74th OREGON LEGISLATIVE ASSEMBLY--2007 Regular Session

Senate Bill 186

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SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Directs Land Conservation and Development Commission to adopt by goal or rule incentives for local governments to designate industrial reserves and to create and maintain adequate supply of prime industrial lands.

A BILL FOR AN ACT 1 2 Relating to industrial reserves; creating new provisions; and amending ORS 195.145, 197.015, 197.298, 197.505 and 197.629. 3 4 Be It Enacted by the People of the State of Oregon: SECTION 1. Section 2 of this 2007 Act is added to and made a part of ORS chapter 197. 5 6 SECTION 2. (1) As used in this section: 7 (a) "Industrial reserve" means 20 to 100 contiguous acres of land in lots, parcels or tracts 8 of land under common ownership that is: 9 (A) Suitable to be designated as prime industrial land and capable of development within six months to one year; 10 (B) Outside of and adjacent to an urban growth boundary; and 11 12 (C) Designated as industrial reserve on a local government comprehensive plan in accordance with requirements for urban reserve areas designated pursuant to ORS 197.145. 13 (b) "Prime industrial land" means industrial land inside an urban growth boundary that: 14 (A) Is suitable for traded sector industries and other industrial uses that provide support 1516 to traded sector industries; (B) Possesses site characteristics that are difficult or impossible to replicate in the 17 18 planning area or the region; 19 (C) Has necessary access to transportation and freight infrastructure; (D) Is planned and zoned for industrial development; 20 21(E) Is free, to the degree possible, from environmental constraints or other development 22constraints to expedite development of industrial uses; 23(F) Is directly accessible to a state highway or to regional transportation facilities, in-24 cluding but not limited to a port or rail services; and 25(G) Is served, or capable of being served within one year, by public facilities necessary 26 for industrial development. 27(c) "Traded sector" has the meaning given that term in ORS 285B.280. (2) The Legislative Assembly finds that: 28 29 (a) An adequate supply of available and developable industrial land is necessary for the

SB 186 economic prosperity of Oregon communities, the retention of existing jobs and employers, 1 2 the creation of new jobs and the recruitment of new employers; (b) The State of Oregon has an interest in encouraging local governments to provide and 3 maintain an adequate supply of industrial land reserved for industrial development; and 4 $\mathbf{5}$ (c) The State of Oregon has an interest in preventing the conversion of sites designated for industrial uses to nonindustrial uses. 6 (3) The Land Conservation and Development Commission shall adopt by goal or by rule 7 requirements, incentives and other measures intended to encourage each local government 8 9 to: 10 (a) Provide and maintain an adequate supply of prime industrial land; (b) Designate up to three sites as industrial reserves adjacent to urban growth bounda-11 12 ries of cities with a population of more than 2,500 inside the boundaries of a metropolitan 13 planning organization; (c) Maintain the supply of prime industrial land by preventing conversion of industrial 14 15 reserves and prime industrial land to nonindustrial uses; 16 (d) Remove constraints and take other steps necessary to reduce the time and cost of developing industrial uses on prime industrial land; and 17 18 (e) Expedite the process of bringing industrial reserves into the urban growth boundary either to replenish prime industrial land as it is developed or to provide for development, 19 20 within six months to one year, of large-scale industrial development proposed on a site designated as industrial reserve. 2122(4) The goals or rules adopted by the commission must: 23(a) Authorize and encourage the designation of industrial land reserves for cities with a population of more than 2,500 inside a metropolitan planning organization. 24 (b) Modify requirements concerning urban reserve areas to give highest priority for 25inclusion of land that has the characteristics described in subsection (1)(b) of this section. 2627(c) Require that industrial reserves designated pursuant to this section: (A) Retain existing acknowledged zoning until included within an urban growth boundary; 28 and 2930 (B) Are zoned as prime industrial land and cannot be rezoned or developed to other uses 31 that interfere with industrial use once included within an urban growth boundary. SECTION 3. ORS 195.145 is amended to read: 32195.145. (1) To ensure that the supply of land available for urbanization is maintained, local 33 34 governments may cooperatively designate lands outside urban growth boundaries as urban reserve areas, subject to ORS 197.610 to 197.625. 35

(2)(a) The Land Conservation and Development Commission may require a local government to
 designate an urban reserve area during its periodic review in accordance with the conditions for
 periodic review under ORS 197.628.

