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IN THE BOARD OF COMMISSIONERS OF THE STATE OF OREGON

FOR THE COUNTY OF YAMHILL

SITTING FOR THE TRANSACTION OF COUNTY BUSINESS

In the Matter of Applications by)
Wayne H. Stonecipher and Janet P.)
Stonecipher for Approval of a)
Plan Amendment from Exclusive Farm)
Use (EFU) to Industrial (I))
and a Zone Change from EFU-80 to)
Light Industrial (LI), taking an Exception)
to Statewide Goal 3 (Agricultural Lands),)
and Request For Similar Use on Tax Lots)
2402DD-100 and 200; and Declaring an)
Emergency)

ORDINANCE 690

THE BOARD OF COMMISSIONERS OF YAMHILL COUNTY, OREGON (the Board) sat for the transaction of county business in formal session on December 14, 2000, Commissioners Ted Lopuszynski, Thomas E. E. Bunn, and Robert Johnstone being present.

WHEREAS on November 2, 2000, them Yamhill County Planning Commission approved the application identified above by Wayne H. and Janet P. Stonecipher, in Planning Docket PAZ-04-00, as well as the attendant zoning change and Comprehensive Plan amendment contained in application PAZ-04-00, and;

WHEREAS on November 30, 2000, the Board held a duly noticed public hearing on the application. Mr. John Pinkstaff of McEwan, Gisvold, Rankin, Carter & Streinz LLP, attorney for the applicants, spoke in favor of the application, as did the applicant Wayne Stonecipher. No persons offered evidence or spoke in opposition. After receiving evidence and considering testimony, the Board began deliberations, and

WHEREAS the Board concluded its deliberations and voted 3-0 to affirm the Planning Commission's decision. NOW, THEREFORE:

THE YAMHILL COUNTY BOARD OF COMMISSIONERS ORDAINS AS FOLLOWS:

The Yamhill County Comprehensive Plan Map, as amended, is hereby amended as specified in the attached Exhibit "B" incorporated into this ordinance by reference; and the Yamhill County Planning Commission's approval zoning change contained in application PAZ-04-00 is affirmed, for the reasons stated in the Findings for Approval attached and incorporated into this Board Order as Exhibit "A."

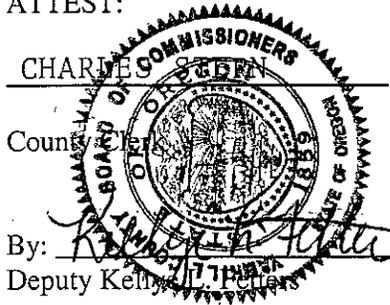
Emergency Clause. This ordinance being necessary for the health, safety, and welfare of the citizens of Yamhill County, and an emergency having been declared to exist, is effective upon passage.

B.O.#00915

DONE at McMinnville, Oregon this 14th day of December, 2000.

ATTEST:

YAMHILL COUNTY BOARD OF COMMISSIONERS



CHARLES GREEN

County Clerk

Ted Lopuszynski
Chairman TED LOPUSZYNSKI

By: Thomas E. Bunn
Deputy Kenneth Peters

Not available for signature
Commissioner THOMAS E.E. BUNN

FORM APPROVED BY:

Rick Sanai
Rick Sanai
Assistant County Counsel

Robert Johnstone
Commissioner ROBERT JOHNSTONE

Exhibit A
Findings for Approval

Applicants Wayne H. Stonecipher and Janet P. Stonecipher, PAZ-04-00

I. Introduction.

A. Summary of Proceedings.

The Yamhill County Planning Commission approved the application in the above matter on November 2, 2000. One of the issues raised before the Planning Commission was whether a goal 14 exception was required, and if so, whether the requirements for a goal 14 exception had been satisfied. Another issue was whether a caretaker or watchman's residence was justified by the reasons exception.

B. Summary of Findings.

1. With regard to Goal 14, the County finds as follows:

a. A Goal 14 exception is not required under the factors set forth in *Schaffer v. Jackson County*, 17 Or LUBA 922 (1989).

b. In the alternative, assuming that a Goal 14 exception is required, the application satisfies the requirements for a "reasons" exception under ORS 197.732(1)(c) and the administrative rules contained in OAR Chapter 660, Division 4. See, OAR 660-004-0022, 660-004-0020, 660-004-018.

2. The County finds that the portion of the application which requests approval of a caretaker's or watchman's residence for security for the proposed light industrial use, satisfies the requirements for a "reasons" exception to Goal 3, and, if applicable, Goal 14 and the administrative rules contained in OAR Chapter 660, Division 4. See, OAR 660-004-0022, 660-004-0020, 660-004-018.

II. Discussion

A. A Goal 14 exception is not required under the factors set forth in *Schaffer v. Jackson County*, 17 Or LUBA 922 (1989).

1. **The objectives of Goal 14.** Goal 14 (Urbanization) is to "provide for an orderly and efficient transition from rural to urban land use." The Goal reflects the state's desire to avoid unnecessarily high expenditures for extension of public facilities and services over a large area developed at very low densities. *See, 1000 Friends of Oregon v. LCDC (Curry Co.)*, 301 Or 447, 724 P2d 268 (1986). Urban uses of rural land must be supported by exception to

Goal 14 or establishment and acknowledgment of an urban growth boundary (UGB). *Id.* Goal 14 helps implement the policy set forth in ORS 215.243(3): "Expansion of urban development into rural areas is a matter of public concern because of the unnecessary increases in costs of community services, conflicts between farm and urban activities and the loss of open space and natural beauty around urban centers occurring as a result of such expansion." Goal 14 favors concentration of urban growth in existing urban centers, thereby avoiding a shadow effect by which scattered urban uses interfere with farm operations on adjoining agricultural land.

2. **All industrial uses are not inherently urban. Instead, there are a number of relevant factors to be considered, such as parcel size, intensity of use, necessity of urban facilities and proximity to a UGB. *Schaffer v. Jackson County*, 17 Or LUBA 922 (1989).**

In the absence of interpretive rules or goal amendments adopted by LCDC, whether residential, commercial, industrial or other type of use is "urban" or "rural" requires a case by case determination based on relevant factors. *Schaffer v. Jackson County*, 17 Or LUBA 922 (1989). An industrial use is not per se an urban use. It is possible for an industrial use to be deemed rural in nature. *Id.* In determining whether an industrial use is "urban" or "rural", the relevant factors to be considered include parcel size, intensity of use, necessity of urban facilities and proximity to a UGB. *Id.*

3. **The County finds that the proposed use is rural in nature based upon consideration of the relevant factors in deciding whether a use is urban or rural.**

- a. **Parcel size.** The parcel size is 1.1 acres. The 1.1 acre size is as small as possible to reasonably accommodate the current and future expansion of the proposed expansion of applicant's existing light industrial use.

- b. **Intensity of use.** The proposed light industrial use will be housed in two existing buildings, which previously served for warehousing and processing of onions and maintenance of agricultural equipment belonging to a now defunct onion farm. The fact that this can be accomplished within the two existing buildings on the subject site means that there will be no loss of open space and natural beauty in the area south of the City of Gaston as a result of such expansion. A significant portion of the work done by the machine shop is for rural area farmers. The proposed use will be more compatible in some respects, than the former agricultural use, which caused odors, noise and other impacts associated with accepted farming practices. The proposed use will be compatible with surrounding agricultural and resource industrial uses for the reasons set forth in the discussion of OAR 660-004-0020 (2)(d). Regarding traffic resulting from the proposed use, the County finds that the proposed traffic will be consistent with current traffic levels and will not significantly affect a transportation facility for the reasons set forth in the discussion of OAR 660-0012-0060.

c. Necessity of urban facilities. No urban facilities or services (sewer, water, roads) will be necessary or required to serve the subject property. The property has an on-site water well, and will be served by an on-site subsurface sewage disposal system. The proposed site is located adjacent and has access to state highway 47. There will be no adverse impact on increases in costs of community services.

d. Proximity to a UGB. The parcel is 1.1 miles from the City of Gaston. The subject property is within a cluster of Rural Industrial zoned properties which contain the same types of buildings as exist on the subject property. The distance from the City of Gaston's UGB makes it unlikely that the City UGB will extend to the subject property in the future, and, if it does, the fact that the proposed use will utilize existing buildings on two existing parcels will continue the existing development pattern, and therefore will not create a new development pattern which would create problems if the city urban growth boundary or city limits ever extends to include the subject property. On the other hand, the site is still close enough to the City of Gaston to enable the proposed light industrial use to be centrally located to employees who live in and near Gaston, remain centrally located for customers, and remain a significant contributor to the economic development of the City of Gaston, which has been listed as a "distressed area" by the Oregon Department of Economic Development.

Given that the small parcel size, that the intensity of use will be compatible with the surrounding uses, the lack of need for urban facilities and services, and the proximity to the City of Gaston UGB, there will be no increases in costs of community services, conflicts between farm and urban activities and no loss of open space and natural beauty around urban centers occurring as a result of approving the application. For the foregoing reasons, the County finds that the proposed light industrial use may be considered rural in nature and therefore no exception to Goal 14 is required.

B. In the alternative, assuming that a Goal 14 exception is required, the application satisfies the requirements for a "reasons" exception under ORS 197.732(1)(c) and the administrative rules contained in OAR Chapter 660, Division 4. See, OAR 660-004-0022, 660-004-0020, 660-004-018.

1. Introduction.

Oregon Administrative Rule (OAR) Chapter 660, Division 4, explains the requirements for taking exceptions to statewide goals. OAR 660-004-0010(1) (c) provide that the exception process is applicable to Goal 14. If the proposed use is considered urban in nature and outside of an urban growth boundary (see above), then an exception to Goal 14 (Urbanization) is required.

As explained below, the facts which support a reasons exception to Goal 3 (See, discussion of ORS 197.732, OAR 660-004-0022, 0020, and 0018, also provide a basis for a reasons exception to Goal 14.

2. OAR 660-004-0022 (Reasons Exceptions)

This request relies upon a "reasons" exception which allows a jurisdiction to zone property with a urban designation outside of the UGB if there are sufficient grounds for the change.

The County finds that demonstrated need requirement under OAR 660-004-0022(1)(a), is satisfied based on the provisions of Goal 9 (Economy) and the applicant's need to remain in the vicinity of Gaston for (a) employment considerations (to avoid employee replacement costs); (b) economic development considerations (to continue to provide employment/capital to "economically distressed area"; and (c) business customer considerations (to remain conveniently located to customers).

The County finds that the proposed use or activity has special features or qualities that necessitate its location on or near the proposed exception site as required by OAR 660-004-0022(1)(c). Applicant's alternative site search focused upon parcels which (alone or when combined with available adjacent parcels) are at least one acre in size, and which are located within the city of Gaston city limits and UGB, within the city of Yamhill city limits and UGB, and within the unincorporated areas of Yamhill and Washington counties in the Gaston area. Applicant submitted maps showing their inventory of properties which could reasonably accommodate the proposed use without a new exception. To be suitable, the property would need to be: (A) planned and zoned to allow use for light industrial use (either as an outright permitted use or as a conditional use, or with a zone change); and (B) at least one (1) acre in size (either alone or in combination with adjacent sites); and (C) capable of reasonably accommodating a building or buildings with approximately 10,000 square feet of floor area suitable for applicant's light industrial businesses. The survey found that every parcel in the City of Gaston was not available or not suitable for the proposed use. Applicant's survey found that there were no lands within the city limits or UGB of the City of Yamhill which, with a zone change or a conditional use, could allow light industrial use. Applicant's survey of land outside and near to the city's UGB found all such land was resource land which would require that an exception be taken in order to enable it to be developed for the proposed use, except certain Resource Industrial land in Washington and Yamhill Counties, which were again found to be unavailable. Applicant found the subject site to possess the requisite characteristics for the development and to be better suited than other resource lands in terms of size and closeness to the city. The scope of the survey was reasonable and was not unduly limited. The proposed site is the best suited available parcel with the Gaston area for the proposed use. The applicant's map showing key employees and customers of the business shows that this property is the only parcel in the area suitable for the use and available. Therefore, it follows that the proposed use has special qualities that necessitate the proposed location.

Additionally, another reason why the applicable goals should not apply is the need for the facility location next to established traffic routes. Finally, it would be difficult to use the parcel profitably for farming, either by itself because it is so small, or in conjunction with the adjoining farm operation, due to the decline of the onion business which was formerly using the property.

a. OAR 660-004-0020(2)(a)

The County finds that "reasons justify why the state policy embodied in the applicable goals should not apply," as required by OAR 660-004-0020(2)(a). The County finds that the requirements of OAR 660-04-020(2)(a) are satisfied based upon the following justification for not applying the policy embodied in Goal 14 as follows.

(1) The basic policy of Goal 14

The basic policy of Goal 14 is to "provide for an orderly and efficient transition from rural to urban land use." The goal reflects the state's desire to avoid unnecessarily high expenditures for extension of public facilities and services over a large area developed at very low densities. This policy as stated in ORS 197.243(3), states that expansion of urban development into rural areas which causes increases in costs of community services, conflicts between farm and urban activities and the loss of open space and natural beauty.

(2) Amount of land for the use being planned.

The amount of land to be transferred to light industrial use is 1.1 acre, which is the minimum amount of usable land necessary to reasonably accommodate the current and future expansion of applicant's light industrial operation.

(3) Why the use requires location on resource land.

The reasons why the subject property is required for the light industrial use include:

(a) The need to site a light industrial use to serve a defined need to expand an existing industrial use in the Gaston area.

There is a need to site this light industrial use to serve a defined need for expansion of its existing plant in the Gaston area. The current location of applicant's light industrial businesses located within the City of Gaston is inadequate to accommodate the present and future needs of the businesses. Applicants businesses constitute a significant employer in the Gaston area, which has been listed as an economically distressed area, and it is desirable to the economic development of the area for applicant's businesses to remain in the Gaston area.

The current and future expansion of the businesses requires a location within the Gaston area which is centrally located with respect to the key employees and customers of the applicant's light industrial businesses, with suitable access to the state highway transportation system.

In addition to being centrally located to the key employees and customers of the business, the proposed expansion requires an adequate amount of usable land which can reasonably accommodate at least 10,000 square feet of floor space.

Finally, the proposed use requires a location in an area in which this light industrial use will be compatible with other uses in the area.

(b) Lack of available alternative sites, including sites located within the City of Gaston UGB, which could reasonably accommodate the planned use.

