

Millersburg Urban Growth Boundary Alternatives Analysis

TECHNICAL MEMORANDUM FOR UGB SWAP
PREPARED BY | MATT STRAITE, COMMUNITY DEVELOPMENT DIRECTOR

Contents

Intro.....	3
Regulatory Framework.....	3
What is an Alternative Analysis?.....	4
Preliminary Study area.....	4
Adjusted study area.....	5
Alternative Sites Analysis.....	8
Alternative 1	13
Location	13
Constraints	13
Analysis.....	13
Alternative 2	14
Location	14
Constraints	15
Analysis.....	15
Alternative 3	16
Location	16
Constraints	16
Analysis.....	16
Comparison.....	17
Summary	18

Intro

The City Council has expressed interest in making some changes to the City Urban Growth Boundary (UGB) and City limits. There are sections of the City that appear to be buildable, but for a host of reasons, are not. To address this, the City is proposing a UGB swap for industrially zoned property. No residential changes are proposed.

Traditionally, in the State of Oregon, a non-residential expansion of a UGB would only be done if there is a need for the City to grow in order to accommodate jobs for a 20 year population projection. At the time this was drafted, the City was starting to perform an Economic Opportunity Analysis to look at where City does, or does not, need to grow.¹

However, the issue at hand is related to a need to shift unbuildable property out of the City and add new property into the City that can allow the levels of development that our plan intended. The City will be using a UGB land exchange (swap) as outlined in OAR 660-024-0070. Using these State provisions, the City can swap the location of the UGB. This allows for a slightly streamlined process. The acreage totals must be essentially the same, and the use must be identical. Using the OAR 660-024-0070, the City can move forward without the need for justification based on population data or jobs need.

The Department of Land Conservation and Development (DLCD) has explained that an alternatives analysis is still required, as outlined in OAR 660-024-0065. This report satisfies the requirements for an alternatives analysis as outlined in OAR 660-024-0065 through 67.

The City has already completed the first part of the UGB swap. About 160 acres was removed from the City limits in August of 2022. This did not alter the UGB in any way, but the proposed swap will remove that 160 from the UGB in order to add it to the City's UGB in another location.

Regulatory Framework

The State of Oregon, Linn County, and the City of Millersburg all have policies and rules to direct when, where, and how to expand the UGB. Following is a list of the various pieces of this regulation framework.

- State of Oregon - Goal 9: Economic Development - Goal 14: Urbanization
Oregon Revised Statute 197.298: Priority of land to be included within UGB
Oregon Administrative Rule 660 Division 24, Urban Growth Boundaries - Oregon Administrative Rules 660-024
- Linn County - Linn County Comprehensive Plan - Urban Growth Management Agreement (between Linn County and Millersburg)
- City of Millersburg - Millersburg Comprehensive Plan and the Development Code

¹ The City has commissioned an economic opportunities analysis to analyze this in more detail.

What is an Alternative Analysis?

The State wants to be sure that any changes to a UGB are taken very seriously. UGBs are considered an invisible wall that is intended to keep urban uses inside and farmland outside. They are designed to protect farmland first. They are also designed to keep cities from growing like you see in California.

To help assure that significant thought is put into any UGB changes, the State has created a host of rules and regulations that guide UGB changes. Normally, a city has to do a lot of work to show there is a strong need to grow. The State also requires the city to look at all possible alternatives for where the UGB growth can occur. This document walks the reader through just such an analysis, following all State rules and regulations for the proposed UGB change.

Preliminary Study area

OAR 660-024-0065 contains requirements to establish a study area to identify the best areas to be studied for the possible UGB swap areas. Subsection 1 requires that the study area must:

- Include all lands within ½ mile of the UGB.
 - The City's UGB is almost identical to the City limits. A ½ mile buffer has been drawn in Figure 1.
- Not be within another UGB
 - Millersburg only shares a border with Albany to the south, there are no other neighboring UGBs. Part of the study area would be within the Albany UGB and City limits. This is addressed further in the next step.
- Include all lands within an urban reserve.
 - Millersburg has no urban reserve, but when the Comprehensive Plan was a "Planning Area" was created that for all intents and purposes acts like an urban reserve. The Planning Area allows for shared jurisdictional responsibilities in this area. Additionally, the Planning Area is already identified as a possible growth area for the City.
- Include all exception lands within 1 mile of the UGB.
 - There are no exception lands within a ½ mile buffer or within one mile of the UGB.

The study area for this analysis is shown in Figure 1. ²

² All exhibits in this study do not reflect the 160 acres that was removed from the City prior to the completion of the study because they were made in advance of the property's removal from the City.