(b) Notwithstanding paragraph (a) of this subsection, the commission may require a local gov ernment to designate an urban reserve area outside of its periodic review [*if*]:

(A) If the local government is located inside a Primary Metropolitan Statistical Area or a
Metropolitan Statistical Area as designated by the Federal Census Bureau upon November 4,
1993,[;] and

[(B)] the local government has been required to designate an urban reserve area by rule prior
to November 4, 1993; or

[2]

(B) To provide for the establishment of industrial reserves pursuant to section 2 of this 1 2 2007 Act. 3

(3) In carrying out subsections (1) and (2) of this section:

(a) Within an urban reserve area, neither the commission nor any local government shall pro-4 hibit the siting on a legal parcel of a single family dwelling that would otherwise have been allowed 5 under law existing prior to designation as an urban reserve area. 6

(b) The commission shall provide to local governments a list of options, rather than prescribing 7 a single planning technique, to ensure the efficient transition from rural to urban use in urban re-8 9 serve areas.

(4) For purposes of this section, "urban reserve area" means lands, including industrial re-10 serves designated pursuant to section 2 of this 2007 Act, outside an urban growth boundary that 11 12 will provide for:

13 (a) Future expansion over a long-term period; and

(b) The cost-effective provision of public facilities and service within the area when the lands 14 15 are included within the urban growth boundary.

16 SECTION 4. ORS 197.298 is amended to read:

197.298. (1) In addition to any requirements established by rule addressing urbanization, land 17 may not be included within an urban growth boundary except under the following priorities: 18

19 (a) First priority is land that is designated urban reserve land under ORS 195.145, rule or metropolitan service district action plan, including industrial reserves designated pursuant to sec-20tion 2 of this 2007 Act. 21

22(b) If land under paragraph (a) of this subsection is inadequate to accommodate the amount of land needed, second priority is land adjacent to an urban growth boundary that is identified in an 23acknowledged comprehensive plan as an exception area or nonresource land. Second priority may 94 include resource land that is completely surrounded by exception areas unless such resource land 25is high-value farmland as described in ORS 215.710. 26

27(c) If land under paragraphs (a) and (b) of this subsection is inadequate to accommodate the amount of land needed, third priority is land designated as marginal land pursuant to ORS 197.247 28(1991 Edition). 29

30 (d) If land under paragraphs (a) to (c) of this subsection is inadequate to accommodate the 31 amount of land needed, fourth priority is land designated in an acknowledged comprehensive plan 32for agriculture or forestry, or both.

(2) Higher priority shall be given to land of lower capability as measured by the capability 33 34 classification system or by cubic foot site class, whichever is appropriate for the current use.

(3) Land of lower priority under subsection (1) of this section may be included in an urban 35growth boundary if land of higher priority is found to be inadequate to accommodate the amount 36 37 of land estimated in subsection (1) of this section for one or more of the following reasons:

38 (a) Specific types of identified land needs cannot be reasonably accommodated on higher priority lands; 39

40 (b) Future urban services could not reasonably be provided to the higher priority lands due to topographical or other physical constraints; or 41

(c) Maximum efficiency of land uses within a proposed urban growth boundary requires inclusion 42 of lower priority lands in order to include or to provide services to higher priority lands. 43

SECTION 5. ORS 197.015 is amended to read: 44

197.015. As used in ORS chapters 195, 196 and 197, unless the context requires otherwise: 45

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1 (1) "Acknowledgment" means a commission order that certifies that a comprehensive plan and 2 land use regulations, land use regulation or plan or regulation amendment complies with the goals 3 or certifies that Metro land use planning goals and objectives, Metro regional framework plan, 4 amendments to Metro planning goals and objectives or amendments to the Metro regional frame-5 work plan comply with the statewide planning goals.

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(2) "Board" means the Land Use Board of Appeals.

