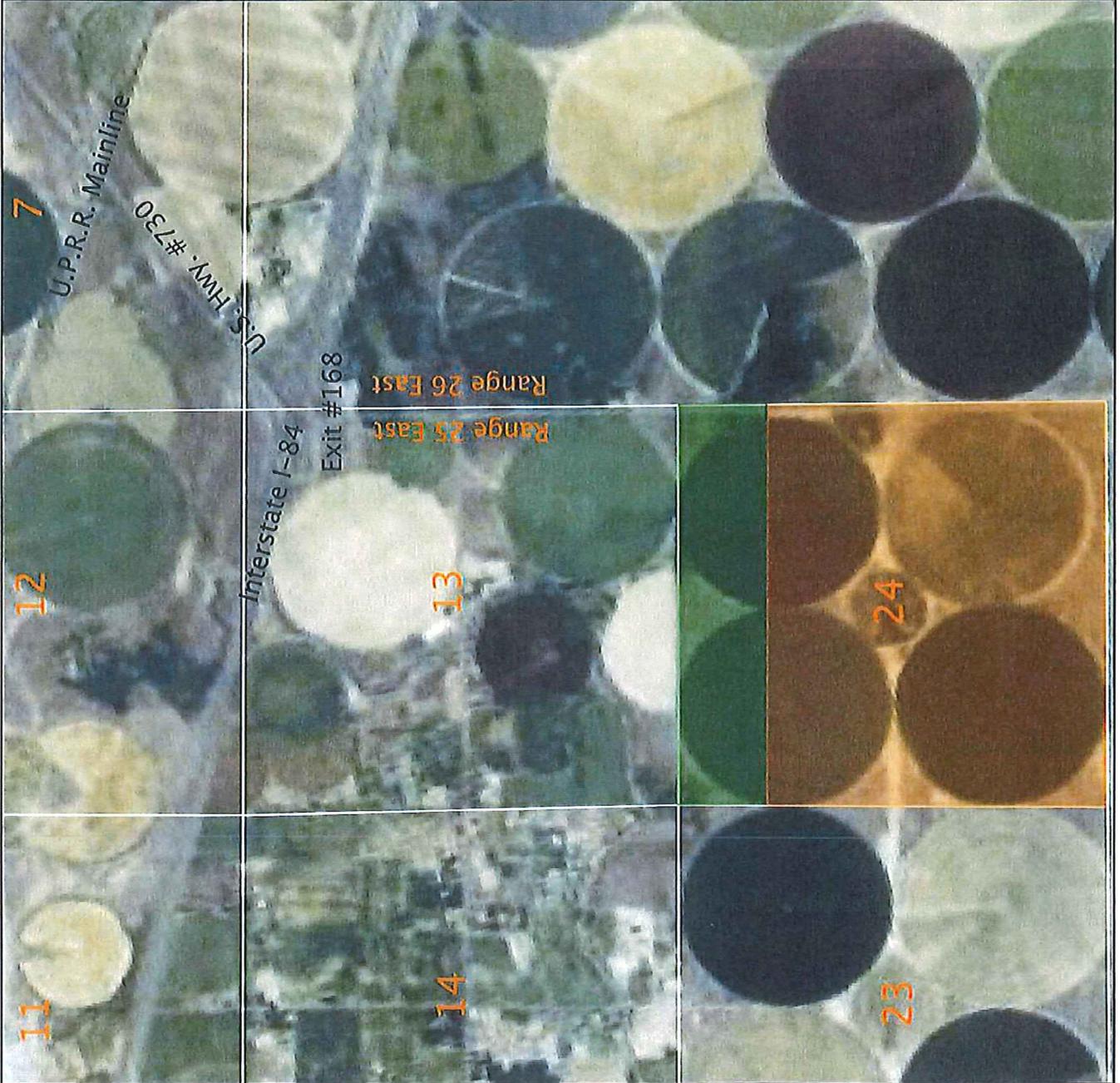
The 514 acres identified for conversion to industrial use are bounded on the east by Oregon 730; on the south by Interstate 84 (I-84); and on the west and north by the Port of Morrow Industrial Park, including the Port's recently developed East Beach Industrial Park.¹ The Union Pacific Railroad mainline crosses east to west through the middle of this proposed acreage. **See Figure 1.**

The 515 acres identified for conversion to agricultural use are part of a larger, 640-acre property located about one mile south of I-84, bordering Bombing Range Road on the west. **See Figure 2.** This property is owned by Westland Enterprises, LLC, which purchased the land from the Port. In the sales agreement, the Port retained the right to convert the zoning from industrial to agricultural.

¹ The "East Beach Industrial Park" is a newly developed industrial area within the "Port of Morrow Industrial Park" referred to in the 1988 reasons exception. It is located west of Columbia Avenue and north of the Union Pacific Railroad mainline. A rail loop sufficient to accommodate unit trains runs through the East Beach Industrial Park.




 Zoned EFU changed to PI
 513.86 Acres



Zoned MG changed to EFU
515 Acres

Zoned MG Unchanged
125 Acres

7

U.P.R.R. Mainline

U.S. Hwy. #730

Range 26 East

Exit #168

Range 25 East

Interstate I-84

11

12

13

14

23

24

The plan and zoning amendments to convert agricultural land to industrial land to allow port-related industrial uses require exceptions to Statewide Planning Goals 3 (Agricultural Lands), 11 (Public Facilities and Services) and 14 (Urbanization). These exceptions extend to those Morrow County Comprehensive Plan policies and land use regulations adopted pursuant to those goals which would otherwise prohibit authorizing port-related industrial uses on the subject property or otherwise function to frustrate the purpose of this exception. As defined in ORS 197.732, an "exception" is a comprehensive plan provision, including an amendment to an acknowledged comprehensive plan, that: (1) is applicable to specific properties or situations and does not establish a planning or zoning policy of general applicability; (2) does not comply with some or all goal requirements applicable to the subject properties or situations; and (3) complies with the standards for goal exceptions.

Under Oregon Administrative Rules (OAR) 660-004-0015(1), a local government approving an exception must adopt, as part of its comprehensive plan, findings of fact and a statement of reasons that demonstrate that the standards for an exception have been met. **This document has been prepared to serve as findings of fact and a statement of reasons to support the exceptions requested herein. Should Morrow County approve this application, the Port asks that the County incorporate this document into its comprehensive plan as its findings of fact and statement of reasons in support of the application.**

Because this is a "reasons" exception, the applicable standards are those in ORS 197.732(2)(c). Those standards are repeated in LCDC Goal 2 (Land Use Planning), Part II, and are implemented through the relevant provisions in OAR 660, Division 4 and OAR 660, Division 14, addressed below. Further, plan amendments must demonstrate compliance with the statewide planning goals and with applicable unamended Morrow County comprehensive plan policies. The relevant goals and policies also are addressed below.

II. Background and Site Description.

In 1988, the Port sought and obtained from Morrow County approval of reasons exceptions to Statewide Planning Goals 3, 11 and 14 to allow 1889 acres then located approximately one mile east of the City of Boardman's urban growth boundary (UGB) to be planned for port-related industrial development.² The site was separated from the UGB by other portions of the Port of Morrow Industrial Park that the Land Conservation and Development Commission (LCDC) previously acknowledged as "physically developed or committed" to industrial

² Boardman's UGB has since moved east to I-84 Exit 165 and north towards the railroad tracks.

uses.³ LCDC subsequently acknowledged that reasons exception and the lands were approved for Port industrial uses.

Over time, lands in the Port Of Morrow Industrial Park have developed with a broad range of port-related industrial uses.⁴ In 2005, the East Beach Industrial Park development began with the construction of a unit train rail loop located west of Columbia Avenue between the Union Pacific Railroad tracks and Lewis & Clark Drive. **See Figure 3.** The rail loop has successfully attracted a number of industries to the industrial park, including Pacific Ethanol, RDO-Calbee Foods, a Port of Morrow Trans-Load Warehouse facility to be leased to Cascade Specialties, Altra BioFuels, Inc., Oregon Ethanol, Inc., ZeaChem, Inc., and HBS BioEnergy, Inc. These businesses rely on the movement of raw materials and processed goods by freight to obtain supplies or to reach markets.

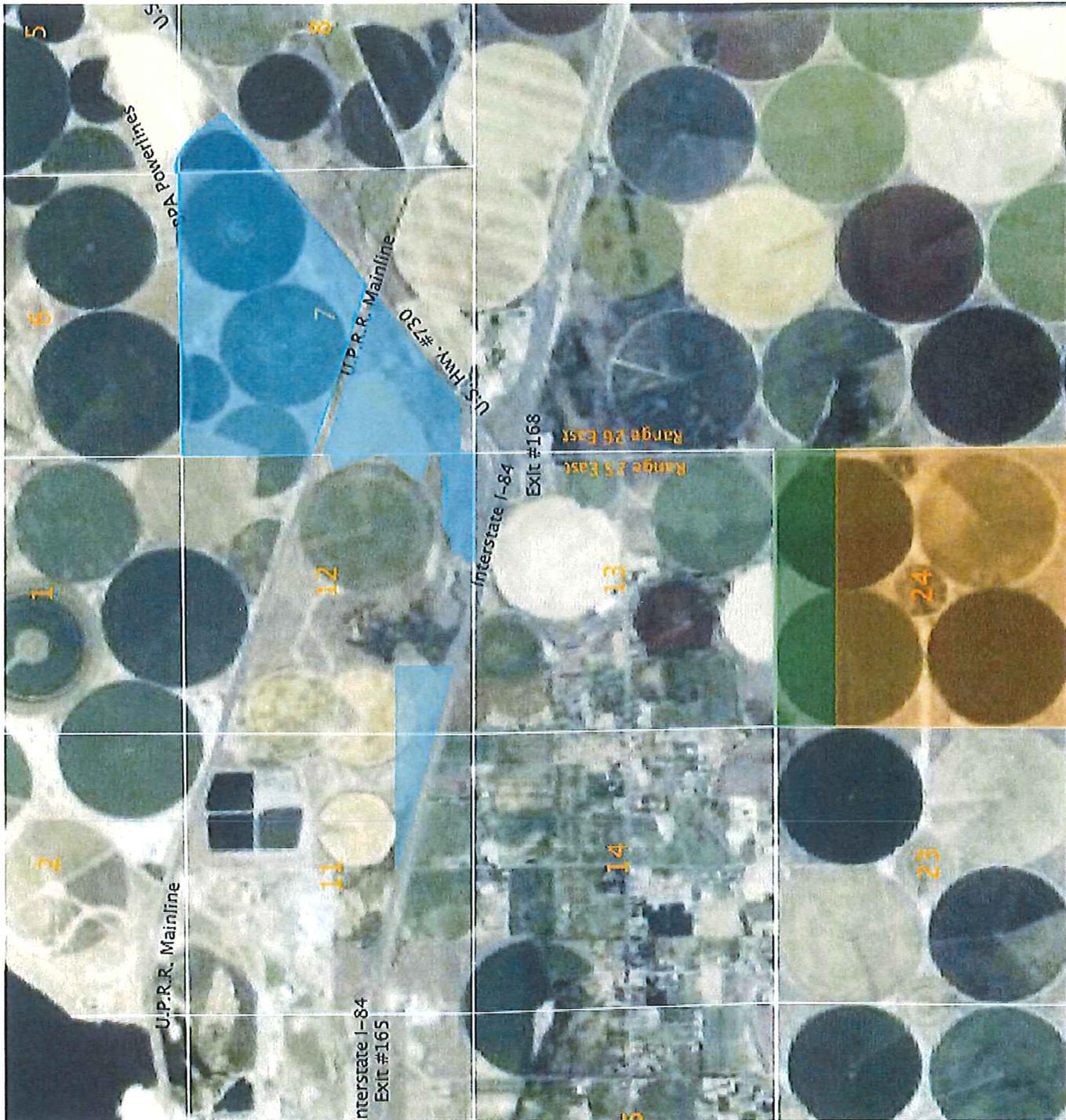
With the success of development at the East Beach Industrial Park, new development is starting to push farther to the east, closer to Oregon 730, a state highway connecting Boardman with the City of Umatilla. Like the development at the East Beach Industrial Park, the new industrial uses anticipated to come to the area will want and require a convenient transportation network, including freight and rail connections and loading and unloading facilities in addition to what exists today farther to the west.