There is a lack of available alternative sites located within the City of Gaston UGB and other areas in the vicinity of Gaston which would not require a new exception and which could reasonably accommodate the planned use. Applicant conducted a thorough search of alternative sites which do not require an exception and which can reasonably accommodate the proposed use was conducted within the City of Gaston UGB, the City of Yamhill UGB, and nearby unincorporated Yamhill and Washington county exception lands. There were no such suitable, available alternative sites found within the City of Gaston UGB, the City of Yamhill UGB, and nearby unincorporated Yamhill and Washington county exception lands. The lack of such alternative sites makes it necessary to consider resource lands within the Gaston area which can reasonably accommodate the planned use, require as little resource land as possible, and which would not require extension of public facilities and services. This requirement for a Goal 14 exception is satisfied.

(c) The subject property satisfies the need to site a light industrial use near the City of Gaston.

As more fully described above, the subject property meets all of the prerequisites described above and satisfies the need to site a light industrial use near the City of Gaston. The property is located within the Gaston area, contains the minimum amount of usable land which can reasonably accommodate at least 10,000 square feet of floor space. The property contains existing buildings which are no longer used for agricultural purposes, and which will make it unnecessary to develop any open resource land or take any land out of agricultural production, and avoids any adverse impact upon agricultural enterprises in the area. The property has state highway access. The property is within an area in which it is feasible for this light industrial to be compatible with other uses in the area. The property has water and will utilize a subsurface sewage disposal system making extension of public facilities and services unnecessary. This requirement for a Goal 14 exception is satisfied.

(d) No adverse impact upon agricultural uses and on orderly and efficient transition from rural to urban land use.

As more fully described below, the property is not in current agricultural use, and the planned light industrial use will be located within existing buildings on the property and will not result in any adverse impact upon agricultural uses in the surrounding area or upon the orderly and efficient transition from rural to urban land use for the following reasons.

Use of the property for onion warehousing is no longer necessary or economically feasible. Assuming crops are grown on the adjacent agricultural land, the use of the subject

property for light industrial rather than as an agricultural building will not have any substantial adverse impact upon such agricultural operations for the reasons set forth above. If, in the future, the property ceases to be used for light industrial use, the use of the existing buildings and subject parcel could be reclaimed for agricultural use.

The County finds that given the small parcel size, that the intensity of use will be compatible with the surrounding uses, the lack of need for urban facilities and services, and the proximity to the City of Gaston UGB, there will be no increases in costs of community services, conflicts between farm and urban activities and no loss of open space and natural beauty around urban centers occurring as a result of approving the application.

(e) Balancing objectives under Goal 14 (Urbanization) and Goal 9 (Economy).

Approval of this light industrial use in the unincorporated area in the vicinity of Gaston to retain and facilitate expansion of an existing light industrial business in an economically distressed area will serve the objectives of ORS 197.707 ("to enhance economic development and opportunity for the benefit of all citizens", Goal 9 ("to diversify and improve the economy of the state") and ORS 197.712(2)(g)(A), (to provide "Reasonable opportunities to satisfy local and rural needs for . . . industrial development and other economic activities on appropriate lands outside urban growth boundaries in a manner consistent with conservation of the state's agricultural and forest land base"). Goal 9 states that the county is to "provide adequate opportunities throughout the state for a variety of economic activities vital to the health, welfare, and property of Oregon's citizens." Yamhill County has adopted a similar goal, which provides: "To maintain a rate and pattern of economic growth sufficient to prevent recurring high levels of unemployment and underemployment in the county . . ."

The Oregon Department of Economic Development has listed the Gaston area as an economically "distressed area". The applicant's businesses are providing jobs and services which are vital to the local community and components which are vital to the state's aircraft manufacturing industry. This job creation is significantly more than would be expected to be employed by farm use of the property.

There is no current agriculture taken out of production by the proposed use. At the same time there is a need for an adequate supply of suitable industrial land in the Gaston area which can reasonably accommodate operations such as applicants'. To the extent that the need has not been met by land within the Gaston UGB, there is a need for the county to provide light industrially zoned land notwithstanding that it may conflict with the policies embodied in the applicable goals (i.e. to preserve agricultural lands and place urban uses within urban growth boundaries).

In conclusion, there are no alternative sites which can reasonably accommodate the identified need for the planned use. Therefore the proposed use requires a location on resource land lying outside the UGB. Without approval of these land use actions, applicants' business will not expand in this area, the subject property will remain vacant and unused and no one's interests

will be served. On the other hand, approval will facilitate the above-cited economic goals and be in the applicants' and county's best interests. This requirement for a Goal 14 exception is satisfied.

b. OAR 660-004-0020(2)(b)

Justifying a reasons exception requires an alternative site analysis under OAR 660-004-0020(2)(b). The alternative site analysis is fully set forth above and need not be repeated here. Based thereon, the county finds that the requirements for an alternative site analysis for a Goal 14 reasons exception have been satisfied.

c. OAR 660-004-0020(2)(c)

The county finds that the proposed use satisfies the requirements of OAR 660-004-0020(2)(c) that the long-term environmental, economic, social, and energy (ESEE) consequences resulting from the use at the proposed site with measures designed to reduce adverse impacts are not significantly more adverse than would typically result from the same proposal being located in other areas requiring a Goal exception. Based thereon, the county finds that the requirements for the long-term ESEE analysis for a Goal 14 reasons exception have been satisfied.

d. OAR 660-004-0020(2)(d)

The county finds that the proposed uses are compatible with other adjacent uses or will be so rendered through measures designed to reduce adverse impacts as required by OAR 660-004-0020(2)(d). Based thereon, the county finds that the compatibility requirements for a Goal 14 reasons exception have been satisfied.

C. YCZO section 1208.02(A)

In addition, the County finds that the proposed change is consistent with the goals, policies and any other applicable provisions of the Comprehensive Plan as required by YCZO 1208.02(A). There are no YCCP policies which are independent approval standards and that even if there were, the proposed change is consistent with YCCP I b (*To the greatest extent possible, industrial areas will be located within urban growth boundaries*) insofar as a thorough search demonstrated that it is not possible to locate the proposed use within an urban growth boundary because there were no available suitable alternative sites within the urban growth boundaries of the City of Gaston or the City of Yamhill which could reasonably accommodate the proposed use. YCZO 1204 provides that exceptions are subject only to the OARS and not to local review criteria. The taking of a Goal 14 exception demonstrates compliance with this provision, and any other arguably applicable plan policies designed to carry out Goal 14. This is consistent with past practices of the county and it is reasonable to interpret the YCCP to authorize zoning to allow a light industrial use outside an urban growth boundary where an exception is taken.

2. **The County finds that the portion of the application which requests approval of a caretaker's or watchman's residence for security for the proposed light industrial use, satisfies the requirements for a "reasons" exception to Goal 3, and, if applicable, Goal 14 and the administrative rules contained in OAR Chapter 660, Division 4. See, OAR 660-004-0022, 660-004-0020, 660-004-018.**

Security in the rural area is a concern. Applicant submitted evidence that the proposed use, which include (1) a machine shop which provides services to area farming, forestry, and industrial customer and (2) a small manufacturing business which produces airplane and other components, engages in research and development to design and build new products, and includes a future dwelling for a caretaker or watchman for security purposes, will contain a substantial amount of valuable equipment and materials. Drills used in the production phase cost about \$6,000. On-site inventory, which includes such things as expensive sheets of aluminum, will run into the thousands of dollars. Crime in the rural area, where there are few residents, is a substantial problem for rural businesses. In the past, there have been special bond measures to fund rural patrols by the YCSO in rural crime areas, that rural crime has been increasing, and that more recently there has been a rash of reported thefts in the rural areas. The existence of residences near the proposed site are either too far away or not within site of the building entrances at the subject property to provide adequate an deterrent to potential thefts. Therefore, the county finds that there is an adequate basis for including the proposed future dwelling for a caretaker as part of the proposed limited use for the purpose of providing security against theft and other criminal activities in the rural area.

III. Conclusion.

Based upon the substantial evidence in the record, the approval from the Planning Commission, and the additional information contained herein, the applicant respectfully requests that the County approve the plan amendment zone change in PAZ-04-00, and an exception to Goals 3 and 14 for the reasons stated.

I. Introduction.

A. Summary of Application.

This application for a plan amendment and zone change from Exclusive Farm Use to Light Industrial to allow a small light industrial facility on a 1.1-acre parcel was originally submitted on June 27, 2000. The Yamhill County Department of Planning and Development ("Staff") issued a letter of incompleteness for the application on July 21, 2000. This submittal revises and supplements the application for the Plan Amendment/Zone Change under Yamhill County Zoning Ordinance ("YCZO") section 1208.02, requests an Exception to Goal 3 (Agricultural Lands) under Oregon Administrative Rules ("OAR") Chapter 660, Division 4, requests a Similar Use under YCZO 1206, and will be accompanied by a request for Site Design Review approval under YCZO 1101.

B. Background Facts.

1. The subject property.

The subject property consists of two parcels with a total of 1.1 acres, located in northern Yamhill County. The eastern boundary of the property is adjacent to Washington County. The property is about one mile south of the City of Gaston, which is within Washington County. The subject property is designated EFU on the Comprehensive Plan and zoned EF-80. (See, Vicinity Map, Exhibit 1.)

2. Access.

The property is to the east side of State Highway 47, approximately one mile south of the City of Gaston. It is accessed from the highway by a gravel roadway which crosses the old SPRR right of way leading to a system of private improved driveways which serve two residences, one north and one south of the subject property, and also provides access to the farmlands to the east on the Wapato lakebed. These roadways bound the subject property on three sides and lead to wooden bridges across the flood control canal adjacent to the east side of the property. (See, Tax Map, Exhibit 2.)

3. On-Site Land Use.

The subject property contains two vacant buildings which were formerly used for warehousing and processing of onions and maintenance of agricultural equipment belonging to a now defunct onion farm. The applicant proposes to use the two existing buildings [which are frame buildings, each on a foundation and slab, with 7,128 and 2,520 square feet, respectively] to house applicant's small light industrial facilities. (See, Site Maps, Exhibit 3.)

4. Surrounding Land Use and Zoning.

a. East side of state highway

Properties to the east side of Highway 47 are partly in Yamhill County and partly in Washington County, and consist of the following:

(1) (Yamhill County) To the north of, and adjacent to, the subject property is a 30-foot road easement which separates the property from a 5.066 parcel owned by Dave and Evelyn Crossman and zoned EF-80. This parcel has a residence located about 29 feet beyond the easement and currently used as a rental. (See, Maps, Exhibit 4-1.)

(2) (Yamhill County) To the south of and adjacent to the subject property is a 30-foot easement which separates the property from a 1.75-acre parcel owned by Mr. and Mrs. Nobi and Ren Furukawa, and zoned EF-80. This property has a

residence located on the opposite side of the roadway from the subject parcels' south property line.

(3) Further north of the subject property there are a group of nine lots which are zoned Resource Industrial. First, there are three contiguous parcels recently purchase by the Bates family from William M and Madelyn Heesacker consisting of a 0.70-acre parcel (T.L. 300) which is vacant, a 0.75-acre parcel (T.L. 100) which has an onion storage and processing facility; and a 0.59-acre parcel (T.L. 200) which is vacant. Continuing north, there three lots, owned by Furukawa, Peter and Margaret L, consisting of a 0.60-acre parcel (T.L. 600) which has an old warehouse, a 0.15-acre parcel (T.L. 900) and a 0.25-acre parcel (T.L. 1100) which have farm equipment and onion storage warehouses. Also there is a 0.35-acre lot (T.L.700) owned by Alvin Van Dyke which has a farm equipment and onion storage warehouse, a 0.59-acre lot (T.L.800) owned by Robert Hockersmith which has a livestock shed, and a 0.41-acre lot (T.L.1000) lot owned by Bates Farms which has an equipment shop. North of these parcels running along the railroad right of way is undeveloped land within the floodplain which gets about five feet deep up to edge of road and railroad tracks in the wet winter months. (See, Maps, Exhibit 4-2.)

(4) (Washington County) The northern portion of the eastern boundary of the property lies along the flood control canal while the southern extension of this eastern boundary is adjacent to an extension of the Furukawa property currently used as a machinery storage area, the back of an equipment shed abutting much of this shared property line. (See, Maps, Exhibit 4-3.)

b. West side of state highway.

Properties to the west side of Highway 47 (Yamhill County) consist of three tax lots which are zoned Resource Industrial: one 0.49-acre lot (T.L. 400) owned by Ronald H and Donald L Bates which has an onion storage and processing building, one 1-acre lot (T.L. 500) owned by Bates Farm Family Ltd Partnership which has a farm warehouse and equipment storage, and a 1.28-acre lot T.L. 700) owned by Kelvin M Richter which has a small tree culture and Mr. Richter's residence unit. (See, Maps, Exhibit 4-4.)

5. Soils

The subject property is composed of 100 % Agricultural Class II LuC Laurelwood soils with 0-1% slope. (See, Soils Map, Exhibit 5.)

6. Proposed Use

The applicants currently own and operate, in the City of Gaston, two small light industrial businesses, which include: (1) a machine shop which provides services to area farming, forestry, and industrial customers; and (2) a small manufacturing business which produces airplane and

other components, engages in research and development to design and build new products, which together have 7-10 employees.¹ Applicants have been in business since 1983, starting the manufacturing business in Hillsboro, then moving to Forest Grove, then to Gaston in 1993, when the machine shop was founded. To date, the business has experienced gradual growth and lately accelerated growth so that they have now outgrown their current leased facilities within the City of Gaston. To take advantage of opportunities for growth and provide the expanded services costumers are requesting, new equipment, more employees and larger facilities are required.

Therefore, the requested plan amendment and zone change to Light Industrial is based upon an immediate need to relocate applicant's existing light manufacturing operations to a larger site to accommodate an expansion of the business. The chosen site for relocation of the businesses is within one mile of the existing facility, which will enable the business to remain centrally located for its key employees, its customers and suppliers, and will be suitable to reasonably and affordably accommodate the expansion of the businesses. (See, Introduction to Businesses, Exhibit 6.)

C. Overview of Request

The requested plan amendment and zone change to Light Industrial is based upon: (1) an immediate need to expand an existing light industrial business; (2) the need for the business to remain in the Gaston area; (3) a lack of alternative sites within the City of Gaston city limits or UGB or in the vicinity of Gaston which can reasonably accommodate the expansion of the business; (4) the location of the chosen site, which will allow the existing business to stay in the Gaston area where it will remain centrally located for its key employees and customers, which is has adequate size, shape and access to be suitable for the proposed use, and which contains two vacant buildings which will reasonably accommodate the proposed use without removal of any current agricultural production.