7 (3) "Carport" means a stationary structure consisting of a roof with its supports and not more 8 than one wall, or storage cabinet substituting for a wall, and used for sheltering a motor vehicle.

9 (4) "Commission" means the Land Conservation and Development Commission.

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(5) "Committee" means the Joint Legislative Committee on Land Use.

11 (6) "Comprehensive plan" means a generalized, coordinated land use map and policy statement 12 of the governing body of a local government that interrelates all functional and natural systems and 13 activities relating to the use of lands, including but not limited to sewer and water systems, transportation systems, educational facilities, recreational facilities, and natural resources and air and 14 water quality management programs. "Comprehensive" means all-inclusive, both in terms of the 15 16 geographic area covered and functional and natural activities and systems occurring in the area covered by the plan. "General nature" means a summary of policies and proposals in broad catego-17 18 ries and does not necessarily indicate specific locations of any area, activity or use. A plan is "co-19 ordinated" when the needs of all levels of governments, semipublic and private agencies and the 20 citizens of Oregon have been considered and accommodated as much as possible. "Land" includes 21water, both surface and subsurface, and the air.

22 23 (7) "Department" means the Department of Land Conservation and Development.

(8) "Director" means the Director of the Department of Land Conservation and Development.

(9) "Goals" means the mandatory statewide planning standards adopted by the commission pur suant to ORS chapters 195, 196 and 197.

(10) "Guidelines" means suggested approaches designed to aid cities and counties in preparation, adoption and implementation of comprehensive plans in compliance with goals and to aid state agencies and special districts in the preparation, adoption and implementation of plans, programs and regulations in compliance with goals. Guidelines shall be advisory and shall not limit state agencies, cities, counties and special districts to a single approach.

31 (11) "Land use decision":

32 (a) Includes:

(A) A final decision or determination made by a local government or special district that con cerns the adoption, amendment or application of:

35 (i) The goals;

36 (ii) A comprehensive plan provision;

37 (iii) A land use regulation; or

38 (iv) A new land use regulation;

(B) A final decision or determination of a state agency other than the commission with respectto which the agency is required to apply the goals; or

41 (C) A decision of a county planning commission made under ORS 433.763;

42 (b) Does not include a decision of a local government:

(A) That is made under land use standards that do not require interpretation or the exerciseof policy or legal judgment;

45 (B) That approves or denies a building permit issued under clear and objective land use stan-

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dards; 1 2 (C) That is a limited land use decision; (D) That determines final engineering design, construction, operation, maintenance, repair or 3 preservation of a transportation facility that is otherwise authorized by and consistent with the 4 comprehensive plan and land use regulations; 5 (E) That is an expedited land division as described in ORS 197.360; or 6 (F) That approves, pursuant to ORS 480.450 (7), the siting, installation, maintenance or removal 7 of a liquid petroleum gas container or receptacle regulated exclusively by the State Fire Marshal 8 9 under ORS 480.410 to 480.460; 10 (c) Does not include a decision by a school district to close a school; (d) Does not include authorization of an outdoor mass gathering as defined in ORS 433.735, or 11 12 other gathering of fewer than 3,000 persons that is not anticipated to continue for more than 120 13 hours in any three-month period; and (e) Does not include: 14 15 (A) A writ of mandamus issued by a circuit court in accordance with ORS 215.429 or 227.179; 16 or (B) Any local decision or action taken on an application subject to ORS 215.427 or 227.178 after 17 18 a petition for a writ of mandamus has been filed under ORS 215.429 or 227.179. 19 (12) "Land use regulation" means any local government zoning ordinance, land division ordinance adopted under ORS 92.044 or 92.046 or similar general ordinance establishing standards for 20implementing a comprehensive plan. 2122(13) "Limited land use decision" is a final decision or determination made by a local government 23pertaining to a site within an urban growth boundary that concerns: (a) The approval or denial of a tentative subdivision or partition plan, as described in ORS 24 2592.040 (1). (b) The approval or denial of an application based on discretionary standards designed to regu-2627late the physical characteristics of a use permitted outright, including but not limited to site review and design review. 28 (14) "Local government" means any city, county or metropolitan service district formed under 2930 ORS chapter 268 or an association of local governments performing land use planning functions 31 under ORS 195.025. (15) "Metro" means a metropolitan service district organized under ORS chapter 268. 32(16) "Metro planning goals and objectives" means the land use goals and objectives that a met-33 34 ropolitan service district may adopt under ORS 268.380 (1)(a). The goals and objectives do not con-35stitute a comprehensive plan. (17) "Metro regional framework plan" means the regional framework plan required by the 1992 36 37 Metro Charter or its separate components. Neither the regional framework plan nor its individual 38 components constitute a comprehensive plan. (18) "Metropolitan planning organization" means an organization serving an area located 39 wholly within the State of Oregon and designated by the Governor to coordinate transpor-40 tation planning in an urbanized area of the state pursuant to 49 U.S.C. 5303(c). 41 [(18)] (19) "New land use regulation" means a land use regulation other than an amendment to 42 an acknowledged land use regulation adopted by a local government that already has a compre-43 hensive plan and land regulations acknowledged under ORS 197.251. 44 [(19)] (20) "Person" means any individual, partnership, corporation, association, governmental 45

