



# City of Prineville

## DEPARTMENT OF PLANNING & COMMUNITY DEVELOPMENT

### STAFF REPORT

#### Prineville Planning Commission Staff Report

**Date:** November 20, 2012

**File No.:** AM-2014-103

**Applicant/Owner:** Crook County

**Location:** Township 15, Range 15, Tax Lot

**Notice to DLCD:** 10/29/2014

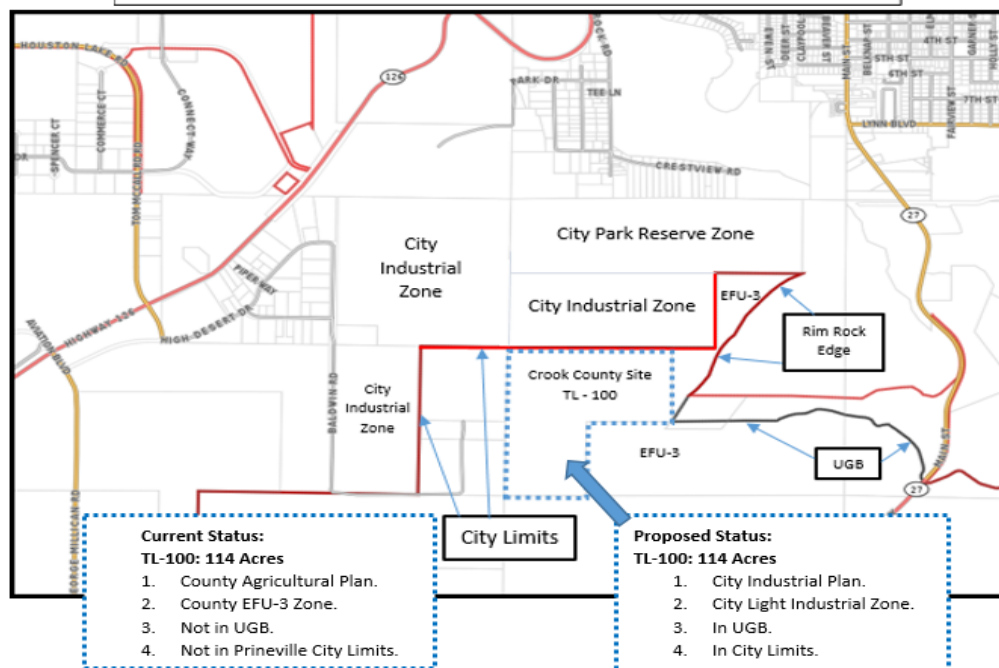
**Newspaper Notice:** Planning Commission Notice – 11/18/14 and 11/25/14  
City Council Notice – 12/2/14 and 12/9/14

**Public Hearing:** Planning Commission - 12/2/14  
City Council - 12/17/14

**Staff:** Phil Stenbeck, Planning Director

**Proposal:** Crook County proposes to add 114 acres of land to the Prineville Urban Growth Boundary and City Limits. The proposed land use designation is Industrial Land and would be an expansion of the adjacent Industrial site.

Legislative Amendment proposing a UGB Expansion, Comprehensive Plan and  
Zone Map Amendment and Annexation  
T15S, R16E, S07, TL 100 - Baldwin Road Area - 114 Acres



## **Summary**

The City of Prineville expanded its urban growth boundary in 2004, adding 750 acres of industrial land on top of the grade in the southwest area of the community. The Prineville Urban Area Comprehensive Plan (adopted in 2007) indicates that this was not enough industrial land to meet the anticipated 20-year absorption. Due to land that was zoned industrial at that time but not appropriate for industrial development (primarily due to proximity to residential properties), the plan concludes that an additional 643 acres is needed to meet the industrial land need.

Since that time, the city's industrial land inventory has been reduced by 280 acres due to development of the Facebook and Project Pillar data centers. Making the total Industrial land need equal 923 acres. The City then added 160 acres (DSL property) in 2012 and added 96 acres (Crook County owned land) to the Prineville UGB reducing the industrial land need from 923 acres to 667 acres. There are a number of factors that contribute to the proposed Crook County property being identified as the ideal site to meet this land need, including:

- The property is similar in size and dimensions and is located in close proximity to the Project Pillar site, thereby representing a "like-kind" replenishment.
- The 114-acre size combined with the County's adjacent ownership are ideal in size and shape for high tech industrial development.
- The County property ownership is immediately east and southeast of a developed industrial property of similar size and dimensions, thereby providing the potential for expansion of an existing already built data center development. In the past, the adjacent industrial site land owner has expressed some interest in the site.
- There exists sufficient capacity in all public utilities to efficiently serve this site.
- The 96 acre northern portion of the site owned by Crook County is already in the Prineville UGB and City Limits and is planned and zoned as industrial land.

The following findings are intended to support staff's opinion that the addition of this 114 acre site is ideal for the future economic benefit of the Prineville community and is consistent with and justified by local and state UGB policies.

## **Staff Findings**

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

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:** This proposal is for a Plan Map amendment. As such it is subject to the process outlined above. The purpose of the public hearing is to make a recommendation to the City Council on the proposed amendment based on this staff report, the materials submitted by the applicant, and all comments and considerations raised through the land use application and hearings process.

## **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 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, select community aspects covered by these chapters may eventually be affected by future development on the subject site although the recent data center development history represents minimal long-term community impacts.

Chapter 6 deals with transportation and circulation. Since the adoption of the Comprehensive Plan in 2007, the Highway 126 Corridor Study was completed. This study included an evaluation of the Tom McCall and George Millican Road intersections which serve the proposed UGB expansion area. The OR 126 Corridor Plan has been adopted as part of the City's TSP. The Tom McCall Road/Highway 126 interchange which serves the proposed UGB expansion area is scheduled for improvement beginning in 2016. Redevelopment of the Tom McCall Road/Highway 126 interchange will add more than sufficient capacity to serve the proposed addition of 114 acres to the Prineville UGB. Staff finds the 126 Corridor Plan includes sufficient unused and undedicated capacity to serve the transportation needs of the subject property when developed to the proposed urban industrial uses. The development of the subject property will fit with the timing of future traffic improvement measures already identified and planned for, thus avoiding any chance of negatively impacting intersection/TSP capacity performance. Staff finds

that there is no significant impact on the existing transportation system caused by this proposal due to significant TSP planning efforts already underway which will redevelop the Tom McCall Road/Highway 126 interchange prior to development of this proposed Industrial Site.