The principal reason for this application is to facilitate expansion of development into the easterly portion of the Port of Morrow Industrial Park. To do this, the Port needs additional area adequately sized and located to accommodate another loading area for unit trains.⁵ Because the Port's need is primarily locational in nature, *i.e.*, for a site that that accommodate unit trains to serve development in the industrial park, rather than a need for more industrial land in the Boardman area, the Port is proposing an *exchange* whereby, in return for redesignating and rezoning 514 acres for port-related industrial uses, 515 acres of existing land designated and zoned for industrial development located south of the industrial park would be redesignated and rezoned for exclusive farm use. This exchange would be beneficial to agriculture not only because no net agricultural acres are lost, but because the proposed 515 acres, unlike the property proposed for industrial uses, are fully irrigated and surrounded by agricultural lands.

³ In 1986, LCDC issued an acknowledgment order acknowledging goal exceptions for all of the Port's land outside Boardman's UGB, but on appeal, the Oregon Court of Appeals upheld the acknowledgment only for those areas identified as physically developed or committed to industrial uses.

⁴ Industrial uses on the Port property include a wide range of food products and processing industries, ethanol and bio-fuel producers, warehousing, and other industrial uses.

⁵ A unit train is a train with at least 100 rail cars. Unit trains are commonly used to haul freight on railroad tracks.



Zoned EFU changed to PI
513.86 Acres

Zoned MG changed to EFU
515 Acres

Zoned MG Unchanged
125 Acres

Tax Lot Number	Acreage
4N 25 11 - 0901	0.74
4N 25 11 - 1000	3.22
4N 25 11 - 1201	5.20
4N 25 12 - 0106	2.80 - PI
4N 25 12 - 0200	20.83
4N 25 12 - 0300	28.86
4N 25 12 - 0301	5.43 - H&A PI
4N 26 07 - 0100	341.85
4N 26 07 - 0200	81.50
4N 26 08 - 0202	23.43

TOTAL Acreage to PI = 513.86

Tax Lot Number Acreage
4N 25 - 1700 640.00

TOTAL Existing Acres MG = 640.00



P.O. BOX 200, #2 MARINE DRIVE
BOARDMAN, OR 97818
541-481-7678

Ronald V. McKinnis PE, PLS, WRE
Port of Morrow Engineer

The 514 acres for which the Port is taking this reasons exception are currently in farm use. This acreage is currently being used to grow potatoes and alfalfa. Historically, these acres also have been used to grow wheat and other row crops such as sorghum, peas, corn, onions, and mint. The acreage north of the railroad tracks is fully irrigated. The acreage south of the railroad tracks is partially irrigated and partially without irrigation.

The 515 acres which the Port would have redesignated and rezoned for agricultural use is currently being used to grow corn. Historically, this property has been used for row crops and grain, including corn, potatoes, alfalfa and wheat. This property is fully irrigated.

For both affected properties, current farm practices include irrigation (where permitted) and aerial spraying. Both properties have essentially the same agricultural soils. For the lands north of I-84, the agricultural soils are 98% Quincy loamy fine sand, 2 to 12% slopes (Class IVs⁶ irrigated, VIIe dryland) and 2% Dune land (Class VIIe). For the 515-acre parcel south of I-84, the agricultural soils are 93% Quincy loamy fine sand, 2 to 12% slopes, and 7% Dune land.

The existing Port industrial park is served with a full range of facilities and services that are of sufficient size and capacity to accommodate both existing and future industrial development. Many of these facilities and services predated the 1988 goal exceptions and helped provide a basis for the Goal 11 and Goal 14 exceptions authorizing urban scale public facilities and services and urban scale industrial uses on the Port property. If this plan amendment application is approved, these facilities also would serve new development locating on the subject 514 acres. The facilities and services include:

- a community sewer system, including (1) an intertie with the City of Boardman sanitary sewer system, and (2) an effluent disposal system which pumps the process waters directly from tenant industries to land disposal areas pursuant to a Water Pollution Control Facilities permit issued by the Oregon Department of Environmental Quality.
- a water supply system providing over 10 million gallons per day of potable water to Port industrial tenants. This system includes eight wells, eight pumps, two storage tanks and over five miles of pipeline, including pipes up to 30 inches in diameter for fresh water and up to 24 inches in diameter to remove effluent.
- a local road system, including internal circulation on Columbia Avenue (a County road), Industrial Way, Rail Loop Drive, Dewey West Drive, Lewis & Clark Drive, and Gar Swanson Drive, with a direct interchange connection to Interstate 84 at Columbia Avenue (Exit 165).
- Rail facilities, including the Union Pacific Railroad east-west transcontinental mainline and industrial siding.

⁶ The "s" refers to shallow, droughty or stony soils.

- Barge facilities, including six terminals, ramps and other water-related port facilities.
- An eight inch high pressure gas line.
- Dual electrical transmission power lines and distribution lines owned by the Bonneville Power Administration, Umatilla Electric Cooperative Association, the Port of Morrow and various tenants.

III. Compliance with Goal Exception Criteria.

Where an urban use and urban scale public facilities and services are proposed to be located on rural agricultural lands, an applicant must demonstrate compliance with the applicable standards for goal exceptions in both OAR 660, Division 4 and OAR 660, Division 14. *VinCEP v. Yamhill County*, 215 Or App 414 (2007). For reasons exceptions, those standards are (1) OAR 660-004-0018 through 660-004-0022, which address reasons exceptions on rural agricultural lands; and (2) OAR 660-014-0040, which addresses the establishment of new urban development on undeveloped rural lands.⁷ Compliance with both rules is addressed below, beginning with OAR 660, Division 4.

A. Compliance with OAR 660, Division 4.

660-004-0018(4): *(a) When a local government takes an exception under the "Reasons" section of ORS 197.732(1)(c) and OAR 660-004-0020 through 660-004-0022, plan and zone designations must limit the uses, density, public facilities and services, and activities to only those that are justified in the exception.*

This application seeks exceptions to Goals 3, 11 and 14 to allow urban-scale port-related industrial uses and public facilities and services on agriculturally designated and zoned lands. As used in this application, "urban-scale" uses are industrial uses in buildings of sizes that are greater than would otherwise be permitted on rural lands without goal exceptions under OAR 660-022-0030(11).⁸ "Urban-scale" public facilities and services are public facilities and services sized to serve urban-scale uses on rural lands. "Port-related industrial uses" are those

⁷ In *VinCEP*, the Oregon Court of Appeals overturned long-standing Land Use Board of Appeals (LUBA) precedent that for urban scale uses on rural *agricultural* land, OAR 660-014-0040 was the applicable exception standard and OAR 660, Division 4 did not apply. The court determined that an exception to Goal 3, which is governed under OAR 660, Division 4, is fundamentally different than a Goal 14 exception, stating that reasons that might justify an urban use on rural non-resource land do not necessarily justify an urban use on rural resource land. See also *VinCEP v. Yamhill County*, 55 Or LUBA 433 (2007) (LUBA's decision on remand from the Court of Appeals).

⁸ OAR 660-022-0030(11) allows new or expanding industrial uses in unincorporated communities without goal exceptions if they are small scale, low impact uses, defined as uses in a building or buildings not exceeding 40,000 square feet of floor space in rural unincorporated communities. Outside of unincorporated communities, industrial uses in buildings 35,000 square feet or smaller have been considered to be rural in scale.

uses permitted outright or conditionally under Section 3.073, Port Industrial (PI) Zone of the Morrow County Zoning Ordinance.⁹ Uses authorized in the PI zone include, but are not limited to, water dependent industrial uses; port-related chemical and metal industrial uses; manufacturing, refining, processing or assembly of any agricultural, mining or industrial product; power generating and utility facilities; ship building and repair; rail loop and spur dependent uses; and effluent disposal of industrial wastes and agricultural activities in conjunction therewith. Authorized uses also include manufacturing, warehousing, packaging, processing, compounding, constructing, treatment, assembly, storage, testing, finishing, refinishing, repair, and wholesale sale and distribution of products, and any other industrial use authorized by ORS 777.250.¹⁰

The PI zone is an industrial sanctuary zone wherein commercial uses are limited to those appropriate and necessary to serve the needs of the workers employed in the zone. The zone provides appropriate limits as to the uses that can be located in the exception area. By taking Goal 11 and Goal 14 exceptions, the size of industrial buildings and the scale of industrial uses and public facilities and services will not be limited only to such sizes and scales that are appropriate for rural uses. Instead, urban-scale uses and public facilities and services would be allowed.

The public facilities and services serving the proposed exception area would be extensions of the same urban-scale facilities and services that were approved in the 1988 exception to serve the Port's Industrial Park. The Goal 11 exception contained in this application is to allow for their extension onto the newly designated industrial lands. The Goal 11 exception is needed because OAR 660-011-0060(2)(c) prohibits extensions of sewer systems currently serving lands outside UGBs in order to serve uses outside such boundaries that were not served by the system on July 28, 1998. It is also taken as a precaution in the event a Goal 11 exception is needed to extend urban scale water to rural lands.¹¹

660-004-0020(1): *"If a jurisdiction determines there are reasons consistent with OAR 660-004-0022 to use resource lands for uses not allowed by the applicable Goal or to allow public facilities or services not allowed by the applicable Goal, the justification shall be set forth in the comprehensive plan as an exception."*

This application requests that the justification for the exceptions taken to Goals 3, 11 and 14 be set forth in the Morrow County Comprehensive Plan as an

⁹ The PI zone reflects the port-related uses that were authorized in the acknowledged 1988 reasons exception for the Port of Morrow Industrial Park.

¹⁰ ORS 777.250 defines the uses that ports may allow on port properties.

¹¹ Neither Goal 11 nor its implementing rule, OAR 660, Division 11, appear to prohibit the extension of urban *water* facilities to rural areas to serve *industrial* uses. However, in *Foland v. Jackson County*, ___ Or LUBA ___ (LUBA No. 2009-109, 112, 113) (June 4, 2010), LUBA held that such extensions require a Goal 11 exception both for residential uses and for urban-scale non-residential uses. That ruling is presently before the Court of Appeals on appeal by the Oregon Department of Transportation, who was the applicant in *Foland*.

exception. The reasons consistent with OAR 660-004-0022 are stated below in the discussion of OAR 660-004-0020(2)(a).