Oregon Administrative Rule (OAR) Chapter 660, Division 4, explains the requirements for taking exceptions to statewide goals. OAR 660-004-0010(1)(a) and (c) provide that the exception process is applicable to Goal 3. The subject property is considered agricultural land by virtue of its Class II soils and an exception to Goal 3 (Agricultural Lands) is required if the land is to be designated for any use other than exclusive farm use.

1. Need to expand the existing business

The applicant, is the owner/operator of a manufacturing business known as Phlogiston Products and a machine shop known as Master Machine & Tool Co. in the City of Gaston, which is in Washington County. Phlogiston Products manufactures airplane and other components, and Master Machine & Tool provides services to the Phlogiston operation and to area farming,

¹ A more detailed description of the proposed use is set forth in the discussion of the limitations on use by the Limited Use Overlay under YCZO 904, supra.

forestry and industrial customers. There are currently 7-10 employees (five full time for Phlogiston and two full time at the machine shop, plus one part time and sometimes two or more temp employees). In order to meet quality control for product safety standards and fulfill contract orders, the businesses employ certain experienced and skilled employees, and must provide the latest in production equipment and an adequate physical plant. The businesses are growing steadily and improved production and assembly equipment require larger and improved facilities than are currently available at the present location. For example, the current location, which is being leased by applicants, is too small to accommodate certain new spar production and assembly equipment.

To provide more room for production, its new facilities will require property at least one acre in size and floor space of about 10,000 square feet for the manufacturing and the supporting machine shop, parking, highway access, onsite water and subsurface sewage disposal system. As orders increase, the owner anticipates that there will be up to 14 total employees for the two businesses. (See, Business Projection/Plan, Exhibit 8.)

2. Need for the existing business to remain in the Gaston area.

The existing business has been in the Gaston area since 1993. Although the business has outgrown its current facilities, which it leases, it strongly desires to remain in the Gaston vicinity. The business needs to remain in the Gaston vicinity for several reasons.

First, there are the employment considerations. The Gaston area is centrally located for the majority of the key employees. There are currently four key employees, who possess the necessary skills and experience required to meet quality control for product safety. A map of the employee residence locations shows that three of the five key employees (two for Phlogiston Products and one for Master Machine) reside within the City of Gaston or within one mile from the City of Gaston.² (See, Employee Residence Locations, Exhibit 9.) While the business tries to maximize the use of temporary employees for some of the general labor and less precise kinds of work, retaining key employees with the skills and experience required to meet quality control is essential for the survival and profitability of this small business, due to the small profit margins and high cost of recruiting and training key employees.³ It is important to keep commuting distance as close as possible to keep these valued employees. If the business is required to move out of the Gaston area, it will likely lose key employees, and the result would be substantial employee replacement costs, including the costs of hiring and training new employees, and loss of production efficiency during the employee replacement period, all of which will be detrimental to the viability of the businesses. Therefore, in order to continue to

² The other two key employees (both Phlogiston Products employees) live near the City of Yamhill about seven miles south of Gaston, and in the City of Cornelius.

³ See description of key employees in Exhibit 6.

provide employment to, and retain the skilled employees necessary to be profitable, the businesses need to remain in the Gaston area.

Second, there are important economic development considerations which support keeping the businesses in the Gaston area. The applicant's business has been in the City of Gaston for over 7 years, serving as a significant employer and member of the business community. Expansion of the business is expected to as much as double the current workforce. Dollars earned by applicant's employees in the Gaston area have a multiplier effect which generates additional dollars spent several times over in the local community, as well as tax revenues. It is important for the businesses to remain in the Gaston area, which is listed by the Oregon Department of Economic Development (ODED) as an economically "distressed area." (See, Letter from ODED, Exhibit 10.) The combined current payroll of the two businesses is approximately \$330,000. Location of the business in the Gaston area serves to diversify the local economy and bring business from the surrounding high-tech and urban industrial base to the Gaston area. (See, letters in support, Exhibit 10.) The applicant actively supports Gaston community events. If applicant's businesses were required to move out of the Gaston area, then the Gaston/northern Yamhill County community would lose a substantial contributor to the overall economic development of the region. Conversely, in order to retain and create new jobs and to continue to contribute to the economic development in the Gaston area, the business needs to remain in the Gaston area.

Third, there are business customer considerations. The Gaston area is centrally located to the customer base, which is comprised of companies and individuals in Yamhill, Washington, and Marion counties and the Gaston area. (See, Customer Distribution, Exhibit 11.) The businesses have built a loyal customer base by being centrally located in the Gaston area. The Gaston area location allows the businesses to provide immediate trouble shooting and consulting to its customers, so as to be responsive to customers' urgent needs. This responsiveness has led to favorable word-of-mouth recommendations and referrals by customers. The Gaston locale places the business in the optimum location for the greatest number of customers. A substantial number of customers come from the Gaston area, and areas south of Gaston, including farmers, businesses and individuals from McMinnville, Newberg, Carlton, Yamhill and surrounding areas. By being located near the Yamhill/Washington county line, the applicant's business is therefore able to serve customers from both counties. As a result, relocation of the business to McMinnville or Newberg, or to Forest Grove or Hillsboro, would result in the business being too far from, risking the loss of, the existing customer base in the more distant locations. If applicant were required to move its business outside the Gaston area, it would risk likely losing customers who it serves in the McMinnville and Newberg areas, as well as Carlton, Yamhill and Gaston. Therefore, to continue to grow and remain profitable, it is necessary for the business to remain in the Gaston area.

3. Lack alternative sites which will reasonably accommodate proposed use.

Based upon the need to expand the existing business and the need for the existing business to remain in the Gaston area, the applicant conducted a thorough search of alternative sites within the City of Gaston city limits and UGB and in the vicinity of Gaston which can reasonably accommodate the expansion of the business. Search for areas which can reasonably accommodate the needs included four study areas within or in close proximity to the city of Gaston: (1) City of Gaston city limits/UGB; (2) City of Yamhill city limits/UGB; (3) Unincorporated northern Yamhill County, and (4) Unincorporated southern Washington County. (See, Map of Study Areas, Exhibit 12.)

Within these four study areas, sites considered included parcels which: (A) could be used for light industrial use, either as an outright permitted use or as a conditional use, or with a zone change; and (B) are at least one (1) acre in size, or if smaller than one acre, available to be consolidated with adjacent parcels to create a larger parcel of at least one (1) acre; and (C) can reasonably accommodate a building or buildings with approximately 10,000 square feet of floor area suitable for applicant's light industrial businesses.⁴

The details regarding the scope of the search, are discussed below. The results of the search shows that there are no alternative sites within the City of Gaston city limits or UGB or in the vicinity of Gaston which can reasonably accommodate the expansion of the business.

4. **The location of the chosen site will allow the existing business to stay in the Gaston area. The size, shape and suitability of the chosen site will reasonably accommodate the proposed use. The chosen site contains two vacant buildings which will house the light manufacturing facilities. The use of the chosen site will be compatible with adjacent uses.**

The location of the chosen site will allow the existing business to stay in the Gaston area where it will remain centrally located for its key employees and customers. This will result in substantial economic benefits to the business, its employees, its customers, and to the Gaston area.

The size, shape, and suitability of the chosen site will reasonably accommodate the relocation of the light industrial facilities, which will be housed in the two existing vacant buildings (which were formerly used for warehousing and maintenance of agricultural equipment, are no longer in agricultural use). The 1.1-acre site will provide an adequate area for the proposed use (at least 10,000 square feet of floor area, plus exterior space for subsurface sewage disposal, a well, propane fuel storage, landscaping, grounds and building maintenance

⁴ The current location, which is too small, occupies about 5,900 square feet [including a large building, a small building and two trailers]. The need for a one-acre parcel with at least 10,000 square feet for a building site is explained under interior and exterior space requirements in the business projection /plan. (See, Exhibit 8.)

equipment storage, air compressor house, dust collector house, future dwelling for a caretaker or watchman, parking, and a future building addition.

There will be no adverse impact upon on-site agricultural practices. The applicant's businesses will renovate and use the two existing buildings which are no longer in agricultural use because the onion business in this region is in decline due to increased competition from agribusiness which now can grow hybrid onions which have less soil, moisture and weather constraints than before. Therefore, the planned use will not take any current on-site agricultural use out of production.

The surrounding uses include agricultural land to the east and north which currently is planted in grain crops, and which includes two residences which share the common private driveway with the subject property. There is also resource industrial property to the west across the state highway and to the north on the east side of the highway.

The use of the chosen site will be compatible with adjacent uses. Applicant will request Site Design Review approval under YCZO 1101, which is intended to "insure safe, functional, energy-efficient developments which are compatible with the natural and man-made surrounding environment, and to resolve potential conflicts that may arise between (industrial) developments and adjacent uses." See, YCZO 1101.01.

Conditions imposed through the site design review approval process will assure that the use of the subject property for applicant's light industrial businesses will not adversely impact the surrounding agricultural, residential and rural industrial uses.

II. Applicable Criteria

To allow applicant's businesses to relocate to the 1.1-acre site, the applicant is requesting a plan amendment and zone change for the site from Exclusive Farm Use/EFU-80 to Industrial/Light Industrial. The plan amendment and zone change will require an exception to be taken to Statewide Goal 3. Applicant proposes a "reasons" exception to Statewide Goal 3 to allow a plan amendment and zone change from Exclusive Farm Use (EFU-80) to Light Industrial (LI) to allow applicant's business to relocate to a 1.1-acre site about one mile south of the City of Gaston along Highway 47. This application will be accompanied by a request for Site Design Review approval. This will require compliance with the following approval criteria:

A. State Statutes and Administrative Rules

1. ORS 197.732
2. OAR 660-004-0022
3. OAR 660-004-0020

4. OAR 660-004-0018
5. OAR 660-012-0060

B. Ordinance Provisions

1. YCZO section 1204
2. YCZO section 1208.02
3. YCZO section 904
4. YCZO section 1206

III. Analysis.

This request for a plan amendment and zone change under Yamhill County Zoning Ordinance (YCZO), for a "reasons" exception under ORS 197.732(1)(c) and the implementing administrative rules, and for similar use, satisfies the applicable approval criteria for the reasons set forth below:

A. State Statutes and Administrative Rules and Analysis

In addition to a plan amendment/ zone change from Exclusive Farm Use (EFU) to Industrial (I) and a Zone Change from EFU-80 to Light Industrial (LI) , this application requests an Exception to Statewide Goal 3 (Agricultural Lands Goal).

1. Statutory Requirements

a. ORS 197.732(1)(c) (Reasons Exceptions)

The proposed use seeks to site an industrial use upon land currently designated EFU. A reasons exception to Goal 3 is proposed under ORS 197.732, which provides in part:

"(1) A local government may adopt an exception to a goal if:

"(c) The following standards are met:

(A) Reasons justify why the state policy embodied in the applicable goals should not apply;

"(B) Areas which do not require a new exception cannot reasonably accommodate the use;

"(C) The long term environmental, economic, social and energy consequences resulting from the use at the proposed site with measures designed to reduce adverse impacts are not significantly more adverse than would typically result from the same proposal being located in areas requiring a goal exception other than the proposed site; and

"(D) The proposed uses are compatible with other adjacent uses or will be so rendered through measures designed to reduce adverse impacts.

"(2) 'Compatible,' as used in subsection (1)(c)(D) of this section, is not intended as an absolute term meaning no interference or adverse impacts of any type with adjacent uses." (emphasis added)

b. ORS 197.712(2)(g) (Economic activities outside UGB's)

The proposed industrial use is consistent with ORS 197.712(2)(g) which provides, in part as follows:

"ORS 197.712(2)(g) Local governments shall provide:

(A) Reasonable opportunities to satisfy local and rural needs for residential and industrial development and other economic activities on appropriate lands outside urban growth boundaries in a manner consistent with conservation of the state's agricultural and forest land base.

2. OAR 660-004-0022 (Reasons Exceptions)

OAR Chapter 660, Division 4, explains the requirements for taking exceptions to statewide goals. OAR 660-004-0018 outlines the options for taking exceptions. This request relies upon a "reasons" exception which allows a jurisdiction to zone property with a non-agricultural designation if there are sufficient grounds for the change. OAR 660-004-0020 and 0022 detail the requirements for reasons exceptions. OAR 660-004-0022 states:

"... the reasons shall justify why the state policy embodied in the applicable goals should not apply. Such reasons include but are not limited to the following:

"(a) There is a demonstrated need for the proposed use or activity, based on one or more of the requirements of Statewide Goals 3 to 19; and either

"(b) A resource upon which the proposed use or activity is dependent can be reasonably obtained only at the location near the resource . . . ; or

"(c) The proposed use or activity has special features or qualities that necessitate its location on or near the proposed exception site."

The County finds that the requirements of OAR 660-004-0022 are satisfied for the following reasons.

There is a demonstrated need for the proposed facility, based on Goal 9 (Economy) requirement that the county is "to diversify and improve the economy of the state" and to "provide adequate opportunities throughout the state for a variety of economic activities vital to the health, welfare, and property of Oregon's citizens."

Applicant needs to remain in the vicinity of Gaston for the reasons previously mentioned: (a)-employment considerations (to avoid employee replacement costs); (b) economic development considerations (to continue to provide employment/capital to "economically distressed area"; and (c) business customer considerations (to remain conveniently located to customers). Applicant has provided maps that locate the key employees, economic development information, and a map showing business customers. (See, Exhibits 9, 10, and 11.) The evidence shows that remaining in the Gaston area is necessary to enable the applicants' businesses to continue to provide employment to its current employees, to continue to play an important role in the economic development of the Gaston/northern Yamhill County area, to remain conveniently located to its customers, and to expand its businesses, products and workforce.

