



January 30, 2023

Hon. Senator Janeen Sollman, Co-Chair
Hon. Representative Janelle Bynum, Co-Chair
Hon. Joint Committee Members
Joint Committee on Semiconductors
900 Court Street NE, Room 453
Salem, OR 97301

Re: Recommendations for Industrial Land for Semiconductor Manufacturing and Suppliers

Dear Senator Sollman, Representative Bynum and Joint Committee Members,

Your work represents a major, unprecedented opportunity for all of Oregon. We appreciate the magnitude and complexity of your work, and are grateful for the opportunity to address you. Our aim today is to describe what we see as a mutual opportunity for your Joint Committee and our community to support our shared objectives. We want to convey the specific challenges that small, highly diverse cities, with limited available land, face in improving their local economy. We are here to lend a voice to this process for Cornelius and other cities in similar situations.

Cornelius seeks enactment of a 2023 Bill that would add a 430-acre area adjacent to Cornelius to the Urban Growth Boundary (UGB) for targeted high-tech-based companies.¹ Alternatively, the Semiconductor Joint Committee could add the 430-acres area adjacent to the Cornelius city limits to serve the high-tech cluster as supply chain companies.

Why is this request important to Cornelius?

For many years we have tried (several times, we were granted interim approval on multiple occasions), to add this area to the UGB. Adding this land is crucial for Cornelius to diversify our small, blue-collar/service-industry economy with better-paying, closer-to-home jobs, allowing us to realize our community dreams. Cornelius is a “bedroom” for workers in the nearby technology industry and other jobs outside of our community. This presents a burden not only on our community members, but also exacerbates traffic congestion, impacts on our roads and the environment. As a result, our community bears much greater burdens than other communities in this region. We are in process of updating our Economic Opportunities Analysis (EOA); however, our most recent EOA, from 2017, clearly shows the urgent need that we have for better-paying jobs² and the land to support them in Cornelius.

¹ Other Oregon Cities have successfully applied a targeted-industries UGB expansion pathway; i.e., Eugene, Scappoose. The City of North Plains’ pending industrial UGB expansion effort also pursues a targeted-industries pathway based on enabling provisions of State Planning Goal 9 (Economic Development) and Goal 14 (Land Need) and their implementing Administrative Rules.

² Data is from the 2017 Cornelius Economic Opportunities Analysis.

From our EOA:

- Cornelius’s population growth rate between 2000 and 2015 was 1.4%. It has grown by nearly 12% in the last seven years, further exacerbating our jobs/housing imbalance. This also critically exacerbates the existing challenge of funding core services. Each new home places the cost burden for City services above generated revenue. For Cornelius, this is particularly problematic, given already limited revenues.
- Cornelius is recognized by the State of Oregon as an economically Distressed Community due to low education levels, one of the lowest per capita incomes, and highest unemployment rate in Oregon. As of 2015, taxable assessed property values are roughly 48% of those for Washington County overall. The table below shows the comparison of taxable assessed property values (TAV) compared to neighboring jurisdictions.

Jurisdiction	Per Capita Taxable Assessed Property Value
Hillsboro	\$117,477
Washington County	\$99,754
North Plains	\$95,698
Banks	\$68,342
Forest Grove	\$62,349
Cornelius	\$51,913

Taxable Assessed Value Per Capita, Western Washington County, 2015

“Perpetuation of economic distress within the City of Cornelius has severely limited the City’s resources for capital facilities, infrastructure, and even basic services provision due to extraordinarily low taxable property value within the City limits.”
- 2017 Cornelius Economic Opportunities Analysis

- Over 50% of Cornelius’s community members are Latinx, compared to 15% in Washington County and 10% in the greater region.
- Due in part to limitations of employment sectors, as well as jobs overall, most Latinx community members must find work outside of Cornelius. Daily employment out-migration from Cornelius is over 6,000 people, with just over 300 coming to Cornelius for work.
- Commute times average 29 minutes each way, among the highest in the region.
- Cornelius’s educational attainment is much lower than for both Washington County and the Portland region. While attainment of a high school diploma or some college is over 90% for both the County and region, it is below 70% in Cornelius. Attainment of a bachelor’s degree in Washington County averages nearly 40% and around 12% in Cornelius.
- Cornelius is expected to add only 1,866 jobs within the City by 2040. Most of those jobs are expected to be in retail (25%) and education and health services (22%). Only 13% of future jobs are expected to be in manufacturing.