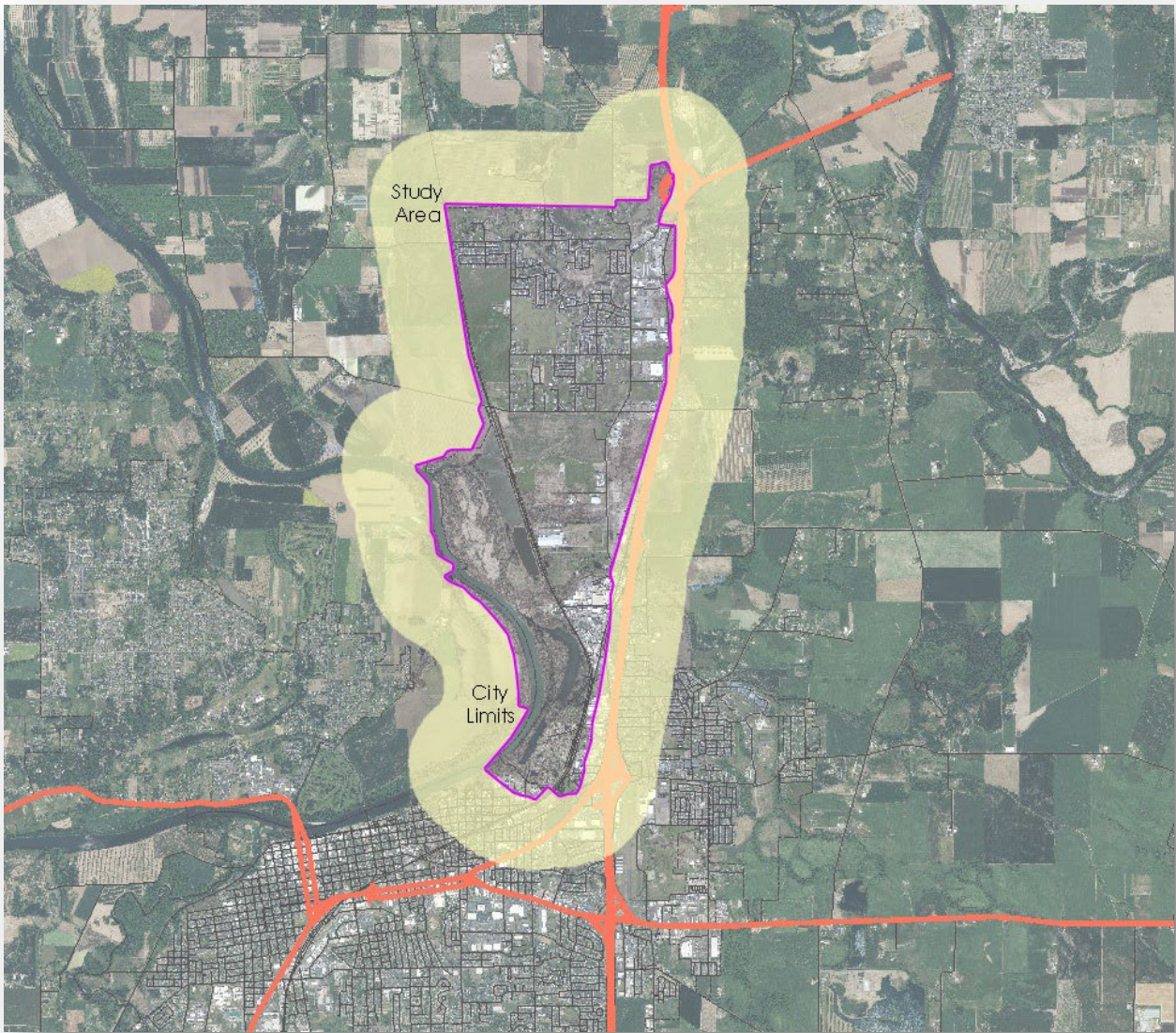


Figure 1 Study Area (1/2 Mile Buffer)

Adjusted study area

OAR 660-024-0065(4) permits the City narrow the results of the study area. Specifically, the study area may omit any areas that cannot be serviced, have significant natural hazards, contain critical habitat, natural heritage areas, and federal government lands managed for rural uses. Regarding services, there are additional regulations for industrial UGB changes. See below.

Analysis of areas removed from the study area (creation of adjusted study area)

Service Areas

Areas within the ½ mile buffer were excluded from the study area because they cannot be serviced with water, sewer and other utilities. These include:

- Area that is located on the west side of the Willamette River, because bridges would be too expensive and thus infeasible.
- Area south and south east of the current limits because this area is already developed and is within another jurisdiction (Albany).
- Area along near the northeastern edge of the City, because the topography is too steep to be serviced for industrial development and because the larger water, sewer and natural gas service lines that industry requires are not located in or near this area.