Chapter 8 deals with public services and facilities. The City Engineer has analyzed the Water and Sewer Impact from the proposed expansion request and has found there to be adequate capacity in both systems to serve the urban industrial development of the subject property without detriment to other properties already located within the existing City of Prineville Urban Growth Boundary. In 2014, the City completed construction of a million gallon water tank which has added significant water capacity for serving the City, and more particularly the industrial area where this proposed UGB expansion is being requested.

Staff finds that there are no identified adverse impacts to public services and facilities due to the proposed UGB expansion and urban industrial development of the subject property. Public utilities and services are currently in proximity to the subject property and the proposed UGB amendment represents expansion of an industrial site that can be efficiently served without adversely impacting other properties in the vicinity or the Prineville UGB.

### ***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):** The proposed UGB expansion complies with Prineville Goal 1 Values and Policies as demonstrated by the following findings:

The subject property is in a location that will not disrupt the functions of other adjacent and nearby land uses. In fact, adding the subject property to the UGB and Prineville's industrial land supply is a benefit to the property to the immediate north (owned by Crook County) in that the two properties complement each other. Inclusion of the Crook County property in the UGB would effectively create an opportunity for expansion of an existing industrial development immediately to the west. This proposed expansion opportunity at this size and scale is a rare opportunity that is not available with any other property in the Prineville UGB.

The subject property is surrounded by industrial and EFU zoned lands and thus located away from residential neighborhoods thereby not causing any negative impacts to residential areas. The subject property/proposed UGB expansion area is located within Prineville's prime light industrial area, thereby maximizing available infrastructure investments and capacity.

Adding the Crook County property to the UGB and industrial land supply, more particularly with the 96 acres of industrial land to the north, substantially increases the potential for industrial based jobs within the City Limits of Prineville. Both properties together represent a rare 210 acre industrial site.

The subject property/UGB expansion area is located in the southwest area of town near the airport and therefore poses little to no direct operational impact on transportation systems downtown or outside of the airport industrial area. The ODOT approved OR 126 Corridor Plan has identified future improvements needed for the intersection of Hwy 126 and George Millican Road/Tom McCall Road. The identified improvements have funding available for redevelopment and are scheduled to begin this process in 2016. Development of the subject property will financially contribute to the identified TSP improvements beginning the redevelopment process. City and County staff have determined that development of the site will not impact airport operations.

Based upon the specific findings above, staff finds that the proposed UGB amendment supports the Goal 1 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 proposed UGB expansion complies with Prineville Goal 2 Values and Policies and Program elements as this chapter deals with the City periodically evaluating and expanding its urban growth boundary to ensure a 20-year supply of available land. This UGB expansion request directly addresses the 20-year industrial land supply requirement by replenishing the industrial land supply. This City of Prineville Urban Area Comprehensive Plan (adopted in 2007) indicated that an additional 643 acres of industrial land was needed.

Since that time, the city's industrial land inventory has been reduced by 280 acres due to development of the Facebook and Project Pillar data centers. Making the total Industrial land need equal 923 acres. The City then added 160 acres (DSL property) in 2012 and added 96 acres (Crook County owned land) to the Prineville UGB reducing the industrial land need from 923 acres to 667 acres.

This UGB expansion proposal will help Prineville be in compliance with the 20-year vacant industrial land requirement. Given the recent Facebook and Apple data center developments, along with the stated need for additional industrial land in the Comprehensive Plan, staff finds that the proposed UGB amendment is justified both to supply needed industrial land and to replenish consumed vacant industrial land supply. Therefore, staff finds this UGB amendment to be consistent with the values and policies listed in Prineville Goal 2 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):** According to experts in the data center industry, large, square shaped parcels are preferred for data center development due to efficiencies of developing a square, campus style site plan (as opposed to a long, narrow rectangular parcel). Development of the subject property (especially if coordinated with the development of the adjacent site) as an industrial 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

Prineville Goal 3 section. In regard to alternative modes of transportation, facilitating a coordinated campus-style master plan will increase the likelihood that the development could eventually encourage or implement alternative transportation modes. Staff finds that the proposed UGB expansion will broaden land development options and encourage/support master planned development and therefore is consistent with the Prineville Goal 3 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 directly related to this proposed UGB amendment as they are to be implemented through other City policies. However, by allowing the subject property 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 availability of a 96 acre site under the same ownership, immediately to the north further increases economic sustainability related to including this site in the UGB as it provides an increased light industrial opportunity for large industrial site users. The more support for efficient industrial site design, the greater the 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 proposed UGB expansion will substantially enhance site marketing and development opportunities and therefore 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):** This UGB expansion proposal does not negatively impact any of the values, policies or programs listed under this goal. In fact, creating the opportunity for a large industrial site/campus concept through the UGB expansion or amendment could have a positive impact in relation to growth management. As discussed above, there are certain efficiencies when utilizing a campus style development that can reduce impacts on public facilities. Furthermore, this UGB expansion proposal makes the subject property and the jointly owned Crook County site more readily developable and may reduce the need to add further additional land to the UGB to meet the needs of large lot industries. Staff finds that the proposed UGB amendment is consistent with Goal 5 values and policies stated above.

*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 and to ensure public facilities are planned to support development of the land, with special emphasis on protecting large industrial lots for industries that need land at that scale. This UGB expansion proposal supports these values, policies and programs as it will add to the industrial land inventory a 114 acre site. To the immediate north is an additional 96 acres of industrial land under the same ownership, which makes both immediately to the east of a newly developed data center. The UGB expansion in this location positions land for expansion of an industrial use if the need arises.

As established previously in this report, 667 acres of industrial land are needed within the Prineville UGB for the City to comply with the 20 year land supply requirements indicated by policy in the City's Comprehensive Plan. This UGB expansion action replenishes 114 acres of the needed 667 acres. Expanding the UGB to replenish this used land supply directly complies with Goal 1 of Chapter 5; therefore, staff finds that the Crook County UGB expansion proposal is consistent with the values, policies and programs listed above in Chapter 5, Goal 1.

*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 program deal with the need for public-private partnerships to work toward continued economic development. The City of Prineville, Crook County and Economic Development for Central Oregon (EDCO) have all coordinated in support of this UGB expansion proposal which represents a cooperative effort. The City, County and EDCO developed an enterprise zone to help draw new industrial job producing businesses to Prineville. This site is within that enterprise zone, which establishes one more way this site fits with the City long range planning for job growth in Prineville. The program listed in Chapter 5, Goal 2 above specifically identifies technology based industry, the recruitment of which is a primary target of this UGB expansion proposal. Staff finds that the Crook County UGB expansion/Annexation proposal supports strategic economic development and is consistent with the values, policies and programs listed above in Chapter 5, Goal 2.

