

MEMORANDUM

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DATE: May 20, 2015
TO: Madras Urban Reserve Area Advisory Committee
FROM: DJ Heffernan
SUBJECT: Urban Reserve Land Selection Criteria

The purpose of this memorandum is to discuss criteria that Madras and Jefferson County need to use to justify adding land to the Madras Urban Reserve Area (URA). The criteria mirror many of the criteria used to justify expansion of an urban growth boundary (UGB). Our task in Madras is to use the information in the ECO Northwest Employment Opportunities Analysis (EOA) to determine the amount of land that may be included in the UGB or in the URA, and then use the criteria summarized here to decide which properties to include in which boundary.

Attached is a table that summarizes the criteria in *Oregon Administrative Rule (OAR) Division 21 – Urban Reserves (OAR 660-021-000)* that must be used to prioritize land that is being considered for an URA. That aim of the URA rule is that the land selection process essentially mirrors that for an urban growth boundaries (UGB) so that when the time comes to expand the UGB, the URA includes land that already has priority for urban use. The planning horizon for urban reserves may be up to 30 years longer than the horizon for UGBs, which allows for management of interim development in the URA to ensure it does not impede the future conversion to urban use. URAs can also aid in planning for major urban roads and utility corridors.

A critical tenant of URAs is that the land cannot be designated for a particular urban use, such as an industrial URA. URA land can only be treated as future urbanizable land. URA land, however, is first priority land for inclusion in a UGB when expansion is necessary. Any land in the URA that is suitable for an identified urban land need may be added to the UGB without going through the rigorous Goal 14 land suitability analysis. In essence, the City conducted its suitability analysis in 2007 to initially establish the URA, and again in this update to expand it.

One limitation to the URA approach, however, is that because the screening criteria for land in the URA is “generic” and not tailored to any particular urban land use, the URA process may not select land with the particular development characteristics that are desired for a particular use. In essence, the URA process only concerns itself with the overall acreage needed to supply future urbanization needs, and with selecting non-resource land whenever possible. Other important land characteristics that may be considered in a UGB need analysis are not relevant in the URA screening process.

For example, City “A” calculates that over the next 50 years it will need 100 acres of land for industrial use. In the first 20 years, 40 acres are needed to meet demand; City “A” includes that acreage in its UGB using approved criteria for land that is planned for industrial use. An additional 60 acres may be included in City “A”s URA, but those 60 acres may only be designated as future urban, not future urban industrial, and may not be selected using the tailored industrial land screening criteria that City “A” used for its UGB amendment.

Industrial land has special locational and physical requirements, which include being close to transportation infrastructure, being flat, having relatively low utility service cost, relatively low land value, and, ideally, soils that can support heavy foundations. The State's approved criteria for URA land does not necessarily concern itself with all of these factors. So while some land with these ideal characteristics might make it into the URA there is no guarantee of that.

Continuing the earlier example, City "A"'s analysis determined that around 60 acres may be added to its URA inventory for anticipated industrial land use. If, however, the URA screening process only provides 20 acres that are suitable for industrial use, City "A" might decide not to include all 60 acres in the URA knowing that when the time comes to add land to the UGB for industrial uses, it will need to go through a conventional UGB amendment process or some other process to address that need.

Another consideration regarding future industrial land is whether or not county zoning and development rules will preserve a prospective industrial site in a condition that enables it to be annexed and made available for industrial use. County interim development standards in URAs typically allow land divisions down to 10 acres when the land is zoned for a non-farm use. City "A" should consider if it wants to risk including an ideal industrial site in its URA if that land might then be rezoned as Rural Residential-10 acre minimum (RR-10), which the county may determine it needs to meet demand for rural residential land.

From the county's perspective, the resource land in an URA is potentially of lesser value than resource land outside of the URA. Once divided into rural homesteads, however, it may prove difficult for City "A" to repurpose that land for industrial use. City "A" may feel it would be better not to include an ideal industrial site in the URA because keeping the land under resource zoning outside of the URA may offer a better management approach.

Important policy considerations that may be relied on in the URA land selection process come from *OAR 660-024 Goal 14 – Urban Growth Boundary* and the rules for selecting among alternative land areas. Specifically we may consider the following factors as part of the URA screening process.

OAR 660-24-0060

(3) The boundary location factors of Goal 14 are not independent criteria. When the factors are applied to compare alternative boundary locations and to determine the UGB location, a local government must show that all the factors were considered and balanced.

(7) For purposes of Goal 14 Boundary Location Factor 2, "public facilities and services" means water, sanitary sewer, storm water management, and transportation facilities.

(8) The Goal 14 boundary location determination requires evaluation and comparison of the relative costs, advantages and disadvantages of alternative UGB expansion areas with respect to the provision of public facilities and services needed to urbanize alternative boundary locations. This evaluation and comparison must be conducted in coordination with service providers, including the Oregon Department of Transportation with regard to impacts on the state transportation system. "Coordination" includes timely notice to service

providers and the consideration of evaluation methodologies recommended by service providers. The evaluation and comparison must include:

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

Attachment 1

Oregon Administrative Rule Summary

660 Division 21 - Urban Reserve Areas (OAR 660-021-0000 et seq)

Rule #	Topic	Rule	Comment
0030.1	URA Size	URAs may include at least 10 years and at most 30 years of supply beyond the 20 year supply inside the UGB.	ECONorthwest's analysis includes projections for urban land needs out to 20
0030.2	Selection Criteria	Selecting land for an urban reserve shall be based on the locational factors of Goal 14 and demonstrate that no reasonable alternatives are available that will require less, or have less effect on, resource land.	This review is a critical step.
0030.3	Priorities	a) First priority: land adjacent to, or nearby, an urban growth boundary and identified as an exception area or non-resource land;	Nearby is defined in the rule as land wholly or partly within 1/4 mile of the UGB.
		b) Second priority goes to land designated as marginal land pursuant to former ORS 197.247	There are no marginal lands in Jefferson County.
		c) Third priority goes to land designated for agriculture or forestry, or both. Higher priority shall be given to land of lower capability (soil classification) or by cubic foot site class, whichever is appropriate to the current use.	Cubic-foot site class does not apply to land nearby the Madras UGB. Irrigation adds another layer of complexity and an opportunity for the analysis of resource land nearby the Madras UGB.

Rule #	Topic	Rule	Comment
0030.4	Refining priorities	Land of lower priority under section (3) may be included if land of higher priority is found to be inadequate because:	There are circumstances where the priorities can be "adjusted" for reasons related to the extension of urban service.
		a) Future urban services could not reasonably be provided to the higher priority area due to topographical or other physical constraints; or	eg. - a bridge too far, a water pressure level too high, a watershed beyond, etc.
		b) Maximum efficiency of land uses in a proposed urban reserve requires including lower priority lands to include or to provide services to higher priority lands.	Cost may be used but it needs to be related to "maximum efficiency", not just lower marginal capital cost.