

Senate Bill 716

Sponsored by Senator ROBLAN, Representative READ, Senator JOHNSON; Senators BEYER, EDWARDS, GIROD, MONROE, OLSEN, RILEY, THOMSEN, Representatives DAVIS, GOMBERG, HOYLE, KENNEMER, PARRISH, POST, WITT

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**.

Authorizes Clackamas, Multnomah and Washington Counties each to designate one large-lot industrial reserve of 150 to 500 acres.

A BILL FOR AN ACT

1
2 Relating to reservation of land for industrial use; creating new provisions; and amending ORS
3 195.137, 195.141, 195.145 and 197.298.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 195.137 is amended to read:

6 195.137. As used in ORS 195.137 to 195.145:

7 (1) **“Large-lot” means having 25 acres or more in a contiguous area.**

8 (2) **“Large-lot industrial reserve” means a contiguous area of 150 to 500 acres:**

9 (a) **That is suitable to develop for large-lot industrial use, including traded sector indus-**
10 **tries and industries that support traded sector industries;**

11 (b) **That contains undivided lots, parcels or tracts, of which lots, parcels and tracts that**
12 **are 25 acres or larger constitute 50 percent or more of the land in the area;**

13 (c) **That is predominantly flat and has other site characteristics that are uniquely suited**
14 **for large-lot industrial use and difficult to find in the Portland metropolitan area;**

15 (d) **That has access to transportation or freight infrastructure; and**

16 (e) **In which development for industrial use can be expedited without significant delay**
17 **related to unresolved environmental concerns or other development constraints.**

18 (3) **“Lot” has the meaning given that term in ORS 215.010.**

19 (4) **“Parcel” has the meaning given that term in ORS 215.010.**

20 [(1)] (5) **“Rural reserve” means land reserved to provide long-term protection for agriculture,**
21 **forestry or important natural landscape features that limit urban development or help define ap-**
22 **propriate natural boundaries of urbanization, including plant, fish and wildlife habitat, steep slopes**
23 **and floodplains.**

24 (6) **“Tract” has the meaning given that term in ORS 215.010.**

25 (7) **“Traded sector” has the meaning given that term in ORS 285B.280.**

26 [(2)] (8) **“Urban reserve” means [lands] land, including a large-lot industrial reserve, outside**
27 **an urban growth boundary that will provide for:**

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

29 (b) **The cost-effective provision of public facilities and services within the area when the [lands**
30 **are] land is included within the urban growth boundary.**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 **SECTION 2.** ORS 195.145 is amended to read:

2 195.145. (1) To ensure that the supply of land available for urbanization is maintained:

3 (a) Local governments may cooperatively designate [*lands*] **land** outside urban growth bounda-
4 ries as urban reserves subject to ORS 197.610 to 197.625 and 197.626.

5 (b) Alternatively, a metropolitan service district established under ORS chapter 268 and a
6 county may enter into a written agreement pursuant to ORS 190.003 to 190.130, 195.025 or 197.652
7 to 197.658 to designate urban reserves. [*A process and criteria developed pursuant to this paragraph*
8 *are an alternative to a process or criteria adopted pursuant to paragraph (a) of this subsection.*]

9 **(c) Alternatively, Clackamas, Multnomah and Washington Counties each may designate**
10 **one large-lot industrial reserve under section 4 of this 2015 Act.**

11 **(2) A process and criteria developed pursuant to subsection (1)(b) or (c) of this section**
12 **are alternatives to the process and criteria adopted pursuant to subsection (1)(a) of this**
13 **section.**

14 [(2)(a)] **(3)(a)** The Land Conservation and Development Commission may require a local gov-
15 ernment to designate an urban reserve pursuant to subsection (1)(a) of this section during its peri-
16 odic review in accordance with the conditions for periodic review under ORS 197.628.

17 (b) Notwithstanding paragraph (a) of this subsection, the commission may require a local gov-
18 ernment to designate an urban reserve pursuant to subsection (1)(a) of this section outside of its
19 periodic review if:

20 (A) The local government is located inside a Primary Metropolitan Statistical Area or a Met-
21 ropolitan Statistical Area as designated by the Federal Census Bureau upon November 4, 1993; and

22 (B) The local government has been required to designate an urban reserve by rule prior to No-
23 vember 4, 1993.

24 [(3)] **(4)** In carrying out subsections (1) [*and (2)*] **to (3)** of this section:

25 (a) Within an urban reserve, neither the commission nor any local government shall prohibit the
26 siting on a legal parcel of a single family dwelling that would otherwise have been allowed under
27 law existing prior to designation as an urban reserve.

