



February 1, 2023

Hon. Senator Janeen Sollman, Co-Chair
Hon. Representative Janelle Bynum, Co-Chair
Joint Committee on Semiconductors
Oregon Legislature
900 Court Street NE
Salem, Oregon 97301

Re: City of North Plains UGB Expansion & Oregon Semiconductor Industry Competitiveness Opportunity

Dear Senator Sollman, Representative Bynum, and Joint Committee Members:

Thank you for kindly receiving and considering these City of North Plains remarks regarding the subject matter of your January 30 hearing. You may consider our City a committed partner in Oregon Semiconductor Competitiveness Task Force efforts, and with this testimony we hope to accomplish three things:

- Contextualize North Plains' current Urban Growth Boundary (UGB) expansion process for its own UGB – *North Plains is not in the Portland Metro UGB* – in order to supply appropriate land to meet part of industry need identified by the Task Force at the hearing;
- Clarify that in the case of North Plains UGB expansion for semiconductor industry, Rural Reserves are in no way involved nor does land need a legislative change from Rural Reserves to another designation to enable semiconductor site development; and
- Ask for your help by legislatively expanding our City's UGB in this 2023 Session, based on all of our UGB expansion process to date and in order that the City may assure one of the two needed 500-acre semiconductor industry sites.

First, the City of North Plains is now in the very final months of its UGB expansion study process that has lasted over two years. Since the Summer of 2022, the employment land needs identified by the City for UGB expansion have included consultation with the Industrial Lands Subcommittee of the Task Force. This coordination occurred not only out of the community development interests of the City of North Plains, but with the support of the Oregon Department of Land Conservation & Development (DLCD) and as part of our cooperative efforts with our partners at the City of Hillsboro.

In our economic development and UGB planning, North Plains pursues expansion of its UGB because it is at a critical moment: we are fiscally sinking under the weight of rapid bedroom community growth serving high-tech employment nearby in Hillsboro and elsewhere in Washington County. The end of voter-approved annexations by the Oregon Legislature in 2016 began a housing boom in North Plains, greatly comprising households commuting the short 15 minutes to Intel's Ronler Acres and other nearby employers.



But while our population grows, and along with it growth in demand for City services, lacking available land for employers has exacerbated a fiscal imbalance that we can only correct with commensurate growth in jobs and business investment convenient to our residents within our own community. If we do nothing, North Plains will have the worst jobs-housing balance and the most imbalanced tax base among cities in Washington County, denying the City over the long-term any ability to afford services to its residents that maintain a good and safe quality of life.

Our currently planned UGB expansion, including 515 acres of industrial land for a variety of targeted industries that include the semiconductor industry and its supply chain, is displayed in the attached map. And here is where we need to make a crucial clarification about lands we have studied for expansion: *none of the land we plan to bring into our UGB is designated as Rural Reserves, including for any industry need identified by the Task Force.*

Please know that all of the properties within the “UGB Expansion Study Area” (green outline) shown in the attached Map were not designated Rural Reserves by HB 4078. All expansion area lands around North Plains sit outside the Metro jurisdictional boundary and are commonly known as “Undesignated” land. That label reflects established State and County land use/development policies and procedures that require holding such land in non-urban use until a need for future housing or employment uses on that land is demonstrated as required by applicable State Planning Goals and land use statutes.

Land shaded blue on the Map represents lands that will be added within our UGB for Employment use growth,¹ including the mentioned 515 acres of industrial land need. On the west side of North Plains, our current planning for industrial need will be for the addition of 346.4 acres, represented by the 295.5-acre area and the 50.9-acre areas both shaded blue.

A January 24 letter to your Committee from the Oregon Semiconductor Competitiveness Task Force recommends adding to the North Plains UGB a 500-acre site located next to, and just West of North Plains by amending ORS 195.144. This area so described is labeled “*Under State Semiconductor Manufacturing Site Consideration*” on the attached Map. But as the Map demonstrates, our currently reviewed and approved industrial site expansion planning to the west does not include all candidate properties that would successfully comprise one of the 500-acre sites. In fact, the boundary expansion we currently can support with our existing findings would deny the State one of two recommended 500-acre sites under current UGB expansion statutes.

