

City of Prineville

ORDINANCE NO. 1193

AN ORDINANCE ADJUSTING THE PRINEVILLE URBAN GROWTH BOUNDARY,
AMENDING THE COMPREHENSIVE PLAN MAP AND APPROVING A ZONE CHANGE

WHEREAS, the State of Oregon allows for Cities to approve urban growth boundary (UGB) adjustments in accordance with ORS 197.298 and OAR 660-024-0070; and

WHEREAS, it is in the best interest of the City of Prineville to facilitate the zone change described in Exhibits A in order to promote large lot economic development on the sites, also described in Exhibit A; and

WHEREAS, the owners of the subject properties have consented to the UGB adjustment, as demonstrated in Exhibit C; and

WHEREAS, OAR 660-024-0070 requires that any land removed from a city's UGB be assigned a rural zoning designation; and

WHEREAS, this UGB adjustment requires an amendment to the City's Comprehensive Plan reflecting the new urban growth boundary and changes to zoning; and

WHEREAS, all required notice was provided in accordance with state law and city ordinance, including notice to the State Department of Land Conservation and Development, newspaper notice and notice to neighboring property owners; and

WHEREAS, the City Planning Commission held a joint public hearing at the end of which they recommended that the City Council approve the proposed UGB amendment, Comprehensive Plan amendment and zone change;

**NOW, THEREFORE, THE PEOPLE OF THE CITY OF PRINEVILLE ORDAIN
AS FOLLOWS:**

1. The Urban Growth Boundary Adjustment and Comprehensive Plan Map Amendment described in Exhibits A and B are hereby approved.
2. The City adopts, by reference, Crook County Code (Title 18) Zoning, section 18.68 LM Light Industrial Zone.
3. The area of land identified in Exhibit A as area D is rezoned from city zone M1 light industrial to the county LM Light Industrial Zone.
4. The effective date of this Ordinance is thirty days following adoption or the date that authorized representatives of the State of Oregon Department of State Lands (DSL) and PremierWest Bank (PWB) file a letter with the Recorder of the City of Prineville stating that issues related to road frontage and mineral rights have been resolved to the mutual satisfaction of DSL and PWB, whichever is later. This ordinance will become void if not effective on or before August 14, 2013.

APPROVED BY THE CITY COUNCIL ON THE 14th DAY OF AUGUST, 2012.

Betty J. Roppe, Mayor

Attest:

Lisa Morgan, City Recorder

Exhibit A

T15S, R15E, S14, TL 1224 and 2300

(A) TL-2300

- 1.County Agricultural Plan
- 2.County Zoning EFU-3
- 3.Not in UGB.

(B) TL-1224

- 1.City Industrial Plan
- 2.City Industrial Zone
- 3.In UGB and City Limits.

(C) TL-2300

- 1.County Agricultural Plan
- 2.County Zoning EFU-3
- 3.Not in UGB.

(D) TL-1224

- 1.City Industrial Plan
- 2.City Industrial Zone
- 3.In UGB and City Limits.

UGB
Boundary

City Limits

MAP 1- Current

City Limits, UGB,
Comprehensive Plan
and Zoning

126

1000 m
2000 ft

(A) TL-2300

- 1.City Industrial Plan
- 2.County Industrial Zone
- 3.In UGB - Not in City Limits.

(B) TL-1224

- 1.City Industrial Plan
- 2.City Industrial Zone
- 3.In UGB and City Limits.

(C) TL-2300

- 1.County Agricultural Plan
- 2.County Zoning EFU-3
- 3.Not in UGB.

(D) TL-1224

- 1.County Industrial Plan
- 2.County Industrial Zone
- 3.Not in UGB - In City Limits.

