



Central Oregon Large Lot Industrial Program

June 7, 2013

In 2008, the Oregon Economic and Community Development Department's (now Business Oregon) industrial lands specialist Bev Thacker stated in a letter, "Large, ready to go industrial sites have been the state's most significant development challenge and one of the most noticeable changes in real estate trends in [the] last few years." She specifically identified a statewide need of industrial lands of 100-200 acres in size.

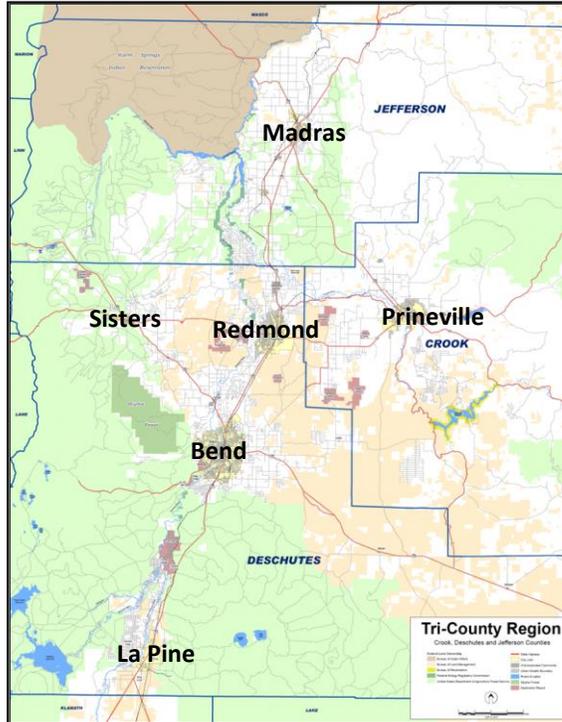
Economic Development for Central Oregon (EDCO) also identified similar challenges for the tri-county (Deschutes, Jefferson and Crook) region. Executive Director Roger Lee and others have repeatedly stated that site selectors often will not even visit the region if only one or two sites are available. The arrival of Facebook and Apple, while unique in many regards, has put Central Oregon on the international map for data centers among other potential large lot employers. However, the region lacks a supply of sites and cities' traditional Economic Opportunity Analyses (EOAs) do not account for such a land demand.

This project aimed to determine if such a land demand exists in Central Oregon and, if so, to identify the deficiency. A Regional Economic Opportunity Analysis (REOA) attempted to document an unmet 20-year land need for large lot industrial sites in the region. On November 28, 2011 Deschutes County adopted a Comprehensive Plan amendment to officially recognize the REOA as a technical study, and a series of policies that establish the legal basis to encourage cities to address this unmet employment land need as well as a planning framework for creating a regional entity to oversee the program. The amendment was appealed by 1,000 Friends of Oregon to the Land Use Board of Appeals. However, a settlement was reached in April 2012 with the assistance of the Governor's office, Department of Land Conservation and Development (DLCD), and members of a Regional Advisory Committee (RAC). It focused entirely on the short-term need for large-lot industrial sites as well as a commitment from the Oregon Department of Land Conservation and Development (DLCD) to initiate rule-making.

Below is a summary of the legal basis for the Central Oregon Large Lot Industrial Project and its accomplishments to date.

1. NEW ADMINISTRATIVE RULES / OAR DIVISION 24.

The Land Conservation and Development Commission (LCDC) adopted administrative rules (OAR 660-0024-0040 and 660-024-0045) in November 2012 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, largely taken from the REOA, 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.



NEW REGIONAL APPROACH

1. Two DLCD Technical Assistance (TA) Grants fund:
 - a) \$50,000.00 for a technical study to determine a regional land need not currently recognized in existing City EOAs (Phase 1, 2009-2011).
 - b) \$25,500.00 for Regional Governance Approaches, Site Suitability Characteristics, Model Large Lot Industrial Overlay Zone (Phase 1, 2009-2011).
 - c) \$35,000.00 to establish regional authority with COIC, preliminary findings, and Lessons Learned (Phase 2, 2011-2013).
2. Deschutes County creates a Regional Advisory Committee to oversee the project. Members included: cities, counties, EDCO, COIC, 1000 Friends of Oregon, Central Oregon Realtors Association, DLCD, DSL and Business Oregon.
3. RAC hires Johnson Reid LLC, consultant team, with expertise in real estate development and land use economics.
4. New regional approach addresses the recent demand of large-lot employers and rapidly growing industries that are building production and research capabilities to establish global scale.
5. Land Conservation and Development Commission (LCDC) adopts rules in November 2012 tailored to Central Oregon's short-term need for large lot industrial sites.
6. Deschutes County adopts **Ordinance 2013-002** and exercises its statutory coordinating authority (ORS 195.025) to address this short-term unmet regional need for large-lot industrial sites.
7. Crook and Jefferson counties adopt parallel plan amendments (**Ord. No 263 and O-0660-13**), creating a regional policy framework. Tied to Deschutes County, it now assures an integrated comprehensive plan between the three counties and their respective cities by encouraging them to address a short-term unmet regional need for large-lot industrial sites.