The proposed location is one mile south of Gaston on state Highway 47. Based on their analysis of the location of the key employees and customers, the most logical location for expansion of the light industrial businesses is in the Gaston area. Therefore, the requirements of OAR 660-004-0022(1)(a) are satisfied

The requirements of OAR 660-004-0022(1)(c) are satisfied because the proposed use or activity has special features or qualities that necessitate its location on or near the proposed exception site. Applicant has been searching [informally for the last six to seven years and a more intensely over the last two years] for alternative sites for relocating the business. Applicant's alternative site search focused upon parcels which (alone or when combined with available adjacent parcels) are at least one acre in size, and which are located within the city of Gaston city limits and UGB, within the city of Yamhill city limits and UGB, and within the unincorporated areas of Yamhill and Washington counties in the Gaston area. Applicant, and have submitted maps showing their inventory of properties which could reasonably accommodate the proposed use without a new exception. To be suitable, the property would need to be: (A) planned and zoned to allow use for light industrial use (either as an outright permitted use or as a conditional use, or with a zone change); and (B) at least one (1) acre in size (either alone or in combination with adjacent sites); and (C) capable of reasonably accommodating a building or buildings with approximately 10,000 square feet of floor area suitable for applicant's light industrial businesses. Applicant personally interviewed property

owners to gather information about the property and to determine if the property was suitable and available. Applicant explained they preferred and searched for parcels within the city of Gaston, and recognized that "availability" of land is not limited to whether it is for sale. The survey found that every parcel in the City of Gaston was not available or not suitable for the proposed use. Applicant then explored land outside and near to the city's UGB and found all such land was resource land which would require that an exception be taken in order to enable it to be developed for the proposed use, except certain Resource Industrial land in Washington and Yamhill Counties, which were again found to be unavailable. Applicant found this parcel to possess the requisite characteristics for the development and to be better suited than other resource lands in terms of size and closeness to the city.

Therefore the scope of the survey was reasonable and was not unduly limited. The proposed site is the best suited available parcel with the Gaston area for the proposed use.

The applicant's map showing key employees and customers of the business shows that this property is the only parcel in the area suitable for the use and available. Therefore, it follows that the proposed use has special qualities that necessitate the proposed location.

Additionally, another reason why the applicable goals should not apply is the need for the facility location next to established traffic routes. Finally, it would be difficult to use the parcel profitably for farming, either by itself because it is so small, or in conjunction with the adjoining farm operation, due to the decline of the onion business which was formerly using the property.

3. OAR 660-004-0020 (Reasons Exceptions)

OAR 660-004-020(2), which implements ORS ORS 197.732(1)(c), states that justification for a "reasons" exception shall address the following four factors:

"(a) Reasons justify why the state policy embodied in the applicable goals should not apply: The exception shall set forth the facts and assumptions used as the basis for determining that a state policy embodied in a goal should not apply to specific properties or situations including the amount of land for the use being planned and why the use requires location on resource land;

"(b) Areas which do not require a new exception cannot reasonably accommodate the use:

(A) The exception shall indicate on a map or otherwise describe the location of possible alternative areas considered for the use, which do not require a new exception., The are for which the exception is taken shall be identified;

- (B) *To show why the particular site is justified, it is necessary to discuss why other areas which do not require a new exception cannot reasonably accommodate the proposed use. Economic factors can be considered along with other relevant factors in determining that the use cannot reasonably be accommodated in other areas. Under the alternative factor the following questions shall be addressed:*
- (i) *Can the proposed use be reasonably accommodated on nonresource land that would not require an exception, including increasing the density of uses on nonresource land? If not, why not?*
 - (ii) *Can the proposed use be reasonably accommodated on non resource land that is already irrevocably committed to nonresource uses, not allowed by the applicable Goal, including resource land in existing rural centers, or by increasing the density of uses on committed lands? If not, why not?*
 - (iii) *Can the proposed use be reasonably accommodated inside an urban growth boundary? If not, why not?*
- (C) *This alternative areas standard can be met by a broad review of similar types of areas rather than a review of specific alternative sites. Initially, a local government adopting an exception need assess only whether those similar types of areas in the vicinity could not reasonably accommodate the proposed use. Site-specific comparisons are not required of a local government taking an exception, unless another party to the proceeding can describe why specific alternative sites is thus not required unless such sites are specifically described with facts to support the assertion that the sites are more reasonable by another party during the local exceptions proceedings."*

"(c) The long-term environmental, economic, social, and energy consequences resulting from the use at the proposed site with measures designed to reduce adverse impacts are not significantly more adverse than would typically result from the same proposal being located in other areas requiring a Goal exception. The exception shall describe the characteristics of each alternative areas considered by the jurisdiction for which an exception might be taken, the typical advantages and disadvantages of using the area for a use not allowed by the Goal, and the typical positive and negative consequences resulting from the use at the proposed site with measures designed to reduce adverse impacts. A detailed evaluation of specific alternative sites is not required unless such sites are specifically described with facts to support the assertion that the sites have significantly fewer adverse impacts during the local exceptions proceeding.

The exception shall include the reasons why the consequences of the use at the chosen site are not significantly more adverse than would typically result from the same proposal being located in areas requiring a goal exception other than the proposed site. Such reasons shall include but are not limited to, the facts used to determine which resource land is least productive; the ability to sustain resource uses near the proposed use; and the long-term economic impact on the general area caused by irreversible removal of the land from the resource base. Other possible impacts include the effects of the proposed use on the water table, on the costs of improving roads and on the costs to special service districts;

"(d) The proposed uses are compatible with other adjacent uses or will be so rendered through measures designed to reduce adverse impacts."The exception shall describe how the proposed use will be rendered compatible with adjacent land uses. The exception shall demonstrate that the proposed use is situated in such a manner as to be compatible with surrounding natural resources and resource management or production practices. "Compatible" is not intended as an absolute term meaning no interference or adverse impacts of any type with adjacent uses.

a. OAR 660-004-0020(2)(a)

The County finds that "reasons justify why the state policy embodied in the applicable goals should not apply," as required by OAR 660-004-0020(2)(a). The County finds that the requirements of OAR 660-04-020(2)(a) are satisfied based upon the following justification for not applying the policy embodied in Goal 3 as follows.

(1) The basic policy of Goal 3.

The basic policy of Goal 3 is the preservation of agricultural land, which is defined in Goal 3 and the Goal 3 administrative rules found in OAR 660, Division 4. The rationale for this policy is stated in ORS 197.243, which is: (1) the preservation of open land for agricultural use; (2) the preservation of agricultural land in large blocks as necessary in maintaining the agricultural economy; and (3) expansion of urban development into rural areas which causes increases in costs of community services, conflicts between farm and urban activities and the loss of open space and natural beauty. Goal 3 defines the agricultural lands subject to the goal, describes the uses allowed on agricultural land and contains a standard for land divisions.

(2) Amount of land for the use being planned.

The amount of land to be transferred to light industrial use is 1.1 acre. This is the minimum amount of usable land necessary to reasonably accommodate the current and future expansion of applicant's light industrial operation.

(3) Why the use requires location on resource land.

The reasons why the subject property is required for the light industrial use include:

- (a) **The need to site a light industrial use to serve a defined need to expand an existing industrial use in the Gaston area.**

First, there is a need to site this light industrial use to serve a defined need for expansion of its existing plant in the Gaston area. The applicant's current light industrial businesses are located within the City of Gaston, but the current location is inadequate to accommodate the present and future needs of the businesses. Applicant's businesses constitute a significant employer in the Gaston area, which has been listed as an economically distressed area, and it is desirable to the economic development of the area for applicant's businesses to remain in the Gaston area.

The current and future expansion of the businesses requires a location within the Gaston area which is centrally located with respect to the key employees and customers of the applicant's light industrial businesses, with suitable access to the state highway transportation system.

In addition to being centrally located to the key employees and customers of the business, the proposed expansion requires an adequate amount of usable land which can reasonably accommodate at least 10,000 square feet of floor space.

Finally, the proposed use requires a location in an area in which this light industrial use will be compatible with other uses in the area.

- (b) **Lack of available alternative sites, including sites located within the City of Gaston UGB, which could reasonably accommodate the planned use.**

Second, there is a lack of available alternative sites located within the City of Gaston UGB and other areas in the vicinity of Gaston which would not require a new exception and which could reasonably accommodate the planned use. Applicant conducted a thorough search of alternative sites which do not require an exception and which can reasonably accommodate the proposed use was conducted within the City of Gaston UGB, the City of Yamhill UGB, and nearby unincorporated Yamhill and Washington county exception lands. (See, discussion of Alternative Site Search below.) There were no such suitable, available alternative sites found within the City of Gaston UGB, the City of Yamhill UGB, and nearby unincorporated Yamhill and Washington county exception lands. The lack of such alternative sites makes it necessary to consider resource lands within the Gaston area which can reasonably accommodate the planned use, require as little resource land as possible, and which would not require extension of public facilities and services.

(c) The subject property satisfies the need to site a light industrial use near the City of Gaston.

Third, the subject property meets all of the prerequisites described above and satisfies the need to site a light industrial use near the City of Gaston. The property is located within the Gaston area, contains the minimum amount of usable land which can reasonably accommodate at least 10,000 square feet of floor space. The property contains existing buildings which are no longer used for agricultural purposes, and which will make it unnecessary to develop any open resource land or take any land out of agricultural production, and avoids any adverse impact upon agricultural enterprises in the area. The property has state highway access. The property is within an area in which it is feasible for this light industrial to be compatible with other uses in the area. The property has water and will utilize a subsurface sewage disposal system making extension of public facilities and services unnecessary.

(d) No adverse impact upon agricultural uses..

Fourth, the property is not in current agricultural use, and the planned light industrial use will be located within existing buildings on the property and will not result in any adverse impact upon agricultural uses in the surrounding area.

The prior owner of the property, Gene Biggins, was a farmer who used the property as an onion warehouse, but went out of business, and the property has not been used since May, 2000. The prior owner stated that he went out of the onion business due to a general decline in prices due to an increase in competition from areas outside the Gaston area, and that it was no longer economically feasible to grow onions on the adjacent land, and that use of the property for onion warehousing is no longer necessary or economically feasible.

Assuming crops are grown on the adjacent agricultural land, the use of the subject property for light industrial rather than as an agricultural building will not have any substantial adverse impact upon such agricultural operations.

First, there is a 5.5-acre parcel immediately north of the subject property, which is zoned EFU. This property has a residence, garden, and pasture ground, the majority of which is in flood plain, and shares the private roadway with the subject property. This property is not currently in crop production and is not used in conjunction with agricultural land to the east, although there is a bridge between it and the agricultural land to the east. Second, to the south of the chosen site is a 1.75-acre parcel zoned EFU, which is the residence of the Furakawa family and is not currently in crop production, but serves as the farm dwelling for the Furakawas' farm operation on farmland to the east. Third, there is about 6.96 acres of resource industrial property in two areas within the immediate vicinity (4.19 acres in an area on the east side of Highway 47 immediately north of the subject property and adjacent to the agricultural land, and 2.77 acres in an area on the west side of the state highway directly across from the subject property). These two areas are Plan designated Industrial and zoned Resource Industrial (RI) under YCZO 701,

which allows, among other things, fruit, nut or vegetable packing, processing, warehousing or cold storage. The surrounding RI property to the north and west of the subject property is currently used for onion storage and processing, and farm equipment and maintenance, and the EFU land to the east is in pasture, and to the west is in grain crops. (See, discussion of "Surrounding Land Use and Zoning" above and discussion of "Unincorporated Yamhill County" alternative sites below.) The proposed use will not result in any air or water pollution which would adversely affect the residences or the RI uses. Therefore, allowing the requested plan amendment and zone change to Light Industrial on the subject property will not diminish the ability to engage in the nearby agricultural practices.

(e) Balancing objectives under Goal 3 (Agricultural Lands) and Goal 9 (Economy).

Approval of this light industrial use in the unincorporated area in the vicinity of Gaston to retain and facilitate expansion of an existing light industrial business in an economically distressed area will serve the objectives of ORS 197.707 ("to enhance economic development and opportunity for the benefit of all citizens", Goal 9 ("to diversify and improve the economy of the state") and ORS 197.712(2)(g)(A), (to provide "Reasonable opportunities to satisfy local and rural needs for . . . industrial development and other economic activities on appropriate lands outside urban growth boundaries in a manner consistent with conservation of the state's agricultural and forest land base"). Goal 9 states that the county is to "provide adequate opportunities throughout the state for a variety of economic activities vital to the health, welfare, and property of Oregon's citizens." Yamhill County has adopted a similar goal, which provides: "To maintain a rate and pattern of economic growth sufficient to prevent recurring high levels of unemployment and underemployment in the county . . ."

The Oregon Department of Economic Development has listed the Gaston area as an economically "distressed area".⁵ The applicant's businesses are providing jobs and services which are vital to the local community and components which are vital to the state's aircraft manufacturing industry. The use proposed on the property would allow the expansion of the applicant's existing business which would enhance the economic development of the Gaston area by increasing its capacity to produce aircraft and other components. There are currently 7-10 employees and in the future the applicant expects to have up to 14 employees. This job creation is significantly more than would be expected to be employed by farm use of the property.

There is no current agriculture taken out of production by the proposed use. The onion business is no longer viable and there is no further need for an onion warehouse. There has been a reduction in the amount of onion farming due to agricultural advancements which have increased competition from other regions. At the same time there is a need for an adequate supply of suitable industrial land in the Gaston area which can reasonably accommodate

⁵ According to Tom Fox of ODED, the other cities which are listed as economically "distressed area" include the City of Yamhill in Yamhill County and the City of Banks in Washington County. (See, Exhibit 10.)

operations such as applicants'. To the extent that the need has not been met by land within the Gaston UGB, there is a need for the county to provide light industrially zoned land notwithstanding that it may conflict with the policies embodied in the applicable goals (i.e. to preserve agricultural lands and place urban uses within urban growth boundaries).

In conclusion, there are no alternative sites which can reasonably accommodate the identified need for the planned use. Therefore the proposed use requires a location on resource land. Without approval of these land use actions, applicants' business will not expand in this area, the subject property will remain vacant and unused and no one's interests will be served. On the other hand, approval will facilitate the above-cited economic goals and be in the applicants' and county's best interests.

b. OAR 660-004-0020(2)(b)

Justifying a reasons exception requires an alternative site analysis under OAR 660-004-0020(2)(b). An alternative site analysis must explain the criteria used to identify suitable alternative sites and relate the criteria to the alleged need. See, *Cox v. Yamhill County*, 29 Or LUBA 263 (1995).

(1) The criteria used to identify suitable alternative sites and the relation to the identified need.

In order to reasonably accommodate the expansion of the applicant's businesses, the property requires: (a) a location within the Gaston area and centrally located with respect to the key employees and customers of the applicant's light industrial businesses, with suitable access to the state highway transportation system; (b) an adequate amount of usable land (at least one acre) which can reasonably accommodate at least 10,000 square feet of floor space; and (c) location within an area with a comprehensive plan and zoning designation which permits light industrial uses, either outright, as a conditional use, or with a zone change, and without taking a new exception.