We anticipate the results of our current EOA update to be similar if not more compelling in terms of need, and this clearly demonstrates how important land is to our future.

Protecting the area’s agricultural uses through state and regional land use decisions prevented us from expanding manufacturing and other key sector jobs in Cornelius for years. We support Oregon land use law broadly – it is what makes and keeps Oregon special, and preserves our crucial agricultural heritage and industry. However, in order for our community to achieve its dreams – and outcomes that are equitable to other communities – we ask you to address our land use problem. Without legislative change, we are “land-locked” into our current pattern for decades.

Our Proposed Solution

Our proposed Cornelius industrial UGB expansion area is in close proximity to the core of Oregon’s semiconductor cluster (see attached maps) and presents an opportunity to address Oregon’s need to

build on its major semiconductor manufacturing ecosystem. It is linked to the Silicon Forest by freight-ready roads and is situated for other critical and necessary infrastructure. And, the area’s ownership pattern presents a unique opportunity to consolidate multiple parcels into a variety of larger or smaller single-ownership parcels to accommodate businesses of varying size.

In 1978, Washington County designated Cornelius North Urban Reserve (71) as “Exception Land” (see Attachment 3).

Year	Cornelius Urban Growth Boundary Planning Event	Action
1978	Urban Reserve 71.	Washington County designated as Exception Land.
2002	UGB.	Metro Council approved, then reversed decision one year later.
2007	Cornelius reduced the area by 2 large agriculturally zoned parcels.	Denied by Metro.
2010	<p>Cornelius requested:</p> <ul style="list-style-type: none"> • 206 acres SE of city limits and W of 345th. • 40 acres E of city limits, along Tualatin Valley Highway. • 178 acres between Cornelius-Schefflin Road and Susbauer Road in North UR 71; 20 acres open space, 8 acres existing housing, 150 acres of employment. • Requested a future 2020 amendment of 345 acres; 150 acres NE of Susbauer for residential, 75 acres W of Susbauer for Industrial, and 30 acres for greenspace. • Requested a future 2030 amendment of 220 acres; 200 acres for employment and 20 acres for green space between Cornelius-Schefflin Road and Susbauer Road south of Long Road. 	<p>Metro approved UGB amendment for the 206 acre, 40 acre, and 178 acre requests. Appeals tied up land in the courts. A revision was made to move the project through the courts, so Metro designated the 2010 North request and the 150 acre request NE of Susbauer for residential as “Undesignated” allowing future Development. ³</p> <p>HB 4078 (2014) designated all the land north of Cornelius as Rural Reserve and added the 206 acre and 40 acre 2010 requests to the city’s UGB.</p>

Today, Cornelius is asking for the original 178 acres between Cornelius-Schefflin Road and Susbauer Road, the 75 acres west of Susbauer (2020 future amendment) and the 200 acres for employment between Cornelius-Schefflin and Susbauer (south of Long Road). This 430-acre area is part of about 153,962 Washington County Rural Reserve acres. Our request represents roughly 0.27% -- or less than 1/3 of 1 percent -- of HB 4078-designated Rural Reserves in the County. However, a 75% UGB-inclusion threshold in HB 4078 arguably presents a legislative-only pathway⁴ for adding the area to the UGB.⁵

³ See. Metro Resolution No. 11- 4245 (2011)

⁴ See. *Methods to Change Land Use Designations Established by House Bill 4078 (2014)*, Legislative Counsel Committee, State of Oregon (April 18, 2016)

⁵ HB 4078, Sec. 3(4), ORS 197.144(4) reads as follows:

“Land in a county in Metro that is planned and zoned for farm, forest or mixed farm and forest use and that is *not designated as urban reserves* may not be included with the urban growth boundary of Metro before at least 75 percent of the land in the county that was designated urban reserve *in this section* has been included within the urban growth boundary and planned and zoned for urban uses.”