This discrepancy can be easily remedied, however, by the following ask for your help: We respectfully ask that the entire hash-marked western expansion area be added to the North Plains UGB

¹ North Plains’ need for targeted tech-based businesses growth is prescribed in the City’s 2022 Economic Opportunities Analyses (“EOA”) recently approved by the Department of Land Conservation & Development after review for EOA compliance with State Planning Goals 9 (Economic Development) and 14 (demonstrated UGB Land Need). That Goals compliance extends to the properties identified in this letter.



per the Task Force's recommendation. Such a legislative act would minimally add 139.2 acres above and beyond what the City was already pursuing in its own UGB expansion planning process before we were candidate for a 500-acre site. And as expressed before, none of these lands are designated as Rural Reserves.

During our planning prior to the 500-acre site potential, and certainly since, discussions with the owners of properties within the 500-acre site have clearly stated willingness to add their properties to the UGB and annexing their properties to the City in due course. And in fact, the City has already begun what will be a rapid process to achieve a City-Property Owners Memorandum of Understanding reflecting the details of those discussions. As of today, the MOU language has been shared with property owners and half of property ownerships involved have already reviewed MOU language and expressed satisfaction with the agreement.

The "shaded" green-outlined areas on the Map demonstrate housing (yellow) or employment/industrial (blue) UGB land need based on findings and recommendations in the City's updated Housing Need Analyses (HNA) and Economic Opportunities Analyses (EOA), studies that are required by State Planning Goal 9 (Economic Development) and Goal 10 (Housing) to support corresponding UGB expansions. Therefore, we respectfully ask that, in addition to adding the entire hashed-marked area into the UGB for the Task Force-identified 500-acre site, all other yellow (housing) and employment/industrial (blue) areas shown on the Map also be added to the UGB by the 2023 Legislature.²

Adding the blue areas on the attached Map located directly East of our City is recommended by our approved EOA to attract and accommodate a variety of semiconductor manufacturing and supporting ecosystem uses. That proposed East UGB expansion area has roughly 340 acres ideally located near the two 500-acre candidate sites identified by the Task Force to be sites that can accommodate new or expanding semiconductor ecosystem companies on new sites containing 50-100 acres and especially clustered sites ranging from 15-35 acres. Both site categories are called out by the Task Force as imminently needed also for Oregon to timely get CHIPS Act dollars to make them available to such companies.

Finally, please know that Task Force, DLCD and City staff have worked cooperatively and diligently to define a timely UGB expansion timeline for completing the above-cited large-site UGB expansion recommended by the Task Force. We truly appreciate and thank the DLCD staff for diligently helping to create an ambitious and optimistic 20-month UGB expansion timeframe. However, our statutory UGB expansion requests stems only from the many UGB expansion objections and appeals to LCDC and the Courts that dot the history of the State's UGB management system – a somewhat predictable appeal risk that would likely block successfully completing that 20-month timeframe and that Oregon and the Task Force may choose not to take.

² A comprehensive list of all properties requested to be added to the UGB will happily be submitted to the Joint Committee at a time deemed most appropriate.



Our UGB asks in no way reflect criticism or objection to the work done cooperatively with DLCD and Task Force staff. Instead, our asks seek to assure the timely UGB expansion sought and intended by DLCD, Task Force and City staff work done on this matter.

But to be clear, as a fiscally-challenged community of 3,500 that has planned its economic development path for many years, our small but able Staff, along with the expense of consultants, have put forth effort and time that go well beyond what is ordinarily expected of a smaller town like ours. The statutory bar for demonstrating need and capability to expand to meet opportunity is high indeed. So far, we have been successful with our partners at DLCD, but we now meet this critical hour before the Legislature having barely-established relationships with a new State Senator and Representative because of redistricting. Is it also due to these challenges that we make these asks of this body.