(2) Lack alternative sites which will reasonably accommodate proposed use.

Based upon the business needs and the location of key employees and customers, the applicant conducted a thorough search of alternative sites within the Gaston areas which could reasonably accommodate the planned light industrial use.

(a) Scope of search for alternative sites

Search for areas which can reasonably accommodate the needs included lands around Gaston, in four study areas: (1) City of Gaston city limits/UGB, (2) City of Yamhill city limits/UGB; (3) Unincorporated northern Yamhill County, and (4) Unincorporated areas in

southern Washington County in close proximity to the city of Gaston.⁶ Study areas selected were those which included areas with a Comprehensive Plan designation of Industrial, or lands allowing light industrial use without taking a new exception. This necessarily includes lands in which light industrial is an outright permitted use or which require a zone change or conditional use to allow light industrial. Within these study areas, tracts considered included those which are at least one (1) acre in size with approximately 10,000 square feet. The search considered whether the parcels were for sale and whether, and to what extent, the parcel was suitable for the proposed industrial use due to other factors, such as access, site conditions, existing uses, and surrounding uses. Parcels which were too small were considered if they were available and could be consolidated with a suitable, adjacent parcel so as to satisfy the minimum size requirements.

(b) Results of search for alternative sites

The results of the search for alternative sites which could reasonably accommodate the proposed use are set forth in the maps and inventory data may be summarized as follows:

(i) City of Gaston UGB

The inventory and map showing parcels within the City of Gaston city limits and Gaston UGB shows, and the county finds, that there are no parcels within Gaston's city limits or its UGB which do not require an exception, allow light industrial use either as a permitted use or with a zone change or a conditional use, and which are both suitable and available to accommodate the proposed use. (See, Alternative Site Search for City of Gaston, Exhibit 13.)

(ii) City of Yamhill UGB

The City of Yamhill, is located about 7-8 miles south of Gaston on Highway 47. The City's Comprehensive plan shows that the present City Limit/UGB contains no provisions for industrial lands, and that there are no areas within its city limits or its UGB which are either plan designated or zoned for industrial use, or which would allow industrial use with a zone change or conditional use. Therefore, the county finds that there are no parcels within Yamhill's city limits

⁶ The scope of the search focused on property in the vicinity of Gaston, which contained four areas which were appropriate to consider because they were either within the urban growth boundary or within an area which is zoned resource industrial, and therefore capable of being used for light industrial use with a zone change or conditional use. The priority given to the four study areas took into consideration its proximity to the City of Gaston and favored lands within an urban growth boundary. Therefore, the first priority was available, suitable industrial land within the City of Gaston's city limits and UGB. Absent any available suitable property within Gaston's city limits and UGB), the second priority was property within the City of Yamhill's city limits and UGB. Third, if there are no such sites within the cities of Gaston and Yamhill UGB's, the applicant searched the unincorporated areas of Washington and Yamhill Counties close to the City of Gaston. The study area was not extended to Hillsboro, Cornelius, or Forest Grove because, as explained above, those cities were not centrally located to its customer base, the majority of its key employees, and would not provide needed economic development to an economically "distressed area."

or its UGB which do not require an exception, allow light industrial use either as a permitted use or with a zone change or a conditional use, and which are both suitable and available to accommodate the proposed use. (See, Alternative Site Search for City of Yamhill, Exhibit 14.)

(iii) Unincorporated Yamhill County

The inventory and map showing parcels within unincorporated northern Yamhill County area in the vicinity of Gaston ("Yamhill County") shows, and the county finds, that there are no parcels in the area which do not require an exception, allow light industrial use either as a permitted use or with a zone change or a conditional use, and which are both suitable and available to accommodate the proposed use. (See, Alternative Site Search for Yamhill County, Exhibit 15.)

(iv) Unincorporated Washington County.

The inventory and map showing parcels within unincorporated northern Washington County area in the vicinity of Gaston ("Washington County") shows three parcels in a tract owned by Stimson Lumber Co. which are Plan designated Industrial and zoned Resource Industrial (RI), but which are not for sale, and therefore are not available for the proposed use. The inventory and map shows, and the county finds, that there are no other parcels in the area which do not require an exception, allow light industrial use either as a permitted use or with a zone change or a conditional use, and which are both suitable and available to accommodate the proposed use. (See, Alternative Site Search for Washington County, Exhibit 16.)

In conclusion, the County finds that the proposed use complies with the requirements of OAR 660-04-0020(2)(b) that the areas which do not require a new exception cannot reasonably accommodate the use based upon the alternative site analysis which shows that there are no parcels which do not require an exception, which are both suitable and available, and which can reasonably accommodate the planned use, either inside the UGB's of the City of Gaston or the City of Yamhill, or in the unincorporated areas of Yamhill or Washington county in the vicinity of the City of Gaston.

c. OAR 660-004-0020(2)(c)

The county finds that the proposed use satisfies the requirements of OAR 660-004-0020(2)(c) that the long-term environmental, economic, social, and energy consequences resulting from the use at the proposed site with measures designed to reduce adverse impacts are not significantly more adverse than would typically result from the same proposal being located in other areas requiring a Goal exception, as follows.

(1) Alternative area for which an exception might be taken

The alternative areas for which an exception might be taken include properties in close proximity to the City of Gaston in unincorporated Washington County and Yamhill Counties.

In both the unincorporated Washington County and Yamhill County areas, the land is designated Exclusive Farm Use, with the exception of the RI zoned land across the highway and north of the chosen site. (See, Exhibits 4, 15, and 16.)

Land in Washington County lies within the 100-year floodplain, and is at such low elevation that it is literally flooded every winter. (See, Exhibit 13.) Therefore, this area is considered unsuitable for industrial development or any use other than agricultural, or wetland/floodplain, natural habitat, or other use which can be conducted in such conditions.

In the unincorporated Yamhill County area between Gaston and Yamhill, there is EF-80 land which is primarily in pasture and the Resource Industrial land described above.

(2) Advantages and disadvantages of using area for use not allowed by goal

The typical advantages of using the area for a use not allowed by the goal include:

Advantages: Provides a community based use at a location which will serve people both outside and inside the City of Gaston, resulting in increased community identity; shortens the commute, saves transportation costs and driving time for key employees and customers, and reduces impact of traffic congestion on roads.

Disadvantages: Removes land from future (not current) agricultural use, although agricultural use has not proven to be profitable given the fact that the onion farmer has gone out of business and there is increasing difficulties in raising onions due to competition from outside the region since onions can now be grown with less moisture than previously required; potential complaints regarding reduction of privacy on nearby residences.

(3) Positive and negative consequences with measures designed to reduce adverse impacts

The typical positive and negative consequences resulting from the use at the proposed site with measures designed to reduce adverse impacts include:

Positive consequences: The proposed use should not interfere with farming practices given Yamhill County Ordinance No. 541 (the right to farm ordinance); conditions may be imposed as a part of site design review or a limited use overlay to ensure that traffic will be reasonably safe from a traffic engineering standpoint. Conditions will also ensure that no city water or sewer will be extended to the site.

Negative consequences: The proposed use will remove a 1.1-acre parcel of resource land; loss of privacy to surrounding landowners is likely to result.

(4) Consequences of the use at chosen site are not significantly more adverse than would result at other sites

The consequences of the use at the chosen site (with measures designed to reduce adverse impacts) are not significantly more adverse than would typically result from the same proposal being located in other areas requiring a goal exception ("other sites") for the following reasons:

Current productive capability of the chosen site for agricultural use is limited due to its size, and the loss of the onion business on the adjoining property, and therefore the impact on current agricultural activities is not significantly more adverse than other sites, many of which are larger or currently part of larger ongoing agricultural enterprises.

Adverse impacts on agricultural practices include nuisance claims against accepted agricultural practices, such as odors, spraying, noise, etc. There will be no adverse impact on the ability to sustain resource uses near the proposed use, particularly with the site design review conditions which will be imposed to avoid such adverse impacts, and the fact that the accepted agricultural practices in the surrounding area are protected from nuisance claims under Ordinance 541, the county's right to farm ordinance. Therefore, adverse impacts on nearby agricultural practices will not be greater than would occur at other sites.

(a) Long term environmental consequences

There is adequate on-site water available on the property and there is a location on the parcel which contains soils suitable for on-site subsurface sewage disposal. Conditions imposed under site design review or a limited use overlay can prohibit connection with the city sewer and will require placement of an approved on-site subsurface sewage disposal system. Therefore, the long term consequences of the proposed use on the chosen site (with measures designed to reduce adverse impacts), will not be significantly more adverse than would typically result from the same proposal being located in other sites.

(b) Long term economic consequences

This property has limited economic use for agriculture as demonstrated by its use in connection with a now defunct onion business. The property will have substantial economic benefit to the community in the Gaston area, by providing year round employment and services to the local residents and maintaining business customers from surrounding areas, thereby enhancing the economic development of this economically distressed area. In comparison, due to minimal economic benefit from use of the land for agricultural purposes, the long term economic impact on the general area caused by irreversible removal of the land from the resource

base will be minimal. Therefore, the long term economic consequences of the proposed use on the chosen site (with measures designed to reduce adverse impacts), will not be significantly more adverse than would typically result from the same proposal being located in other sites.

(c) Long term social consequences

The long term social consequences may include the retention of the small town character and a feeling of community by retaining small local business in the Gaston area, because this is not a large business which would change the character of the community, employees and customers of the business will continue to patronize local businesses, and key employees can continue to live and work in the same small community. Therefore, the long term social consequences of the proposed use on the chosen site (with measures designed to reduce adverse impacts), will not be significantly more adverse than would typically result from the same proposal being located in other sites.

(d) Long term energy consequences

The selection of the site near the city of Gaston would be central to its current key employees and customer base and would thereby reduce vehicular traffic and result in fuel conservation. Therefore, the long term energy consequences of the proposed use on the chosen site (with measures designed to reduce adverse impacts), will not be significantly more adverse than would typically result from the same proposal being located in other sites.

d. OAR 660-004-0020(2)(d)

The county finds that the proposed uses are compatible with other adjacent uses or will be so rendered through measures designed to reduce adverse impacts as required by OAR 660-004-0020(2)(d) as follows.

The proposed use will be situated in such a manner as to be compatible with surrounding uses, including natural resources and resource management or production practices in the surrounding area. Under YCZO 702.02 development of the use will require site design review ("SDR") pursuant to YCZO 1102, and the use will be subject to a Limited Use Overlay ("LUO") which requires that special concerns and locational requirements must be addressed in the site plan. The LUO district authorizes the imposition of conditions necessary to assure compliance with the plan and the ordinance.

The County finds that the proposed uses and activities are compatible with surrounding agricultural uses and that the site design review approval will require a site plan to address the concerns and locational requirements. The planned use will comply with all applicable DEQ standards (including air, water, and subsurface sewage disposal). The adjacent agricultural practices include spraying agricultural chemicals, noise, dust, and odors (e.g. odors and insects from storage of onions or application of animal wastes). The residents on the agricultural land

adjacent to the parcel are used to the conditions resulting from such agricultural practices and from the Resource Industrial businesses nearby. Moreover, the right to farm ordinance will prevent interference with agricultural practices on the adjacent lands. Therefore, the proposed use is, or may be rendered compatible with the residences located on the agricultural land, which have been subjected to the noises, smells, spraying, traffic and other effects of onion farming for many years. There will be traffic from the business, but it will be consistent with traffic levels on Highway 47 and site design review will address the buffering between the parking and the residences.

There is also a lack of incompatibility with the nearby Rural Industrial uses. Because the subject property will have the same Industrial plan designation as the property zoned Resource Industrial to the west and north, the planned light industrial use is capable of being made compatible with these other industrial uses.

Even if there might be incompatibilities with the surrounding uses, the proposed uses and activities will be rendered compatible with adjacent land uses through the Site Design Review process. The specific issues regarding impacts on surrounding uses which will be addressed in the Site Design Review process, include: characteristics of adjoining and surrounding uses, economic factors, traffic safety, internal circulation and parking, provisions for adequate noise and/or visual buffering from noncompatible uses, retention of natural features on site, problems due to development within potential hazard areas. With reasonable conditions, the site is capable of being used by the applicant's businesses in a manner which will not adversely impact surrounding uses, including agricultural activities.

4. OAR 660-004-0018 (Reasons Exceptions)

OAR 660-004-0018 sets forth the requirements for the goal exception process. An exception can be based upon land being physically developed or irrevocably committed to non-agricultural use or where "reasons" justify the exception. In this case there are "reasons" which justify allowing the proposed light industrial use on agricultural land outside an urban growth boundary.

OAR 660-004-0018(3)⁷ provides rules governing zoning in exception areas justified by "reasons." These provisions state:

⁷ OAR 660-004-018(3) provides:

"(3)(a) When a local government takes an exception under the "Reasons" section of ORS 197.732(1)(c) and OAR 660-004-0020 and 660-004-022, a plan and zone designations must limit the uses and activities to only those uses and activities which are justified in the exceptions.

"(b) When a local government changes the types or intensities of uses within an exception area approved as a "Reasons" exception, a new "Reasons" exception is required."

"(a) . . . plan and zone designations must limit the uses and activities to only those uses and activities which were justified in the exception.

"(b) When a local government changes the types or intensities of uses within an exception area approved as a "reasons" exception, a new "reasons" exception is required.

The first requirement in 660-004-0018(3) (a) applies because there are uses permitted in the LI zone besides the categories of uses which include these two businesses (i.e., 702.02 A which permits "manufacturing of machine tools and . . . equipment" and 702.02 B which permits "farm, industrial or contractors equipment or materials manufacture, storage, sales, repair or service"). Consequently, in this request there is a need to employ the Limited Use Overlay ("LUO") zone. See, YCZO 904.02.

The second requirement in 660-004-0018(3) (b) does not apply until a change of use is requested.

5. OAR 660-0012-0060 (Transportation Planning Rule)

OAR 660-0012-0060(1) provides:

660-012-0060

Plan and Land Use Regulation Amendments

(1) Amendments to functional plans, acknowledged comprehensive plans, and land use regulations which significantly affect a transportation facility shall assure that allowed land uses are consistent with the identified function, capacity, and performance standards (e.g. level of service, volume to capacity ratio, etc.) of the facility. This shall be accomplished by either:

(a) Limiting allowed land uses to be consistent with the planned function, capacity, and performance standards of the transportation facility;

(b) Amending the TSP to provide transportation facilities adequate to support the proposed land uses consistent with the requirements of this division;

(c) Altering land use designations, densities, or design requirements to reduce demand for automobile travel and meet travel needs through other modes; or

(d) Amending the TSP to modify the planned function, capacity and performance standards, as needed, to accept greater motor vehicle congestion to promote mixed use, pedestrian friendly development where multimodal travel choices are provided.