It says that “*land not designated urban reserves*” by Sec.3, a description that plainly encompasses Rural Reserves (including the 430 acres), may not be added to the UGB until 75% of the land in the County designated Urban Reserves “*in this section*” has been included in the UGB and planned and zoned for urban uses. Our research and cursory field survey of land designated Urban Reserves by Sec. 3 indicates substantial attainment of that 75% threshold.

The Joint Semiconductor Committee's mission to "modernize" Oregon's land use/growth management system to correct today's "expenses" in urban land shortages toward more flexibility is critical for Cornelius and other cities much needed housing and economic growth through UGB expansion. The farmland protection vs. industrial land need conflict presented by our 430-acre UGB expansion proposal demonstrates that urgent need. For Cornelius, the proposed expansion is limited to non-food production farmland.

If provided by the Legislature, the 430-acre industrial land UGB expansion to attract/accommodate the types of tech-based, targeted-industries jobs/businesses cited above will help address two critically important needs: one to Oregon and the other to Cornelius:

- Cornelius's need to better the local economic quality of life/living standard for many families through access to better paying jobs, closer to home, and
- Oregon's need for "At least eight sites of 15-35 acres to enable key suppliers to the semiconductor cluster to locate and expand" described in the Semiconductor Task Force Report.

Your mission is to support communities throughout all of Oregon. We believe that given the record outlined above, our proposal helps Oregon's semiconductor industry and our community's economic, social and environmental health. Our expansion proposal provides a perfect example of a land need that merits more flexibility in Oregon's land use management tools.

If a 2023 Bill that adds the 430 acres to the Metro UGB is introduced, we ask your Committee to support it for its potential to help boost semiconductor manufacturing in Oregon, and to deliver more equitable opportunities and outcomes for Cornelius. We are out of land and have no other option to address our local economic needs outside of legislative action.

Thank you, again, for your attention to and consideration of these remarks. Please enter this letter and attachments into the record of the Committee's proceedings and when a Committee hearing takes up this matter.