660-004-0020(2)(a): *"The four factors in Goal 2 Part II(c) required to be addressed when taking an exception to a Goal are:*

(a) "Reasons justify why the state policy embodied in the applicable goals should not apply": The exception shall set forth the facts and assumptions used as the basis for determining that a state policy embodied in a goal should not apply to specific properties or situations including the amount of land for the use being planned and why the use requires a location on resource land;

Under OAR 660-004-0020(2)(a), for reasons exceptions, an applicant must justify why the state policy in the applicable goals should not apply. For this exception, as with the original 1988 reasons exception allowing port-related industrial uses on the adjoining 1889 acres (discussed below), the goals for which goal exceptions are being taken are Statewide Planning Goals 3 (Agricultural Lands), 11 (Public Facilities and Services) and 14 (Urbanization). The affected Goal 3 policy that would not apply is the policy to preserve agricultural lands for farm use. The affected Goal 11 policy is the policy to provide public facilities (including transportation) appropriate for but limited to the needs of the urban or rural area being served. Goal 11 also prohibits the extension of urban scale sewer (and possibly water) to serve industrial uses on rural lands. The affected Goal 14 policy directs that urban uses be located inside urban growth boundaries or within urban communities. This application requires exceptions because it would allow urban scale industrial uses on rural agricultural land that Goal 3 protects for exclusive farm use, and it would allow the Port to extend public facilities and services sized to accommodate urban-scale uses, including sewer service extended from the Port's existing community sewer system with ties to the City of Boardman's sanitary sewer system, and water associated with the Port's existing water supply system.

OAR 660-004-0022 identifies non-exclusive types of reasons that may be used to justify certain types of uses not allowed on resource lands. For rural industrial development, OAR 660-004-0022(3) provides in relevant part:

"(3) Rural Industrial Development. For the siting of industrial development on resource land outside an urban growth boundary, appropriate reasons and facts include, but are not limited to, the following:

"* * *"

"(c) The use would have a significant comparative advantage due to its location (e.g., near existing industrial activity, an energy facility, or products available from other rural activities), which would benefit the county economy and cause only minimal loss of

productive resource lands. Reasons for such a decision should include a discussion of the lost resource productivity and values in relation to the county's gain from the industrial use, and the specific transportation and resource advantages which support the decision."

Port-related industrial use would have a significant comparative advantage at the proposed exception location because of its immediate proximity to the existing East Beach Industrial Park, the availability of a full range of public facilities and services that could be extended to serve the exception area, and the immediate availability of rail and freeway access that would facilitate easy shipping and reduce energy costs. Electrical power and natural gas are available at the site. While 514 acres of agricultural land would be converted to industrial use, there would be no loss of resource productivity because 515 acres of industrial land of comparable agricultural productivity value would be converted back to agricultural land.

The primary purpose for adding the subject properties east of the East Beach Industrial Park is transportation related. To serve new development moving into the eastern portion of the existing industrial park, the Port needs to provide additional area off of the Union Pacific Railroad mainline that can accommodate loading/unloading facilities for and storage of unit trains.

Currently, unit train storage and loading/unloading occurs off a spur located along the Union Pacific mainline farther to the west of the subject property. That spur loops into and around the East Beach Industrial Park, providing rail access to industries located there. Now that new development is pushing onto lands farther east, additional unit train capacity is needed to serve their freight needs. By Port estimates, another 18,000 lineal feet of track are needed for rail car storage and for loading/unloading facilities beyond the 18,000 lineal feet already on Port property. Adding this additional storage area requires the Port to redesignate and rezone for industrial purposes agricultural lands it owns that are adjacent to the railroad. Redesignating the subject property for industrial use would be consistent with the Port Industrial zone, which allows outright "Rail loop and spur dependent uses." MCZO Section 3.073(A)(14).

The Port's existing rail spur located west of the subject property cannot sufficiently accommodate the additional lineal feet of needed track. Union Pacific has informed the Port that it may have only one spur access off of the mainline into the Port property to serve Port industries. To accommodate the new area for development and the existing East Beach Industrial Park, the Port must relocate the spur farther east and close off the existing spur access.

The new spur and unit train storage area will require only a portion of the 514 acres proposed for industrial uses. The remainder would be used for a Trans-Load facility to load/unload rail cars and transfer goods and materials between

rail and truck, and by industries attracted by the convenient rail access. By its immediate proximity to the railroad, this land will be far more efficient and cost-effective to develop and serve as industrial land than the Port-owned industrial lands one mile south of Interstate 84 for which the exchange is proposed.

The exchange neither increases the amount of land available for industrial use in the area nor decreases the region's agricultural land supply, but for both types of uses, it makes sense. The 515 acres of industrially-zoned lands located south of I-84 are less well suited for industrial uses than the 514 acres for which the plan amendment and zone change to industrial/PI is proposed, because they lack the immediate proximity to the rail and highway network and to other industrial uses. The 514 agriculturally-zoned acres surrounding the railroad tracks north of I-84 are less well suited for agricultural use than the 515 acres located south of I-84 because they are not fully irrigated or entirely surrounded by farm uses. Because the 515 acres south of I-84 are surrounded by other agricultural lands and are fully irrigated, they can provide greater value to the agricultural economy than those lands that are surrounded by state highways and industrial land and do not have full irrigation rights.

In summary, from a transportation and economic standpoint, there is a significant comparative advantage to locating new industrial development adjacent both to other port-related industrial development and to a major railroad that provides a freight connection to the East Beach Industrial Park, rather than locating new industrial development in an undeveloped area surrounded by farm land with no immediate access to rail. Similarly, from an agricultural standpoint, there is a significant advantage to retaining farm use on lands that have full irrigation rights, are surrounded by other agricultural uses, and are located away from industrial development.¹²

The proposed industrial uses require a location on resource lands because all of the lands surrounding the railroad along the east side of the industrial area are in farm use. The Port of Morrow Industrial Park extends eastward from the Boardman UGB to Oregon 730. The subject properties are the only properties adjoining the railroad west of Oregon 730, north of Interstate 84, east of Boardman and south of the Port industrial area that are not designated and zoned for industrial use. They are the logical location for rail-related development to support future Port industrial development.

660-004-0020(2)(b): *"The four factors in Goal 2 Part II(c) required to be addressed when taking an exception to a Goal are: * * **

(b) Areas which do not require a new exception cannot reasonably accommodate the use;

¹² At some future time, it may be appropriate for the Port to exchange the remaining 125 acres of industrially zoned land south of I-84 for other lands better located for industrial development.

(A) The exception shall indicate on a map or otherwise describe the location of possible alternative areas considered for the use, which do not require a new exception. The areas for which the exception is taken shall be identified.

(B) To show why the particular site is justified, it is necessary to discuss why other areas which do not require a new exception cannot reasonably accommodate the proposed use. Economic factors can be considered along with other relevant factors in determining that the use cannot reasonably be accommodated in other areas. Under the alternative factor the following questions shall be addressed:

(i) Can the proposed use be reasonably accommodated on nonresource land that would not require an exception, including increasing the density of uses on nonresource land? If not, why not?

(ii) Can the proposed use be reasonably accommodated on resource land that is already irrevocably committed to nonresource uses, not allowed by the applicable Goal, including resource land in existing rural centers, or by increasing the density of uses on committed lands? If not, why not?

(iii) Can the proposed use be reasonably accommodated inside an urban growth boundary? If not, why not?

(iv) Can the proposed use be reasonably accommodated without the provision of a proposed public facility or service? If not, why not?

The area proposed for industrial development is shown in Figure 1. The 515 acres located south of Interstate 84 that would return to an agricultural designation and zoning are shown in Figure 2. These 515 acres could reasonably accommodate port-related industrial development, but they cannot reasonably accommodate a rail spur, unit trains and a loading/unloading facility because of their location away from the Union Pacific railroad mainline and on the other side of Interstate 84 from the remainder of the large Port of Morrow industrial site.¹³

There are no other areas available for this purpose that would not require an exception. Lands north of I-84 on the east side of Oregon 730 are in farm use. Similarly, lands north of the Port's industrial park, and lands south of I-84 outside of Boardman, are in farm use. There are no nonresource lands, lands irrevocably committed to nonresource uses, or rural areas near the industrial park and the railroad. The subject property is located between I-84 exits 165 and 168, from about one-quarter mile at the nearest point to about three miles distance at the farthest point, making expansion of that UGB impractical as well.

Because the Port's primary need is for additional space and facilities to load, unload and store unit trains that haul freight and materials to and from Port industries, and to link the rail network with truck transportation, the proposed use is not of a nature that could reasonably be accommodated through increasing densities on the Port property. Furthermore, the Port site provides significant

¹³ Including industrial lands inside Boardman's UGB, the industrial park is nearly 3500 acres in size.

economic advantages to land-extensive industries wishing to locate in northcentral Oregon, including rail, truck and barge access and selection from a number of large industrial sites, many of which lie adjacent to or near the area proposed for port industrial development. Development at these sites would benefit substantially through the convenient and efficient location of unit trains and loading/unloading docks in close proximity to their properties. Within the existing Port of Morrow Industrial Park, there are no other areas adjacent to the Union Pacific mainline of sufficient length or appropriately located to store unit trains.

660-004-0020(2)(c): *"The four factors in Goal 2 Part II(c) required to be addressed when taking an exception to a Goal are: * * **

(c) The long-term environmental, economic, social and energy consequences resulting from the use at the proposed site with measures designed to reduce adverse impacts are not significantly more adverse than would typically result from the same proposal being located in other areas requiring a Goal exception. The exception shall describe the characteristics of each alternative areas considered by the jurisdiction for which an exception might be taken, the typical advantages and disadvantages of using the area for a use not allowed by the Goal, and the positive and negative consequences resulting from the use at the proposed site with measures designed to reduce adverse impacts. A detailed evaluation of specific alternative sites is not required unless such sites are specifically described with facts to support the assertion that the sites have significantly fewer adverse impacts during the local exceptions proceeding. The exception shall include the reasons why the consequences of the use at the chosen site are not significantly more adverse than would typically result from the same proposal being located in areas requiring a goal exception other than the proposed site. Such reasons shall include but are not limit to, the facts used to determine which resource land is least productive; the ability to sustain resource uses near the proposed use; and the long-term economic impact on the general area caused by the irreversible removal of the land from the resource base. Other possible impacts include the effects of the proposed use on the water table, on the costs of improving roads and on the costs to special service districts."

Because the primary need for the additional acreage is to accommodate unit trains and a loading/unloading facility adjacent to the railroad mainline, and because the subject acreage adjoins the Union Pacific Railroad mainline on both sides of the tracks, no other areas requiring exceptions that might reasonably accommodate the need have been identified. That stated, for the following reasons, the environmental, economic, social and energy consequences resulting from the use at the proposed site still would not be significantly adverse in any event.

Environmentally, there is no significant environmental impact because the proposed location does not include any inventoried significant Goal 5 resources.

Economically, the immediate proximity of the subject area to the industrial park and to the railroad mainline provides a very positive impact. With the ability to place a loading/unloading facility next to the mainline, the costs to the Port are minimized. In terms of development costs and accessibility to industrial users, other lands in the area simply do not compare as well to this land economically.

Socially, there are only two dwellings near the subject site, both located on the east side of Oregon 730 in very close proximity to the I-84/Oregon 730 interchange. One dwelling is close to the I-84/Oregon 730 Interchange north side exit and entrance ramps. The other is set back some distance from Oregon 730, closer to where the westbound Interstate 84/Oregon 703 Interchange exit ramp begins to leave the freeway. Development on the site will not create adverse visual impacts to these properties because the area north of Interstate 84 and west of Oregon 730 already has a distinctive industrial character. Industrial development on the site also will not displace any dwellings or impact neighborhood cohesion. It is possible that there could be impacts associated with truck traffic entering the property from Oregon 730, but many trucks already travel on Oregon 730 and Interstate 84 such that additional noise impacts should be negligible, especially with trucks traveling at slow speeds near the interchange.

In terms of energy, the availability of excellent rail and freight access and a container trans-load facility will be a positive impact. Also, new connections to Oregon 730 through the property will provide additional accesses to the industrial site and relieve traffic on the single freeway interchange at Exit 165. For trucks travelling from or to locations to the north or east, the ability to use Exit 168 will save energy.