Natural Hazards

Mapped natural hazards include floodways and landslide areas. The following areas have been removed from the study area based on these hazards (see attached exhibits):

- Floodway areas near the west side of the City (these were the primary reason for the proposed UGB swap).
- The sloped areas on the northeast corner of the ½ mile buffer east of I-5 because they feature landslide areas as shown on the Oregon Department of Geology and Mineral Industries (DOGOMI) Statewide Landslide Information Database for Oregon (SLIDO).

Sensitive Habitat Areas

Millersburg has no sensitive habitat areas that are specific to the City,³ or designated State scenic corridors.

Industrial Uses

Lastly, OAR 660-024-0065(3) explains that when the primary purpose for expansion of the UGB is to accommodate a particular industrial use that requires specific site characteristics and the site characteristics may be found in only a small number of locations, the preliminary study area may be limited to those locations within the one-mile study area boundary, that have or could be improved to provide the required site characteristics. The proposed swap is not being done for any one specific type of industrial use. It is important to explain that the City of Millersburg has several factors that make it ideal for industrial development, which explains the City's long, and proud, history in manufacturing and industry. Many of these are mapped, such as the location of significant water, power, natural gas, rail lines and access to the river. Each of these can be provided to just about any location, but as industry gets further from the sources of these services, the cost to provide them increases. Because this is not a simple clear

³ Any mapped sensitive habitat areas generally cover the entire Willamette Valley. See Compass mapping system <https://compass.dfw.state.or.us>

determining factor, this has not been used to limit the study area. Distance to vital services will play a role in the analysis of each alternative.

OAR 660-024-0065(5)

The State requirements explain in subsection 65 that the adjusted study area must be at least twice the amount of land needed for the deficiency. In this case, the City is proposing a swap so there is no deficiency; however, the amount of land intended to swap is about 160 acres. As such, the adjusted study area must be larger than 320 acres. As adjusted the area east of I-5, south of the sloped area previously discussed, is about 529 acres and the area north and west of the city shown in Figure 2 is about 1,306 acres, for a total Adjusted Study Area of about 1,835 acres.

OAR 660-024-0067(4) requires that the study area be adjusted. The OAR includes a list of factors that should be removed from the study area. The City reviewed these and modified the study area as noted above. An adjusted study area map has been

created. See Figure 2.