Respectfully,

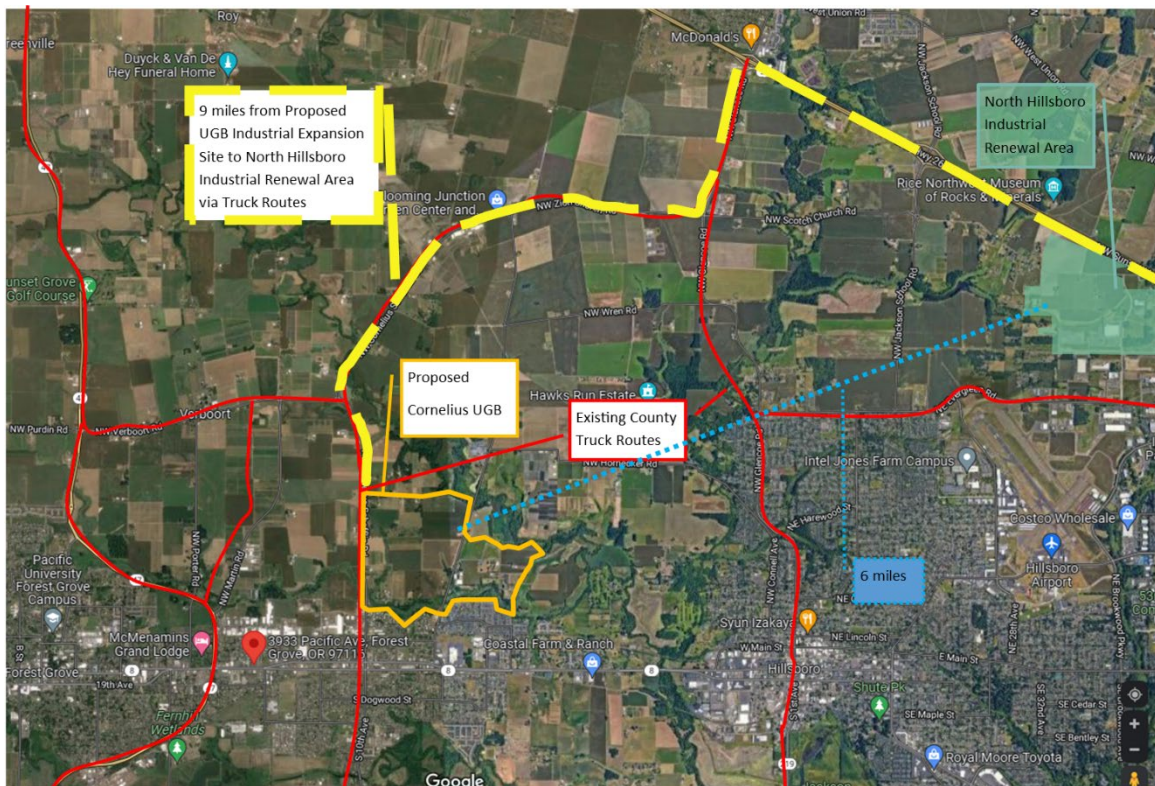
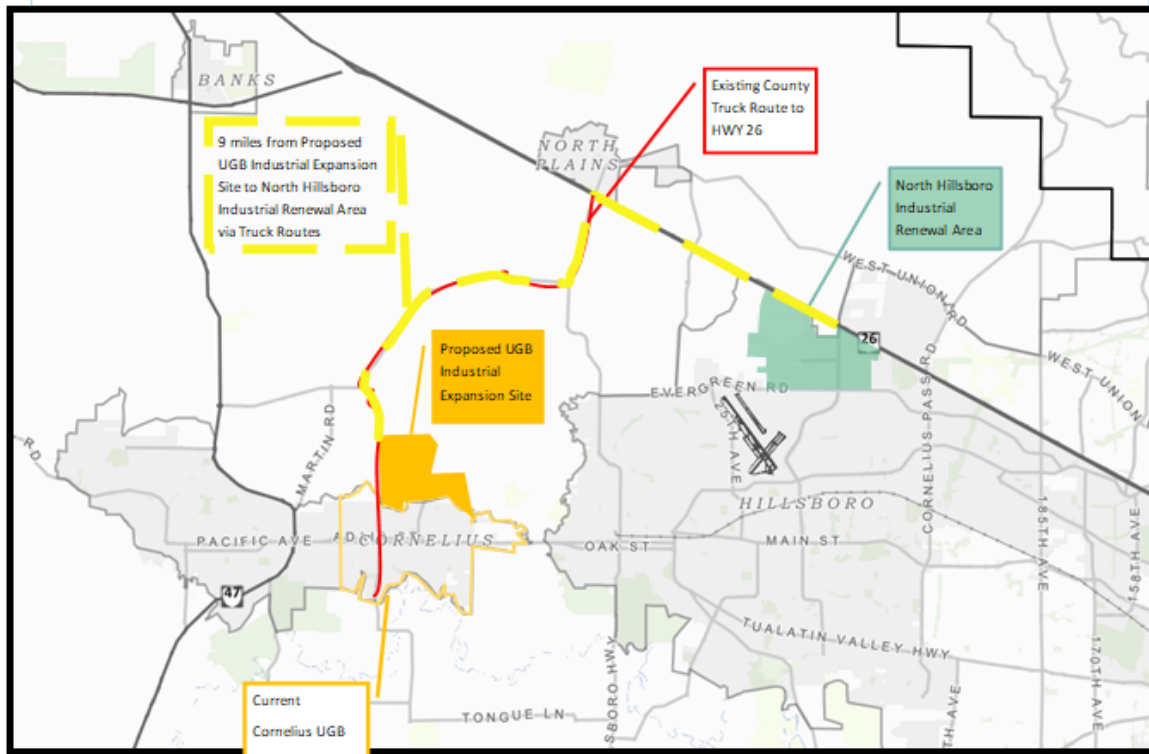