(2) A plan or land use regulation amendment significantly affects a transportation facility if it:

(a) Changes the functional classification of an existing or planned transportation facility;

(b) Changes standards implementing a functional classification system;

(c) Allows types or levels of land uses which would result in levels of travel or access which are inconsistent with the functional classification of a transportation facility; or

(d) Would reduce the performance standards of the facility below the minimum acceptable level identified in the TSP. (emphasis added)

Based upon information received from applicant, the County finds that the proposed use will be consistent with current traffic levels and will not significantly affect a transportation facility, because it will not: (a) change the functional classification of an existing or planned transportation facility; (b) change standards implementing a functional classification system; (c) allow types or levels of land uses which would result in levels of travel or access which are inconsistent with the functional classification of a transportation facility; or (d) reduce the performance standards of the facility below the minimum acceptable level identified in the TSP. (See, Traffic Analysis by Jim Paulson, P.E., URS Corporation, Exhibit 7.)

B. Ordinance Provisions and Analysis

1. YCZO section 1204 (Exceptions to Statewide Goals)

YCZO Section states that exceptions to statewide goals are subject only to the requirements of the Oregon Administrative Rules discussed above. Therefore, the Plan Amendment portion of this request is not subject to local review criteria.

2. YCZO section 1208.02 (Quasi-Judicial Zone Changes)

YCZO 1208.02 provides:

1208.02 Review Criteria.

A quasi-judicial change to a zoning map may be authorized, pursuant to Subsection 1208.01, provided that the request satisfies all applicable requirements of this ordinance, and also provided that the applicant demonstrates compliance with the following criteria, except as provided in Subsection 1208.03:

A. The proposed change is consistent with the goals, policies and any other applicable provisions of the Comprehensive Plan.

B. There is an existing, demonstrable need for the particular uses allowed by the requested zone, considering the importance of such uses to the citizenry or the economy of the area, the existing market demand which such uses will satisfy, and the availability and location of other lands so zoned and their suitability for the uses allowed by the zone.

C. The proposed change is appropriate considering the surrounding land uses, the density and pattern of development in the area, any changes which may have occurred in the vicinity to support the proposed amendment and the availability of utilities and services likely to be needed by the anticipated uses in the proposed district.

D. Other lands in the County already designated for the proposed uses are either unavailable or not as well-suited for the anticipated uses due to location, size or other factors.

E. The amendment is consistent with the current Oregon Administrative Rules (OAR's) for exceptions, if applicable.

a. YCZO section 1208.02(A)

The County finds that the proposed change is consistent with the goals, policies and any other applicable provisions of the Comprehensive Plan as required by YCZO 1208.02(A) for the following reasons.

The Comprehensive Plan contains the following relevant policies:

**SECTION I. URBAN GROWTH AND CHANGE AND ECONOMIC DEVELOPMENT
H. INDUSTRIAL DEVELOPMENT
POLICIES**

b. To the greatest extent possible, industrial areas will be located within urban growth boundaries. Those industrial areas located outside urban growth boundaries will be compatible with the industrial development goal and will be located where they can be adequately served by necessary major utility lines, including electric power substations and transmission lines, trunk sewer lines, trunk water lines, and where appropriate, trunk gas lines.

h. Established industrial areas may be extended and new industrial areas designated by plan amendment where development trends warrant such extension or designation and full urban services are extended into the area, if appropriate, and the extension or designation of land use and services is consistent with all other goals and policies of the comprehensive plan. (139)

i. Industrial development will utilize the transportation system in an efficient and safe manner and reduce energy consumption by identifying for industrial development areas with alternative transportation opportunities, and by locating employment opportunities close to public transportation and, where appropriate, in community areas.

n. The county will recognize and encourage small scale industries as viable alternatives to larger, conventional enterprises.

SECTION II. THE LAND AND WATER

A. AGRICULTURAL LANDS

POLICIES

a. Yamhill County will continue to preserve those areas for farm use which exhibit Class I through IV soils as identified in the Capability Classification System of the U.S. Soil Conservation Service.

The county finds that the foregoing policies are not independent approval standards, but rather aspirational and are satisfied through approval of a reasons exception and a limited use overlay zone. That these are not independent approval criteria is evident from the County's comprehensive plan which states:

** * * Goals are general directives or achievements toward which the County wishes to go in the future. Policies are more specific statements of action to move the County toward attainment of the goals. These policies are used in daily decision-making or in the development of ordinances by the County.*

Implementation of the County goals and policies can occur several ways. Many are implemented through county ordinance. Other goals and policies will apply to individual issues or proposals put forth by both private and public sectors. Still others will require action dependent upon the County's fiscal resources through time.

Where certain goals and policies conflict with others, the final decision will require a weighing of the merits in order to achieve a balanced decision. Through time, the goals and policies are guides for consistent, reasonable and balanced land use decisions. (See, Revised Comprehensive Plan, page 2.)

First, the County finds that these YCCP provisions are implemented through the zoning ordinance, viz. YCZO 1208.02(E) which requires application of the OAR's where applicable, and that the OAR's (Goal 3 rules) address the same policy of preserving agriculture, and therefore, the YCCP provisions are not approval criteria but are implemented through the zoning ordinance and the OAR's.

Second, the County finds that if there is a conflict between the policies in Policies I.H. and Policy II.A.2.a. then the final decision requires a weighing on the merits in order to achieve a balanced decision, and that, in this case Policy I.H.b, h, i, and n necessarily outweigh Policy II.A.2.a. for the reasons provided in support of the reasons exception.

Third, the County can also find that even if Policy II.A.2.a. were to be considered an independent approval standard, and even if YCCP policy II A.2.a were not shown to be outweighed by the other policies, it would nevertheless not apply in this case because a Goal 3 exception is taken. YCZO Section 1204 provides that exceptions are subject only to the OARs and not subject to local review criteria and may be taken using the Type C procedure under YCZO section 1301. Policy II.A.2.a. is intended to carry out goal 3. The taking of a goal 3 exception demonstrates compliance with goal 3 and therefore compliance with such a plan policy intended to carry out Goal 3. This interpretation is consistent with past practices insofar as the county has other areas of Class I through IV soils for which exceptions have been taken and acknowledged by LCDC to be in compliance with the goals. Therefore, the County finds that it is reasonable to interpret this policy to authorize use of Class I through IV soils for use by a light industrial facility where an exception is taken.

b. YCZO section 1208.02(B)

The County finds that there is an existing, demonstrable need for the particular uses allowed by the requested zone, considering the importance of such uses to the citizenry or the economy of the area, the existing market demand which such uses will satisfy, and the availability and location of other lands so zoned and their suitability for the uses allowed by the zone, as required by YCZO 1208.02(B), for the following reasons.

First, the demonstrable need requirement was addressed above in the reasons provided in support of the reasons exception. See, discussion of demonstrated need under OAR 660-004-0022(1).

Second, the importance of small light industrial use to the citizens and the economy of the area is demonstrated insofar as this use is consistent with the comprehensive plan policies set forth in YCCP Policy I.H.b, h, i, and n discussed above. An adequate supply of industrial land to accommodate the small light industrial businesses is important to the economic development of the county, the region, and the state, and is particularly important to the local Gaston community, which has been listed as an economically distressed area, to be able to retain existing, small, viable manufacturing firms which can provide a community identity, jobs, infusion of capital into the local economy, and generate tax revenues.

Third, there is an existing market demand for light industrial parcels which are sufficiently large (at least 1 acre) for this proposed light industrial facility expansion.

Fourth, there is a lack of alternative sites available and suitable to reasonably accommodate this proposed light industrial facility expansion. (See, alternative site analysis under OAR 660-004-0020(2)(b).)

c. YCZO section 1208.02(C)

The County finds that the requirements of YCZO 1208.02(C) are satisfied. The proposed change is appropriate considering the surrounding land uses, the density and pattern of development in the area, any changes which may have occurred in the vicinity to support the proposed amendment and the availability of utilities and services likely to be needed by the anticipated uses in the proposed district, as follows.

The surrounding uses are described above. See, discussion of "surrounding uses" in Background Facts. The Gaston city limits and UGB is one mile north of the subject property on state Highway 47. The addition of the proposed light industrial site near the Resource Industrial land will fit well with the density and development pattern in the area because it will be near similarly zoned land, namely, the two small Resource Industrial zones which are also located along Highway 47, between the city and the subject property, and across from the subject property, and which essentially constitute a small block of industrial land on both sides of Highway 47 in the midst of the large blocks of EFU land. There has been some change in the area which support the proposed amendment insofar as this existing business has been a part of a diversification and establishment of businesses in the rural communities which serve surrounding high-tech and industrial base, which support the state's and the region's industrial/technological expansion and the agricultural industries in the area. Therefore, the use of this 1.1-acre site for a small expansion of a light industrial use is consistent with the changes which have occurred in the area.

No sewer or water services will be required because there is an on-site well and there will be a subsurface sewage disposal system installed. The property is currently served with electrical power by PGE, is within the Gaston Fire District and Gaston and Yamhill School Districts.

d. YCZO section 1208.02(D)

The County finds that other lands in the County already designated for the proposed uses are either unavailable or not as well-suited for the anticipated uses due to location, size or other factors as required by YCZO 1208.02(D). Other sites in the Gaston area, i.e., within the City of Gaston city limits/UGB, the City of Yamhill city limits/UGB, and other Resource Industrial exception areas in unincorporated Yamhill and Washington counties, are either not available or not as well suited due to size and other factors for the reasons set forth above. See, discussion of OAR 660-004-0020(2)(c). No other sites in this part of the unincorporated areas of the county are designated to allow the requested use.

e. YCZO section 1208.02(E)

The County finds that the application satisfies YCZO section 1208.02(E) requirement that the amendment is consistent with the OAR's for exceptions, if applicable. The OAR requirements are addressed above. See, discussion of reasons exceptions under OAR 660-004-0018, -0020 and -0022.

Goal 14 is not applicable and no Goal 14 exception is required because the proposed use will not require extension of urban services (sewer or water), and extension of such services will be prohibited under the LUO conditions unless a Goal 14 exception is taken. Furthermore, the business serves customers from outside the incorporated area, and therefore Goal 14 does not apply.

3. YCZO section 904 (Limited Use Overlay)

The County finds that the uses and activities in the specific location will be limited to those uses and activities for which the reasons exception has been taken under ORS 197.732(1)(c) as follows.

Under ORS 197.132(1)(c) and OAR 660-004-018(3), "reasons" exceptions require that permitted uses be limited to those justified by the exception taken. The LI zone permits many uses that have not been addressed or requested by applicants. (See, YCZO 702.02 .⁸)

Because the exception taken here does not address the other uses allowed in the LI zone, it is necessary to limit the permitted uses and activities in this specific location to the uses and activities for the two small light industrial businesses, which include: (1) a machine shop which provides services to area farming, forestry, and industrial customers; and (2) a small manufacturing business which produces airplane and other components, engages in research and development to design and build new products, and includes a future dwelling for a caretaker or watchman, and accessory uses. The proposed uses are justified and approved thorough the Comprehensive Plan reasons exceptions under ORS 197.732(1)(c) taken in this case. The County is authorized to so limit the permitted uses and activities under YCZO 904, Limited Use

⁸ YCZO 702.02 provides that the following are permitted uses in the LI zone:

A. Manufacture of machine tools, medical and dental equipment, electronic instruments, mobile homes, and food products not generating noxious odors;

B. Farm, industrial or contractors equipment or materials manufacture, storage, sales, repair or service, including automobile repair garage;

C. Warehousing, wholesale storage and distribution, and motor freight terminals contained only within a building;

D. Fruit, nut or vegetable packing, processing warehousing or cold storage operations;

E. Winery;

F. Veterinary hospital;

G. Accessory uses;

H. Temporary structures as may be required during construction of an authorized permanent structure. Such temporary structure shall be removed upon final inspection of the permanent structure by the Building Inspector;

I. Community or municipal water supply system;

J. Community or municipal sewer system; and

K. Signs, pursuant to the sign provisions set forth in Section 1006;

L. Dwelling for a caretaker or watchman in conjunction with permitted use. If a dwelling is a mobile home it shall, in addition to the requirements of this section, also be subject to the mobile home standards set forth in Section 1002.

Overlay District ("LUO")⁹ and the County should adopt limitations which assure compliance with the standards required to be met for a reasons exception, including but not limited to the following:

- (a) The proposed use shall be two small light industrial businesses, which include (1) a machine shop which provides services to area farming, forestry, and industrial customer; and (2) a small manufacturing business which produces airplane and other components, engages in research and development to design and build new products, and includes a future dwelling for a caretaker or watchman, and accessory uses.
- (b) The area of application should be the subject property consisting of tax lots 240DD-100 (0.75 acres) and 240DD-200 (0.35 acres) totaling approximately 1.1 acre.
- (c) There shall be no extension of city water or city sewer to serve the subject property unless an exception to goal 11 (Public Facilities) is taken.
- (d) Placement of a subsurface sewage disposal system approved and permitted by the county sanitarian to serve the proposed use is required.
- (e) Provisions to make the proposed use and activities satisfy applicable fire protection standards are required.

4. YCZO section 1101 (Site Design Review)

In conjunction with this application for a plan amendment/zone change, applicant will apply for Site Design Review under YCZO 1101, which is intended to "insure safe, functional, energy-efficient developments which are compatible with the natural and man-made surrounding environment, and to resolve potential conflicts that may arise between (industrial) developments and adjacent uses." (See, YCZO 1101.01.) The SDR process will assure that the use of the

⁹ YCZO 904.02 provides in part:

"The LU Overlay District shall apply to that specific area for which a reasons exception has been taken or other area as deemed appropriate to protect Goal 5 resources. The Limited Use Overlay District is intended to carry out the administrative rule requirement for exceptions pursuant to OAR 660-14-018 and ORS 197.732 . . ."

subject property for applicant's light industrial businesses will not adversely impact the surrounding uses.

