

## **HB 2255-2 – Section-by-Section Analysis (4/4/2013)**

### **Introduction**

HB 2255-2 establishes three new tools to assure that there are sufficient lands available for industrial development.

### **Problem Addressed**

One criticism of Oregon’s land use system has been that it does not work well when there are unanticipated opportunities for major new industrial uses that require a substantial amount of land. Urban reserves are one tool that is already available for this situation, making it easier for cities to add lands to their UGBs. The Portland Metro area, the Rogue Valley, and Central Oregon have all used variants of this to create inventories of large-lot industrial sites, or systems for bringing such sites on line more rapidly.

Urban reserves have been criticized as leading to disinvestment in farm infrastructure and escalating land prices. High land prices can force a city to have to plan lands for commercial or very dense residential development to support needed infrastructure – driving out opportunities for industry.

Even with urban reserves, a UGB amendment typically takes a minimum of a year, at best. For major new prospective employers, this could lead to the loss of job opportunities to other states.

This legislation adds three new tools for industrial land planning. The first, industrial reserves, addresses the problems with the existing urban reserve program, by limiting the program to only industrial uses and controlling the conversion of industrial lands to other uses.

The second and third tools are designed for limited circumstances where there is a major new employment opportunity that requires a substantial amount of land that is not already available within the existing UGB. If the city and county request it, this tool allows a prospective employer that is willing to commit to create a significant number of jobs the ability to go through a rapid siting process. The proposed use must meet existing standards, but the process (including a UGB amendment) is completed within 180 days, providing a quick yes or no answer to the user.

### **Section 2 – Definitions and Authority to Designate Industrial Reserves**

Subsection 2(1) contains definitions.

Subsection 2(2) authorizes cities and counties, cooperatively, to designate an industrial reserve.

Subsection 2(3) carves out the Portland metro area, including metro urban and rural reserves.

Subsection 2(4) clarifies that the right to farm laws still apply in an industrial reserve.

Subsection 2(5) specifies that the amount of land in an industrial reserve is based on a 25-year time horizon.

Subsection 2(6) sets out the criteria for what lands may be designated and what lands avoided.

Subsection 2(7) restricts conversions of industrial reserves added to a UGB to non-industrial uses, and specifies that the allowed uses must be traded-sector industrial uses.

### **Section 3 – Employment Opportunities of State Significance (EOSS)**

Subsection 3(1) contains definitions for this section. The definitions limit this tool to:

- Property that is adjacent to an urban growth boundary;
- A use that is traded sector industrial;
- A use where the prospective employer has agreed to provide at least 500 new jobs for a period of at least five years;
- A use that requires at least 150 acres, where another site is not available within 5 miles that is planned and zoned for industrial use.

Subsection 3(2) authorizes this tool only if the city and county request it (Metro also if adjacent to the Metro boundary).

Subsection 3(3) require that there be an adequate workforce in the vicinity, that agreements are in place for needed infrastructure; that no EIS is required, and that major transportation improvements without committed funding are not required. This subsection also limits the number of projects to no more than two in a 24-month period.

Subsection 3(4) sets out the process for review of an EOSS, including a local public hearing.

Subsection 3(5) sets out the standards for review and authorizes conditions.

Subsections 3(6)-(8) are patterned on the statutes for large energy facilities.

Subsection 3(9) provides for penalties if employment levels are not met.

Subsections 3(10) and 3(11) provide for issuance of permits and fees to cover the costs of expedited review.

Subsections 3(13) and 3(14) establish how judicial review is carried out. They limit the bases for appeal.

### **Section 4 – Employment Opportunities of Regional Significance**

This section mirrors section 3, except that it is for counties with a population below 20,000 (or on the eastern border of the state), and the required employment number is lower (100) and the acreage number is lower (50).

### **Sections 5 and 6 – Conforming amendments**