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subdivision or agency or public or private organization of any kind. The Land Conservation and
 Development Commission or its designee is considered a person for purposes of appeal under ORS

3 chapters 195 and 197.

4 [(20)] (21) "Special district" means any unit of local government, other than a city, county, 5 metropolitan service district formed under ORS chapter 268 or an association of local governments 6 performing land use planning functions under ORS 195.025, authorized and regulated by statute and 7 includes but is not limited to water control districts, domestic water associations and water coop-8 eratives, irrigation districts, port districts, regional air quality control authorities, fire districts, 9 school districts, hospital districts, mass transit districts and sanitary districts.

10 [(21)] (22) "Voluntary association of local governments" means a regional planning agency in 11 this state officially designated by the Governor pursuant to the federal Office of Management and 12 Budget Circular A-95 as a regional clearinghouse.

[(22)] (23) "Wetlands" means those areas that are inundated or saturated by surface or ground
 water at a frequency and duration that are sufficient to support, and that under normal circumstances do support, a prevalence of vegetation typically adapted for life in saturated soil conditions.
 <u>SECTION 6.</u> ORS 197.015, as amended by section 8, chapter 829, Oregon Laws 2005, is amended
 to read:

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197.015. As used in ORS chapters 195, 196 and 197, unless the context requires otherwise:

(1) "Acknowledgment" means a commission order that certifies that a comprehensive plan and land use regulations, land use regulation or plan or regulation amendment complies with the goals or certifies that Metro land use planning goals and objectives, Metro regional framework plan, amendments to Metro planning goals and objectives or amendments to the Metro regional framework plan comply with the statewide planning goals.

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(2) "Board" means the Land Use Board of Appeals.

(3) "Carport" means a stationary structure consisting of a roof with its supports and not more
than one wall, or storage cabinet substituting for a wall, and used for sheltering a motor vehicle.

(4) "Commission" means the Land Conservation and Development Commission.

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(5) "Committee" means the Joint Legislative Committee on Land Use.

(6) "Comprehensive plan" means a generalized, coordinated land use map and policy statement 2930 of the governing body of a local government that interrelates all functional and natural systems and 31 activities relating to the use of lands, including but not limited to sewer and water systems, transportation systems, educational facilities, recreational facilities, and natural resources and air and 32water quality management programs. "Comprehensive" means all-inclusive, both in terms of the 33 34 geographic area covered and functional and natural activities and systems occurring in the area 35covered by the plan. "General nature" means a summary of policies and proposals in broad categories and does not necessarily indicate specific locations of any area, activity or use. A plan is "co-36 37 ordinated" when the needs of all levels of governments, semipublic and private agencies and the 38 citizens of Oregon have been considered and accommodated as much as possible. "Land" includes water, both surface and subsurface, and the air. 39

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(7) "Department" means the Department of Land Conservation and Development.

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(8) "Director" means the Director of the Department of Land Conservation and Development.

42 (9) "Goals" means the mandatory statewide planning standards adopted by the commission pur-43 suant to ORS chapters 195, 196 and 197.