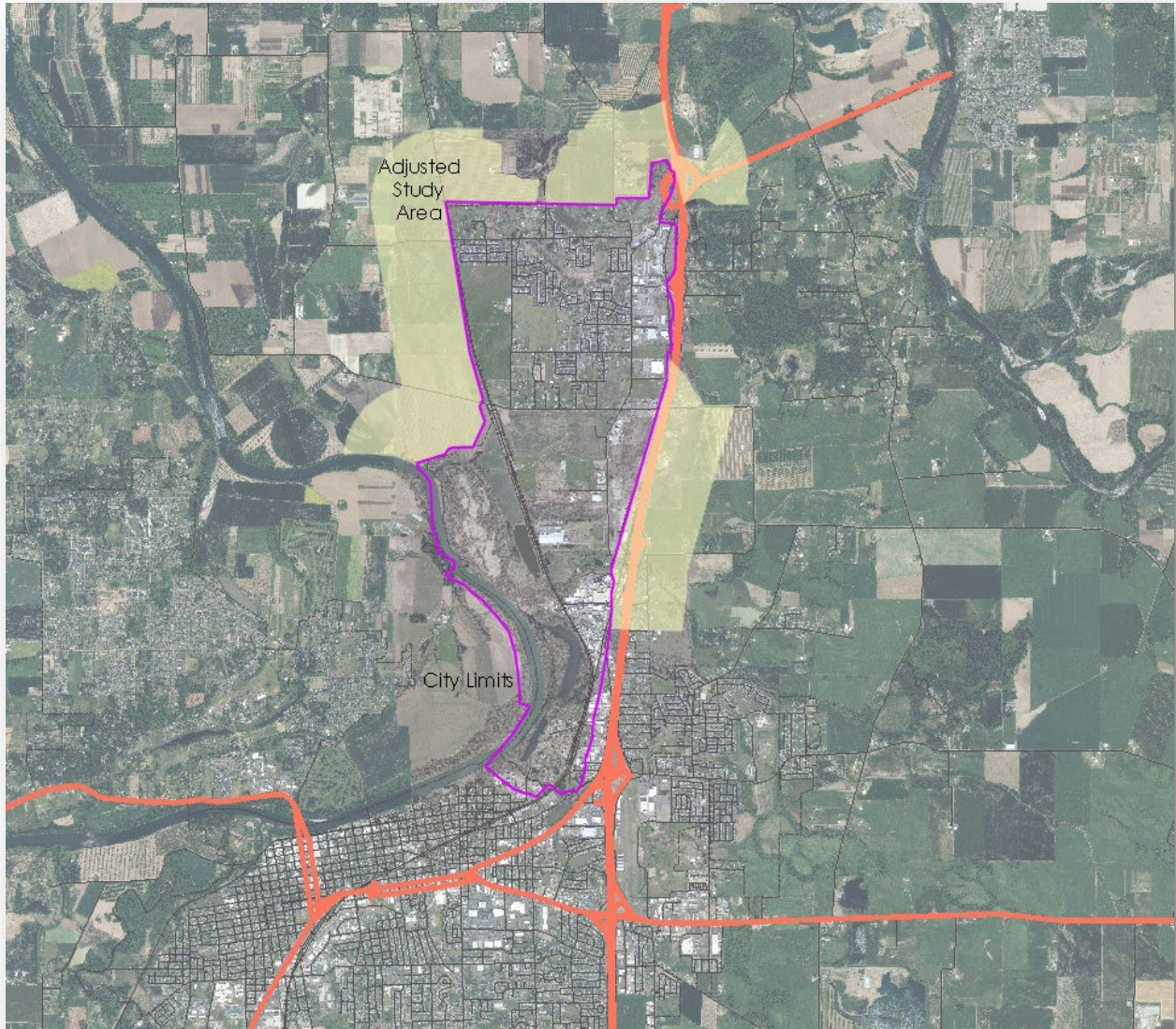


Figure 2 Adjusted Study Area

Alternative Sites Analysis

With an adjusted study area completed, staff used OAR 660-024-0067 to further evaluate possible UGB swap areas for industrial uses.

Prioritization of lands

Under the provisions of OAR 660-024-0067(2)a, a city must prioritize all "first priority" land. This includes the following:

- Urban Reserve Land
 - As discussed previously, the City does not have any urban reserve land, but does have an area designated in the Comprehensive Plan as a

'planning area.' No properties have been prioritized based on Urban Reserve because the entire study area is within the planning area.

- Exception and Non-resource land
 - The Comprehensive Plan does not identify any exception lands in the City. Regarding non-resource land, all of the land within the study area is *resource* land, there are no non-resource areas within the study area. Having that said, no properties have been prioritized based on exception lands or non-resource lands.

OAR 660-024-0067(2)b, requires that the City then prioritize "second priority" land, which is also considered marginal land. Marginal land must be classified as such in the City's Comprehensive Plan. The City of Millersburg Comprehensive Plan does not identify any marginal land.

Third priority land, as required by OAR 660-024-0067(2)c is forest or farmland that is not predominantly high-value farm land, or prime farmland. The concept is that the most productive soils remain in agricultural use and any farmland that is not of the highest soil quality be urbanized first. This is the State's way of protecting farmlands. However, all of the property within the adjusted study features class 1 soils. Therefore, applying the soil classifications from the United States Department of Agriculture Natural Resources Conservation Service (USDA NRCS) does not help narrow down any of the potential swap sites. It is also very important to understand that the property intended to remove from the City *also* features class 1 soils. Thus, the swap is not going change the total area of impacted class 1 soils. Indeed, OAR 660-024-0067(2)d explains that a city may not select land that is predominantly made up of prime farm soils *unless* there is an insufficient amount of other land to satisfy the land need, which is the case in this proposed swap.

Boundary Location Factors

The next step in the State process is outlined in OAR 660-024-0067(7) which is to apply the Goal 14 'boundary location factors' to the area that remains. As noted above, at this stage in the review, the adjusted study area was not changed with the application of the previous prioritization requirements. The swap requires a property of about 160 acres but the study area contains over 1,800 acres. Goal 14 contains 4 boundary location factors to consider. They are intended to narrow down possible alternative locations. Each is reviewed below.

1. Efficient accommodation of identified land needs.
As discussed previously, the need for the land swap is driven by the depletion of industrial property in the City. The City has large areas of industrially designated property that was unbuildable for reasons discussed previously. The swap will allow the acreage totals to stay essentially the same, but unlock development by applying the industrial designation to property that can actually be built on. This factor does not limit or clarify which land should be added to the UGB.

The swap will not alter the amount of employment land, it will simply shift the land available for employment land out of an unbuildable area and move it to a place where development can occur. Pursuant to OAR 660-024-0070 need does not factor into a UGB swap. This factor does not limit or clarify which land should be added to the UGB.

2. Orderly and economic provision of public facilities and services.
All possible UGB swap property within the adjusted study area has the ability to connect to public facilities and be serviced by the police and fire. Some locations are better suited to the extension of facilities and services. Specifically, expanding industrial areas within close proximity to other industrial areas will allow the City to capitalize on existing facilities and services that are more catered to industrial uses. This includes larger water pipes, abundant supply of natural gas, rail connectivity, adequate streets for truck use and access, and many other factors. For this reason, applying factor 3, the adjusted areas along the northern edge of the City would not be best suited to expanding industrial uses. The City generally features industrial uses south of NE Conser Road and residential uses north of NE Conser Road.