UGB
Boundary

City Limits

MAP 2 - Adjusted

City Limits, UGB,
Comprehensive Plan
and Zoning

126

1000 m
2000 ft

Exhibit B



City of Prineville DEPARTMENT OF PLANNING & COMMUNITY DEVELOPMENT PLANNING COMMISSION RECOMMENDATION

Date: July 24, 2012
File No.: AM-2012-100
Applicant: City of Prineville
Crook County
Owner: State of Oregon/Department of State Lands (DSL)
Premier West Bank (PWB)
Location: Township 15, Range 15, Lots 1124 & 2300
Notice to DLCD: 6/20/12
Newspaper Notice: 7/3/12 & 7/10/12
**Planning Commission
Hearing:** 7/17/12
City Council Hearing: 8/1/12
Staff: Scott Edelman, Planning Director

Proposal: An adjustment to the City of Prineville Urban Growth Boundary (UGB) to remove 80 acres of industrial land from within the UGB and replace it with 80 acres of land that will be rezoned for future industrial use. As part of the UGB adjustment, the 80 acres removed from the UGB will be rezoned from city zone M1 (light industrial) to county zone LM (light industrial). The 80 acres added to the UGB will be rezoned from county zone EFU-3 (exclusive farm use) to county zone LM (light industrial). The city's Comprehensive Plan Map will also be updated to reflect the change to the zoning and the UGB.

Summary

The City of Prineville, in cooperation with Crook County, the Department of State Lands (DSL) and Premier West Bank (PWB), proposes an urban growth boundary adjustment that would remove 80 acres of land from the UGB and replace it with 80 acres from and adjacent property. The attached maps depict the current and proposed UGB. The proposed amendment would remove the southern 80 acres of the property owned by PWB from the UGB and replace it with the northern 80 acres of the property owned by the State of Oregon.

This action was initiated by the property owners, DSL and PWB, who requested the UGB amendment. The attached Consent to Boundary Amendments demonstrates their approval of and cooperation in this process. The stated reason for the UGB amendment request is stated in this document as follows:

“...to support the collective efforts to make the . . . properties more attractive to prospective industrial site selectors and industries they represent.”

Specifically, the City, County, DSL and PWB representatives have been told by site selectors that high tech industries, such as data centers, are seeking square shaped parcels for reasons dealing with efficiency and creating a campus-style development. According to DSL and PWB representatives, there is a data center that is looking at these properties very seriously but is only interested if this UGB amendment takes place.

Two zone changes are necessary if the UGB adjustment is approved and are part of this staff report and public hearings process. The 80 acres of land to be removed from the UGB would need to be rezoned to the appropriate county zone – in this case the appropriate zone is county zone LM (light industrial) as this is the zoning designation it had prior to being annexed into the UGB. The 80 acres of land to be added to the UGB will be rezoned from EFU-3 (exclusive farm use) to LM (light industrial). This land will not be assigned city zoning until it is annexed into the city limits.

Staff Findings

The following findings are intended to support the proposed UGB adjustment and plan amendment by demonstrating compliance with the City of Prineville Zoning Ordinance and Comprehensive Plan.

The following section of the City of Prineville Zoning Ordinance is applicable to this proposal in regard to the procedures to be followed in considering the zone change and map amendment.

1. City of Prineville Code of Ordinances – Chapter 153, Land Use Code

§153.256.030. Decision on plan amendments and zone changes.

A. Except as set forth herein, the Planning Commission when acting as the Hearings Body shall have authority to make decisions on all quasi-judicial zone changes and plan amendments. Prior to becoming effective, all quasi-judicial plan amendments and zone changes shall be adopted by the City Council.

B. In considering all quasi-judicial zone changes and those quasi-judicial plan amendments on which the Planning Commission has authority to make a decision, the City Council shall, in the absence of an appeal or review initiated by the Council, adopt the Planning Commission decision. No argument or further testimony will be taken by the Council.

Finding 1: Part of this proposal is for a quasi-judicial zone change and plan amendment. As such, it is subject to the process as outlined above. The purpose of the public hearing set for July 17, 2012 is to hold a public hearing to make a decision on the proposed amendment.