Jeffery Dalin, Mayor

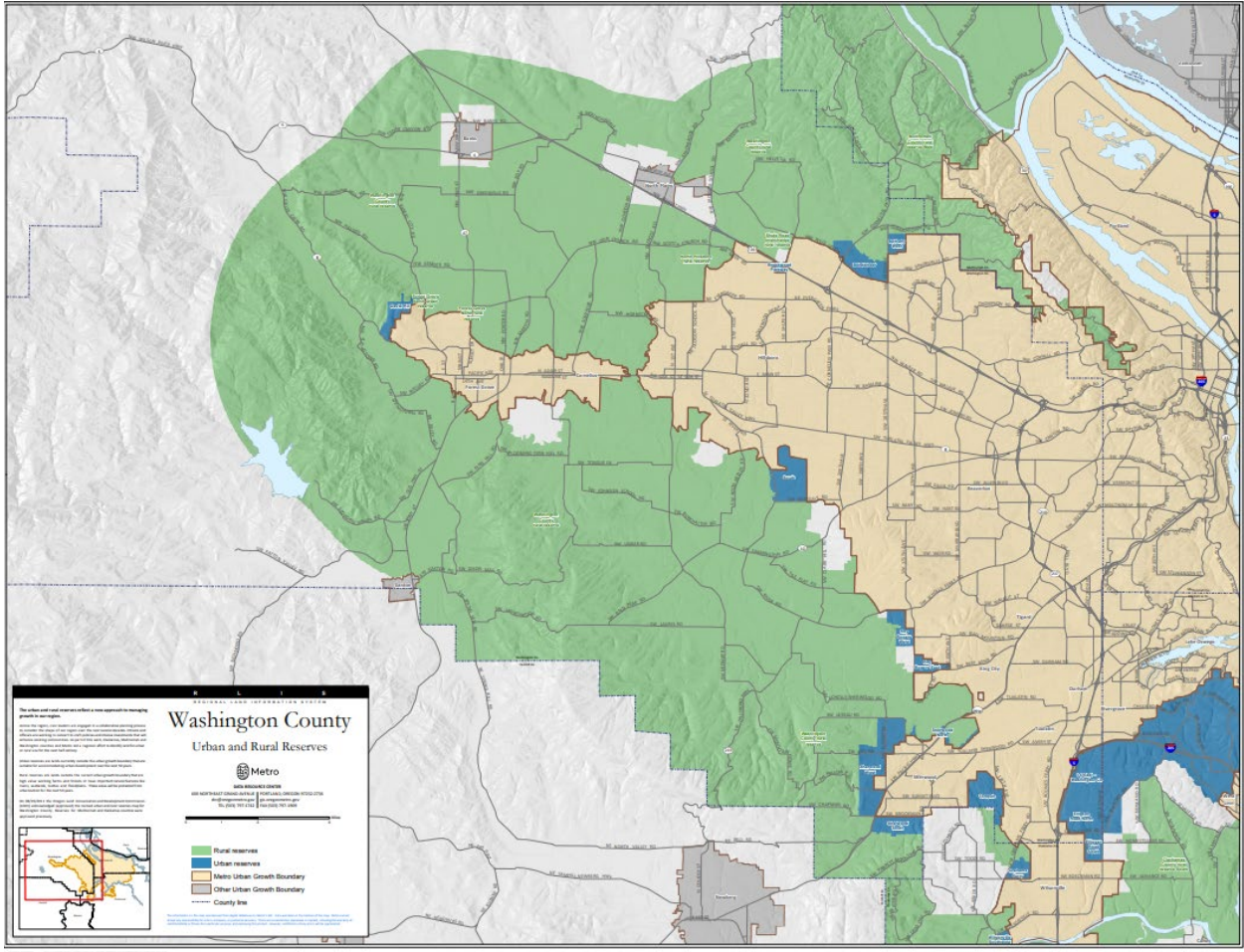
Cc: Cornelius City Council
Representative Susan McLain
Washington County Commissioner Jerry Willey
Metro Councilor Juan Carlos Gonzalez
Oregon Semiconductor Competitiveness Task Force

Attachments: 1. Cornelius Land Need Maps
2. Metro Urban and Rural Reserves Map for Washington County
3. Cornelius North Analysis Area (71), 2010 (1 of 2)
4. Cornelius North Analysis Area (71), 2010 (2 of 2)