### **3. State Planning Goals**

#### *Goal 1- Citizen Involvement*

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

**Finding 3A:** Processing of this UGB expansion proposal is following the City of Prineville Code requirements for a boundary amendment process which includes published newspaper notice, mailed notice to neighboring property owners, 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 expansion/Annexation proposal 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:** This proposed UGB amendment is to replenish used vacant land supply and established Comprehensive Plan inventory needs in order to maintain a 20-year industrial land inventory. State law, as well as Prineville Comprehensive Plan policies, values and programs, all require the City to maintain a 20-year vacant land supply. Additionally, the motivation for the Crook County property is based on information provided by data center 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 other data center site selection representatives, demonstrates that there is a demand for this type of vacant land in Prineville. Staff finds that this UGB expansion/Annexation meets the goal of establishing an adequate factual basis for land use planning.

*Goal 3 - Agricultural Lands*

*To preserve agricultural lands for agricultural use.*

**Finding 3C:** The 114 acre subject property is adjacent to the Prineville UGB and city limits, and is adjacent to a newly developed data center which is zoned M1 (light industrial). The property owned by Crook County is adjacent to additional County ownership which is in Prineville City Limits and UGB and is zoned Light Industrial. Adding this property to the UGB and City Limits, puts the entire County owned property within City Limits. The portion of the County landownership outside of the UGB and City Limits is currently zoned EFU3; however, the subject property 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 and lack of irrigation water rights. The site is undeveloped with scattered juniper trees and natural grasses. Staff finds this UGB amendment 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/Annexation 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 noteworthy natural, historic or cultural resources which need to be preserved and/or protected. The USFW service have indicated that there is a raptor nest in the area. This location is noted and future development of the property will include mitigation measures designed to not disturb the nest and allow full build out of the site when the site is developed. Staff finds the proposed UGB expansion/Annexation 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 to ensure that subsequent development of the subject property will not produce unanticipated impacts resulting from the proposed UGB Amendment/Annexation. Any identified potential impacts on air, water and land resources quality will be addressed and mitigated for at time of site specific development review. It is only at time of actual project review and approval that the impacts of such development can be identified, evaluated, and effectively mitigated. Therefore, staff finds the proposed UGB amendment/Annexation 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 amendment/Annexation site is up the grade from 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. Staff finds this proposed UGB expansion/Annexation 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 on the proposed UGB amendment/Annexation area in 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 County owned property is already within the City of Prineville UGB and is zoned for industrial development. Staff finds the proposed UGB expansion/Annexation is consistent with Goal 8 as there are no identified recreational needs associated with the subject property.

*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/Annexation is consistent with Goal 9 as it is creating a site of size and shape deemed suitable for data center/high tech industry development. Given the County owned property is immediately east of a data center indicates the property is a prime site to market for industrial development. This locational characteristic makes the subject property a uniquely strategic addition to the Prineville City Limits and Industrial land supply.

*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 expansion/Annexation involves land currently zoned agricultural 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:** The Prineville City Engineer has analyzed the Water/Sewer Impact of providing sewer and water service to the subject property and found the existing City of Prineville Water and Wastewater systems have the capacity to serve this property without detriment to other properties already located within the existing City of Prineville Urban Growth Boundary. Therefore, staff finds the proposed UGB Amendment is consistent with Goal 11.

*Goal 12 - Transportation*

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

**Finding 3L:** The City of Prineville and Crook County have adopted the Highway 126 Corridor Plan, which sufficiently addresses the potential traffic impacts of development on the subject property. The Tom McCall Road/Highway 126 interchange which serves the proposed UGB expansion area is scheduled for improvement beginning in 2016. Redevelopment of the Tom McCall Road/Highway 126 interchange will add more than sufficient capacity to serve the proposed addition of 114 acres to the Prineville UGB and City Limits. Staff finds the OR 126 Corridor Plan includes sufficient unused and undedicated capacity to serve the transportation needs of the subject property when developed to the proposed urban industrial uses. The development of the subject property will fit with the timing of future traffic improvement measures already identified and planned for, thus avoiding any chance of negatively impacting intersection/TSP capacity performance. Staff finds that there is no significant impact on the existing transportation system caused by this proposal due to significant TSP planning efforts already underway which will redevelop the Tom McCall Road/Highway 126 interchange prior to development of this proposed Industrial Site. Staff finds this proposed UGB expansion is consistent with Goal 12 as demonstrated.

*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 specific development proposal for the subject property currently, it is completely uncertain what, if any, impact the proposed UGB expansion and Annexation will have on energy usage. Many high tech firms pride themselves as green industries which promote alternative energy sources and zero emission operations. The efficiencies created by allowing a large campus style development may actually improve energy conservation; therefore, staff finds this proposed UGB expansion/Annexation 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 expansion/Annexation will allow the subject property to develop industrial uses in an orderly and efficient manner according to market demand and available infrastructure. The subject property can be cost effectively developed given the nearby presence of private and public infrastructure with adequate capacity to serve the site. Staff finds the inclusion of this site in the Prineville UGB and City Limits facilitates the transition from rural land to urban industrial land and is therefore consistent with Goal 14.

#### **4. Oregon Administrative Rules**

##### **OAR 660-009-0015**

##### ***Economic Opportunities Analysis***

*(1) Review of National, State, Regional, County and Local Trends. The economic opportunities analysis must identify the major categories of industrial or other employment uses that could reasonably be expected to locate or expand in the planning area based on information about national, state, regional, county or local trends. This review of trends is the principal basis for estimating future industrial and other employment uses as described in section (4) of this rule. A use or category of use could reasonably be expected to expand or locate in the planning area if the area possesses the appropriate locational factors for the use or category of use. Cities and counties are strongly encouraged to analyze trends and establish employment projections in a geographic area larger than the planning area and to determine the percentage of employment growth reasonably expected to be captured for the planning area based on the assessment of community economic development potential pursuant to section (4) of this rule.*

**Finding 4A:** In the last Comprehensive Plan update, the City of Prineville identified the vacant land need for large industrial parcels in proximity of the west side airport industrial area (Chapter 5- Economy: pages 81-85). According to the Comprehensive Plan, even after the 2007 UGB expansion the city was still in need of an additional 643 acres of industrial land. The recent data center developments (Facebook and Project Pillar) further depleted the available industrial land by 280 acres. Such data centers represent minimal employment opportunities as data centers employ fewer persons per acre than conventional industrial activities and fewer persons per acre

than anticipated in the Plan. Therefore, the need for this land supply availability remains essentially as it was before data center market entry and site/land usage. This proposed addition of industrial land fits with the City's replenish strategy and will help the city remain competitive for large lot and data center industrial site selection. Staff finds that, due to the industrial land need identified in the Comprehensive Plan along with the absorption of land by data centers since that document was adopted, the existing economic opportunities analysis within the Comprehensive Plan meets the requirements of this OAR.