2. City of Prineville Code of Ordinances, Title XV – Chapter 154, Comprehensive Plan

The chapters of the City of Prineville Comprehensive Plan which are relevant and applicable to the proposed UGB adjustment, zone change and map amendment are discussed below. Specific items within these chapters which are not relevant to this proposal are not listed in order to achieve maximum clarity and efficiency. Further, the proposal has been determined to have no significant impact on the following chapters, in regard to any of the listed values, policies or programs within each chapter:

- Chapter 1, Community Characteristics
- Chapter 3, Natural Environment
- Chapter 4, Parks, Recreation and Open Space
- Chapter 7, Housing

Obviously, the community aspects covered by these chapters will be affected by future development on the subject site; however, the replacement of 80 acres of industrial land with 80 acres to eventually be assigned the same zoning has no impact in regard to the wording of these chapters.

Chapter 6 deals with transportation and circulation. Since the adoption of the Comprehensive Plan in 2007, the Highway 127 Corridor Study was completed. This study included an evaluation of the Tom McCall and George Millican intersections and included the assumption of 160 acres of industrial development on the site owned by Premier West Bank. This UGB adjustment does nothing to change those assumptions. Therefore, staff finds that there is no significant impact on the transportation system by this proposal; an item-by-item evaluation of Chapter 6 is not included with this report.

Chapter 8 deals with public services and facilities. As there is no net change proposed to the amount of industrial land within the UGB and the sites are contiguous to each other, staff finds that there is no significant impact on public services and facilities and a item-by-item evaluation of Chapter 8 is not necessary for this report. All public services are currently available to the subject site and the proposed amendment only makes it easier to ensure the entire site can be efficiently served.

A. City of Prineville Comprehensive Plan – Chapter 2: Urban Land Use and Zoning Designations

Goal # 1: Create land use zones and land use regulations that enhance Prineville without sacrificing community values

Industrial Zone Values and Policies

- Industrial areas that are served by adequate community transportation, convenient connections to highway access, workforce housing, water, and sewer, communication, power and gas systems will have a competitive advantage in the Central Oregon Region.
- Industrial zones should provide the greatest density of manufacturing jobs per acre, exclusive of workforce housing, and be located in places that do not disrupt the function of other land uses.
- Industrial zones should provide places for manufacturing, repair, with potential for high concentrations of jobs, products, and services in areas that can be conveniently served by transportation and easily accessed by high numbers of employees.
- New Industrial zones should be located close to other industrial zones as a way to maximize available infrastructure.
- It is necessary to prioritize capital improvements in industrial areas to attract and retain industrial and manufacturing uses.
- Clean industries are preferred. Industries that produce excessive noxious airborne particulates and non-disposable hazardous waste may not be allowed.
- Industrial areas that provide a wide choice of parcel sizes including workforce housing options and are highly desirable.
- Large industrial lots of more than 20 acres in size should be reserved as an enticement for attracting new industry.
- Incentives that retain and attract industries to Prineville will benefit the community as a whole by improving the employment and population balance and promote overall economic growth.
- Industrial areas near local airports can enhance commerce and attract compatible aviation activities and industries.

Programs:

The City shall:

- Work with local and regional economic development agencies to highlight Prineville as a dynamic place to locate and operate industrial businesses.
- Encourage nonpolluting industry.

Finding 2A(1): As there will be no net gain or loss in industrial land within Prineville's UGB, the only purpose of the proposed UGB adjustment is to create a site that is more attractive to industries requiring large lots. In this case, the specific target is data centers which have recently become a niche industry in Prineville. According to site selectors and representatives of the companies requiring data centers, sites of 160+ acres that are square in shape (rather than rectangular or irregular) are ideal for these uses; this is primarily based on efficiencies that are created in a site design that maximizes proximity of each building to other buildings, offices, power supplies and infrastructure. Staff finds that the proposed UGB amendment and associated map amendment and zone changes support the values, policies and programs listed above.

Goal # 2: Update the UGB boundary when necessary.

Urban Growth Boundary Values and Policies

- The UGB must include all of the land needed for residential, industrial, and commercial development for a 20-year period.

Programs:

The City shall:

- Maintain adequate levels of residential, commercial, industrial, and recreation lands for a 20-year period.

Finding 2A(2): The majority of values, policies and programs listed in this chapter deal with the City periodically evaluating and expanding its urban growth boundary to ensure a 20-year supply of available land. In this case, with no net change in land within the UGB, a new evaluation is not necessary. Staff finds that the proposed UGB adjustment is consistent with the values, policies listed above.