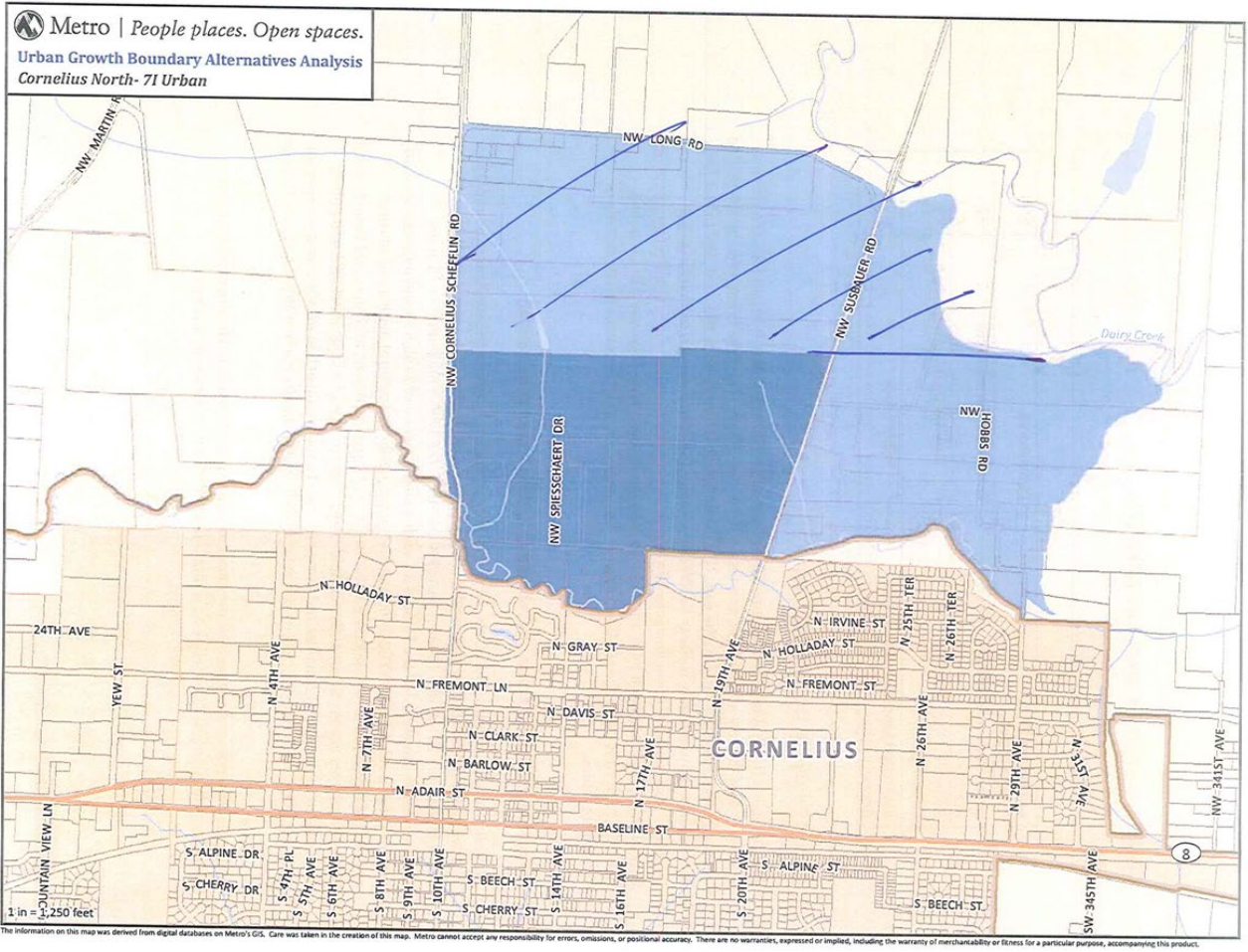
Attachment 1: Cornelius Land Need Maps



Attachment 2: Metro Urban and Rural Reserves Map for Washington County



Attachment 3: Cornelius North Analysis Area (71) Map 1, 2010



Attachment 4: Cornelius North Analysis Area (71) Map 2, 2010



The information on this map was derived from digital databases on Metro's GIS. Care was taken in the creation of this map. Metro cannot accept any responsibility for errors, omissions, or positional accuracy. There are no warranties, expressed or implied, including the warranty of merchantability or fitness for a particular purpose, accompanying this product.