44 (10) "Guidelines" means suggested approaches designed to aid cities and counties in preparation, 45 adoption and implementation of comprehensive plans in compliance with goals and to aid state and regulations in compliance with goals. Guidelines shall be advisory and shall not limit state agencies, cities, counties and special districts to a single approach. (11) "Land use decision":

agencies and special districts in the preparation, adoption and implementation of plans, programs

5 (a) Includes:

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- 6 (A) A final decision or determination made by a local government or special district that con-7 cerns the adoption, amendment or application of:
- 8 (i) The goals;
- 9 (ii) A comprehensive plan provision;
- 10 (iii) A land use regulation; or
- 11 (iv) A new land use regulation;
- 12 (B) A final decision or determination of a state agency other than the commission with respect
- 13 to which the agency is required to apply the goals; or
- 14 (C) A decision of a county planning commission made under ORS 433.763;
- 15 (b) Does not include a decision of a local government:
- (A) That is made under land use standards that do not require interpretation or the exerciseof policy or legal judgment;
- (B) That approves or denies a building permit issued under clear and objective land use stan-dards;
- 20 (C) That is a limited land use decision;
- (D) That determines final engineering design, construction, operation, maintenance, repair or preservation of a transportation facility that is otherwise authorized by and consistent with the comprehensive plan and land use regulations;
- 24 (E) That is an expedited land division as described in ORS 197.360; or
- (F) That approves, pursuant to ORS 480.450 (7), the siting, installation, maintenance or removal
 of a liquid petroleum gas container or receptacle regulated exclusively by the State Fire Marshal
 under ORS 480.410 to 480.460;
- 28 (c) Does not include a decision by a school district to close a school;
- (d) Does not include authorization of an outdoor mass gathering as defined in ORS 433.735, or
 other gathering of fewer than 3,000 persons that is not anticipated to continue for more than 120
 hours in any three-month period; and
- 32 (e) Does not include:
- (A) A writ of mandamus issued by a circuit court in accordance with ORS 215.429 or 227.179;
 or
- (B) Any local decision or action taken on an application subject to ORS 215.427 or 227.178 after
 a petition for a writ of mandamus has been filed under ORS 215.429 or 227.179.
- (12) "Land use regulation" means any local government zoning ordinance, land division ordi nance adopted under ORS 92.044 or 92.046 or similar general ordinance establishing standards for
 implementing a comprehensive plan.
- (13) "Limited land use decision" is a final decision or determination made by a local government
 pertaining to a site within an urban growth boundary that concerns:
- 42 (a) The approval or denial of a tentative subdivision or partition plan, as described in ORS43 92.040 (1).
- (b) The approval or denial of an application based on discretionary standards designed to regu late the physical characteristics of a use permitted outright, including but not limited to site review

and design review. 1

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2 (14) "Local government" means any city, county or metropolitan service district formed under 3 ORS chapter 268 or an association of local governments performing land use planning functions under ORS 195.025. 4

(15) "Metro" means a metropolitan service district organized under ORS chapter 268.

(16) "Metro planning goals and objectives" means the land use goals and objectives that a met-6 ropolitan service district may adopt under ORS 268.380 (1)(a). The goals and objectives do not con-7 stitute a comprehensive plan. 8

9 (17) "Metro regional framework plan" means the regional framework plan required by the 1992 Metro Charter or its separate components. Neither the regional framework plan nor its individual 10 components constitute a comprehensive plan. 11

12(18) "Metropolitan planning organization" means an organization serving an area located wholly within the State of Oregon and designated by the Governor to coordinate transpor-13 tation planning in an urbanized area of the state pursuant to 49 U.S.C. 5303(c). 14

15 [(18)] (19) "New land use regulation" means a land use regulation other than an amendment to an acknowledged land use regulation adopted by a local government that already has a compre-16 hensive plan and land regulations acknowledged under ORS 197.251. 17

18 [(19)] (20) "Person" means any individual, partnership, corporation, association, governmental subdivision or agency or public or private organization of any kind. The Land Conservation and 19 Development Commission or its designee is considered a person for purposes of appeal under ORS 20chapters 195 and 197. 21

22[(20)] (21) "Special district" means any unit of local government, other than a city, county, 23metropolitan service district formed under ORS chapter 268 or an association of local governments performing land use planning functions under ORS 195.025, authorized and regulated by statute and 24 25includes but is not limited to water control districts, domestic water associations and water cooperatives, irrigation districts, port districts, regional air quality control authorities, fire districts, 2627school districts, hospital districts, mass transit districts and sanitary districts.