*(2) Identification of Required Site Types. The economic opportunities analysis must identify the number of sites by type reasonably expected to be needed to accommodate the expected employment growth based on the site characteristics typical of expected uses. Cities and counties are encouraged to examine existing firms in the planning area to identify the types of sites that may be needed for expansion. Industrial or other employment uses with compatible site characteristics may be grouped together into common site categories.*

**Finding 4B.** The 2007 Prineville Urban Area Comprehensive Plan update identified the need for large, vacant industrial properties in Chapter 5, Economy, Large Acreages Needed (pages 84 & 85). These sites have recently been consumed by data center developments and the intention of this UGB Amendment/Annexation is to replace or replenish some of those needed lands. While data centers are not the only type of development Prineville is trying to attract, the presence of two very high profile companies indicates that this is a niche for which the community is well positioned for future development. Based on discussions with Economic Development for Central Oregon (EDCO) staff, Business Oregon staff and site selectors, the following are some of the key site criteria for data centers:

- Affordable electric power
- Municipal water and sewer capacity
- Robust telecom infrastructure
- Ability to attract technical talent to operate data center facilities
- Climate that can significantly lower power usage
- Large (160+ acre) property with relatively uniform dimensions
- Ability to expand primary and/or support uses on adjacent properties

Staff finds that the proposed UGB expansion/Annexation area is consistent with each of these site selection criteria and is therefore a suitable site for data center development, as well as other high tech/industrial development seeking similar site criteria.

*(3) Inventory of Industrial and Other Employment Lands.*

*(b) When comparing current land supply to the projected demand, cities and counties may inventory contiguous lots or parcels together that are within a discrete plan or zoning district.*

*(c) Cities and counties that adopt objectives or policies providing for prime industrial land pursuant to OAR 660-009-0020(6) and 660-009-0025(8) must identify and inventory any vacant or developed prime industrial land according to section (3)(a) of this rule.*

**Finding 4C:** This inventory was completed as part of the 2004 UGB expansion, the findings of which were formalized in the 2007 City of Prineville Urban Area Comprehensive Plan. As stated previously, this plan evaluated the existing inventory and determined that an additional

667 acres of industrial land is necessary to meet the 20-year need. Staff finds that the existing inventory of industrial lands and economic opportunities analysis is sufficient to justify this UGB expansion/Annexation.

*(4) Assessment of Community Economic Development Potential. Relevant economic advantages and disadvantages to be considered may include but are not limited to:*

*(b) Availability of transportation facilities for access and freight mobility;*

*(c) Public facilities and public services;*

*(d) Labor market factors;*

*(e) Access to suppliers and utilities;*

*(f) Necessary support services;*

**Finding 4D:** The proposed UGB expansion/Annexation site is consistent with the listed economic considerations. Transportation facilities and public facilities have been assessed elsewhere in this document and have been found to be sufficient for data center, high tech and industrial development. The presence of two high profile data center developments in the immediate area demonstrate the community can support this type of development with suppliers, utilities and support services. Staff finds this UGB expansion/Annexation is consistent with this criteria.

**OAR 660-009-0020**

***Industrial and Other Employment Development Policies***

*(1) Comprehensive plans subject to this division must include policies stating the economic development objectives for the planning area. These policies must be based on the community economic opportunities analysis prepared pursuant to OAR 660-009-0015 and must provide the following:*

*(a) Community Economic Development Objectives. The plan must state the overall objectives for economic development in the planning area and identify categories or particular types of industrial and other employment uses desired by the community. Policy objectives may identify the level of short-term supply of land the planning area needs. Cities and counties are strongly encouraged to select a competitive short-term supply of land as a policy objective.*

**Finding 4E:** The Community Economic Development Objectives are well documented in the Prineville Comprehensive Plan, Chapter 5- Economy, specifically in the sections titled: Assumptions and Trends [page 61]; Access and Location [page 62]; Alternatives to Access Difficulties [page 62]; The “Core” Commercial and Other Commercial Areas [page 63]; and Industrial Areas [page 63]. Pages 64 and 65 list the factors identified affecting Prineville’s economy including: Types of Businesses; Business Operations; Regional Development Factors; Business Climate Factors; and Livability and Image. Staff finds the City’s Comprehensive Plan meets the requirements indicated above.

*(c) Commitment to Provide Adequate Sites and Facilities. The plan must include policies committing the city or county to designate an adequate number of sites of suitable sizes, types and locations. The plan must also include policies, through public facilities planning and transportation system planning, to provide necessary public facilities and transportation facilities for the planning area.*

**Finding 4F:** Pages 78 through 86 of the Prineville Comprehensive Plan deal with industrial land needs including:

Industrial Lands Inventory Needs Analysis [pages 78-82];

Industrial Land Need Forecast [page 82];

Constrained Industrial Lands [pages 82-83];

Properly Located Industrial Lands [page 83];

Industrial Land Prices- Supply and Demand [pages 83-84];

Large Acreages Needed [pages 84-85]; and

Existing/Proposed Industrial Opportunities- Industrial Land Site Requirements [pages 85-86].

Supporting Economic Values and Policies are found on page 89 supporting 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 and on pages 90 and 91 supporting Goal # 2: Develop an “Economic Development Strategic Plan” and other mechanisms necessary for supporting and enhancing the local economy. Staff finds the comprehensive plan meets the requirements indicated above.

*(2) Plans for cities and counties within a Metropolitan Planning Organization or that adopt policies relating to the short-term supply of land, must include detailed strategies for preparing the total land supply for development and for replacing the short-term supply of land as it is developed. These policies must describe dates, events or both, that trigger local review of the short-term supply of land.*

**Finding 4G:** Found on page 89 of the Plan is 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 as well as supporting Economic Values and Policies which articulate specific reviews and actions including:

Goal #1-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.
- Urban reserve planning will be needed to project growth beyond the 20-year period imposed by the State of Oregon.
- 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.

Found on pages 90 and 91 is Goal # 2: Develop an “Economic Development Strategic Plan” and other mechanisms necessary for supporting and enhancing the local economy as well as supporting Economic Values and Policies which articulate specific reviews and actions including:

**Goal #2- 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.
- SDC charges must be carefully monitored and evaluated to ensure that development pays its own way while not creating obstacles to desired development.
- The adoption and implementation of a Downtown Enhancement Plan will help to ensure the long-term success of the urban core area.