Additionally, the expansion (swap) of industrial property will be most efficient when deployed near other industrial uses. There are economies of scale that come into play when industrial uses are built near other similar uses such as larger utility lines and railroad connections.

This played a large role in determining the locations of the alternative sites reviewed. As discussed later, the study area contained abundant amounts of land, even after removing hard areas, natural resource areas, and other limiting factors. However, most of the property within the study was not actually suitable for industrial development because of the economies of scale that come into play for industrial properties. In other words, industrial development works better when it is located near other industrial development. For example, the utility lines are generally more robust in areas that already have industry. Large water, sewer and natural gas lines already exist, most with additional capacity available. Taping into these lines close to where they exist will prevent the need to run new lines to further possible locations. Another example is transportation. Existing industry already needs roads that are suited to more truck use, and rail lines with spurs that tie industry to rail. Those all already exist near existing industrial properties. Thus, it makes more sense to locate new expanded (swapped) industrial property close to where industry already exists. This ruled out possible sites towards the northern end of the City, even if they were in the study area. The ultimate choice for the three alternative sites was largely impacted by this logic. Possible alternative locations were selected using the application of factor 3.

3. Comparative Environmental, energy, economic and social consequences. Most of the adjusted study area is free from known wetlands except the northeast corner of study area, east of I-5. The Willamette River and all possible study area on the west side of the River have already been identified to be excluded from the adjusted study area. Other environmental issues will be addressed more closely when the property develops, through the Department of Environmental Quality (DEQ). Possible alternative locations were selected using the application of factor 5 by omitting the area northeast of I-5.

As discussed previously, the area to be swapped featured class 1 soils, and all of the property within the Study Area contains class 1 soils. As such, this factor did not reduce or eliminate any areas from further consideration.

4. Compatibility of the proposed urban uses with nearby agricultural and forest activities occurring on farm and forest land outside the UGB. There are no forest lands near the City limits. Agricultural uses next to industrial uses do not typically present conflicts. Some industrial uses may create or manufacture products that may be harmful to agricultural crops, inversely, the application of some agricultural pesticides may conflict with food production or other sensitive industrial processes. These can be mitigated through the design of the industrial projects. Conflicts depend largely on the design of the industrial development. Potential conflicts will be identified and mitigated at the development review stage. The City has had Industrial Comprehensive Plan Land uses next to Agricultural Land Uses for years. Expanding the City Industrial Land Uses to the east with this swap will not result in new adjacency conditions that do not exist today.

Using these analysis above, three sites have been identified for additional evaluation. Each is reviewed below.