Goal # 3: Broaden the availability of alternate mode transportation options by organizing land uses in an efficient manner

Alternate Mode Transportation Values and Policies

- Land use patterns can be improved by the use of master plans for certain developments. Master plans which emphasize aesthetics and community compatibility, circulation, landscaping, open space, storm drainage, utilities, building location and design, and access to commercial and community facilities will provide the most efficient use of land and encourage the use of alternate modes for transportation.

Finding 2A(3): As stated previously, according to experts in the data center industry, large, square parcels are ideal for data center development due to efficiencies created in a campus style site plan (as opposed to lining data center buildings up

along a long, narrow property). Facilitating the development of this site as a coordinated campus will increase the likelihood of master planning, efficient development and a concentration of similar uses that meet several of the values, policies and programs within this section. In regard to alternative modes of transportation, facilitating a coordinated campus-style master plan under single ownership will increase the likelihood that the development could eventually encourage or take advantage of alternative modes. Staff finds that the proposed UGB adjustment is consistent with the value and policy stated above.

Goal # 4: Establish appropriate land use regulations to support a sustainable community

Sustainable Community Values and Policies

- Sustainable development techniques and other sustainable community options should be part of many community functions and services.
- Sustainability concepts allow communities to use land wisely and sustain inventories of limited resources for a longer amount of time.
- The community will benefit from incorporating sustainability concepts throughout the governmental structure and the local planning program.

Finding 2A(4): The sustainability initiatives highlighted in this section are not related to this proposed UGB adjustment, map amendment and zone change as they are to be implemented through other City policies. However, by allowing the subject site to be developed by a single user, such as a data center through its campus concept, this proposal may support the sustainability of development on this site. The more support industries and economies of scale that can be developed, the greater chance for any industry to be successful at this site and to be a contributor to the local and regional economy into the future. Staff finds that the proposal is consistent with the values and policies listed above.

Goal # 5: Establish growth management tools and other strategies to pace land development with the ability to provide the required services within the community

Growth Management Community Values and Policies

- Prineville will need to utilize various planning strategies to accommodate growth and have a higher success rate for developing as intended and with minimum conflict.
- Properly accommodating future growth assures the community that new development and redevelopment are supported by adequate infrastructure.
- Infrastructure expansions and improvements at the core of the community tend to regulate growth at a pace that the community can accept without reducing service levels for existing residents.
- Capital Improvement Plans that support existing industry, commerce and residential areas before serving new urban lands typically utilize limited public funds in an efficient and practical manner without subsidizing growth.

Finding 2A(5): The proposal does not negatively impact any of the values, policies or programs listed under this goal. In fact, facilitating the campus concept through the UGB adjustment, map amendment and rezone could have a positive impact in relation to growth management. As discussed previously, there are certain efficiencies when utilizing a campus style development that can reduce impacts on public facilities. Further, this proposal makes this site more readily developable, reducing the need to add additional land to the UGB to meet the needs of large lot industries.

B. City of Prineville Comprehensive Plan – Chapter 5: Economy

Goal # 1: Provide adequate industrial and commercial land inventories to satisfy the urban development needs of Prineville for at least the 20 year planning horizon.

Economic Values and Policies

- Updates to inventories and analysis of needed industrial and commercial land types, existing land supplies, and economic development strategies for meeting the requirements of the community are essential. It is necessary to provide adequate buildable industrial and commercial land for at least 20 years.
- Updates to the inventories may be required in response to redevelopment, proposed zone changes, mixed-use development techniques and planned unit developments that enable "complete neighborhood" concepts and economic development opportunities.
- State, local, and nationwide trends are not adequate to properly estimate needed industrial and commercial lands. Other local information and economic development targeting goals must be used to properly evaluate future land needs.
- Adequate public facilities must be planned, funded, and installed to serve industrial sites and commercial areas.

- Preservation of large industrial parcels over 20 acres in size will attract target industries and new manufacturing businesses.
- Additional land is needed to support commercial and industrial uses. Where there are particular locational requirements for certain activities, amendments to the Comprehensive Plan may be necessary. Amendments should be evaluated in relation to all applicable policies of the Comprehensive Plan.