Staff finds that these values and policies meet the requirements of this section.

*(6) Cities and counties are strongly encouraged to adopt plan policies pertaining to prime industrial land pursuant to OAR 660-009-0025(8).*

**Finding 4H:** Found on page 89 of the Plan is 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 as well as supporting Economic Values and Policies which articulate specific reviews and actions. Staff finds the Comprehensive Plan is consistent with this item.

*(7) Cities and counties are strongly encouraged to adopt plan policies that include additional approaches to implement this division including, but not limited to:*

*(f) Public/private partnerships*

**Finding 4I:** Found on pages 90 and 91 is Goal # 2: Develop an “Economic Development Strategic Plan” and other mechanisms necessary for supporting and enhancing the local economy as well as supporting Economic Values and Policies which include approaches to public/private partnerships:

## Goal #2- 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.
- Successful economic opportunities rely upon the communities' ability to support and connect various elements of the economic development into an integrated framework.
- Promoting an entrepreneurial climate for existing and new businesses is a key factor in strategic planning.
- Providing a strong public partnership with local businesses is key to successful economic development.
- Ensuring a high quality of life and the small town atmosphere is essential to addressing citizen concerns about growth and economic development.
- The State of Oregon transportation system (ODOT) has a significant effect upon the local community. Local groups and City decisions makers will need to establish good working relationships with ODOT to ensure coordination and quality development.

Staff finds the Comprehensive Plan is consistent with this item.

### **OAR 660-009-0025**

#### ***Designation of Lands for Industrial and Other Employment Uses***

*Cities and counties must adopt measures adequate to implement policies adopted pursuant to OAR 660-009-0020. Appropriate implementing measures include amendments to plan and zone map designations, land use regulations, public facility plans, and transportation system plans. (1) Identification of Needed Sites. The plan must identify the approximate number, acreage and site characteristics of sites needed to accommodate industrial and other employment uses to implement plan policies.*

**Finding 4J:** Chapter 5 is the Economy section of the Prineville Comprehensive Plan. Pages 78 through 86 of this section deal with industrial land needs including:  
Industrial Lands Inventory Needs Analysis [pages 78-82];  
Industrial Land Need Forecast [page 82];  
Constrained Industrial Lands [pages 82-83];  
Properly Located Industrial Lands [page 83];  
Industrial Land Prices- Supply and Demand [pages 83-84];  
Large Acreages Needed [pages 84-85]; and  
Existing/Proposed Industrial Opportunities- Industrial Land Site Requirements [pages 85-86].  
Economic Values and Policies are found on page 89 supporting 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. The above cited Plan elements identify the approximate number, acreage and site characteristics needed to accommodate projected industrial development and other employment uses. Staff finds that the addition of the subject property to

the UGB/City Limits is consistent with the above cited site characteristic preferences and is within the stated land need.

*(3) Short-Term Supply of Land. Plans for cities and counties within a Metropolitan Planning Organization or cities and counties that adopt policies relating to the short-term supply of land must designate suitable land to respond to economic development opportunities as they arise. Cities and counties may maintain the short-term supply of land according to the strategies adopted pursuant to OAR 660-009-0020(2).*

*(a) Except as provided for in subsections (b) and (c), cities and counties subject to this section must provide at least 25 percent of the total land supply within the urban growth boundary designated for industrial and other employment uses as short-term supply.*

*(b) Affected cities and counties that are unable to achieve the target in subsection (a) above may set an alternative target based on their economic opportunities analysis.*

*(c) A planning area with 10 percent or more of the total land supply enrolled in Oregon's industrial site certification program pursuant to ORS 284.565 satisfies the requirements of this section.*

**Finding 4K:** Prineville is in compliance with (3) (a-c) above in that: at least 25% of the total industrial land supply is managed as short term; the city has used the economic opportunities analysis and related elements of the Plan to establish targets and goals for industrial land supply and economic development opportunities; and at least 10% of the industrial land supply is enrolled in Oregon's industrial site certification program and the subject property is also committed to achieving UGB inclusion and annexation and assignment of urban industrial zoning.

*(6) Compatibility. Cities and counties are strongly encouraged to manage encroachment and intrusion of uses incompatible with industrial and other employment uses. Strategies for managing encroachment and intrusion of incompatible uses include, but are not limited to, transition areas around uses having negative impacts on surrounding areas, design criteria, district designation, and limiting non-essential uses within districts.*

**Finding 4L:** The City of Prineville has historically had significant conflicts between neighboring industrial and residential uses. One of the ways the community is proactively trying to avoid such conflicts in the future is the establishment of the prime industrial areas up the grade and to the southwest of the greater portion of the city. Locating new industrial uses in the airport development area is strategic for segregating uses as well as minimizing transportation and other impacts on the rest of the community. The proposed UGB amendment/Annexation area is located within this portion of the city and will not have issues related to conflicting uses on neighboring residential properties.

*(7) Availability. Cities and counties may consider land availability when designating the short-term supply of land. Available land is vacant or developed land likely to be on the market for sale or lease at prices consistent with the local real estate market. Methods for determining lack of availability include, but are not limited to:*

*(a) Bona fide offers for purchase or purchase options in excess of real market value have been rejected in the last 24 months;*

- (b) A site is listed for sale at more than 150 percent of real market values;*  
*(c) An owner has not made timely response to inquiries from local or state economic development officials; or*  
*(d) Sites in an industrial or other employment land category lack diversity of ownership within a planning area when a single owner or entity controls more than 51 percent of those sites.*

**Finding 4M:** The subject property is a proposed replacement or replenishment of vacant, large lot industrial land recently consumed by the Facebook and Project Pillar data center developments. The subject property is adjacent to one of the recently developed industrial sites. The subject property is served by the same infrastructure and transportation network as the new data center properties. Additionally, the 114-acre subject property is owned by the County which owns an adjacent 96 acre piece of industrial land thereby creating a large industrial site. Staff finds that the proposed UGB expansion supports the needed short term land supply for the community.

*(8) Uses with Special Siting Characteristics. Cities and counties that adopt objectives or policies providing for uses with special site needs must adopt policies and land use regulations providing for those special site needs. Special site needs include, but are not limited to large acreage sites, special site configurations, direct access to transportation facilities, prime industrial lands, sensitivity to adjacent land uses, or coastal shoreland sites designated as suited for water-dependent use under Goal 17. Policies and land use regulations for these uses must:*

- (a) Identify sites suitable for the proposed use;*  
*(b) Protect sites suitable for the proposed use by limiting land divisions and permissible uses and activities that interfere with development of the site for the intended use; and*  
*(c) Where necessary, protect a site for the intended use by including measures that either prevent or appropriately restrict incompatible uses on adjacent and nearby lands.*

**Finding 4N.** The directives to identify and protect specially identified industrial lands in Prineville are found on page 89 of the Plan which includes 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 as well as the following Economic Values and Policies which articulate specific reviews and actions including:

**Goal #1-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.
- Urban reserve planning will be needed to project growth beyond the 20-year period imposed by the State of Oregon.
- 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.