In terms of resource productivity, the types of soils and the types of agricultural products grown on the lands to be converted to industrial use and on the lands to be returned to an agricultural designation are similar. For both sites, the predominant soil is Quincy loamy fine sand, a Class IV soil when irrigated and class VII without irrigation. Because only a portion of the site immediately north of I-84 is irrigated, while all of the 515 acres south of I-84 are irrigated, the exchange should increase overall agricultural productivity.¹⁴ Because the 515 acres being returned to an agricultural designation are surrounded by farm uses, the net ability to sustain resource uses in the area should be improved. That said, the industrial uses in the industrial park are not incompatible with farm use. Indeed, the effluent disposal from industrial wastes is employed as part of the agricultural practices in the region.

660-004-0020(2)(d): *"The four factors in Goal 2 Part II(c) required to be addressed when taking an exception to a Goal are: * * **

¹⁴ The availability of irrigation to the entire acreage should more than make up for the fact that a slightly larger percentage of the 515 acres is Class VIII Dune land.

(d) 'The proposed uses are compatible with other adjacent uses or will be so rendered through measures designed to reduce adverse impacts.' The exception shall describe how the proposed use will be rendered compatible with adjacent land uses. The exception shall demonstrate that the proposed use is situated in such a manner as to be compatible with surrounding natural resources and resource management or production practices. 'Compatible' is not intended as an absolute term meaning no interference or adverse impacts of any type with adjacent uses.'

The uses adjacent to the subject site are I-84 and agricultural lands to the south, industrial lands to the west and north, and Oregon 730, agricultural lands and two residences to the east. While the proposed amendment would increase truck activity at the I-84/Oregon 730 interchange, that interchange experiences very low traffic volumes. The Oregon Department of Transportation (ODOT) and the Port are developing an Interchange Area Management Plan (IAMP) for this Interchange and for the Exit 165 Interchange to protect the functions of those interchanges for the future. Because the allowed uses would be of the same nature as those located on existing industrial land west and north of the site, there would be no incompatibilities with those uses. As to the farming, for decades commercial scale farming has existed in immediate proximity to the industrial park, on lands to the north, east and south. The industrial park benefits many of these farming enterprises by providing effluent for irrigation. There is no reason to believe that these two uses cannot continue to co-exist together in a compatible manner. Impacts to the two dwellings were addressed in the analysis of environmental, economic, social and energy consequences. The two dwellings exist in the immediate vicinity of an interstate highway and a large industrial park. The proposal will not substantially change the nature of uses in the vicinity of those dwellings.

For all of these reasons, the application complies with the relevant exception standards in OAR 660-004-0018 through 660-004-0022.

B. Compliance with OAR 660-014-0040.

As noted above, for proposed urban uses on rural lands, the exception standards in OAR 660, Division 14 apply. For reasons exceptions, the applicable standards are those in OAR 660-014-0040.

660-014-0040(1): *"As used in this rule, 'undeveloped rural land' includes all land outside of acknowledged urban growth boundaries except for rural areas committed to urban development. This definition includes all resource and nonresource lands outside of urban growth boundaries. It also includes those lands subject to built and committed exceptions to Goals 3 or 4 but not developed at urban density or committed to urban levels of development."*

The property for which the Port is requesting goal exceptions is rural agricultural land.

OAR 660-014-0040(2): *"A county can justify an exception to Goal 14 to allow establishment of new urban development on undeveloped rural land. Reasons that can justify why the policies in Goals 3, 4, 11 and 14 should not apply can include but are not limited to findings that an urban population and urban levels of facilities and services are necessary to support an economic activity that is dependent upon an adjacent or nearby natural resource."*

The reasons justifying future development of urban scale port-related industrial uses and public facilities sized to serve these uses are set out in the discussion of compliance with OAR 660-004-0020(2)(a), incorporated herein by this reference. The Goal 14 exception is taken because the size of industrial buildings could exceed the size authorized on rural lands without goal exceptions under established LCDC practice.

As stated in the 1988 exception, the Port property offers significant comparative advantages for industrial development. These come from the convergence of water, intercontinental rail and interstate highway access to the site. The rail access is the mainline of the Union Pacific Railroad. Water access is to the Columbia River, which reaches east to Lewiston and Clarkston and west to Portland, Vancouver and the Pacific Ocean. The interstate highway is I-84. Additional advantage comes from the availability of electric power, natural gas, and water for high-consumption users.

OAR 660-014-0040(3)(a): *"To approve an exception under section (2) of this rule, a county must also show:*

(a) That Goal 2, Part II(c)(1) and (c)(2) are met by showing that the proposed urban development cannot be reasonably accommodated in or through expansion of existing urban growth boundaries or by intensification of development in existing rural communities.

The inability of the existing Boardman UGB to reasonably accommodate the proposed urban development is addressed above in the discussion of compliance with OAR 660-004-0020(2)(b), incorporated herein by this reference. There are no existing rural communities elsewhere in close vicinity to the subject property.

OAR 660-014-0040(3)(b): *"To approve an exception under section (2) of this rule, a county must also show: * * *.*

"(b) That Goal 2, Part II(c)(3) is met by showing that the long-term environmental, economic, social, and energy consequences resulting from urban development at the proposed site with measures designed to reduce adverse impacts are not significantly more adverse than would

typically result from the same proposal being located on other undeveloped rural lands, considering:

"(A) Whether the amount of land included within the boundaries of the proposed urban development is appropriate; and

"(B) Whether urban development is limited by the air, water, energy and land resources at or available to the proposed site, and whether urban development at the proposed site will adversely affect the air, water, energy and land resources of the surrounding area.

The long-term environmental, economic, social and energy consequences resulting from proposed urban industrial development at the site were addressed in the discussion of compliance with OAR 660-004-0020(2)(c), incorporated herein by this reference. Because the amount of land being included in the boundary of the proposed urban development is equivalent to the amount of industrial land being removed from industrial designation and zoning, the amount of land is appropriate. See, e.g., *Reed v. Jackson County*, LUBA No. 2009-136 (June 2, 2010) (LUBA sees no reason why a net reduction in potential residential development density on rural land could not be a sufficient reason under OAR 660-014-0040 to allow a lesser amount of open space land to be rezoned for residential development).

As to limitations, industrial development at an expanded Port of Morrow industrial park would not be limited by or adversely affect air, water, land or energy resources at or near the site. The airshed at the Port of Morrow Industrial Park area is not identified as in violation of any air quality regulations, and the ability of rail to service the site should help reduce reliance on truck traffic. A full range of public facilities and services is readily available, including public sewer and water, electricity and gas. Likewise, a full range of transportation facilities and services are available, including state and interstate highways, intercontinental rail and barge. By their support for existing development, the soils have shown themselves as being capable of accommodating future industrial development.

Urban development at the site also should not adversely affect the air, water, energy or land resources of the surrounding area. The site is downwind of and well buffered from urban development inside Boardman. The exchange of lands proposed by this application will accommodate more efficient industrial development near the industrial park while adding protection to farm lands south of Interstate 84. By facilitating and improving rail service to the industrial park, the urban development will help reduce fossil fuel consumption. Treated effluent benefits surrounding agricultural lands for its use as irrigation water.

OAR 660-014-0040(3)(c): "To approve an exception under section (2) of this rule, a county must also show: * * *.

(c) That Goal 2, Part II(c)(4) is met by showing that the proposed urban uses are compatible with adjacent uses or will be so rendered through measures designed to reduce adverse impacts considering:

*“(A) Whether urban development at the proposed site detracts from the ability of existing cities and service districts to provide services; and
“(B) Whether the potential for continued resource management of land at present levels surrounding and nearby the site proposed for urban development is assured;”*

The compatibility of the proposed urban industrial uses with adjacent uses is addressed above in the discussion of compliance with OAR 660-004-0020(2)(d), incorporated herein by this reference. The proposed urban uses will be port-related industrial uses of the same kind permitted in the adjoining East Beach Industrial Park. Such uses have co-existed successfully for decades alongside agricultural uses in the area, thus demonstrating that the uses are compatible and that resource management of surrounding lands zoned EFU can continue. The proposed urban development will not detract from the ability of existing cities and service districts to provide services because all services will be provided from already existing facilities within the industrial park. Regarding sewer service, the City of Boardman has adequate capacity to serve both its long-term needs and future development needs of the Port of Morrow.¹⁵

OAR 660-014-0040(3)(d): *“To approve an exception under section (2) of this rule, a county must also show: * * *.*

(d) That an appropriate level of public facilities and services are likely to be provided in a timely and efficient manner;”

Public facilities are addressed in detail in this application. The same facilities serving the existing industrial park would serve the additional acres added to that park. These include natural gas and electricity, a community sewer system with links to the City of Boardman sanitary sewer system, a water system serving the industrial park, telephone, and transportation facilities including roadways for internal circulation, access onto Oregon 730 and I-84, and rail and barge access. The existence of these facilities and services in the industrial park, and their adequate capacity to serve additional industrial development, assures their provision in a timely and efficient manner. Further, approval of this application will allow the industrial park to accommodate additional unit trains that are needed to serve new industrial development locating within the eastern portion of the industrial park.

OAR 660-014-0040(3)(e): *“To approve an exception under section (2) of this rule, a county must also show: * * *.*

*“(e) That * * * establishment of new urban development on undeveloped rural land is coordinated with the comprehensive plans of affected jurisdictions and consistent with plans that control the area proposed for new urban development.”*

¹⁵ Beyond the capacity to accommodate its own anticipated growth, the City of Boardman has reserved sewer capacity at the Port to accommodate 900 employees.

The Port discussed this proposal with the Morrow County Planning Director before filing the application. She did not foresee any problems in terms of consistency with the Morrow County Comprehensive Plan. Such consistency is demonstrated in Section V of this application. Encouraging economic development on Port-owned lands designated and zoned for industrial development is consistent with the statutory role of port districts.

For all of these reasons, the application complies with the relevant exception standards in OAR 660-014-0040.

IV. Compliance with Statewide Planning Goals.

A goal exception is a comprehensive plan amendment.¹⁶ In addition to the relevant exception standards, the statewide planning goals apply to plan amendments. The goals identified below are the only goals applicable to the plan amendments requested in this application. Goals not identified do not apply.

A. Goal 1 (Citizen Involvement).

Goal 1 requires opportunity for citizens to be involved in all phases of the planning process. For plan amendments, Goal 1 is satisfied when a local government follows the public involvement procedures for plan amendments set out in its acknowledged comprehensive plan and land use regulations.

Morrow County's regulations for comprehensive plan amendments include notice to the public and to the Department of Land Conservation and Development (DLCD)¹⁷; public hearings before the Morrow County Planning Commission (which makes a recommendation to the County Court); and public hearings before the Morrow County Court. Compliance with these regulations results in compliance with Goal 1.

B. Goal 2 (Land Use Planning), Part I.

Goal 2, Part I requires that actions related to land use be consistent with acknowledged comprehensive plans of cities and counties. The proposed amendments' consistency with applicable provisions in Morrow County's Comprehensive Plan is demonstrated in Section V. below.

Goal 2, Part I also requires coordination with affected governments and agencies, evaluation of alternatives, and an adequate factual base. In preparing

¹⁶ ORS 197.732(8).

¹⁷ ORS 197.610 requires local governments to provide DLCD with advance notice of proposed comprehensive plan or land use regulation amendments. ORS 197.732(5) requires that each notice of a public hearing on a proposed exception shall specifically note that goal exceptions are being proposed and summarize the issues in an understandable way.

the application, the Port met with Morrow County's planning director and contacted representatives of both DLCDC and the Oregon Department of Transportation (ODOT).