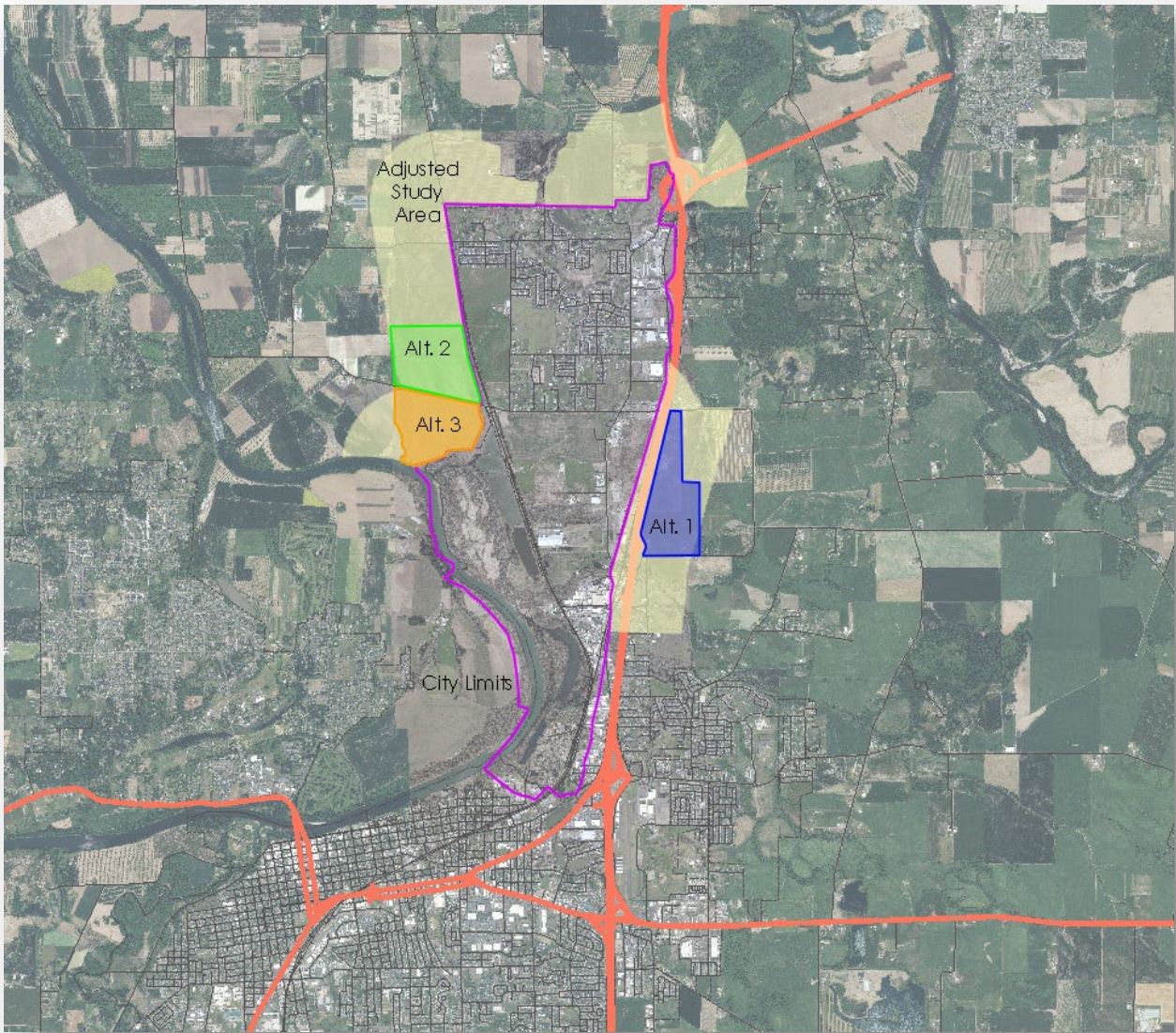


Figure 3 Alternative Study Sites

Consolidated comparison factors

Many of the requirements from OAR 660-024-0065 and 67 tend to be similar to each other. Many of these also mirror the City's goals for doing a UGB swap in the first place.

For the purposes of comparing the three identified alternative sites, this report uses consolidated versions of many of the requirements that come from the prioritization and Goal 14 factors, and overall goals of the City. These are stated below and used in a table form in each alternative site analysis shown below.

Consolidated comparison factors:

1. The swap should relocate the industrial property outside floodways.
2. Because the area to be removed is about 160 acres, all alternatives in this analysis will compare similarly sized areas outside the City and UGB. It is important to keep the size similar in order to comply with OAR 660-024-0070.
3. All property proposed to be added to the UGB (through the swap) should be suitable for industrial development.

Specifically:

- a. Industrial property should have adequate access to water and sewer.
- b. Industrial property should have adequate access for trucks and to a lesser extent rail access in case rail spurs are needed.
- c. Industrial property should be located in a place where possible impacts to residential property can be mitigated.

Alternative 1

Location

Figure 4 shows the location of Alternative 1. Alternative 1 is located on the east side of I-5, in unincorporated Linn County. The area is about 148 acres. The area features some topography, but not enough to rule it out as a potential alternative site. There is a knoll on the property. Low points on the property are at about 238 feet below sea level as shown on the County GIS system, to a height of about 288 feet, for a difference of about 50 feet. The site is mostly farmland. Access to the site is good with access to the south from Murder Creek Drive NE and from the west along an I-5 frontage road, Century Drive NE. Both are developed roads. There are no significant hazards on the property or significant known wetlands based on the County's GIS system.

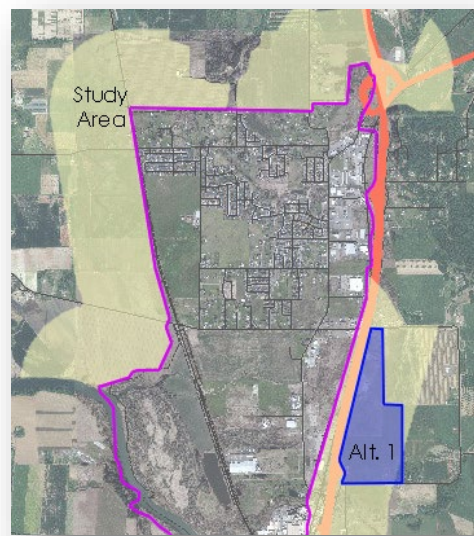


Figure 4 Alternative Site No. 1

Constraints

As noted above, there is some topography on the site, and there are no significant development constraints.

Analysis

In order to compare location number 1 with the others, the property was reviewed against key goals which echo the State requirements above in a consolidated form (for purpose of comparison). See table 1 below.

