



Central Oregon Large-Lot Industrial Land Project: Lessons Learned



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I. BACKGROUND

Oregon Administrative Rules, Chapter 660, Division 24, Urban Growth Boundaries

The Land Conservation and Development Commission (LCDC) in November 2012 adopted administrative rules (OAR 660-0024-0040 and 660-024-0045) tailored to Central Oregon's short-term need for large lot industrial sites. The rules allow cities in the tri-county region to utilize a regional large lot industrial land need analysis as the justification. The rules, which became effective on December 10, 2012, recognize a need for six 50+ acres sites and up to three for replenishment. They also address how cities may amend their Urban Growth Boundaries (UGB), thereby providing a clear legal framework for Central Oregon to address a known land use deficiency. The program must be revisited by participating local governments in 10 years.

Central Oregon Large-Lot Industrial Land Need Analysis

On January 7, 2013, the Deschutes County Board of Commissioners adopted the Central Oregon Large Lot Industrial Land Need Analysis (Analysis) and regional large lot industrial lands policies into its Comprehensive Plan. Following Deschutes County's successful process, Crook and Jefferson counties adopted similar amendments to their comprehensive plans. Crook County adopted Ordinance No. 263 on May 15, 2013. Jefferson County adopted Ordinance No. O-0660-13 on May 22, 2013. These three ordinances now provide a policy framework for the counties to coordinate as a single entity promoting large-lot industrial employment sites that best serve the region as a whole to create family wage jobs, economic diversification and place Central Oregon on the map for regional, national and international industrial recruitment.

Land Demand

Table I lists the short-term large lot industrial land need for Central Oregon. The minimum site is between 50-100 acres. The largest one, a 200+ acre site is recommended for the region's geographic and workforce center in either Bend or Redmond. Only six sites shall be available at any given time, but, once one is assigned to a city and committed to development, it may be replenished for a total of nine sites.

Table I - Recommended Competitive Short-term Large Lot Industrial Inventory

	50-100 acres	100-200 acres	200 + acres	TOTAL
SHORT-TERM				
# of Sites	3	2	1	6
Jurisdictions	3	2	1	

Regional Authority

The Central Oregon Intergovernmental Council (COIC) Board, on June 7, 2012, adopted Resolution 243, and established themselves as the regional authority to organize, coordinate and promote this regional large-lot industrial lands strategy. COIC then agreed to manage the distribution of sites among the various jurisdictions and in 2013 finalized Intergovernmental Agreement (IGA) 2013-181 with the three counties and cities of Bend, Redmond, La Pine, Madras, Redmond and Sisters. The IGA enables municipalities in the region to rely on the Analysis to address the short-term land need and coordinate with COIC to identify suitable candidate sites, prior to initiating formal comprehensive plan amendments or zone changes.

City of Redmond Candidate Site

Redmond is now targeting the need for a 200+ acre large lot industrial site. According to the Analysis, a competitive portfolio of industrial sites would include a major, centrally located large-scale development near the region's geographic and workforce center, and where key infrastructure is in place and has excess capacity, either in the north end of Bend or on the southern end of Redmond, east of Highway 97.

II. LESSONS LEARNED

Central Oregon Large-Lot Industrial Program

Core Principles



The Oregon Department of Land Conservation and Development (DLCD) awarded a Technical Assistance grant to COIC in February 2012 to formalize a management structure and identify large lot industrial candidate sites. Two of the work tasks included:

- 1. Preparing a UGB Findings Report for the City of Redmond based on the results of a buildable lands inventory and reconnaissance level infrastructure analysis; and**
- 2. Summarizing Redmond’s candidate site identification process so it can be shared with other interested municipalities in Central Oregon and serve as a potential template.**

This report addresses the second item. It is important to acknowledge that Central Oregon is the first region in Oregon to create a regional governance structure through COIC, local government IGAs and a collaborative legal framework through OAR 660-0024-0040 and 660-024-0045 to establish a competitive short-term portfolio of large lot industrial sites. Trailblazing a regional approach for large-lot industrial siting provides an opportunity to document major decision points associated with identifying a 200+ acre candidate site for the City of Redmond in a transparent and professional manner. Sharing this information enables the State of Oregon and other regions to learn from our process, with the expectation that entitling a UGB amendment can be further refined, enhanced, and expedited.

Redmond’s candidate site selection process entailed several key decision points. They are discussed in more detail below.

Lessons Learned

- 1. Identifying a candidate site can be incredibly time consuming. How did Redmond develop and execute a work plan?**

Answer: DLCD’s technical assistance grant enabled the City of Redmond, Deschutes County, COIC, and DLCD to create a small working group that met frequently over a fifteen month period. The group prepared a detailed work plan, including a timeline with deliverables. The process was collaborative, strategic, and when appropriate, offered opportunities for vigorous discussions and open dialogue.