2. CENTRAL OREGON LARGE LOT INDUSTRIAL LAND NEEDS ANALYSIS.

The County adopted Ordinance 2013-002 on January 7, 2013. It can now demonstrate that the evidentiary record and findings support a regional approach to large-lot industrial siting and that it is consistent with Oregon’s Land Use Program. The “Analysis” documents an unmet short-term need for large-lot industrial sites, 50-acres or larger in tri-county area with:

- o National, state and local economic trends and conditions
- o Large-lot industry trends, dynamics, opportunities, and site needs
- o Local objectives and their respective strengths and challenges
- o Business Oregon data
- o Expert opinion by Johnson-Reid LLC, EDCO, and others

The “Analysis” recognizes that a readily available and developable inventory of six large sites in at least three separate jurisdictions will provide for choice to prospective industries or site selectors.

3. LAND DEMAND.

Economic development focuses on short-term, 5-year time frames. This program does the same. The table below shows the short-term large lot industrial inventory for Central Oregon. The minimum site is between 50-100 acres. The largest one, a 200+ acre site needs to be near the region’s geographic and workforce center in either Bend or Redmond.

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	

4. CENTRAL OREGON’S COMPETITIVENESS.

Competing as a cohesive region allows Central Oregon to market a larger available work force, the size of which is often a key locational criterion for firms. While geographically separate, the jurisdictions in the region function in a manner similar to other metropolitan areas, which often share boundaries. The shared economic function within Central Oregon supports a regional approach to economic development, particularly with respect to large traded sector industries.

5. REGIONAL AUTHORITY.

The Central Oregon Intergovernmental Council (COIC) as the beneficiary of a DLCD TA Grant has formalized their organization as the regional authority to organize, coordinate and promote large-lot industrial strategy. COIC formalizes this partnership with Central Oregon cities and counties through Resolution #243 and IGA No. 2013-181.

6. SITE-NEED CHARACTERISTICS.

- Physical: 50 acres or above. Flat slopes. Rectangular sites.
- Transportation: accessible or in close proximity to auto/truck, rail and air service.
- Utilities: water, sewer, natural gas, electricity/power, telecommunications.
- Location: acceptable distance to work force.
- Special considerations: willing property owner to sell at market consistent price and participate in infrastructure investments to support the development.

7. IMPLEMENTATION NEXT STEPS.

- (1) Cities comply with new administrative rules and the statewide planning program requirements to change land designations for large lot employment sites, and collaborate with willing property owners.
- (2) Cities adopt plan amendments and Large Lot Overlay Zone.
- (3) Business Oregon and EDCO market the region’s short-term supply of vacant, developable sites.

8. COIC executes an intergovernmental agreement (**IGA-2013-181**) with participating cities and counties. The IGA specifies the process of allocating large lot industrial sites among the participating local governments.

**NEW COMPREHENSIVE PLAN
GOAL AND POLICIES**

GOAL

- To build a strong and thriving regional economy by coordinating public investments, policies and regulations to support regional and state economic development objectives in Central Oregon.

POLICIES (abbreviated)

- Deschutes County supports a multi-jurisdictional cooperative effort to pursue a regional approach to establish a short-term supply of sites particularly designed to address out-of-region industries that may locate in Central Oregon.
- Deschutes County recognizes the importance of maintaining a large-lot industrial land supply that is readily developable in Central Oregon.
- The Central Oregon Regional Large Lot Industrial Land Need Analysis (“Analysis”), adopted by Ordinance 2013-002 is incorporated by reference herein.
- In accordance with OAR 660-024-004 and 0045, Deschutes County, fulfilling coordination duties specified in ORS 195.025, shall approve and update its comprehensive plan when participating cities within their jurisdiction legislatively or through a quasi-judicial process designate regionally significant sites.