28 (b) The commission shall provide to local governments a list of options, rather than prescribing
29 a single planning technique, to ensure the efficient transition from rural to urban use in urban re-
30 serves.

31 [(4)] **(5)** Urban reserves designated by a metropolitan service district and a county pursuant to
32 subsection (1)(b) of this section must be planned to accommodate population and employment growth
33 for at least 20 years, and not more than 30 years, after the 20-year period for which the district has
34 demonstrated a buildable land supply in the most recent inventory, determination and analysis per-
35 formed under ORS 197.296.

36 [(5)] **(6)** A district and a county shall base the designation of urban reserves under subsection
37 (1)(b) of this section upon consideration of factors including, but not limited to, whether land pro-
38 posed for designation as urban reserves, alone or in conjunction with land inside the urban growth
39 boundary:

40 (a) Can be developed at urban densities in a way that makes efficient use of existing and future
41 public infrastructure investments;

42 (b) Includes sufficient development capacity to support a healthy urban economy;

43 (c) Can be served by public schools and other urban-level public facilities and services efficiently
44 and cost-effectively by appropriate and financially capable service providers;

45 (d) Can be designed to be walkable and served by a well-connected system of streets by appro-

1 priate service providers;

2 (e) Can be designed to preserve and enhance natural ecological systems; and

3 (f) Includes sufficient land suitable for a range of housing types.

4 [(6)] (7) A county may take an exception under ORS 197.732 to a statewide land use planning
5 goal to allow the establishment of a transportation facility in an area designated as urban reserve
6 under subsection (1)(b) of this section.

7 [(7)] (8) The commission shall adopt by goal or by rule a process and criteria for designating
8 urban reserves pursuant to subsection (1)(b) of this section.

9 **SECTION 3. Section 4 of this 2015 Act is added to and made a part of ORS 195.137 to**
10 **195.145.**

11 **SECTION 4. (1) The Legislative Assembly finds and declares that:**

12 (a) **An adequate supply of available and developable land for large-lot industrial use is**
13 **necessary for the economic prosperity of communities in the Portland metropolitan area, the**
14 **retention of jobs and employers, the creation of jobs and the recruitment of employers.**

15 (b) **The State of Oregon has an interest in:**

16 (A) **Encouraging local governments in the Portland metropolitan area to provide an ade-**
17 **quate supply of urban reserve allocated for large-lot industrial use; and**

18 (B) **Preventing the conversion of land for large-lot industrial use in the Portland metro-**
19 **politan area from large-lot industrial use to nonindustrial use.**

20 (c) **The Oregon Business Development Department, Metro, the Port of Portland and pri-**
21 **ivate organizations conducted a joint review of the inventory of land for industrial use in the**
22 **Portland metropolitan area and determined that there is a shortage of land available for**
23 **large-lot industrial use.**

24 (d) **The urban reserve designated in the Portland metropolitan area does not allocate**
25 **specific land for industrial use.**

26 (e) **The shortage of suitable land for large-lot industrial use in the Portland metropolitan**
27 **area puts the area and the State of Oregon at a competitive disadvantage relative to other**
28 **jurisdictions when pursuing traded sector investment and related job creation.**

29 (2) **Clackamas, Multnomah and Washington Counties each:**

30 (a) **May designate one large-lot industrial reserve that is adjacent to the urban growth**
31 **boundary established by Metro;**

32 (b) **Shall plan and zone land in the large-lot industrial reserve for large-lot industrial use**
33 **of an urban type and intensity and may not replan or rezone the land for nonindustrial use;**
34 **and**

35 (c) **Shall, to the extent practicable:**

36 (A) **Expedite the process of including land in the large-lot industrial reserve within the**
37 **urban growth boundary; and**

38 (B) **Reduce the time and cost to develop large-lot industrial use on land in the large-lot**
39 **industrial reserve.**

40 (3) **When fully developed, at least 50 acres of the land in the large-lot industrial reserve**
41 **must be developed at an average density of six or more employees per acre.**

42 (4) **The Land Conservation and Development Commission shall adopt rules to implement**
43 **this section. The rules must:**

44 (a) **Allow the counties to allocate land previously designated urban reserve as part of the**
45 **large-lot industrial reserve.**

1 **(b) Allow the counties to redesignate or undesignate land already designated as urban**
 2 **reserve or rural reserve.**

3 **(c) Not allow a net increase in the total acres designated urban reserve or a net decrease**
 4 **in the total acres designated rural reserve.**

5 **(d) Establish an expedited process for designation or allocation of a large-lot industrial**
 6 **reserve that requires, at a minimum:**

7 **(A) Coordination with Metro, the Port of Portland, the Oregon Business Development**
 8 **Department and the Department of Land Conservation and Development;**