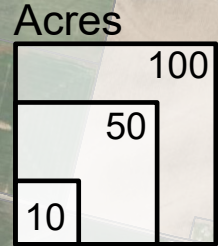
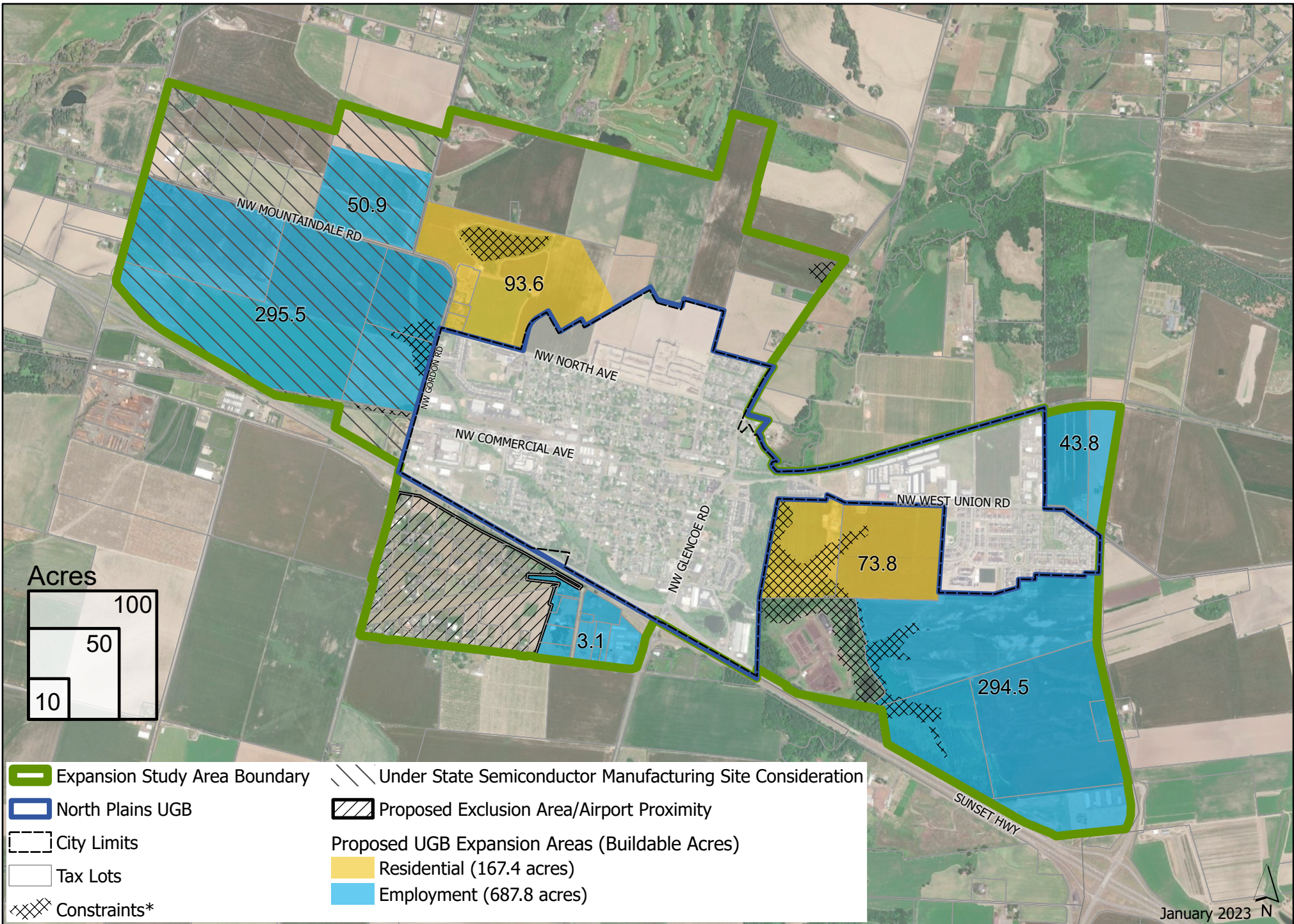
Again, thank you for kind attention and consideration of these remarks. Please enter this communication into the Record of your Committee's proceedings on this matter.

Respectfully submitted:

Teri Lenahan, Mayor
City of North Plains, Oregon

Copy: North Plains City Council
Representative Brian Stout
Senator Suzanne Weber
Oregon Semiconductor Competitiveness Task Force

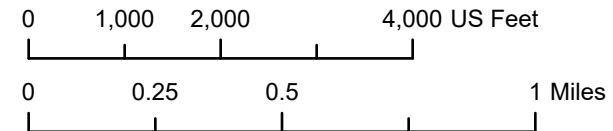
Attachments: North Plains Urban Growth Boundary Expansion Areas Map (January 25, 2023)



- Expansion Study Area Boundary
 - North Plains UGB
 - City Limits
 - Tax Lots
 - Constraints*
 - Under State Semiconductor Manufacturing Site Consideration
 - Proposed Exclusion Area/Airport Proximity
- Proposed UGB Expansion Areas (Buildable Acres)
- Residential (167.4 acres)
 - Employment (687.8 acres)

*Open Water, Floodplain, Steep Slopes

North Plains Proposed UGB Expansion



January 2023 N