5. YCZO section 1206 (Similar Use)

Finally, the proposed facility will contain a machine shop which provides services to area farming, forestry, and industrial customers, which may be construed to be within the general category of permitted uses as "farm . . . equipment or materials manufacture . . . repair or service . . .". (See YCZO 702.02(B).) The proposed facility will also contain the small manufacturing business which produces airplane and other components, which may be construed to be within the general category of permitted uses as "materials manufacture." (See YCZO 702.02(B).) However, to the extent that it may be suggested that the proposed uses are not specifically list of permitted uses as "machine shop" or as "manufacturer of aircraft or other components", the applicant also requests under YCZO 1206, that the businesses which constitute the proposed use be adjudged as a similar use in the LI zoning district.

The County is authorized to find that the proposed use shall be considered to be a permitted use in accordance with YCZO 702.04, which provides:

702.04 Similar Uses. Any use not specifically listed as a permitted or conditional use in this district, that is similar in character, scale and performance to the permitted uses specified in subsection 702.02 may be allowed as a similar use subject to the provisions of Section 1206, and pursuant to the Type A application procedure set forth in Section 1301.

The County finds that the proposed use shall be considered to be a permitted use because the business is similar in character, scale and performance to the permitted uses accordance with YCZO 702.04 for the following reasons.

First, the machine shop which provides services to area farming, forestry, and industrial customers, and a small manufacturing business which produces airplane and other components is *similar in character* to the "farm equipment or materials manufacture, repair or service." (See YCZO 702.02(B).) Moreover, the two businesses are operated jointly and work closely together in manufacturing products. Therefore both businesses are *similar in character* to farm equipment and materials manufacturing, repair or service, which satisfies that requirement in YCZO 702.04.

Second, the machine shop which provides services to area farming, forestry, and industrial customers, and a small manufacturing business which produces airplane and other components as well as research and development of new products, and which will not produce any noxious odors, are *similar in scale and performance* to the "manufacture of machine tools, medical and dental equipment, electronic instruments. . . . not generating noxious odors." (See YCZO 702.02(A).) The size of the components and other products are similar in scale to dental

or medical equipment components authorized as permitted uses in the Light Industrial zoning district. Both require assemblage and precision work and by skilled technicians, with quality controls required for product safety. Like dentist and medical equipment manufacturing, no noxious odors are produced by the machine shop or the component manufacturer.

B. Summary of Argument.

1. With regard to Goal 14, the County finds as follows:

a. A Goal 14 exception is not required under the factors set forth in *Schaffer v. Jackson County*, 17 Or LUBA 922 (1989).

b. In the alternative, assuming that a Goal 14 exception is required, the application satisfies the requirements for a "reasons" exception under ORS 197.732(1)(c) and the administrative rules contained in OAR Chapter 660, Division 4. See, OAR 660-004-0022, 660-004-0020, 660-004-018.

2. The County finds that the portion of the application which requests approval of a caretaker's or watchman's residence for security for the proposed light industrial use, satisfies the requirements for a "reasons" exception to Goal 3, and, if applicable, goal 14 and the administrative rules contained in OAR Chapter 660, Division 4. See, OAR 660-004-0022, 660-004-0020, 660-004-018.

II. Discussion

A. A goal 14 exception is not required under the factors set forth in *Schaffer v. Jackson County*, 17 Or LUBA 922 (1989).

1. **The objectives of Goal 14.** Goal 14 (Urbanization) is to "provide for an orderly and efficient transition from rural to urban land use." The goal reflects the state's desire to avoid unnecessarily high expenditures for extension of public facilities and services over a large area developed at very low densities. *See, 1000 Friends of Oregon v. LCDC (Curry Co.)*, 301 Or 447, 724 P2d 268 (1986). Urban uses of rural land must be supported by exception to Goal 14 or establishment and acknowledgment of an urban growth boundary (UGB). *Id.* Goal 14 helps implement the policy set forth in ORS 215.243(3): "Expansion of urban development into rural areas is a matter of public concern because of the unnecessary increases in costs of community services, conflicts between farm and urban activities and the loss of open space and natural beauty around urban centers occurring as a result of such expansion." Goal 14 favors concentration of urban growth in existing urban centers, thereby avoiding a shadow effect by which scattered urban uses interfere with farm operations on adjoining agricultural land.

2. **All industrial uses are not inherently urban. Instead, there are a number of relevant factors to be considered, such as parcel size,**

**intensity of use, necessity of urban facilities and proximity to a UGB.
*Schaffer v. Jackson County, 17 Or LUBA 922 (1989).***

In the absence of interpretive rules or goal amendments adopted by LCDDC, whether residential, commercial, industrial or other type of use is "urban" or "rural" requires a case by case determination based on relevant factors. *Schaffer v. Jackson County, 17 Or LUBA 922 (1989)*. An industrial use is not per se an urban use. It is possible for an industrial use to be deemed rural in nature. *Id.* In determining whether an industrial use is "urban" or "rural", the relevant factors to be considered include parcel size, intensity of use, necessity of urban facilities and proximity to a UGB. *Id.*

3. The County finds that the proposed use is rural in nature based upon consideration of the relevant factors in deciding whether a use is urban or rural.

a. Parcel size. The parcel size is 1.1 acres. The 1.1 acre size is as small as possible to reasonably accommodate the current and future expansion of the proposed expansion of applicant's existing light industrial use.

b. Intensity of use. The proposed light industrial use will be housed in two existing buildings, which previously served for warehousing and processing of onions and maintenance of agricultural equipment belonging to a now defunct onion farm. The fact that this can be accomplished within the two existing buildings on the subject site means that there will be no loss of open space and natural beauty in the area south of the City of Gaston as a result of such expansion. A significant portion of the work done by the machine shop is for rural area farmers. The proposed use will be more compatible in some respects, than the former agricultural use, which caused odors, noise and other impacts associated with accepted farming practices. The proposed use will be compatible with surrounding agricultural and resource industrial uses for the reasons set forth in the discussion of OAR 660-004-0020 (2)(d). Regarding traffic resulting from the proposed use, the County finds that the proposed traffic will be consistent with current traffic levels and will not significantly affect a transportation facility for the reasons set forth in the discussion of OAR 660-0012-0060.

c. Necessity of urban facilities. No urban facilities or services (sewer, water, roads) will be necessary or required to serve the subject property. The property has an on-site water well, and will be served by an on-site subsurface sewage disposal system. The proposed site is located adjacent and has access to state highway 47. There will be no adverse impact on increases in costs of community services.

d. Proximity to a UGB. The parcel is 1.1 miles from the City of Gaston. The subject property is within a cluster of Rural Industrial zoned properties which contain the same types of buildings as exist on the subject property. The distance from the City of Gaston's UGB makes it unlikely that the City UGB will extend to the subject property in the future, and, if it does, the fact that the proposed use will utilize existing buildings on two existing

parcels will continue the existing development pattern, and therefore will not create a new development pattern which would create problems if the city urban growth boundary or city limits ever extends to include the subject property. On the other hand, the site is still close enough to the City of Gaston to enable the proposed light industrial use to be centrally located to employees who live in and near Gaston, remain centrally located for customers, and remain a significant contributor to the economic development of the City of Gaston, which has been listed as a "distressed area" by the Oregon Department of Economic Development.

Given that the small parcel size, that the intensity of use will be compatible with the surrounding uses, the lack of need for urban facilities and services, and the proximity to the City of Gaston UGB, there will be no increases in costs of community services, conflicts between farm and urban activities and no loss of open space and natural beauty around urban centers occurring as a result of approving the application. For the foregoing reasons, the County finds that the proposed light industrial use may be considered rural in nature and therefore no exception to Goal 14 is required.

B. In the alternative, assuming that a goal 14 exception is required, the application satisfies the requirements for a "reasons" exception under ORS 197.732(1)(c) and the administrative rules contained in OAR Chapter 660, Division 4. See, OAR 660-004-0022, 660-004-0020, 660-004-018.

1. Introduction.

Oregon Administrative Rule (OAR) Chapter 660, Division 4, explains the requirements for taking exceptions to statewide goals. OAR 660-004-0010(1) (c) provide that the exception process is applicable to Goal 14. If the proposed use is considered urban in nature and outside of an urban growth boundary (see above), then an exception to Goal 14 (Urbanization) is required.

As explained below, the facts which support a reasons exception to Goal 3 (See, discussion of ORS 197.732, OAR 660-004-0022, 0020, and 0018, also provide a basis for a reasons exception to Goal 14.

2. OAR 660-004-0022 (Reasons Exceptions)

This request relies upon a "reasons" exception which allows a jurisdiction to zone property with a urban designation outside of the UGB if there are sufficient grounds for the change.

The County finds that demonstrated need requirement under OAR 660-004-0022(1)(a), is satisfied based on the provisions of Goal 9 (Economy) and the applicant's need to remain in the vicinity of Gaston for (a) employment considerations (to avoid employee replacement costs); (b) economic development considerations (to continue to provide employment/capital to "economically distressed area"; and (c) business customer considerations (to remain conveniently located to customers).

The County finds that the proposed use or activity has special features or qualities that necessitate its location on or near the proposed exception site as required by OAR 660-004-0022(1)(c). Applicant's alternative site search focused upon parcels which (alone or when combined with available adjacent parcels) are at least one acre in size, and which are located within the city of Gaston city limits and UGB, within the city of Yamhill city limits and UGB, and within the unincorporated areas of Yamhill and Washington counties in the Gaston area. Applicant submitted maps showing their inventory of properties which could reasonably accommodate the proposed use without a new exception. To be suitable, the property would need to be: (A) planned and zoned to allow use for light industrial use (either as an outright permitted use or as a conditional use, or with a zone change); and (B) at least one (1) acre in size (either alone or in combination with adjacent sites); and (C) capable of reasonably accommodating a building or buildings with approximately 10,000 square feet of floor area suitable for applicant's light industrial businesses. The survey found that every parcel in the City of Gaston was not available or not suitable for the proposed use. Applicant's survey found that there were no lands within the city limits or UGB of the City of Yamhill which, with a zone change or a conditional use, could allow light industrial use. Applicant's survey of land outside and near to the city's UGB found all such land was resource land which would require that an exception be taken in order to enable it to be developed for the proposed use, except certain Resource Industrial land in Washington and Yamhill Counties, which were again found to be unavailable. Applicant found the subject site to possess the requisite characteristics for the development and to be better suited than other resource lands in terms of size and closeness to the city. The scope of the survey was reasonable and was not unduly limited. The proposed site is the best suited available parcel with the Gaston area for the proposed use. The applicant's map showing key employees and customers of the business shows that this property is the only parcel in the area suitable for the use and available. Therefore, it follows that the proposed use has special qualities that necessitate the proposed location.

Additionally, another reason why the applicable goals should not apply is the need for the facility location next to established traffic routes. Finally, it would be difficult to use the parcel profitably for farming, either by itself because it is so small, or in conjunction with the adjoining farm operation, due to the decline of the onion business which was formerly using the property.

a. OAR 660-004-0020(2)(a)

The County finds that "reasons justify why the state policy embodied in the applicable goals should not apply," as required by OAR 660-004-0020(2)(a). The County finds that the requirements of OAR 660-04-020(2)(a) are satisfied based upon the following justification for not applying the policy embodied in Goal 14 as follows.

(1) The basic policy of Goal 14

The basic policy of Goal 14 is to "provide for an orderly and efficient transition from rural to urban land use." The goal reflects the state's desire to avoid unnecessarily high expenditures for extension of public facilities and services over a large area developed at very

low densities. This policy as stated in ORS 197.243(3), states that expansion of urban development into rural areas which causes increases in costs of community services, conflicts between farm and urban activities and the loss of open space and natural beauty.

(2) Amount of land for the use being planned.

The amount of land to be transferred to light industrial use is 1.1 acre, which is the minimum amount of usable land necessary to reasonably accommodate the current and future expansion of applicant's light industrial operation.

(3) Why the use requires location on resource land.

The reasons why the subject property is required for the light industrial use include:

(a) The need to site a light industrial use to serve a defined need to expand an existing industrial use in the Gaston area.

There is a need to site this light industrial use to serve a defined need for expansion of its existing plant in the Gaston area. The current location of applicant's light industrial businesses located within the City of Gaston is inadequate to accommodate the present and future needs of the businesses. Applicant's businesses constitute a significant employer in the Gaston area, which has been listed as an economically distressed area, and it is desirable to the economic development of the area for applicant's businesses to remain in the Gaston area.

The current and future expansion of the businesses requires a location within the Gaston area which is centrally located with respect to the key employees and customers of the applicant's light industrial businesses, with suitable access to the state highway transportation system.

In addition to being centrally located to the key employees and customers of the business, the proposed expansion requires an adequate amount of usable land which can reasonably accommodate at least 10,000 square feet of floor space.

Finally, the proposed use requires a location in an area in which this light industrial use will be compatible with other uses in the area.

(b) Lack of available alternative sites, including sites located within the City of Gaston UGB, which could reasonably accommodate the planned use.

There is a lack of available alternative sites located within the City of Gaston UGB and other areas in the vicinity of Gaston which would not require a new exception and which could reasonably accommodate the planned use. Applicant conducted a thorough search of alternative sites which do not require an exception and which can reasonably accommodate the proposed use

was conducted within the City of Gaston UGB, the City of Yamhill UGB, and nearby unincorporated Yamhill and Washington county exception lands. There were no such suitable, available alternative sites found within the City of Gaston UGB, the City of Yamhill UGB, and nearby unincorporated Yamhill and Washington county exception lands. The lack of such alternative sites makes it necessary to consider resource lands within the Gaston area which can reasonably accommodate the planned use, require as little resource land as possible, and which would not require extension of public facilities and services. This requirement for a goal 14 exception is satisfied.

(c) The subject property satisfies the need to site a light industrial use near the City of Gaston.

The subject property meets all of the prerequisites described above and satisfies the need to site a light industrial use near the City of Gaston. The property is located within the Gaston area, contains the minimum amount of usable land which can reasonably accommodate at least 10,000 square feet of floor space. The property contains existing buildings which are no longer used for agricultural purposes, and which will make it unnecessary to develop any open resource land or take any land out of agricultural production, and avoids any adverse impact upon agricultural enterprises in the area. The property has state highway access. The property is within an area in which it is feasible for this light industrial to be compatible with other uses in the area. The property has water and will utilize a subsurface sewage disposal system making extension of public facilities and services unnecessary. This requirement for a goal 14 exception is satisfied.

(d) No adverse impact upon agricultural uses and on orderly and efficient transition from rural to urban land use.