Staff finds that the Comprehensive Plan meets the requirement for adopting policies related to uses with special site needs.

*OAR 660-015-0000(14)*

*(Effective April 28, 2006)*

*To provide for an orderly and efficient transition from rural to urban land use, to accommodate urban population and urban employment inside urban growth boundaries, to ensure efficient use of land, and to provide for livable communities.*

*Urban Growth Boundaries*

*Land Need*

*Establishment and change of urban growth boundaries shall be based on the following:*

*(1) Demonstrated need to accommodate long range urban population, consistent with a 20-year population forecast coordinated with affected local governments;*

**FINDING 4O:** The need for vacant industrial land supply was established in the last Comprehensive Plan update. Recent data center development has consumed substantial acreage thus continuing the vacant land need as determined by prior population forecasts.

*(2) Demonstrated need for housing, employment opportunities, livability or uses such as public facilities, streets and roads, schools, parks or open space, or any combination of the need categories in this subsection (2). In determining need, local government may specify characteristics, such as parcel size, topography or proximity, necessary for land to be suitable for an identified need.*

**FINDING 4P:** Prineville has specifically identified the need for large vacant industrial properties in the last Plan update. Recent data center development has consumed prime vacant large lot sites and the city now has a need to replenish these consumed lands and to meet the industrial land need established in the Comprehensive Plan update. The subject property is adjacent to recently developed industrial lands which are served by infrastructure designed to to serve industrial uses.

Additionally, the subject property can be combined with an adjacent vacant County owned property to avail a large acre industrial site. The subject property is strategically located to serve the large lot industrial land supply needs for the City of Prineville. Staff finds that the characteristics of the UGB expansion/Annexation site make it ideally suited to meet the stated need for industrial land.

[(2)- continued] *Prior to expanding an urban growth boundary, local governments shall demonstrate that needs cannot reasonably be accommodated on land already inside the urban growth boundary.*

**FINDING 4Q:** The proximity of this proposed UGB expansion/Annexation to the most recently developed data center in Prineville, positions the property at a location where the data center immediately to the west can readily expand, satisfying a need for industrial expansion opportunity for the data center. The subject property is strategically located along a major electricity transmission corridor and has immediate access to this essential utility. This is a strictly industrial area served with industrial capacity infrastructure. There is adequate undedicated infrastructure capacity to serve the subject property without adversely impacting existing and/or planned users. The OR Highway 126 Corridor Plan has identified future access standards and intersection mitigations of which the subject property readily fits into as shown earlier in the report. Finally, development of industrial lands in the vicinity of the airport industrial area directs site generated transportation impacts away from the city center and traffic sensitive areas of town. Staff finds that there are no other sites that can meet the potential expansion size needs of a data center expansion.

#### *Boundary Location*

*The location of the urban growth boundary and changes to the boundary shall be determined by evaluating alternative boundary locations consistent with ORS 197.298 and with consideration of the following factors:*

*(1) Efficient accommodation of identified land needs;*

**FINDING 4R:** The subject property is near major electric transmission lines and city infrastructure. It is adjacent to a similar sized developed parcel. The subject property is located on the west side of town such that site generated traffic will have the least impact on the overall community transportation network. Staff finds that industrial development in this area of town is the most efficient for expanding the industrial land base in order to meet the 20-year need.

*(2) Orderly and economic provision of public facilities and services;*

**FINDING 4S:** Water and sewer service are available from the adjacent developed property and from Baldwin Road. Major electricity transmission lines are available to the subject property. The planned 2016 combined Millican Road/Tom McCall intersection redevelopment will supply adequate uncommitted capacity to serve the development of the subject property and will timing wise not negatively impact the intersection. Staff finds that this UGB expansion/Annexation will facilitate orderly and economic provision of public services.

*(3) Comparative environmental, energy, economic and social consequences; and*

**FINDING 4T:** The subject property is located in an industrial area with no nearby residences, cultural resources or sensitive uses. The subject property does not contain resource lands needing protection nor would the development of the subject property adversely impact any resource land based activities - there is no active farming in the vicinity. Development of the subject property would conform with any and all conditions or restrictions imposed by the airport control zone and, therefore, would not adversely impact airport operations. The subject property is adjacent to or contains major electric transmission facilities and thus can be efficiently served with industrial power supply. Staff finds that this site has no comparatively negative environmental, energy, economic and social consequences in relation to other potential sites to be added to the Prineville UGB and City Limits.

*(4) Compatibility of the proposed urban uses with nearby agricultural and forest activities occurring on farm and forest land outside the UGB.*

**FINDING 4W:** There are no prime agricultural or forest resource lands or resource land activities in proximity of the subject property. The city has found that the EFU zoned land in the vicinity does not truly qualify as agricultural/resource land based upon soil characteristics and lack of irrigation water. There are no designated forest lands in the vicinity nor any forestland activity. ODFW does not identify any of this territory as critical or managed wildlife habitat. Staff finds that this proposed UGB amendment/Annexation is compatible with or has no effect on nearby agricultural and forest activities.

## **GUIDELINES**

### **A. PLANNING**

*1. Plans should designate sufficient amounts of urbanizable land to accommodate the need for further urban expansion, taking into account (1) the growth policy of the area; (2) the needs of the forecast population; (3) the carrying capacity of the planning area; and (4) open space and recreational needs.*

**FINDING 4X:** This proposed UGB Amendment is to replenish the land supply recently consumed by the Facebook and Project Pillar data center developments. The factors establishing this need within the city's population forecast and Comprehensive Plan remain including the need for vacant employment land to serve projected population growth/jobs forecast. Staff finds that current plans meet this criteria.

*2. The size of the parcels of urbanizable land that are converted to urban land should be of adequate dimension so as to maximize the utility of the land resource and enable the logical and efficient extension of services to such parcels.*

**FINDING 4Y:** The subject property owner also owns an additional 96 acres of industrial land, which gives this location the size and configuration of land useful for data center development. This is evidenced by development of a data center on the adjacent property, of similar size and shape. The resulting property configuration is preferred by industrial site selectors and developers and the industries they represent. Additionally, urban utilities (water and sewer

service) are nearby or are in use on the adjacent industrial land. Staff finds that the size and dimensions of the subject site are adequate to meet this criteria.