The goal exceptions, together with the supporting documents and evidence submitted in support of the exceptions, provide an adequate factual base to support the proposed plan and land use regulation amendments required to adopt these exceptions. For these reasons, Goal 2, Part I is met.

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

Goal 2, Part II sets out the standards for goal exceptions. For urban uses and urban scale public facilities and services on rural lands, Goal 2 Part II is implemented through OAR 660, Division 4 and OAR 660-014-0040. Goal 2, Part II is satisfied for the reasons set out in the goal exceptions analysis included in this application.

D. Goal 3 (Agricultural Lands).

Goal 3 requires counties to preserve and maintain agricultural lands for farm uses. Counties must inventory agricultural lands and protect them by adopting exclusive farm use zones consistent with ORS 215.203 et. seq.

Goal 3 does not allow nonfarm uses like industrial development on lands zoned for exclusive farm use unless a local government adopts findings justifying an exception to Goal 3. That justification is set out in the goal exceptions analysis included in this application. The redesignation and rezoning of land from industrial (PI) to agricultural (EFU) is consistent with the purpose and intent of Goal 3.

E. Goal 6 (Air, Water and Land Resources Quality).

Goal 6 addresses the quality of air, water and land resources. In the context of comprehensive plan amendments, a local government complies with Goal 6 by explaining why it is reasonable to expect that the proposed uses authorized by the plan amendment will be able to satisfy applicable federal and state environmental standards, including air and water quality standards.

The proposed plan amendments will improve air quality by better facilitating the movement of freight by rail and by avoiding future congestion at I-84 Interchange 165 by providing alternative access to Oregon 730 and Exit 168. Industrial uses at the new location will increase impervious surface, although by no more than could have occurred at the site south of I-84 that is being removed from industrial development. Where areas are paved, water cannot penetrate the soils so it rushes over the surface. This can increase erosion, increase the movement of fine sediments, and increase pollutant loads in watercourses. However, these

impacts can adequately be mitigated through the use of effective land-based stormwater treatment systems. The use of construction techniques that include temporary and permanent Best Management Practices for erosion and sediment control and spill control and prevention also can achieve compliance with clean water standards.

Noise is defined as unwanted sound. The uses authorized by the requested plan amendments should not create noise that differs from the types of industrially-related noise already in the area. The location of these uses in very close proximity to I-84 and Oregon 730 will reduce overall noise impacts because highway generated noise muffles and obscures other noises located nearby. The presence of only two dwellings nearby, both in very close proximity to the freeway, means any new noise impacts would be negligible.

F. Goal 9 (Economic Development).

Goal 9 requires local governments to adopt comprehensive plans and policies that "contribute to a stable and healthy economy in all regions of the state." Morrow County's comprehensive plan has been acknowledged to comply with Goal 9. The plan recognizes and encourages port-related industrial development on the Port's property near Boardman. The exchange of lands proposed in this application will consolidate industrial development east of Boardman to the area north of I-84, and it will improve the economic movement of freight by facilitating storage and loading/unloading of unit trains where industry is located. This is consistent with Goal 9.

G. Goal 11 (Public Facilities and Services).

Goal 11 requires local governments to plan and develop a timely, orderly and efficient arrangement of public facilities and services. The goal provides that urban and rural development "be guided and supported by types and levels of services appropriate for, but limited to, the needs and requirements of the urban, urbanizable and rural areas to be served." The Public Facilities Planning Rule, OAR 660, Division 11, implements Goal 11.

Outside Boardman's UGB, the level of service provided by the Port of Morrow may exceed the level considered to be appropriate for and needed to serve the rural area. Accordingly, the plan amendments to allow industrial development on rural lands included in this application require and have taken Goal 11 exceptions.

H. Goal 12 (Transportation).

Goal 12 requires local governments to "provide and encourage a safe, convenient and economic transportation system." Goal 12 is implemented through the Transportation Planning Rule, OAR 660, Division 12. That rule encourages a multi-modal transportation system. The proposed amendments support such a system

by facilitating unit trains to serve industrial development on the properties that are the subject of this application and on adjoining Port property in the industrial park.

OAR 660-012-0060 provides that where a plan amendment would significantly affect an existing or planned transportation facility, measures must be taken to assure that the allowed land uses are consistent with the identified function, capacity and performance standards of the facility. Because the level of service (LOS) on existing Port property near the I-84/Port of Morrow Interchange (Exit 165) is LOS A or B, and because the I-84/Exit 730 interchange (Exit 168) currently experiences very light traffic, operates well below its capacity and performance standards, and is more closely situated to the property that is the subject of this application than Exit 165, no significant effect is anticipated. Indeed, by improving opportunities for more industrial development to locate on lands bordering Oregon 730, and by facilitating new connections from the industrial park to Oregon 730, the amendment should help relieve overall traffic volumes at Exit 165. Further, by facilitating storage of more unit trains, this application should reduce truck traffic volumes from what they otherwise would be absent such storage and loading/unloading capacity.

The Port and ODOT are developing an Interchange Area Management Plan (IAMP) aimed at providing an internal circulation network that distributes traffic between Exits 165 and 168 to ensure long-term protection of the function and performance standards applicable to those interchanges.¹⁸ The IAMP process is linked to funds made available by House Bill 2001 (2009) that contribute towards the extension of Lewis & Clark Drive to Oregon 730.

I. Goal 13 (Energy Conservation).

Goal 13 directs cities and counties to manage and control land and uses developed on the land to maximize the conservation of all forms of energy, based on sound economic principles. The proposed amendments will help conserve energy by consolidating industrial lands in the area north of I-84 west of Oregon 730, and by facilitating the use of unit trains that can help reduce less energy efficient truck traffic along I-84 and Oregon 730.

J. Goal 14 (Urbanization).

As relevant to this application, Goal 14 prohibits urban uses on rural lands. To locate urban uses on rural lands, local governments either must expand their UGBs to include the subject property or take a Goal 14 exception setting forth reasons why urban development should be allowed on rural land and explaining why the urban use cannot reasonably be located inside the UGB. This application includes an exception to Goal 14 to allow urban scale industrial development on rural lands. The justification for that exception is set out in Section III of this application.

¹⁸ The Port anticipates that some of the traffic using Exit 165 will shift to using Exit 168. No mitigation has been identified as needed at this time.

V. Compliance with Morrow County Comprehensive Plan and Land Use Regulations.

A. Compliance with Morrow County Comprehensive Plan.

The Morrow County Comprehensive Plan policies identified below are the policies that are relevant and applicable to the plan amendments identified in this application. No other policies apply. Some of the applicable policies contain mandatory ("shall") language. The application must demonstrate compliance with these policies to gain approval. The remaining policies are either more aspirational or directory to the County or more general in nature, directing or encouraging or supporting an action or result rather than requiring that action or result. While it is appropriate to address these policies where relevant to this application, the policies do not in themselves constitute applicable review criteria upon which approval or denial is based.

1. Citizen Involvement.

The Citizen Involvement Goal is to develop and implement a citizen involvement program that insures the opportunity for citizens to be involved in all phases of the planning process. Citizen Involvement Policy 3 encourages people to attend and participate in Morrow County Planning Commission and County Court meetings and hearings. The goal and policy are satisfied through the opportunities afforded to the public to participate at public hearings before the Planning Commission and County Court on the proposed amendments, as provided for by state law and the County's land use regulations.

2. General Land Use.

General Land Use Policy 9 requires that all plan and zone changes comply with all applicable statewide planning goals and County policies and procedures. This policy is satisfied for the reasons set out in the analysis of compliance with the statewide goals, the Morrow County Comprehensive Plan, and applicable County zoning provisions that are contained in this application.

3. Agricultural Lands.

Agricultural Land Objective 3 seeks to minimize and prevent conflict between farm and nonfarm uses. The proposed exceptions are consistent with this policy because, as demonstrated by their decades of co-existence, port-related industrial and agricultural uses are compatible. Indeed, Port industrial users provide effluent used by agriculture as irrigation water for crops.

Agricultural Land Policy 1 is an aspirational policy that seeks to balance economic and environmental considerations, limit incompatible nonagricultural development, and maintain a high level of livability in the County. While not a

mandatory review criterion, this policy is met because this application will exchange an equivalent amount of industrial land for agricultural land and because port-related industrial uses are not incompatible with adjoining agricultural uses.

Agriculture Policy 2 permits development outside of urban growth boundaries only where conflicts with productive agricultural areas are minimal and where the development complies with the Comprehensive Plan. As described above, conflicts between port industrial and agricultural uses are minimal. Port industrial development is consistent with the Comprehensive Plan, as reflected by the existence of a Port Industrial zone.

Agriculture Policy 6 provides for the County to consider the needs of the farm community in evaluating future development projects in other sectors of the economy. This policy is satisfied because in return for converting agricultural land to industrial land, other industrial land will be converted to agricultural land, thereby benefitting the agricultural community. Further, through its consideration of compliance with applicable exceptions criteria, the County has considered the impacts of the proposed plan amendment on nearby agricultural uses. As noted above, agricultural and port-related industrial uses have co-existed well together for decades in the Boardman area.

4. Economy.

A number of Economic goals and policies apply to these proposed plan amendments. Most of these goals and policies are aspirational or directory to the County, rather than mandatory to an applicant.

Economic Goals 1 and 2 and Economic Policy 1 promote the improvement and diversification of the County's industrial potential and overall economy. Goal 5 seeks diversity in local businesses, industries and commercial activities and the promotion of economic growth and stability in Morrow County. An exchange of lands that would accommodate additional unit train storage and associated loading and unloading facilities and make the industrial park more attractive to industry is consistent with these goals and this policy.

Economic Goal 3 seeks to ensure an adequate water supply to economic interests. For reasons set out in the findings of compliance with exceptions criteria, the Port has the capability to provide that supply. Economic Goal 6 and Policies 10 and 11 seek new industries that will hire local residents and accommodate the growth of the County labor force. Improving the ability to attract new industries to the industrial park supports this goal and these policies.

Economic Goal 7 encourages cooperation between public and private sources who provide funding assistance for needed services and utilities. Goal 8 supports transportation facility improvements within the County. The funding provided

through House Bill 2001 (2009) and the coordination with ODOT on an IAMP for I-84 exits 165 and 168 are consistent with these goals.

Goal 9 encourages compatible land uses throughout Morrow County. Economic Goal 14 and Policy 14 recognize the importance and encourage the development potentials of the Port of Morrow. Goal 18 provides incentives for industrial growth and diversified production. Economic Goal 20 and Policy 2 seek a balance between economic and environmental considerations. The amendments further these goals by providing new industrial development opportunities on agricultural land that is more suitable for industrial development because of its location adjacent to the Port's existing industrial park, I-84, Oregon 730 and the Union Pacific Railroad mainline, and by providing new agricultural protections on industrial land whose location is not adjacent to the existing industrial park or transportation network but is surrounded by other agricultural uses.

5. Public Facilities and Services.

Several Public Facilities and Services goals and policies apply to this application. These include General Policies A, B, C, D, E, F, G, and K; Utilities Policy F; Water and Sewer Policy A; and Solid Waste Policies A and B.

General Policy A provides for a level of service appropriate for, but limited to, the needs of the development to be served. General Policy B provides that such service levels support optimum (maximum density) development, and General Policy C provides that rural areas shall be provided with public facilities and services appropriate for rural use. General Policy A is met through the Goal 11/14 exception allowing urban scale public facilities and services to serve urban uses in the industrial park. This includes extensions of public sewer and water to the area to be added to the industrial park. This exception also provides the basis for allowing a higher level of services than Policy C otherwise permits. General Policy B is met because the services to be provided will be at levels adequate to support optimum development authorized by the Goal 11/14 exception.