Table 1: Alternative 1 Analysis

Consolidated Comparison Factors		
1	Floodways	This site is located completely out of any FEMA Floodway.
2	Near 160 acres (to match those removed)	Alternative 1 is about 148 acres.
3	Suitable for Industrial	Alternative 1 is located along I-5. While high visibility is good for retail, it is not a specific benefit to industrial uses. The topography may be a challenge for large concrete tilt-up projects.
3a	Access to water & Sewer	A 42" waterline under the jurisdiction of the City of Albany is adjacent to the western edge of the property. Alternative 1 would require an extension of a Millersburg water main the western edge of the property. Sewer lines would need to run to the site from the west of I-5. Sewer conveyance would require pumping and crossing an interstate and a major railroad line.
3b	Access- Trucks and Rail	Access to the property is available and suitable for trucks. Access to I-5 is good. There is no rail service near the site.
3c	Impacts to Residential	There are few homes near or on the property. The site is about 4,136 feet north of the Albany City limits where track homes are present, and I-5 separates the site from any residential uses in Millersburg. The site is generally far enough from homes to mitigate any potential impacts to residential uses.

Alternative 2

Location

Figure 5 shows the location of alternative 2. Alternative 2 is located just outside the west edge of the City, in unincorporated Linn County. The area is 178 acres. The site is generally flat, with a low of about 200 feet above sea level and a high of about 210, for a 10-foot difference. The site is currently farmland. Access to the site is good with access to the south from NE Conser Road and the proposed new NE Transition Parkway (specifically designed for trucks). There are no known significant hazards on the property or significant wetlands based on the County's GIS system.

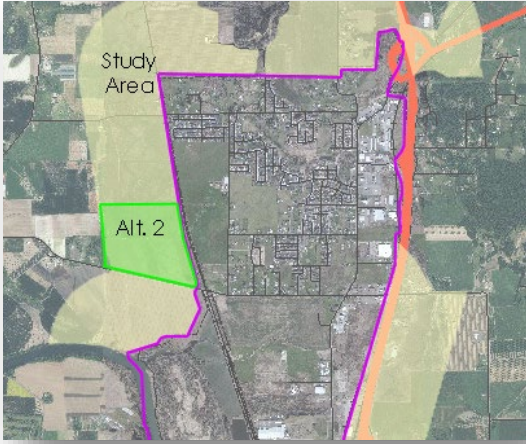


Figure 5 Alternative Site No. 2

Constraints

The property does not feature any significant constraints, as mentioned above, it is free from slopes and other possible hazards.

Analysis

In order to compare location number 2 with the others, the property was reviewed against key goals which echo the State requirements above in a consolidated form (for purpose of comparison). See table 2 below.

Table 2: Alternative 2 Analysis		
Consolidated Comparison Factors		
1	Floodways	This site is located completely out of any FEMA Floodway.
2	Near 160 acres (to match those removed)	Alternative 2 is about 178 acres.
3	Suitable for Industrial	Alternative 2 is located adjacent to residentially zoned property to the east of the site.
3a	Access to water & Sewer	There are water and sewer connections about 850 feet east of the subject site. The water line is 12", the sewer line is 8". Connections could also be made further south of the site. The City is planning to extend water to this area as part of an effort to connect a property that is located south of Alternative 3. Alternative 2 would benefit from these connections as well.
3b	Access- Trucks and Rail	Access to the property for trucks is available along NE Conser Road and the soon-to-be-constructed NE Transition Parkway, which is planned to accommodate truck traffic away from residential uses. Access to I-5 is possible through NE Transition Parkway. Future on-ramp plans for I-5 will make this even more accessible for truck traffic. There is a rail line along the western edge of the site for possible connections to the property.
3c	Impacts to Residential	The site is located adjacent to property zoned for residential uses, to the east of the site. Some housing units are currently under construction, the rest of the property is currently vacant. While some impacts from industry can be mitigated, proximity to residential could present issues.

Alternative 3

Location

Figure 6 shows the location of Alternative 3. Alternative 3 is located just outside the western edge of the City, south of Alternative 2, in unincorporated Linn County. The area is about 160 acres. About 7 of those acres are within a floodplain area, and about 1.2 acres are within floodway, near where the property touches the river. The site is generally flat, with a low of about 200 feet above sea level and a high of about 210, for a 10 foot difference. The site is currently farmland. Access to the site is good with access to the north from NE Conser Road and the proposed new NE Transition Parkway (specifically designed for trucks).

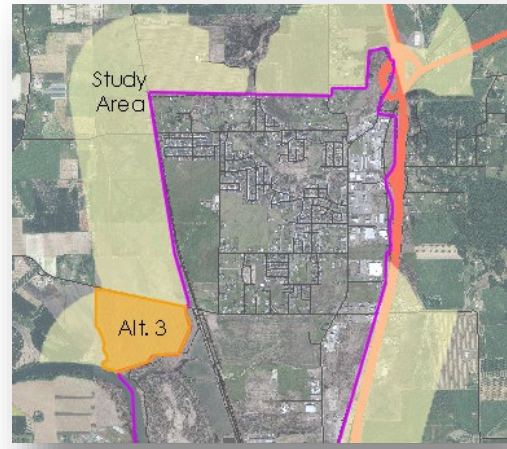


Figure 6 Alternative Site No. 3

Constraints

Constraints on the property include the floodplain and floodway areas discussed above on the southwest corner of the property.