Programs:

The City shall:

- Regularly monitor and analyze commercial and industrial land inventories. When new lands are needed, the City Council shall authorize expansion of the UGB or other methods to ensure that at least a 20-year inventory of land for each category is available within the urban area.
- Update and manage all public facilities planning to meet community and economic development goals while encouraging additional public and private investment in the community.
- Explore and initiate methods for preserving large industrial parcels to meet projected demand.

Finding 2B(1): These values, policies and programs deal with ensuring there is a sufficient land supply to meet the city's 20 year need within the UGB, to ensure public facilities are planned to support development of the land, and protecting large lots for industries that need it for large scale development (rather than breaking it up into smaller parcels). This proposal supports these values, policies and programs as it will create a 160 acre square site that meets the needs of at least one of the potential large lot developments interested in locating in Prineville. The fact that this proposal includes no net change in the UGB area or amount of available industrial land means that no additional infrastructure planning needs to be done at this time. Staff finds that the proposal is consistent with the values, policies and programs listed above.

Goal # 2: Develop an "Economic Development Strategic Plan" and other mechanisms necessary for supporting and enhancing the local economy.

Economic Values and Policies

- Successful economic development strategies require cooperation with a variety of agencies and other groups to develop a plan that best meets the requirements of a growing community.
- Providing a strong public partnership with local businesses is key to successful economic development.

Programs:

The City shall:

- Develop strategies to capture the opportunities of a technology and knowledge-based economy.

Finding 2B(2): These values, policies and programs deal with the need for public-private partnerships to work toward continued economic development. This proposal represents a cooperative effort among the City of Prineville, Crook County, Department of State Lands and Premier West Bank (a private property owner) to create a site with the greatest potential for economic development. The program listed specifically identifies technology based industry, the recruitment of which is the primary purpose of this proposal. Staff finds the proposal to be consistent with the values, policies and programs listed above.

3. State Planning Goals

Goal 1 - Citizen Involvement

To ensure the opportunity for citizen involvement in all phases of the planning process.

Finding 3A: This UGB amendment will follow the City of Prineville Code requirements for a legislative process which includes published newspaper notice, a joint public hearing before the City and County Planning Commissions and a joint public hearing before the City Council and County Court. The process for this UGB adjustment meets the goal for citizen involvement.

Goal 2 - Land Use Planning

To establish a land use planning process and policy framework as a basis for all decisions and actions related to the use of land and to assure an adequate factual base for such decisions and actions.

Finding 3B: The City is basing this urban growth boundary amendment on information provided by site selectors representing companies seeking to locate data centers in Central Oregon. Multiple sources have indicated that the most desirable land for this type of use is land that is configured in a way to facilitate a campus style development. The recent location of Facebook and Project Pillar data centers, as well as conversations with several other data center representatives, demonstrates that there is a demand for locations in Prineville that would serve this use. Further, DSL and PWB representatives have reported to the City that there is a company that has expressed serious interest in building a data center on the properties if configured as proposed by this UGB amendment. Both of the landowners, the State of Oregon and Premier West Bank, are in agreement that this UGB adjustment is in the best interest of future development for both of their properties. This UGB adjustment meets the goal of establishing an adequate factual basis for land use planning.

Goal 3 - Agricultural Land

To preserve and maintain agricultural lands.

Finding 3C: The 80-acre portion of the DSL property to be brought in to the UGB is currently zoned EFU3; however, the subject site is not employed in farm use practices, as defined by ORS 215.203 and is not suitable for such uses due to the soil characteristics. The site is undeveloped with scattered juniper trees and natural grasses. This UGB adjustment meets the goal of preserving agricultural land as no viable agricultural land will be affected.

Goal 4 - Forest Lands

To preserve forest lands for forest use.

Finding 3D: The proposed UGB expansion does not include forest land; therefore it is consistent with Goal 4.

Goal 5 - Open Space, Scenic and Historic Areas, and Natural Resources

To conserve open space and protect natural and scenic resources.