General Policy D requires that the provision of public facilities and services to rural areas being changed to urban use shall be based on (1) the least time required to provide the service; (2) the most reliable service; (3) lowest financial cost; and (4) adequate levels of service that satisfy long range needs. General Policy E calls for the coordinated development of all necessary urban facilities and services appropriate to an urban area. Because the existing industrial park already has adequate levels of facilities and services in the ground and available to serve existing and future development, such services can be extended to the subject site in the least amount of time and in the most reliable manner at lowest cost. Further, the Port can and will coordinate with local service providers, including the Boardman Rural Fire District, Century Telephone, Cascade Natural Gas, and local law enforcement officials, to provide those needed facilities and services that the Port is not providing.

General Policy F calls for the siting of utility lines and facilities on or adjacent to existing public or private right-of-way or through generally unproductive lands to avoid dividing existing farm units. Utility lines already serve the industrial park. Through the goal exceptions, existing farms would be converted to industrial lands, thereby removing them from the agricultural land inventory. No other farm units would be divided by utility lines or facilities.

General Policy G requires that public facilities and services not exceed the carrying capacity of the air, land and water resources. This issue is addressed in the findings in Section III of this application addressing compliance with OAR 660-014-0040, incorporated herein by this reference. The Boardman area is an area with very good air quality, with pollution concentrations far below the average ambient air quality standards for the state. Through compliance with DEQ air quality regulations for industries, high air quality standards can be maintained. Similarly, water quality can be maintained through the permitting process. The industrial park has been identified as an appropriate location for port-related industrial development.

General Policy K is an aspirational policy that establishes a goal of achieving a maximum balance of public costs versus benefits and revenues in the provision of public facilities and services. While this policy is not a mandatory review criterion, it will be satisfied because industrial development locating at the industrial park will contribute to the costs of the facilities and services they use. The availability of additional land to load/unload and store unit trains will provide a particularly important public benefit in terms of its ability to attract more industry and jobs to the area.

Utilities Policy F calls for coordination of development with utilities providing electrical, natural gas, cable television and telephone services. The Port uses services provided by Umatilla Electric Cooperative, Cascade Natural Gas, and Century Telephone to serve the industrial park.

Water and Sewer Policy A provides that when development occurs in unincorporated areas, minimum State sanitation and health requirements be met, including an approved subsurface sewage disposal system. The Port has an approved community sewage system at the industrial park with an intertie into the City of Boardman sewage treatment system. Solid Waste Policies A and B can be met by new industrial development using the same processes for which solid waste management occurs elsewhere in the industrial park.

6. Transportation.

The Comprehensive Plan contains transportation policies and objectives. Transportation goals and policies also are included in the 1998 Morrow County

Transportation System Plan, addressed in Subsection B below. This section deals only with those policies contained in the Comprehensive Plan.

Several Transportation Objectives and Policies apply to these plan and land use regulation amendments. While most of the objectives are very general in nature and directory towards the County, one, Objective 14, applies more directly to the plan amendments at issue in this application. This objective calls for a transportation system that is current, flexible, and coordinated with the overall Comprehensive Plan. This application complies with Objective 14 because it supports greater use of rail, Oregon 730 and the I-84/Oregon 730 interchange, thereby reducing traffic volumes on the I-84/Port of Morrow interchange and ensuring consistency with highway performance standards.

The applicable Transportation Policies are policies 1, 2, 6, 7, 9, 10, 11, and 19. Policy 1 parrots LCDC Goal 12. The application is consistent with Policy 1 because it includes transportation improvements that will help facilitate the flow of goods and services relative to the local economy and because it provides for consistency between Comprehensive Plan policies and the transportation network. The application also is consistent with Transportation Policy 2 because proposed roadway improvements are being developed in coordination with ODOT through an IAMP process and are based on current studies.

Transportation Policy 6 seeks to avoid dividing existing economic farm units unless no feasible alternative exists. Because goal exceptions are justified to convert existing farm land to industrial land, economic farm units won't be divided. No public roads will divide those lands being converted back to agricultural zoning.

Transportation Policy 7 provides that plans for transportation systems shall consider the carrying capacity of the air, land and water resources and be consistent with applicable Comprehensive Plan policies. By supporting expansion of rail services at the industrial park, and by providing a greater choice of access into the industrial park, the amendments will help reduce congestion and improve air quality. The road system will not impact any water resources, and the land is capable of accommodating an extension of the existing local road system to improve connections to Oregon 730.

Policy 9 provides for Morrow County to consider transportation according to street classification policies in extending existing development or approving new development. The affected roads are Oregon 730, a state Regional Highway and freight route, and I-84, an Interstate Highway and freight route. These classifications of highways are particularly appropriate to accommodate the movement of freight by trucks from one portion of the region to another or from this region to other regions of the state. Local roads providing internal circulation within the Port property will provide appropriate access to the state highway system.

Policy 10 requires that road improvements necessitated by development be constructed in accordance with street classification policies and financed by the developer. Future extension of Lewis & Clark Drive within the area to be added can and will be paid by the Port.

Policy 11 requires the County to limit development that would prevent streets from serving their identified functions. The Port of Morrow Industrial Park is served by I-84 and Oregon 730, both arterial facilities and freight routes. To ensure proper functioning of I-84 Exit 165, the legislature approved funding for a new access road onto Oregon 730, and the Port and ODOT have agreed to develop an IAMP to protect the functions of that interchange and well as I-84 Exit 168.

Policy 19 directs the County to work with the Port, private concerns and state and federal agencies to evaluate and develop those Port facilities that are most economically desirable for full utilization of the Port's geographic advantages. The industrial park is one such facility. These amendments will encourage the improvement, expansion and use of the industrial park by facilitating improved rail service for industries locating there. The Port is working with Union Pacific Railroad and ODOT to improve the overall transportation network serving the industrial park.

7. Energy Conservation.

Energy Conservation Policies 1 and 14 are applicable to these proposed plan and land use regulation amendments. As with many other Comprehensive Plan policies identified herein, these policies are directory or aspirational in nature, rather than mandatory to an applicant. While they are not standards upon which approval or denial is based, they are nevertheless addressed herein.

Energy Policy 1 encourages the use of renewable and/or efficient energy systems in all new development in the County. The Port is aware of this policy and can strive to comply with it where practicable. Facilitating movement of freight by rail in place of truck is one means to use energy more efficiently. Energy Conservation Policy 14 encourages the County to combine increasing density gradients along high capacity transportation corridors to achieve greater energy efficiency. This proposal is consistent with this policy by consolidating lands for industrial development in an area bordering an Interstate Highway, a state Regional Highway and a railroad mainline, which should encourage greater utilization of the industrial park by industry.

8. Urbanization.

The Urbanization element of the Morrow County Comprehensive Plan contains provisions to allow nonresource uses outside of urban growth boundaries. This

element includes the prior goal exceptions for the Port of Morrow Industrial Park east of Boardman acknowledged in the 1980s. The Goal 11/14 exceptions set out in Section III of this application constitute amendments to the County's Comprehensive Plan to authorize additional port-related urban development adjacent to the industrial park.

9. Review and Revision Processes.

The Comprehensive Plan provides a process to consider major plan revisions. Major revisions include land use changes that have wide-spread and significant impacts beyond the immediate area, such as quantitative changes producing large traffic volumes and qualitative changes in the character of the land use itself. The Plan allows for amendments when such revisions occur.

The proposed redesignation and rezoning of 514 acres of agricultural land to industrial land, and the proposed redesignation and rezoning of 515 acres of industrial land to farm land, constitute major revisions to the plan. As such, they take the form of Comprehensive Plan and land use regulation amendments. Consistent with state law, they have been developed to conform with applicable statutes, the statewide planning goals, and relevant unamended portions of the County's Comprehensive Plan, as demonstrated in these findings.

The Comprehensive Plan establishes standards for biennial review of the Comprehensive Plan. Because these amendments are Port-initiated rather than County-initiated, they fall more into the category of quasi-judicial amendments rather than legislative amendments, and the standards for biennial review do not apply. Still, this application is generally consistent with those standards, as its review will include public notice, opportunity for public review and comment, review and recommendation by the Planning Commission, and review and decision-making by the County Court.

The Comprehensive Plan element addressing plan review and revision also contains language requiring that the plan and its implementing regulations be evaluated in relation to changing public policies and circumstances. Because this provision is directory to the County and appears in the context of a discussion calling for periodic plan review and update, it is not a mandatory approval standard applicable to landowner-initiated quasi-judicial amendments. However, if it did apply, the Port notes that the current economy is in a deep recession and that this proposal improves the Port's ability to attract new industry, especially through the provision of substantially improved rail service and better access to the state highway system.

B. Compliance with Morrow County Transportation System Plan.

The Morrow County Transportation System Plan (TSP) is an element of the County's Comprehensive Plan that Morrow County adopted pursuant to LCDC's

Transportation Planning Rule, OAR 660, Division 12. It includes transportation related goals and policies, some of which are relevant to this application. The applicable goals and policies are identified below. Those not identified do not apply to this application.

TSP Goal 1 addresses coordination and process. The goal is to ensure that the Morrow County TSP is coordinated with other transportation providers, meets applicable regulations, and considers the needs of all transportation system users. The rail improvements and roadway impacts to I-84 and Oregon 730 discussed in these amendments have been coordinated with ODOT and the Union Pacific Railroad. They have been designed to comply with applicable regulations, including ODOT and Morrow County roadway performance standards, and to consider users of impacted transportation networks.

TSP Goal 2 requires that land use planning be supported with appropriate transportation improvements. Policy 2.3 requires that new development proposals, plan amendments and zone changes conform to the TSP, as required by OAR 660-012-0045(2)(g). Under that rule, local governments must adopt regulations that assure "that amendments to land use designations, densities and design standards are consistent with the functions, capacities and levels of service of facilities identified in the TSP." Compliance with this policy is addressed in the analysis of compliance with OAR 660-012-0060, set out in Section IV above. Policy 2.4 requires new development to provide appropriate access to the transportation system. The area proposed for industrial development will be provided with internal circulation connecting it with existing portions of the East Beach Industrial Park, Oregon 730 and the I-84/Oregon 730 interchange, and new loading and unloading facilities for rail to be located on the subject property.

Policy 2.5 requires new development to identify transportation impacts and provide appropriate mitigation. In conjunction with the funding of new access from the East Beach Industrial Park to Oregon 730, the Port and ODOT are developing an IAMP to identify potential future transportation impacts and identify appropriate mitigation measures (if any). As noted in the LCDC Goal 12 findings, the focus of the IAMP will be on a traffic circulation system that divides traffic between I-84 Exits 165 and 168 to ensure that the functions of those interchanges to serve regional and statewide traffic and the movement of freight are protected.

Policy 2.6 requires new development to dedicate right-of-way for transportation system improvements where appropriate. To the extent Port property is affected, required right-of-way can be dedicated if required.

TSP Goal 3 and Policy 3.1 address economic development. The goal seeks to enhance economic development through transportation improvements. Improvements to the rail system serving the industrial park, including the ability to

accommodate more unit trains, will enhance economic development opportunities at the Port of Morrow Industrial Park. Policy 3.1 directs the County to support transportation system improvements that contribute to economic development opportunities. Because improved rail service encourages industrial developers to locate at the industrial park, the County can do so by approving this application.