*3. Plans providing for the transition from rural to urban land use should take into consideration as to a major determinant the carrying capacity of the air, land and water resources of the planning area. The land conservation and development actions provided for by such plans should not exceed the carrying capacity of such resources.*

**FINDING 4Z:** Analysis of the water and sewer infrastructure capacity to serve the development of the subject property have demonstrated there is adequate infrastructure capacity in these systems to serve the development of the subject property without adversely impacting service to current and planned users as explained by the City's Engineer. Staff finds that it has been demonstrated that there is existing, unassigned infrastructure capacity to serve the development of the subject property without adversely impacting other developed or developable industrial sites in the area. Evidence of this ability to deliver utilities is found in the recently completed 1 million gallon water tank completed in 2014 in the Airport Industrial Area of the City.

*4. Comprehensive plans and implementing measures for land inside urban growth boundaries should encourage the efficient use of land and the development of livable communities.*

**FINDING 4AA:** The economic development and industrial lands plans, policies and values as stated in the Prineville Comprehensive Plan have established directives and action paths that encourage efficient use of the land. See Findings 4f, 4g, 4j, and 4n above. Staff finds that the city's Comprehensive Plan meets this criteria.

## **B. IMPLEMENTATION**

*1. The type, location and phasing of public facilities and services are factors which should be utilized to direct urban expansion.*

**FINDING 4AB:** Staff finds the infrastructure (sewer, water, roads/highway) identified to serve the development of the subject property is in direct proximity and has been found to have adequate surplus capacity to serve the subject property without adversely impacting service to current and planned future users.

*2. The type, design, phasing and location of major public transportation facilities (i.e., all modes: air, marine, rail, mass transit, highways, bicycle and pedestrian) and improvements thereto are factors which should be utilized to support urban expansion into urbanizable areas and restrict it from rural areas.*

**FINDING 4AC:** The proposed UGB expansion/Annexation and urban industrial zoning of the subject property "is consistent with the OR Highway 126 Corridor Facility Plan and therefore consistent with the adopted TSP." Staff finds that this analysis sufficiently demonstrates that this proposed UGB expansion/Annexation will not cause a negative impact on transportation facilities beyond that which has already been planned for through the Corridor Facility Plan.

*3. Financial incentives should be provided to assist in maintaining the use and character of lands adjacent to urbanizable areas.*



**FINDING 4AD:** Staff finds the consideration in 3 immediately above is not relevant or pertinent to this proposal.

*4. Local land use controls and ordinances should be mutually supporting, adopted and enforced to integrate the type, timing and location of public facilities and services in a manner to accommodate increased public demands as urbanizable lands become more urbanized.*

**FINDING 4AE.** The City of Prineville has various controls, requirements and policies that require new development to extend adequately sized infrastructure to (and typically through) a subject property or development site according to adopted Facility Plans and public facility improvement specifications that address the best interests of surrounding and nearby developable properties as well as the City as a whole. Staff finds that existing land use controls meet these requirements.

*5. Additional methods and devices for guiding urban land use should include but not be limited to the following: (1) tax incentives and disincentives; (2) multiple use and joint development practices; (3) fee and less-than-fee acquisition techniques; and (4) capital improvement programming.*

**FINDING 4AF.** The City of Prineville selectively implements the above cited methods and devices for guiding urban land use on a case-by-case basis with this site being in the enterprise zone. Staff finds that consideration of such methods shall be considered if and when a development request is received following inclusion of this property in the UGB and City Limits.

*6. Plans should provide for a detailed management program to assign respective implementation roles and responsibilities to those governmental bodies operating in the planning area and having interests in carrying out the goal.*

**FINDING 4AG:** The addition of the subject property to the UGB and City Limit has been implemented in a cooperative fashion involving the City of Prineville and Crook County.

### **Locational Analysis**

#### **5. Oregon Revised Statutes**

*ORS 197.298*

*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.

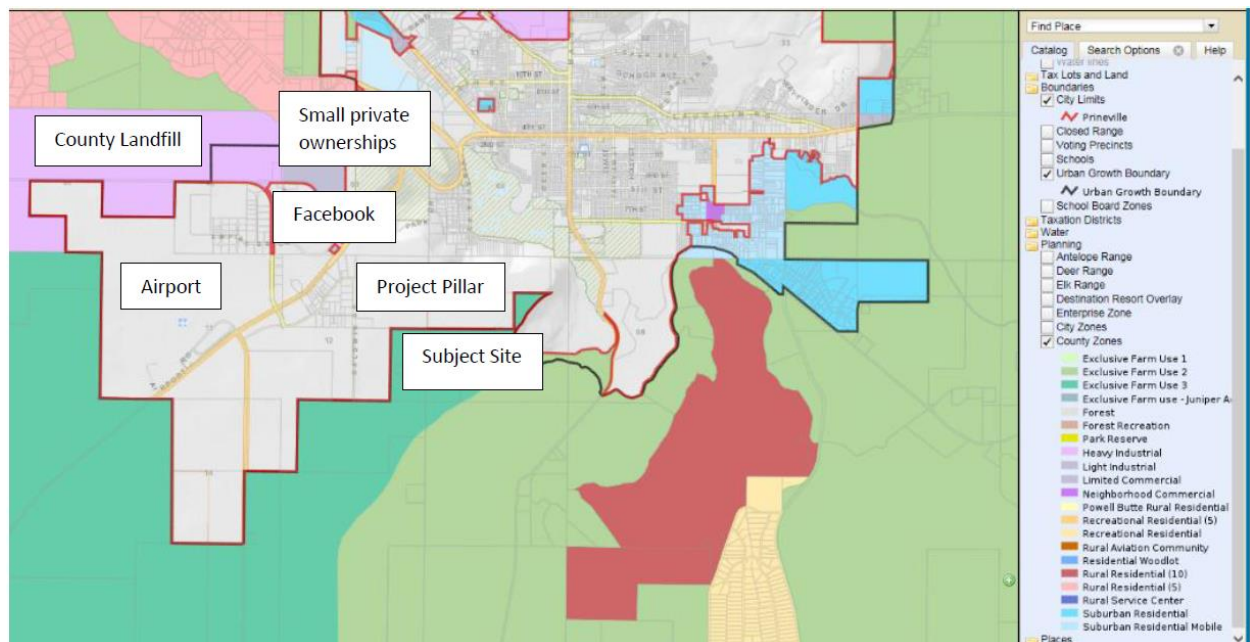
*(b) If land under paragraph (a) of this subsection is inadequate to accommodate the amount of land needed, second priority is land adjacent to an urban growth boundary that is*

*identified in an acknowledged comprehensive plan as an exception area or non-resource 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 property (subject site) is defined as a non-resource due to soil capability ratings of Class VII+, extensive rock contents of the soils, and the complete absence of water for irrigation. This site has never been in agricultural usage and has historically only been used for occasional cattle forage. The subject property does not have any water rights.