Finding 3E: The subject property has not been included in any inventory of needed open space or scenic areas, nor has it been identified in either the Prineville or Crook County Comprehensive Plans as having any historic or cultural resources which need to be preserved and/or protected. Therefore, the proposed UGB Adjustment is consistent with Goal 5.

Goal 6 - Air, Water, and Land Resources Quality

To maintain and improve the quality of the air, water and land resources of the state.

Finding 3F: The City of Prineville has sufficient regulatory measures in place so as to ensure that subsequent development of the subject properties will not produce any unanticipated impacts resulting from the proposed UGB adjustment. As this is a UGB adjustment, with no net gain in developable land, there will be no greater impact on air, water and land resources quality than would be without the amendment. Therefore, the proposed UGB adjustment is consistent with Goal 6.

Goal 7 - Areas Subject to Natural Disasters and Hazards

To protect life and property from natural hazards.

Finding 3G: The UGB adjustment area is up the grade from the Ochoco Creek and Crooked River and is well out of any flood zone. There are no steep slopes or other potential hazards identified in this area, beyond what could be typically expected from any property in the Central Oregon region. This proposed UGB adjustment is consistent with Goal 7.

Goal 8 - Recreational Needs

To satisfy the recreational needs of the citizens of the state.

Finding 3H: There are no recreational needs identified in or near the UGB adjustment area on the either the City or County Comprehensive Plan, the Parks and Recreation District Comprehensive Parks & Trails Plan, or any other local, state or federal document. The adjacent properties already within the UGB are designated for industrial development. The proposed UGB expansion is consistent with Goal 8 as there are no identified recreational needs associated with the subject sites.

Goal 9 - Economy of the State

To diversify and improve the economy of the State.

Finding 3I: The Statewide Economic Development Goal requires that local land use plans "provide for an adequate supply of sites of suitable sizes, types, locations, and service levels for a variety of industrial and commercial uses consistent with plan policies". Goal 9 is intended to be applied on a community wide basis and requires that future economic growth be accommodated, in part, by ensuring that there is sufficient suitable land planned and zoned for commercial and industrial uses. The proposed UGB expansion is consistent with Goal 9 as it is creating a site of size and shape deemed suitable for data center development.

Goal 10 - Housing

To provide for the housing needs of the citizens of the state.

Finding 3J: There is no impact on Goal 10 as this UGB adjustment involves only land currently zoned industrial and land that will be zoned industrial.

Goal 11 - Public Facilities and Services

To plan and develop a timely, orderly, and efficient arrangement of public facilities and services to serve as a framework for urban and rural development.

Finding 3K: Since this is a UGB adjustment, with no net gain or loss of land, there are no additional infrastructure impacts associated with the action. In fact, there could be significant efficiencies gained by allowing a more compact, campus-style development on the subject sites. As the 80 acres proposed to be added to the UGB is adjacent to the site from which 80 acres will be removed, there is no additional public facilities planning that needs to take place with this proposed UGB adjustment and it is, therefore, consistent with Goal 11.

Goal 12 - Transportation

To provide and encourage a safe, convenient, and economic transportation system.

Finding 3L: Since this is a UGB adjustment, with no net gain or loss of land, there is no additional impact on the transportation system. The City of Prineville and Crook County recently adopted the Highway 126 Corridor Plan, which sufficiently addresses the potential traffic impacts of development on the subject properties. This proposed UGB adjustment is consistent with Goal 12.

Goal 13 - Energy Conservation

To conserve energy.

Finding 3M: Specific energy conservation policies and development standards are included within the Comprehensive Plan and Land Use and Development Ordinances to ensure that the Statewide Energy Conservation Goal is implemented on a site specific basis at the time of property development. As there is no net increase in land available for industrial development, this proposed UGB adjustment will have no net increase on energy usage. In fact, the efficiencies created by allowing a campus style development may actually improve energy conservation; therefore, this proposed UGB amendment is consistent with Goal 13.

Goal 14 – Urbanization

To provide for an orderly and efficient transition from rural to urban land use.