TSP Goal 4 directs the County to promote a high quality of life by providing a well developed transportation system that is appropriate to its surroundings. The roadway improvements proposed in this application are intended to provide a transportation system adequate to serve the freight and mobility needs of Port industrial users. Because needed rail improvements would be located on industrially zoned lands within an industrial park, impacts to non-industrial rural areas are minimized.

TSP Goal 5 calls for a safe and efficient roadway system. Consistent with the Goal and Policy 5.1, roadway improvements can and will be constructed in accordance with applicable County or State of Oregon design standards. Policy 5.7 provides for improved roadway connectivity in the county. Policy 5.8 provides for improved access for emergency vehicles. The extension of internal roadways within the industrial park and their connection to Highway 730 meets these policies.

TSP Goal 6 is to support other modes of transportation through effective transportation improvements. As noted, these amendments enhance the use of rail transportation by facilitating the siting of a unit train storage area and a trans-load facility to move freight between rail and trucks.

TSP Goal 8 promotes efficient movement of freight and goods throughout the county. Policy 8.3 encourages improvements to rail freight facilities by encouraging improvements to intermodal connections. This goal and policy are met because the additional land capacity to accommodate unit trains in the industrial park will further promote the use of rail to move freight in the county, and because the trans-load facility that the Port can then establish adjacent to the Union Pacific Railroad mainline will strongly support intermodal connections between rail and truck travel as described in Section III of this application.

C. Compliance with Morrow County Zoning Ordinance.

Section 8.050 of the Morrow County Zoning Ordinance sets out criteria for the Morrow County Planning Commission and Morrow County Court to consider, respectively, in preparing a recommendation for and reaching a decision on a proposed zoning ordinance text or map amendment. Through the discussion provided below, these matters are considered as required by the ordinance.

Section 8.050(A) provides for consideration of whether conditions have changed since the adoption of the Comprehensive Plan and zoning map that warrant an amendment, or whether there was a mistake in the original designation. The principal change in conditions since initial plan adoption is that the East Beach Industrial Park has developed along the rail spur to the point where industrial development is now expanding farther to the east. As a consequence of this development activity, the Port now needs more space to accommodate more unit trains and associated loading/unloading facilities.

Section 8.050(B) provides for the County to consider the sufficiency of public facilities and services to support a change in designation, including streets and roads. The adequacy of public facilities and services, including transportation, to support the industrial uses permitted by this plan amendment, is addressed in Section III of this application, incorporated herein by this reference.

Section 8.050(C) provides for the County to consider whether the proposed amendment is consistent with unamended portions of the Comprehensive Plan and supports the goals and policies of the Comprehensive Plan, and whether there is a public need for the proposal that would best be served by allowing the request. If there are other areas of the county designated for the requested use, then the County must consider why it is necessary to introduce the use into an area not now so zoned and why the owners there should bear the burden of introducing that zone into their area.

Consistency with the unamended goals and policies of the Comprehensive Plan is demonstrated in Subsection A of this Section of this application. The public need for the proposal relates primarily to transportation, and in particular, to the need to accommodate additional unit trains within the industrial park to serve industrial development in the eastern portion of the industrial park. These needs benefit the public by providing more family wage jobs to residents of Morrow County. That need is best served at the proposed location because the proposed area borders the Union Pacific Railroad mainline on both sides and is the only new location within the industrial park with sufficient land capacity to accommodate storage and loading/unloading facilities for a unit train. As this application indicates, there are 640 acres zoned for industrial development about one mile south of I-84 along Bombing Range Road, but those lands cannot conveniently accommodate unit trains due to their substantial distance from the Union Pacific mainline and the presence of agricultural lands between I-84 and that property. Moreover, because those acres are not contiguous to an existing industrial park, industrial development at that location cannot occur in as efficient a manner. Because the land proposed for industrial development can more appropriately accommodate such development, the Port has proposed the amendment to convert 515 of those acres south of I-84 back to agricultural land. The owner of the land to be converted to industrial use is the Port. Encouraging economic development is a principal part of the Port's mission. Adjoining property owners should not be adversely impacted by the conversion of this

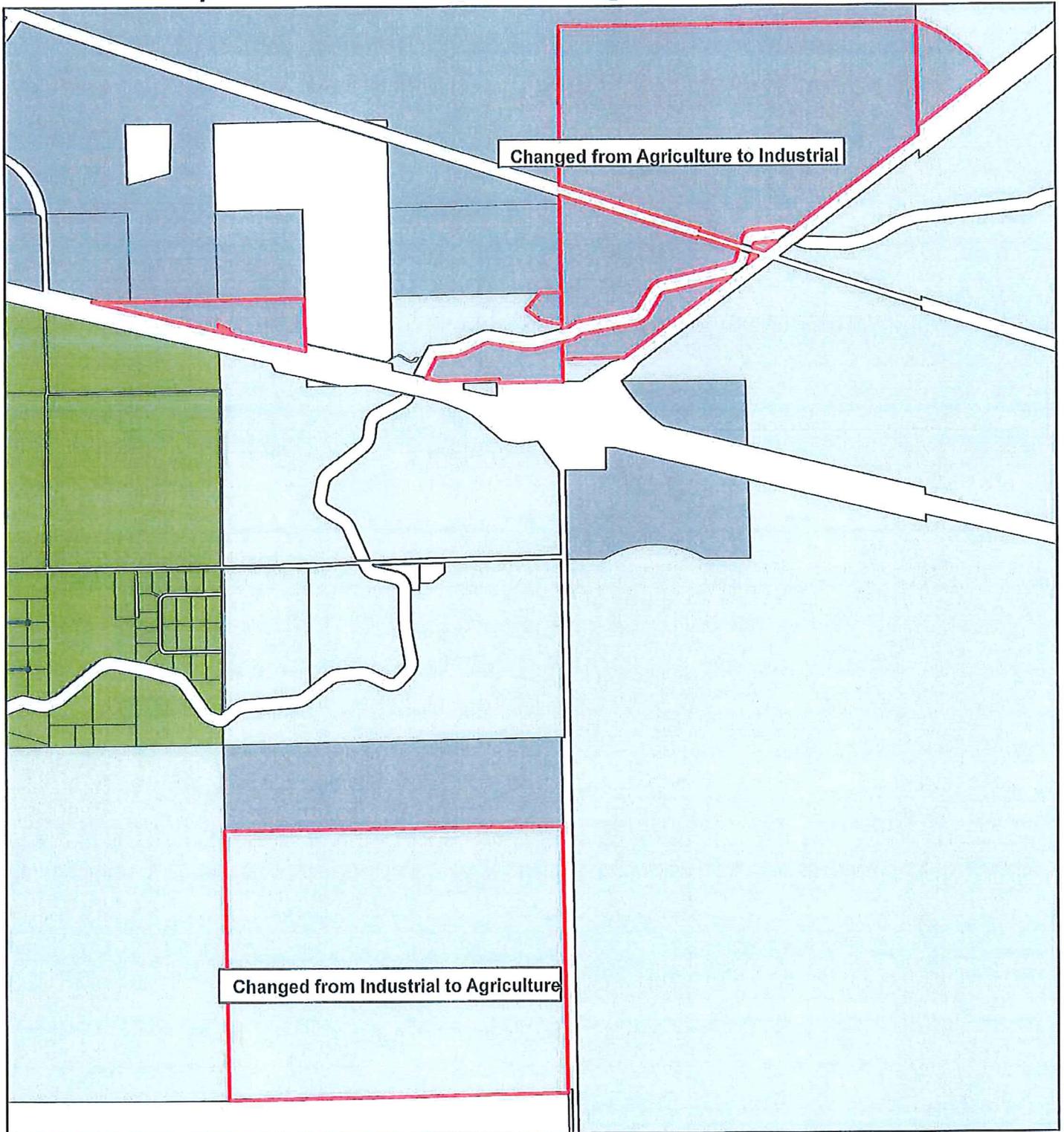
agricultural land to industrial use for the reasons set out in Section III of this application, incorporated herein by this reference.

Section 8.050(D) directs the County to consider the factors listed in ORS 215.055 or others that relate to public need for healthful, safe and aesthetic surroundings and conditions. This section is confusing because it requires consideration of factors in a statute, *former* ORS 215.055, that was repealed in 1977 following LCDC's adoption of the statewide planning goals. The thrust of that former statute was to direct counties to adopt comprehensive plans that promote the public health, safety and general welfare, based on considerations such as characteristics of the county, the suitability of areas for particular land uses, the land uses and improvements in the area, the need for economic enterprise in the future development of the areas, needed access, natural resources, prospective needs for development, and the public need for healthful, safe and aesthetic surroundings and conditions. These issues are addressed in the application, although in the context of compliance with statewide planning goals and acknowledged comprehensive plan policies in this section and in Section IV of this application.

In addition to Section 8.050, this application considers Section 3.110 of the Zoning Ordinance, which describes the purpose and overlay zone requirements of the Limited Use (LU) Overlay Zone. The zone's purpose is to limit the list of permitted uses and activities allowed within the allowing zone to only those uses and activities which are justified in the comprehensive plan "reasons" exception statement. The "requirements" section provides that when the LU zone is applied, the uses permitted in the underlying zone shall be limited to those uses and activities specifically referenced in the ordinance adopting the LU zone. This section also authorizes the County to impose reasonable conditions that it deems necessary to carry out the provisions of the Comprehensive Plan and Zoning Ordinance.

Here, a limited use overlay zone is not necessary because the PI zone limits the uses to those that are consistent with the proposed plan amendment to industrial, and the EFU zone limits the uses to those that are consistent with the proposed plan amendment to agriculture. The PI zone was specifically developed for Port-owned lands identified for industrial uses. That zone applies elsewhere in the Port of Morrow Industrial Park and is appropriate for the industrial park in its entirety.