[(21)] (22) "Urban unincorporated community" means an area designated in a county's ac-28knowledged comprehensive plan as an urban unincorporated community after December 5, 1994. 29

30 [(22)] (23) "Voluntary association of local governments" means a regional planning agency in 31 this state officially designated by the Governor pursuant to the federal Office of Management and Budget Circular A-95 as a regional clearinghouse. 32

[(23)] (24) "Wetlands" means those areas that are inundated or saturated by surface or ground 33 34 water at a frequency and duration that are sufficient to support, and that under normal circumstances do support, a prevalence of vegetation typically adapted for life in saturated soil conditions. 35SECTION 7. ORS 197.629, as amended by section 2, chapter 829, Oregon Laws 2005, is amended 36

37 to read:

38 197.629. (1) The Land Conservation and Development Commission shall establish and maintain a schedule for periodic review of comprehensive plans and land use regulations. Except as necessary 39 to coordinate approved periodic review work programs and to account for special circumstances 40 that from time to time arise, the schedule shall reflect the following timelines: 41

42(a) A city with a population of more than 2,500 within a metropolitan planning organization or a metropolitan service district shall conduct periodic review every seven years after completion of 43 the previous periodic review; and 44

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(b) A city with a population of 10,000 or more inside its urban growth boundary that is not

within a metropolitan planning organization shall conduct periodic review every 10 years after completion of the previous periodic review.
(2) A county with a portion of its population within the urban growth boundary of a city subject to periodic review under this section shall conduct periodic review for that portion of the county according to the schedule and work program set for the city.
(3) Notwithstanding subsection (2) of this section, if the schedule set for the county is specific as to that portion of the county within the urban growth boundary of a city subject to periodic review under this section, the county shall conduct periodic review for that portion of the county according to the schedule and work program set for the county.
(4) If the Land Conservation and Development Commission pays the costs of a local government that is not subject to subsection (1) of this section to perform new work programs and work tasks, the commission may require the local government to complete periodic review when the local government has not completed periodic review within the previous five years if:

(a) A city has been growing faster than the annual population growth rate of the state for fiveconsecutive years;

(b) A major transportation project on the Statewide Transportation Improvement Program that
 is approved for funding by the Oregon Transportation Commission is likely to:

(A) Have a significant impact on a city or an urban unincorporated community; or

(B) Be significantly affected by growth and development in a city or an urban unincorporatedcommunity;

(c) A major facility, including a prison, is sited or funded by a state agency; or

(d) Approval by the city or county of a facility for a major employer will increase employment
opportunities and significantly affect the capacity of housing and public facilities in the city or urban unincorporated community.

(5) The Land Conservation and Development Commission may schedule periodic review for a local government earlier than provided in subsection (1) of this section if necessary to ensure that all local governments in a region whose land use decisions would significantly affect other local governments in the region are conducting periodic review concurrently, but not sooner than five years after completion of the previous periodic review.

30 (6) A city or county that is not required to complete periodic review under subsection (1) of this
 31 section may request periodic review by the commission.

[(7) As used in this section, "metropolitan planning organization" means an organization located
 wholly within the State of Oregon and designated by the Governor to coordinate transportation planning in an urbanized area of the state pursuant to 49 U.S.C. 5303(c).]

35 SECTION 8. ORS 197.505 is amended to read:

36 197.505. As used in ORS 197.505 to 197.540:

(1) "Public facilities" means those public facilities for which a public facilities plan is required
 under ORS 197.712.

(2) "Special district" refers to only those entities [as] defined as special districts in ORS
 197.015 [(20)] that provide services for which public facilities plans are required.

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