The other sites which are non-resource lands and adjacent to the UGB are as follows:

- 120-acre light industrial Crook County property – this site is located at the end of the primary runway and is planned for future airport expansion. It has no access to water and sewer without major main line extensions.
- 470-acre Crook County Landfill – there is no desire on the part of the City or County to annex this property into the UGB.
- 75-acre Crook County light industrial property – this is actually part of the same property as the Crook County-owned land just within the UGB to the south. It is heavily encumbered by a powerline easement running across the northern portion of the property.
- Three privately owned light industrial properties ranging from 12 to 39 acres.



Staff finds there are no additional non-resource or exception lands adjacent to the UGB and shall apply the State Goal 14 factors in an evaluation of these properties along with the subject site.

Application of Goal 14 Factors:

- (1) Efficient accommodation of identified land needs;

**Finding 5C:** All properties under evaluation are adjacent to the existing UGB and, to some level, represent efficient accommodation of identified land needs. However, the identified need based on the findings of this report is a vacant parcel suitable for large scale industrial development adjacent to an existing data center and of sufficient size to afford expansion of a data center. The following is an evaluation of each of the properties based on this factor:

- The three privately owned properties are much too small to meet this criteria.
- The 75-acre county property is too small and its effective size is further reduced by the encumbrance of the power line easement.
- The Crook County landfill is primarily developed and any undeveloped land is reserved for future expansion.
- The 120-acre county property is close to sufficient size but it is not in the ideal (square) shape or location for the documented needs of data centers and other targeted industrial development; further, it is at the end of the main airport runway and is intended for future airport expansion.

The only non-resource property adjacent to the UGB that meets the criteria of this factor is the County property which is of the ideal size, shape and location for efficient accommodation of the identified land need.

(2) Orderly and economic provision of public facilities and services;

**Finding 5D:** The City has the general capacity (or could increase its capacity) in its water and sewer systems to serve any of these properties; however, most of them would not meet the “orderly and economic” criteria:

- The three privately owned properties currently have no access to public water, sewer or streets. They would have to extend these facilities approximately 1500 feet through the county owned property to the north of the Facebook site.
- The 75-acre property owned by Crook County does have access to public water, sewer and streets if combined with the portion of this property already in the UGB to the south.
- The Crook County Landfill does not have access to public water or sewer and there is no plan to extend these services to this developed site.
- The 120-acre property owned by Crook County does not have access to public water or sewer and would require over a mile of main line extensions to gain access.
- 

The subject property has access to water and sewer and transportation via Baldwin Road. Currently, water and sewer mains are located to the west of the site on an immediately adjacent property and along Baldwin Road.

(3) Comparative environmental, energy, economic and social consequences; and

**Finding 5E:** Each of the sites under evaluation has roughly the same topography and none of them has any known environmental issues nor are any of the properties located near any environmentally sensitive sites.

The same is true of energy – each of the sites has the same potential for alternative sources of energy (wind, solar, etc.), just scaled depending on the size. Since this UGB amendment/Annexation is being justified, at least in part, by the depletion of available industrial lands due to data center development, it is assumed that additional data centers are one of the target industries that will be sought out for the subject site. Recent power upgrades and investments by PPL in the airport industrial area have significantly increased power capacity and have ensured this will not be a constraining issue for data center development.

In terms of economic consequences, the biggest difference among the sites is marketability, in other words, which site is most likely to attract economic development in the near term. The following is an evaluation of the near term economic potential of each site:

- With their small size, fringe location and lack of access to public infrastructure, the three privately owned parcels are not likely to see any development potential until the county owned property to the north of Facebook develops.
- The 75-acre property owned by Crook County does have some near-term development potential but only has part of development of the rest of the property which is already in the UGB. In and of itself it has very little development potential.
- The Crook County Landfill is already developed and any future development will be an expansion of the landfill facility.
- The 120-acre property owned by Crook County has too high of infrastructure costs for any type of near term development and will most likely be utilized as expansion of the airport.

The only property under evaluation with significant potential for near term development is the County site. The site provides a unique opportunity for expansion of an existing data center. It ensures, should the adjacent site choose to expand, the opportunity is available. This UGB expansion/Annexation will increase the likelihood of the site being the next property to develop.

In regard to social impact, the following is an evaluation of each site:

- The three privately owned properties directly abut residential properties to the north and, therefore, have the greatest potential for social consequences.
- Likewise the 75-acre county property abuts some residential property to the north; however, the size of the site when combined with the rest of the property to the south leaves more room for substantial buffering.
- The Crook County Landfill already has an established social impact which may be increased if the facility expands in the future.
- The 120-acre property owned by Crook County is adjacent to the airport, Crook County landfill and EFU land owned by DSL. The greatest potential consequence of developing this property would be its impact on the airport, particularly as it lies within the runway protection zone. As mentioned previously, the best use for this site would be future expansion of airport facilities.

The subject site, unlike all of the other sites under evaluation, has almost no potential for negative social impact. There are no neighboring residential properties and Tom

McCall Road is already established as an industrial property access point to the highway.

- (4) Compatibility of the proposed urban uses with nearby agricultural and forest activities occurring on farm and forest land outside the UGB.

**Finding 5F:** There are no forest activities in proximity to any of the sites under evaluation and the lack of quality soils and rocky conditions have significantly limited any agricultural use adjacent to any of the properties under consideration. There are no compatibility issues related to agriculture or forest activities related to any of these sites.

In conclusion, this locational analysis clearly demonstrates that the Crook County site is by far the most efficiently, economically, and responsibly developable non-resource land currently adjacent to the UGB and City Limits. Staff finds that this locational analysis supports the proposed amendment to bring the subject site into the UGB and City Limits.

### **Conclusions and Recommendation**

Based on the findings above, staff finds that the proposed UGB expansion/Annexation map amendment is consistent with the City's Zoning Ordinance and Comprehensive Plan as well as Oregon's Statewide Planning Goals, Statutes and Administrative Rules. Therefore, staff recommends that the Planning Commission make a formal recommendation to City Council to approve the proposal as presented in this report.



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Phil Stenbeck, CFM  
Planning Director