The property is not in current agricultural use, and the planned light industrial use will be located within existing buildings on the property and will not result in any adverse impact upon agricultural uses in the surrounding area or upon the orderly and efficient transition from rural to urban land use for the following reasons.

Use of the property for onion warehousing is no longer necessary or economically feasible. Assuming crops are grown on the adjacent agricultural land, the use of the subject property for light industrial rather than as an agricultural building will not have any substantial adverse impact upon such agricultural operations. If, in the future, the property ceases to be used for light industrial use, the use of the existing buildings and subject parcel could be reclaimed for agricultural use.

The County finds that given the small parcel size, that the intensity of use will be compatible with the surrounding uses, the lack of need for urban facilities and services, and the proximity to the City of Gaston UGB, there will be no increases in costs of community services,

conflicts between farm and urban activities and no loss of open space and natural beauty around urban centers occurring as a result of approving the application.

**(e) Balancing objectives under Goal 14
(Urbanization) and Goal 9 (Economy).**

Approval of this light industrial use in the unincorporated area in the vicinity of Gaston to retain and facilitate expansion of an existing light industrial business in an economically distressed area will serve the objectives of ORS 197.707 ("to enhance economic development and opportunity for the benefit of all citizens", Goal 9 ("to diversify and improve the economy of the state") and ORS 197.712(2)(g)(A), (to provide "Reasonable opportunities to satisfy local and rural needs for . . . industrial development and other economic activities on appropriate lands outside urban growth boundaries in a manner consistent with conservation of the state's agricultural and forest land base"). Goal 9 states that the county is to "provide adequate opportunities throughout the state for a variety of economic activities vital to the health, welfare, and property of Oregon's citizens." Yamhill County has adopted a similar goal, which provides: "To maintain a rate and pattern of economic growth sufficient to prevent recurring high levels of unemployment and underemployment in the county . . ."

The Oregon Department of Economic Development has listed the Gaston area as an economically "distressed area". The applicant's businesses are providing jobs and services which are vital to the local community and components which are vital to the state's aircraft manufacturing industry. This job creation is significantly more than would be expected to be employed by farm use of the property.

There is no current agriculture taken out of production by the proposed use. At the same time there is a need for an adequate supply of suitable industrial land in the Gaston area which can reasonably accommodate operations such as applicants'. To the extent that the need has not been met by land within the Gaston UGB, there is a need for the county to provide light industrially zoned land notwithstanding that it may conflict with the policies embodied in the applicable goals (i.e. to preserve agricultural lands and place urban uses within urban growth boundaries).

In conclusion, there are no alternative sites which can reasonably accommodate the identified need for the planned use. Therefore the proposed use requires a location on resource land lying outside the UGB. Without approval of these land use actions, applicants' business will not expand in this area, the subject property will remain vacant and unused and no one's interests will be served. On the other hand, approval will facilitate the above-cited economic goals and be in the applicants' and county's best interests. This requirement for a goal 14 exception is satisfied.

b. OAR 660-004-0020(2)(b)

Justifying a reasons exception requires an alternative site analysis under OAR 660-004-0020(2)(b). Based on the alternative site analysis, the county finds that the requirements for an alternative site analysis for a Goal 14 reasons exception have been satisfied.

c. OAR 660-004-0020(2)(c)

The county finds that the proposed use satisfies the requirements of OAR 660-004-0020(2)(c) that the long-term environmental, economic, social, and energy (ESEE) consequences resulting from the use at the proposed site with measures designed to reduce adverse impacts are not significantly more adverse than would typically result from the same proposal being located in other areas requiring a Goal exception. Based thereon, the county finds that the requirements for the long-term ESEE analysis for a Goal 14 reasons exception have been satisfied.

d. OAR 660-004-0020(2)(d)

The county finds that the proposed uses are compatible with other adjacent uses or will be so rendered through measures designed to reduce adverse impacts as required by OAR 660-004-0020(2)(d). Based thereon, the county finds that the compatibility requirements for a Goal 14 reasons exception have been satisfied.

C. YCZO section 1208.02(A)

In addition, the County finds that the proposed change is consistent with the goals, policies and any other applicable provisions of the Comprehensive Plan as required by YCZO 1208.02(A). There are no YCCP policies which are independent approval standards and that even if there were, the proposed change is consistent with YCCP I b (*To the greatest extent possible, industrial areas will be located within urban growth boundaries*) insofar as a thorough search demonstrated that it is not possible to locate the proposed use within an urban growth boundary because there were no available suitable alternative sites within the urban growth boundaries of the City of Gaston or the City of Yamhill which could reasonably accommodate the proposed use. YCZO 1204 provides that exceptions are subject only to the OARS and not to local review criteria. The taking of a goal 14 exception demonstrates compliance with this provision, and any other arguably applicable plan policies designed to carry out Goal 14. This is consistent with past practices of the county and it is reasonable to interpret the YCCP to authorize zoning to allow a light industrial use outside an urban growth boundary where an exception is taken.

2. **The County finds that the portion of the application which requests approval of a caretaker's or watchman's residence for security for the proposed light industrial use, satisfies the requirements for a "reasons" exception to goal 3, and, if applicable, goal 14 and the administrative rules contained in OAR Chapter 660, Division 4. See, OAR 660-004-0022, 660-004-0020, 660-004-018.**

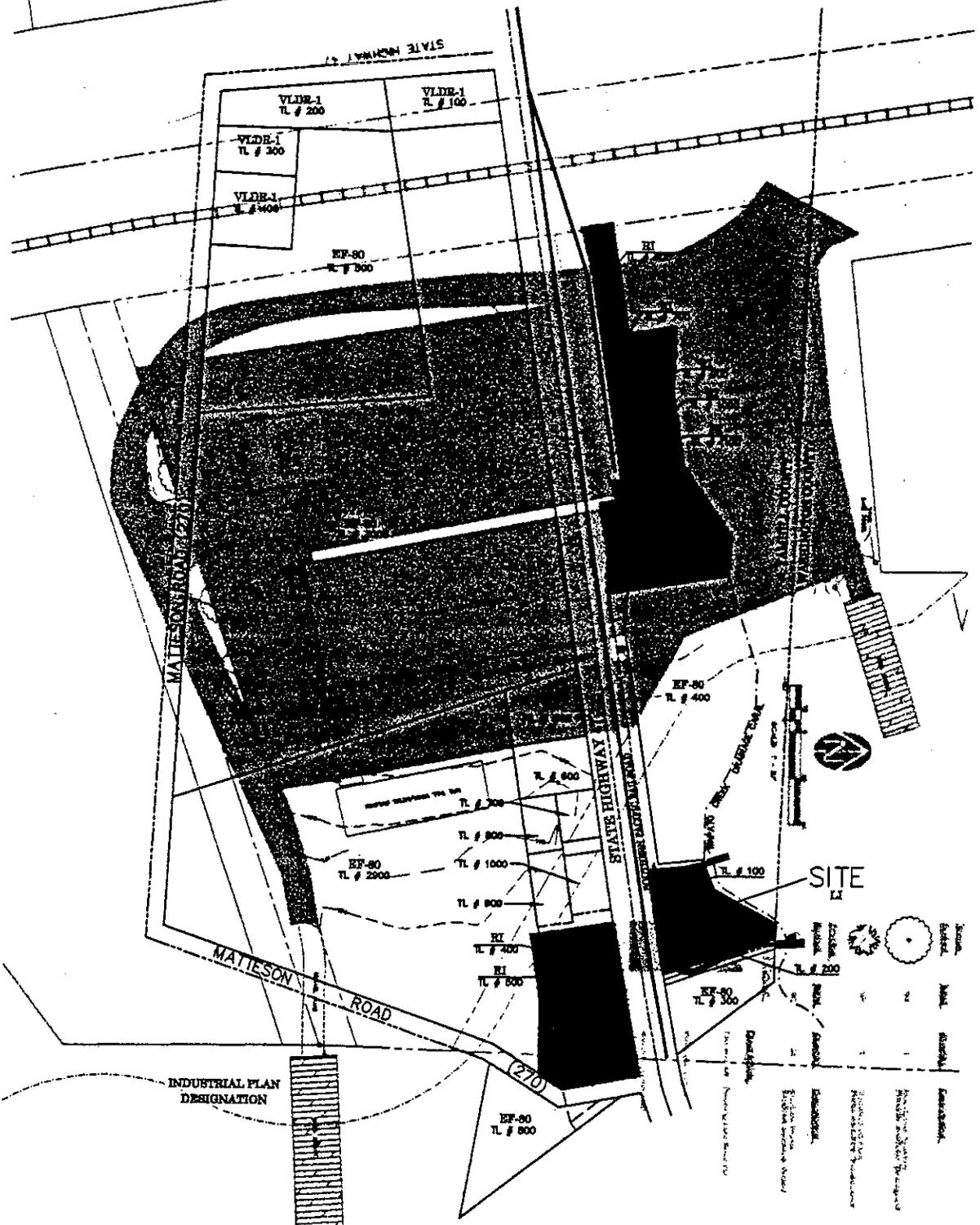
Security in the rural area is a concern. Applicant submitted evidence that the proposed use, which include (1) a machine shop which provides services to area farming, forestry, and industrial customer and (2) a small manufacturing business which produces airplane and other components, engages in research and development to design and build new products, and includes a future dwelling for a caretaker or watchman for security purposes, will contain a substantial amount of valuable equipment and materials. Drills used in the production phase cost about \$6,000. On-site inventory, which includes such things as expensive sheets of aluminum, will run into the thousands of dollars. Crime in the rural area, where there are few residents, is a substantial problem for rural businesses. In the past, there have been special bond measures to fund rural patrols by the YCSO in rural crime areas, that rural crime has been increasing, and that more recently there has been a rash of reported thefts in the rural areas. The existence of residences near the proposed site are either too far away or not within site of the building entrances at the subject property to provide adequate an deterrent to potential thefts. Therefore, the county finds that there is an adequate basis for including the proposed future dwelling for a caretaker as part of the proposed limited use for the purpose of providing security against theft and other criminal activities in the rural area.

III. Conclusion.

The County approves the plan amendment zone change in PAZ-04-00, and an exception to goals 3 and 14, for the reasons stated.



EXHIBIT B



LEGEND

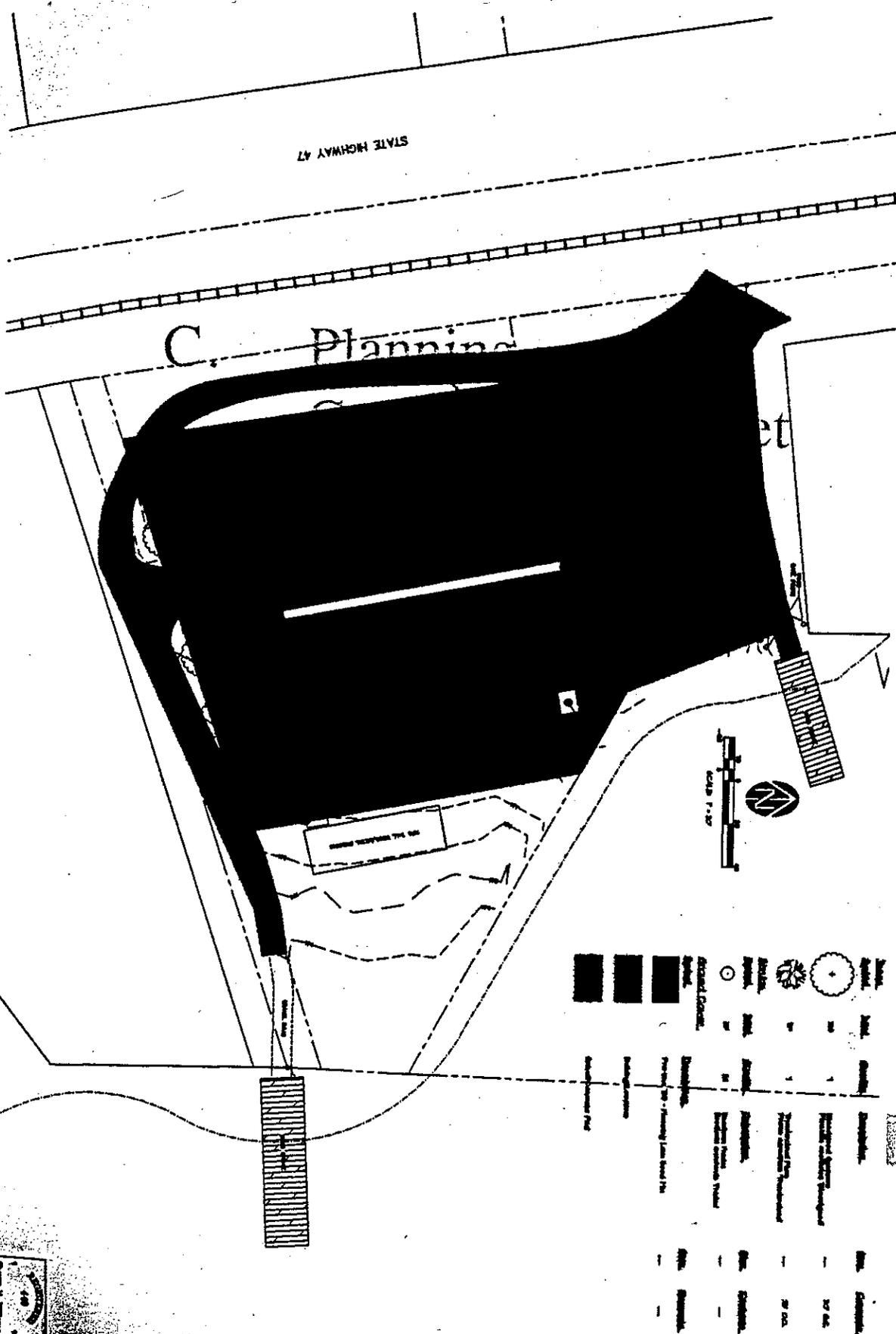
- EF-80 EXCLUSIVE FARM USE DISTRICT - 80 ACRES MINIMUM LOT SIZE
- RI RESOURCE INDUSTRIAL DISTRICT
- VLDR-1 VERY LOW DENSITY RESIDENTIAL - 1 ACRE MINIMUM LOT SIZE
- AF-40 AGRICULTURE/FORESTRY SMALL HOLDING DISTRICT
- LI LIGHT INDUSTRIAL



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EXHIBIT B (CONTINUED)



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STONECIPHER
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 LANDSCAPE PLANTING PLAN

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