Finding 3N: The proposed UGB Amendment will allow the subject sites to develop industrial uses in a more orderly and efficient manner than would be likely in their current, elongated configuration. It facilitates the transition from rural land to urban industrial land and is therefore consistent with Goal 14.

4. Oregon Administrative Rules

660-024-0070

UGB Adjustments

(1) A local government may adjust the UGB at any time to better achieve the purposes of Goal 14 and this division. Such adjustment may occur by adding or removing land from the UGB, or by exchanging land inside the UGB for land outside the UGB. The requirements of section (2) of this rule apply when removing land from the UGB. The requirements of Goal 14, this division, and ORS 197.298 apply when land is added to the UGB, including land added in exchange for land removed. The requirements of ORS 197.296 may also apply when land is added to a UGB, as specified in that statute. If a local government exchanges land inside the UGB for land outside the UGB, the applicable local government must adopt appropriate rural zoning designations for the land removed from the UGB before the local government applies 197.298 and other UGB location requirements necessary for adding land to the UGB.

Finding 4A: This proposed UGB adjustment is consistent with item (1) as it exchanges land inside the UGB for land outside the UGB to better achieve the purposes of goal 14. The 80 acre portion of the PMB site to be removed from the UGB is identified as part of Area 6B in the final 2004 Prineville UGB Expansion Report. This report states the following in regard to the PMB site:

Current Plan & Zoning: The acknowledged 1979 County Plan-Zoning Map shows the existing County Plan and Zoning designations as Industrial Development

Prior to annexation into the City following the 2004 UGB expansion, this site was zoned LM Light Industrial. In order to meet the requirement to "adopt appropriate rural zoning designations", the 80 acres to be removed from the UGB will be rezoned to the County LM Light Industrial designation.

(2) A local government may remove land from a UGB following the procedures and requirements of ORS 197.764. Alternatively, a local government may remove land from the UGB following the procedures and requirements of 197.610 to 197.650, provided it determines:

Finding 4B: The City is submitting this proposed UGB Amendment in accordance with the procedures and requirements of 197.610 to 197.650, as justified below.

(a) The removal of land would not violate applicable statewide planning goals;

Finding 4C: As demonstrated in the findings above, the proposed UGB adjustment is consistent with each of the statewide planning goals.

(b) The UGB would provide a 20-year supply of land for estimated needs after the land is removed, taking into consideration land added to the UGB at the same time;

Finding 4D: The proposed UGB adjustment is an 80 acre for 80 acre swap with no net gain or loss in land; therefore the 20-year land supply is unchanged.

(c) Public facilities agreements adopted under ORS 195.020 do not provide for urban services on the subject land unless the public facilities provider agrees to removal of the land from the UGB;

Finding 4E: No urban services are currently provided to the area proposed to be removed from the UGB, nor would they be provided once it is removed until such time as this area is brought back into the UGB.

(d) Removal of the land does not preclude the efficient provision of urban services to any other buildable land that remains inside the UGB; and

Finding 4F: The subject properties are on the edge of the UGB and there are no properties within the UGB to the south or west of the area to be removed.

(e) The land removed from the UGB is planned and zoned for rural use consistent with all applicable laws.

Finding 4G: As discussed previously, the 80 acres to be removed from the UGB will be rezoned to County zone LM Light Industrial, the rural designation it had prior to being

annexed into the UGB and city limits. This criteria will be met as the zone change will take place concurrently with the UGB adjustment.

(3) Notwithstanding sections (1) and (2) of this rule, a local government considering an exchange of land may rely on its acknowledged population forecast and land needs analysis, rather than adopt a new forecast and need analysis, provided:

(a) The amount of buildable land added to the UGB to meet a specific type of residential need is substantially equivalent to the amount of buildable land removed, or the amount of suitable and developed employment land added to the UGB to meet a specific type of employment need is substantially equivalent to the amount of suitable and developed employment land removed, and

(b) The local government applies the same comprehensive plan designations and, if applicable, the same urban zoning to the land added to the UGB such that the land added is designated for the same uses and at the same housing or employment density as the land removed from the UGB.