POM Comprehensive Plan Changes



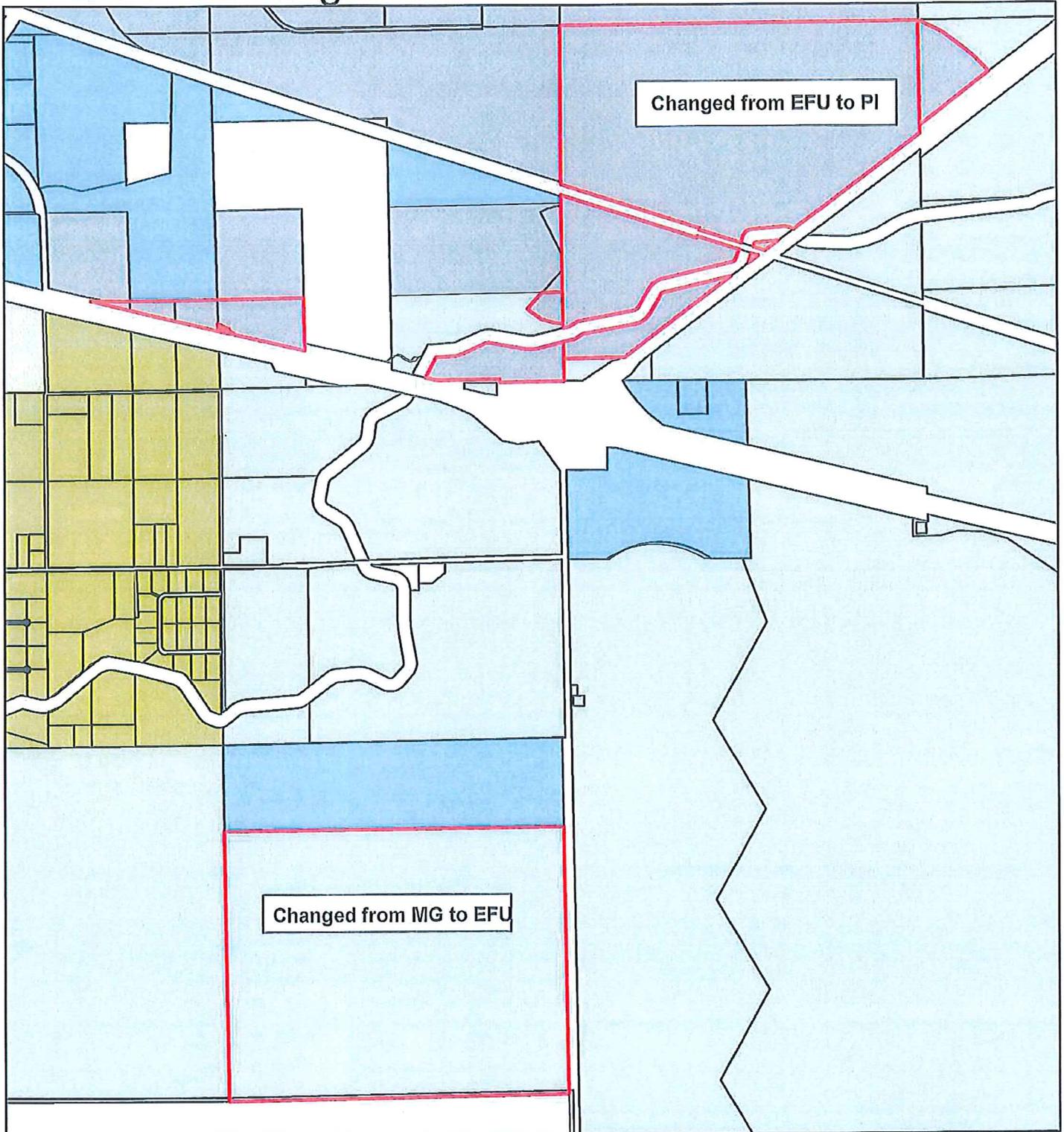
-  POM Changed Comp Plan
-  Agriculture
-  Industrial
-  Farm Residential

This map is for reference purposes only.
Morrow County Planning Department
January 2011

Exhibit 2



POM Zone Changes



POM Changed Zoning	CG	FU	RLI	SF40
all other values	EFU	MG	RRI	SR1
AI	FR	PI	RSC	SR1A
C	FR2	PUB	SAI	



This map for reference purposes only.
 Morrow County Planning Department
 January 2011

Exhibit 3

E. Electric transmission main and distribution lines owned by Bonneville Power Administration, Umatilla Electric Cooperative Association, the Port, and various tenants;

F. Water supply system, owned by the Port, providing 4.5 - 5 million gallons per day of potable water to Port Industrial Park tenants for use in processing of potato products and sanitary needs of some 1,600 employees while at work. System includes six wells, 16 pumps totally 1170 horsepower, 11.5 miles of pipeline ranging from 10 to 24 inches in diameter, two storage tanks - one holding two million gallons, the other 125,000 gallons - and a soon-to-be-completed intertie with the City of Boardman water supply for emergency back-up supply;

G. Wastewater disposal system including a package plant for treating 50,000 to 100,000 gallons of sanitary wastes daily, an intertie with the City of Boardman sanitary sewer system, and an effluent disposal system which pumps the process waters from tenant industries to land disposal areas;

H. Circle and solid-set irrigation system placed on undeveloped ground in the industrial park for the purpose of effluent disposal consistent with DEQ discharge permit #3348 and covering some 1600 acres;

I. Docks currently handling wood chips, corn, wheat and other grains, containers and general cargo, plus a log launching ramp for log raft make-up, assembly and temporary storage;

J. Aggregate and building material extraction pits and spoil areas;

K. Pumping stations and related electrical substations for major irrigation projects upland and inland from the Port Industrial Park;

L. Filled and leveled areas totalling 108 acres; and,

M. A variety of buildings, storage facilities (some climate controlled), service facilities (loading docks, scales, etc.) parking lots, sludge drying beds, utility rights-of-way, and other developed uses.

The exception map for the Port of Morrow identifies existing development. These areas are recognized as physically developed and irrevocably committed to industrial uses. Therefore, the County has pursued the developed and committed procedures in OAR 660-04-025 and 025 for this portion of the Port of Morrow.

Port of Morrow "Need" Exception

The remaining 1,889 acres are not built or committed but are "needed" for future expansion of industrial development. Since the property is not developed and contains SCS capability Class V and VI dryland and Class IV if irrigated, defined by Goal 3 as agricultural land, the County is required to take a full exception to Goal 3. Therefore, the County has pursued a "need" exception as outlined under ORS 197-732(1)(c):

A local government may adopt an exception to a goal when:

(A) Reasons justify why the state policy embodied in the applicable goals should not apply;

(B) Areas which do not require a new exception cannot reasonably accommodate the use;

(C) The long-term environmental, economic, social and energy consequences resulting from the use at the proposed site with measures designed to reduce adverse impacts are not significantly more adverse than would typically result from the same proposal being located in areas requiring a goal exception other than the proposed site; and

(D) The proposed uses are compatible with other adjacent uses or will be so rendered through measures designed to reduce adverse impacts.

In addition, OAR 660-04-022(3) allows for the siting of rural industrial development when reasons and facts are provided which demonstrate that:

(a) The use is significantly dependent upon a unique resource located on agricultural or forest land. Examples of such resources and resource sites include geothermal wells, mineral or aggregate deposits, water reservoirs, natural features, or river or ocean ports; or

(b) The use cannot be located inside an urban growth boundary due to impacts that are hazardous or incompatible in densely populated areas or;

(c) The use would have a significant comparative advantage due to its location (e.g., near existing industrial activity, an energy facility, or products available from other rural activities), which would benefit the county economy and cause only minimal loss of productive resource lands. Reasons for such a decision should include a discussion of the lost resource productivity and values in relation to the county's gain from the industrial use, and the specific transportation and resource advantages which support the decision.

For the ease of discussion, each of the four standards under ORS 197.732(1) and the three factors under OAR 660-04-022(3)(c) will be discussed in order as they appear above.

Port of Morrow Industrial Park Exception Statement

1. Proposal

This exception statement justifies the exclusion of 1,889 acres of land--a portion of the Port of Morrow Industrial Park--from the requirements of applicable Statewide Planning Goals (Goal 3). The subject area is delineated on Map Sheet detail No. 1 and is owned entirely by the Port of Morrow.

The County is taking this exception to allow nonresource zoning and resource use to occur on resource land outside an Urban Growth Boundary.

The proposed designation of Industrial zoning will provide a unique site to meet industrial development needs, not just unique in Morrow County, but for the entire Mid-Columbia Reach of the Columbia/Snake River System.

2. Site Description

The site is located in Sections 1, 2, 11, 12, and 24 of T4N, R25E, Sections 6 and 18 of T4N, R26E. It is located adjacent to and east of the portion of the Port of Morrow Industrial Park that is already built and committed as explained earlier in this plan. The City of Boardman is located one mile west of the westerly edge of the site.

3. Existing Facilities

The site adjoins nearly 5,000 feet of river frontage property owned by the Port of Morrow and is split by the Union Pacific Railroad Mainline and Interstate 84. The site is served by two exits from Interstate 84, exists 165 and 167.

In addition, the site is split by major electricity transmission lines and an eight-inch high pressure natural gas line. Three major irrigation project pipelines, 48, 54 and 72 inches in diameter transverse the site. Local access roads and local electrical service lines cross the site as well. Three water wells are located on the site.

The acreage consumed by rights-of-way and easements of the above-named facilities totals 143, leaving a net area of 1,746 acres to be excepted in this statement of need.

4. Proposed Site Development Plans

The site is naturally suited to port-related industries and is prime waterfront, water-level property which would provide a site for industry which needs the multi-modal combination of water, railroad and interstate highway. The total of the industrial amenities make the site unique:

- a. Nearly 1,800 acres under Port of Morrow ownership;
- b. The site is at water-level;
- c. Adjacent uses are committed to heavy industrial use or buffer corridors;
- d. The site will accommodate industrial users that should be or prefer to be away from urban or heavily populated areas;
- e. The site is served by two Interstate 84 exits, numbers 165 and 167;
- f. The site has substantial fresh water resources;

Industry needs

g. The site has mainline railroad service from the Union Pacific with site-specific rates available;

h. The site has natural gas service installed;

i. The Port-owned roads in and to the site are constructed to withstand heavy truck and industrial vehicle traffic;

j. Electric transmission lines, distribution lines and a Bonneville Power Administration Substation adorn the site;

k. The adjacent river frontage is on the Columbia River navigation channel and, therefore, would require little or no dredging to install maritime services, facilities and structures;

l. The site lies within ten minutes of the Boardman Airport; and

m. The soil is readily and inexpensively buildable.

In evaluating the list of amenities, one can readily conclude this site is one-of-a-kind in the entire Mid-Columbia area of Oregon (and Washington).

5. 660.04.020(1) A local government may adopt an exception to a goal when...

a. Reasons justify why the state policy embodied in goal three should not apply. There are no nonresource lands available in the entire County which have the potential (with improvements) combination of attributes listed in paragraph 4 above. There are no industrial lands equaling the amenities in paragraph 4 above anywhere in the Mid-Columbia region of Oregon, from Hood River County through Wasco, Sherman, Gilliam, Morrow and Umatilla Counties and easterly into Union, Wallowa, Baker, or Malheur Counties. In addition, no equally attractive and available industrial site exists in Benton, Franklin, or Walla Walla Counties of Washington as well.

Examination of recent studies of industrial properties on or near the Columbia River in the Mid-Columbia area brings us others to light of a comparable nature. The three major studied examined

were: The Columbia/Snake Ports Study, 1982; The Washington Public Ports Study Update, 1981; and The Oregon Ports Study, 1980. In addition, the Oregon Industrial and Business Parks Guide, 1984, contained no reference to any sites of comparable size, much less with the package of amenities already available on the Port of Morrow Industrial Park site.

Morrow County is blessed with an abundance of productive resource lands. Exception of the site from resource lands designation will not adversely affect the inventory of resource lands nor have a negative influence on the vitality of the agricultural component of the Morrow County economy. On the contrary, if appropriate processors, packagers, distributors or manufacturers of products utilizing Morrow County's agricultural output, then the positive impacts to the County's economy and agricultural community could be tremendous.

b. Areas which do not require a new exception cannot reasonably accommodate the use. In light of the amenities of the site listed in paragraph 4 above--especially the shape and location of the site, the appropriate ownership, the transportation and utility services the water level and buildability of the site, and its natural and manmade buffers--there is no such alternative site. No other site exists, either within or outside of a UGB in Morrow County. No alternative site matching this site's attributes exist within or outside of a UGB in adjacent counties--in Oregon or Washington. Any prospective site would require elaborate exception--taking measures in order to match the ownership, utility, transportation, and land feature attributes of the Port of Morrow Industrial Park site. The size, location and other factors lead the County to believe that similar alternatives do not exist even if nonresource land is used more intensively or occupied more densely. Major industrial activities, especially those using several modes of transportation, must have sufficient acreage and cannot be squeezed. No similar alternative exists in areas already committed to nonresource uses because site size, shape, location or competing uses prevent appropriate use by new industries needing substantial parcels of land. The impossibility of accommodating the proposed use within an urban growth boundary is obvious when the 1,800 acre site is compared to the industrial acreage within the Boardman UGB, which totals 40 acres.