9 **(B) Public notice; and**

10 **(C) A public hearing before the governing body of the county.**

11 **(e) Establish an expedited process for inclusion of the large-lot industrial reserve within**
 12 **the urban growth boundary within one year after designation or allocation if the county can**
 13 **demonstrate to the Department of Land Conservation and Development a critical need to**
 14 **increase the supply of available industrial land.**

15 **(f) Notwithstanding contrary provisions of a charter, a cooperative agreement under ORS**
 16 **195.020 or an urban services agreement under ORS 195.060 to 195.085, and without requiring**
 17 **that an exception be taken under ORS 197.732 to any goal, allow urban services to be pro-**
 18 **vided to land in the large-lot industrial reserve before the reserve is included within the ur-**
 19 **ban growth boundary.**

20 **SECTION 5.** ORS 197.298 is amended to read:

21 197.298. (1) In addition to any requirements established by rule addressing urbanization, land
 22 may not be included within an urban growth boundary except under the following priorities:

23 (a) First priority is land that is designated urban reserve *[land]*, **including a large-lot indus-**
 24 **trial reserve**, under ORS 195.145, rule or metropolitan service district action plan.

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

30 (c) If land under paragraphs (a) and (b) of this subsection is inadequate to accommodate the
 31 amount of land needed, third priority is land designated as marginal land pursuant to ORS 197.247
 32 (1991 Edition).

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

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

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

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

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

45 (c) Maximum efficiency of land uses within a proposed urban growth boundary requires inclusion

1 of lower priority lands in order to include or to provide services to higher priority lands.

2 **SECTION 6.** ORS 197.298, as amended by section 12, chapter 575, Oregon Laws 2013, is
3 amended to read:

4 197.298. (1) In addition to any requirements established by rule addressing urbanization, land
5 may not be included within an urban growth boundary of Metro except under the following priori-
6 ties:

7 (a) First priority is land that is designated urban reserve *[land]*, **including a large-lot indus-**
8 **trial reserve**, under ORS 195.145, rule or metropolitan service district action plan.

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

14 (c) If land under paragraphs (a) and (b) of this subsection is inadequate to accommodate the
15 amount of land needed, third priority is land designated as marginal land pursuant to ORS 197.247
16 (1991 Edition).

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

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

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

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

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

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

31 (4) When a city includes land within the urban growth boundary of the city pursuant to ORS
32 197.295 to 197.314, the city shall prioritize lands for inclusion as provided in ORS 197A.320.

33 **SECTION 7.** ORS 195.141 is amended to read:

34 195.141. (1) A county and a metropolitan service district established under ORS chapter 268 may
35 enter into an intergovernmental agreement pursuant to ORS 190.003 to 190.130, 195.025 or 197.652
36 to 197.658 to designate rural reserves pursuant to this section and urban reserves pursuant to ORS
37 195.145 (1)(b).

38 (2) Land designated as a rural reserve:

39 (a) Must be outside an urban growth boundary.

40 (b) May not be designated as an urban reserve during the urban reserve planning period de-
41 scribed in ORS 195.145 [(4)] (5).

42 (c) May not be included within an urban growth boundary during the period of time described
43 in paragraph (b) of this subsection.

44 (3) When designating a rural reserve under this section to provide long-term protection to the
45 agricultural industry, a county and a metropolitan service district shall base the designation on

1 consideration of factors including, but not limited to, whether land proposed for designation as a
2 rural reserve:

3 (a) Is situated in an area that is otherwise potentially subject to urbanization during the period
4 described in subsection (2)(b) of this section, as indicated by proximity to the urban growth boundary
5 and to properties with fair market values that significantly exceed agricultural values;

6 (b) Is capable of sustaining long-term agricultural operations;

7 (c) Has suitable soils and available water where needed to sustain long-term agricultural oper-
8 ations; and

9 (d) Is suitable to sustain long-term agricultural operations, taking into account:

10 (A) The existence of a large block of agricultural or other resource land with a concentration
11 or cluster of farms;

12 (B) The adjacent land use pattern, including its location in relation to adjacent nonfarm uses
13 and the existence of buffers between agricultural operations and nonfarm uses;

14 (C) The agricultural land use pattern, including parcelization, tenure and ownership patterns;
15 and

16 (D) The sufficiency of agricultural infrastructure in the area.

17 (4) The Land Conservation and Development Commission shall, after consultation with the State
18 Department of Agriculture, adopt by goal or by rule a process and criteria for designating rural
19 reserves pursuant to this section.

20 **SECTION 8. The Land Conservation and Development Commission shall adopt rules re-**
21 **quired by section 4 of this 2015 Act within 180 days after the effective date of this 2015 Act.**

22