Finding 4H: The amount of buildable land proposed to be added (80 acres) is substantially equivalent to the amount of buildable land proposed to be removed from the UGB (80 acres). The land to be removed is currently zoned light industrial; the land to be added will also be zoned light industrial. These criteria are met; therefore no new population forecast or lands need analysis is required.

5. Oregon Revised Statutes

ORS 197.298¹

Priority of land to be included within urban growth boundary

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

(a) First priority is land that is designated urban reserve land under ORS 195.145 (Urban reserves), rule or metropolitan service district action plan.

Finding 5A: The City of Prineville has no land designated urban reserve; therefore, there is no first priority land.

(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 acknowledged comprehensive plan as an exception area or nonresource land. Second priority may include resource land that is completely surrounded by exception areas unless such resource land is high-value farmland as described in ORS 215.710 (High-value farmland description for ORS 215.705).

Finding 5B: The 80 acres of the DSL property proposed to be added to the UGB is nonresource land and, therefore qualifies as second priority for inclusion in the UGB. The nonresource designation is based on the soil capability ratings of Class VII+, extensive rock contents of the soils, and the complete absence of water for irrigation.

Conclusions and Recommendation

Based on the findings above, comments received at the public hearing on July 17, 2012, and deliberation among the City and County Planning Commissioners, the City of Prineville Planning Commission has determined that the proposed UGB adjustment, map amendment, and zone changes are consistent with the City's Zoning Ordinance and Comprehensive Plan as well as state Planning Goals, statutes and administrative rules. Therefore, the Planning Commission recommends that City Council approve the proposal as presented in this report and as described in Exhibit A.

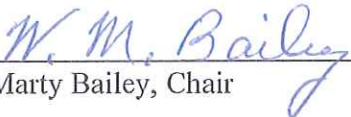

Marty Bailey, Chair

Exhibit C

City of Prineville and Crook County, Oregon

CONSENT TO BOUNDARY AMENDMENTS

PROPERTY, URBAN GROWTH BOUNDARY AND CITY LIMITS

The below listed property owners and/or their designated legal representatives, having real interest in and/or authority to officially represent the legal land owners of the properties identified below, do hereby consent and agree to allowing the City of Prineville and Crook County, Oregon, to initiate amendments to their parcel boundaries, annexation status and Urban Growth Boundary (UGB) inclusion.

Such consent is granted to support collective efforts make the below listed properties more attractive to prospective industrial site selectors and the industries they represent. Both properties are vacant, void of development thus no electors reside within such territories.

The intended Boundary Amendments will result in:

- A. Reconfiguring the two adjacent, rectangular, approximately 160 acre parcels, into two adjacent, square properties each approximately 160 acres.
- B. The Living Waters property, TL 1224, will be reconfigured [as the north ½ of Tax Lots 1224 and 2300] to become the northerly 160 acre property while the DSL Millican Road property, TL 2300, will be reconfigured [as the south ½ of Tax Lots 1224 and 2300] to becomes the southerly 160 acre property- each directly abutting Millican Road.
- C. The Prineville UGB and city limits will be adjusted to include the entire reconfigured Living Waters property [the north square] which is currently within the Prineville UGB and city limits.
- D. The reconfigured DSL property [the south square], currently outside of Prineville UGB will remain so.
- E. The DSL property being ready for application for inclusion with the Prineville UGB and city limits.

The property owners as well as City of Prineville and Crook County support these collective boundary adjustment efforts as well as concurrent efforts to bring the remainder of the properties listed above and below into the Prineville UGB and city limits to further support industrial employment opportunities and initiatives.

This consent may be withdrawn by either property owner.

PROPERTIES CONSENTING TO BOUNDARY AMENDMENTS

A. Living Waters Industrial Site T15S-R15E-14; Tax Lot 1224 158.94 acres

Property Owner or

Authorized Representative:

Signature, Title:

Date

PrimerWest Bank
Letitia M. M. Raney, VP
[Signature] VP

5/10/12

B. DSL Millican Road Site T15S-R15E-14; Tax Lot 2300 159.67 acres

Authorized Representative:

Signature, Title:

Date

John Russell
[Signature] Asset Manager

5/11/12