- 2. OAR 660-024-0045(9) requires a city that designates a large-lot industrial site to apply a regional large-lot industrial zone to protect and maintain the site for regional large lot purposes. How did the City of Redmond address this provision?**

Answer: Redmond staff utilized their Planning Commission in a series work sessions to educate them on the intent and purpose of the regional large-lot industrial project. After they were brought up to speed, Planning Commissioners shared and refined a draft large-lot industrial zone with the assistance of interested stakeholders. The entire process was inclusive and open to the public.

3. OAR 660-024-0045(8)(a) requires a participating city to conduct a buildable lands inventory (BLI) to show whether a suitable site is located within its existing UGB. If a suitable site does not exist, OAR 660-024-0045(8b) recognizes that a participating city may evaluate land outside the UGB. How did Redmond engage property owners that were identified through the BLI?

Answer: After performing a BLI, Redmond staff mailed letters to Senate Bill (SB) 1544 property owners and the Oregon Department of State Lands (DSL) inviting them to attend an open house at city hall and learn about the large-lot industrial lands project and Redmond's interest in identifying candidates for a 200+ acre large lot industrial site. DLCDC, COIC and Deschutes County staff also attended. The open house featured a brief PowerPoint, recapping the Analysis, provisions of OAR 660-0024-0040 and 660-024-0045, and Redmond's draft Large Lot Industrial Zone. Open discussion and dialogue among the multiple parties ensued in an inclusive and transparent manner. To those that were interested, Redmond staff offered a reconnaissance level infrastructure analysis free of charge. The purpose was to determine if preliminary candidate sites could be served with water, sewer, natural gas, electricity, telecommunications, and transportation.

4. How did Redmond determine willing property owners?

Answer: Redmond staff created a *Property Owner Interest Form*. Each form allowed a property owner, with a potential candidate site, to choose whether they wanted to be further considered for the 200+ acre large lot industrial site. The form emphasized that a property owner understood the program's concept and the City's proposed Large Lot Industrial Zone. Two property owners expressed interest: DSL and Deschutes County Property and Facilities Department, owners of land south of the Fairgrounds and east of Redmond. Both properties are presently outside the UGB, zoned Exclusive Farm Use (EFU). The County site, east of Redmond is also designated in the Redmond Urban Reserve Area (URA).

5. How did Redmond determine land availability as noted in OAR 660-024-0045(2)(g)(C) and OAR 660-009-0025(7)?

Answer: The SB 1544 property owners, consisting of Central Oregon Irrigation District, Redmond School District, and Deschutes County respectfully declined further consideration. These adjoining properties are already inside Redmond city limits and stand to benefit by being upzoned to existing light industrial (M-1) and heavy industrial (M-2) zoning. Unlike the draft Large Lot Industrial Zone, the M-1 and M-2 zones allow for a variety of commercial and industrial uses. SB 1544 property owners also acknowledged the challenge of maintaining a large lot industrial designation for a minimum of ten years, a requirement in the new OARs and draft Large Lot Industrial Zone. DSL and Deschutes County (URA site) on the other hand, could benefit greatly by this designation. As mentioned above, both sites are located outside the UGB and zoned EFU. The DSL site was ultimately determined through the reconnaissance level infrastructure analysis to possess readily available water and sewer services near 19th Street. Serving the County site on the other hand would require a Far East Sewer Interceptor, a major capital improvement project not presently constructed. DSL is also in a position to readily promote their site consistent with the local real estate market and absorb the holding cost of marketing the site for a traded sector user as a public entity.

6. How did reconnaissance level infrastructure analyses distinguish the DSL site?

Answer: Both sites share many similarities relevant to development potential. Both are in close proximity (within five miles) to a commercial airport with air cargo opportunities (Roberts Field of Redmond). Both are rectangular in shape with relatively flat topography. Both have power, gas, wastewater, water and telecommunications capacity.

Deschutes County's URA site advantages are: close proximity to a 115KV power line and adjacency to other industrial lands. Disadvantages include transportation constraints, limitations in terms of expansion opportunities, distance from the larger workforce capacity in Bend, and need to bring water and

wastewater infrastructure to the site.

The DSL site advantages include: transportation opportunities with highway access at Yew Avenue interchange on US 97 and the potential for the extension of 19th Street to Quarry Avenue, potential for rail access, proximity to the Bend workforce, ability for expansion opportunities, and water and wastewater stubbed to the parcel boundary. Disadvantages include: lack of adjacency to a power line that could potentially support an extra-large power user like a data center and distance from a gas line.

7. The Analysis identifies a 200+ acre large-lot industrial site. How did Redmond determine the final acreage and its exact location?

Answer: This remains a work in progress. Redmond staff are currently coordinating with DSL. DSL is presently in discussions with the Oregon Military Department and Deschutes County. The Military Department is interested in acquiring 20 acres of the DSL site, which is approximately 913 acres, for a Readiness Center near 19th Street, to take advantage of their training lands located on adjoining BLM property. Deschutes County is interested in approximately 75-100 acres of the DSL site for Fairground expansion. Both would require a UGB amendment initiated under a separate process.