Analysis

In order to compare location number 3 with the others, the property was reviewed against key goals which echo the State requirements above in a consolidated form (for purpose of comparison). See table 3 below.

Table 3: Alternative 3 Analysis		
Consolidated Comparison Factors		
1	Floodways	About 1.2 acres of the property are within a FEMA Floodway designation.
2	Near 160 acres (to match those removed)	Alternative 3 is about 160 acres.
3	Suitable for Industrial	Alternative 3 is not located adjacent to residentially zoned property. The site is outside the Willamete Greenway overlay, and is located adjacent to other industrially zoned property on the south and east.
3a	Access to water & Sewer	There are water and sewer connections about 850 feet east of the subject site. The water line is 12", the sewer line is 8". Connections could also be made further south of the site. The City is planning to extend water to this area as part of an effort to connect a property that is located south of Alternative 3.
3b	Access- Trucks and Rail	Similar to Alternative 2, access to the property for trucks is available along NE Conser Road and the soon-to-be-

		constructed NE Transition Parkway, which is planned to accommodate truck traffic away from residential uses. Access to I-5 is possible through NE Transition Parkway. Future on-ramp plans for I-5 will make this even more accessible for truck traffic. There is a rail line along the western edge of the site for possible connections to the property.
3c	Impacts to Residential	The site is not located next to any residentially zoned property. The closest residentially zoned property is north-east of the site. That property is currently vacant.

Comparison

To compare the alternatives the study will again use the consolidated comparison factors.

Goals:

- The City is not trying to expand the UGB to accommodate additional industrial development, rather the City is trying to exchange property by changing the location of the UGB.**

All three alternatives achieve this goal.
- A goal for the City is to remove industrial property from poorly suited areas within the City to better suited areas currently outside the City limits and UGB.**

All three sites are better suited to industrial development than the 160 acres removed for the City. Alternative 1 has topography concerns, alternative 2 is located closest to residential uses, alternative 3 has some natural hazards, but those only impact a small amount of property. It should also be noted that access to the Willamete River could be an advantage to some industrial uses. Alternative 3 seems best suited.

Comparison Factors:

1. The swap should relocate the industrial property outside floodways.

Only alternative 3 has any floodway impacts. This only impacts a very small portion of the property. Based on the shape of the parcel, the south-west corner of the parcel would likely not be used for structures even without the flood impacts. Therefore, while the site features some flood plain and floodway designations, they are not significant. All three alternatives seem to achieve this goal.

2. **Because the area to be removed is about 160 acres, all alternatives in this analysis will compare similarly sized areas outside the City and UGB (in order to continue to use the swap allowed by OAR 660-024-0070).**

All alternatives are close enough to the 160 acre 'swap' acreage to satisfy the requirements of OAR 660-024-0070.

3. **All property proposed to be added to the UGB (through the swap) should be suitable for industrial development, to assure the property is like-for-like.**

As discussed above, alternative 1 seems to have some topography challenges, alternative 2 seems to be too close to residential uses, and alternative 3 has some small floodplain designated areas. However, in balancing all of these of these alternatives, alternative 3 is best suited to industrial development.

Specifically:

- a. **Industrial property should have adequate access to water and sewer.**

Alternative 1 is located along a large water main which is under the jurisdiction of the City of Albany. Alternative 1 will require extension of a Millersburg water main. The other two would require extensions of water services. All three would require extensions for sewer services. Both are planned.

- b. **Industrial property should have adequate access for trucks and to a lesser extent rail access in case rail spurs are needed.**

All properties have adequate access for trucks. Alternatives 2 and 3 will have better access once planned offramp modifications are made and NE Transition Parkway is completed. Alternative 1 has no access to rail, alternatives 2 and 3 do. Alternative 2 and 3 have the best access.

- c. **Industrial property should be located in a place where possible impacts to residential property can be mitigated.**

As noted above, only alternative 2 is proposed adjacent to residentially zoned property. Alternatives 1 and 3 have an advantage over alternative 2 in this category.

Summary

Based on the analysis, alternative 3 is the preferred alternative, because, comparatively, it has good truck and rail access, is relatively flat, has access to water and sewer, access to the river, and it is not located adjacent to residential uses.

Exhibits

1. SLIDO Map
2. Habitat Map
3. Infrastructure Map
4. Planned Offramp

5. Planning Area (reserve)

Exhibit 1- SLIDO Map

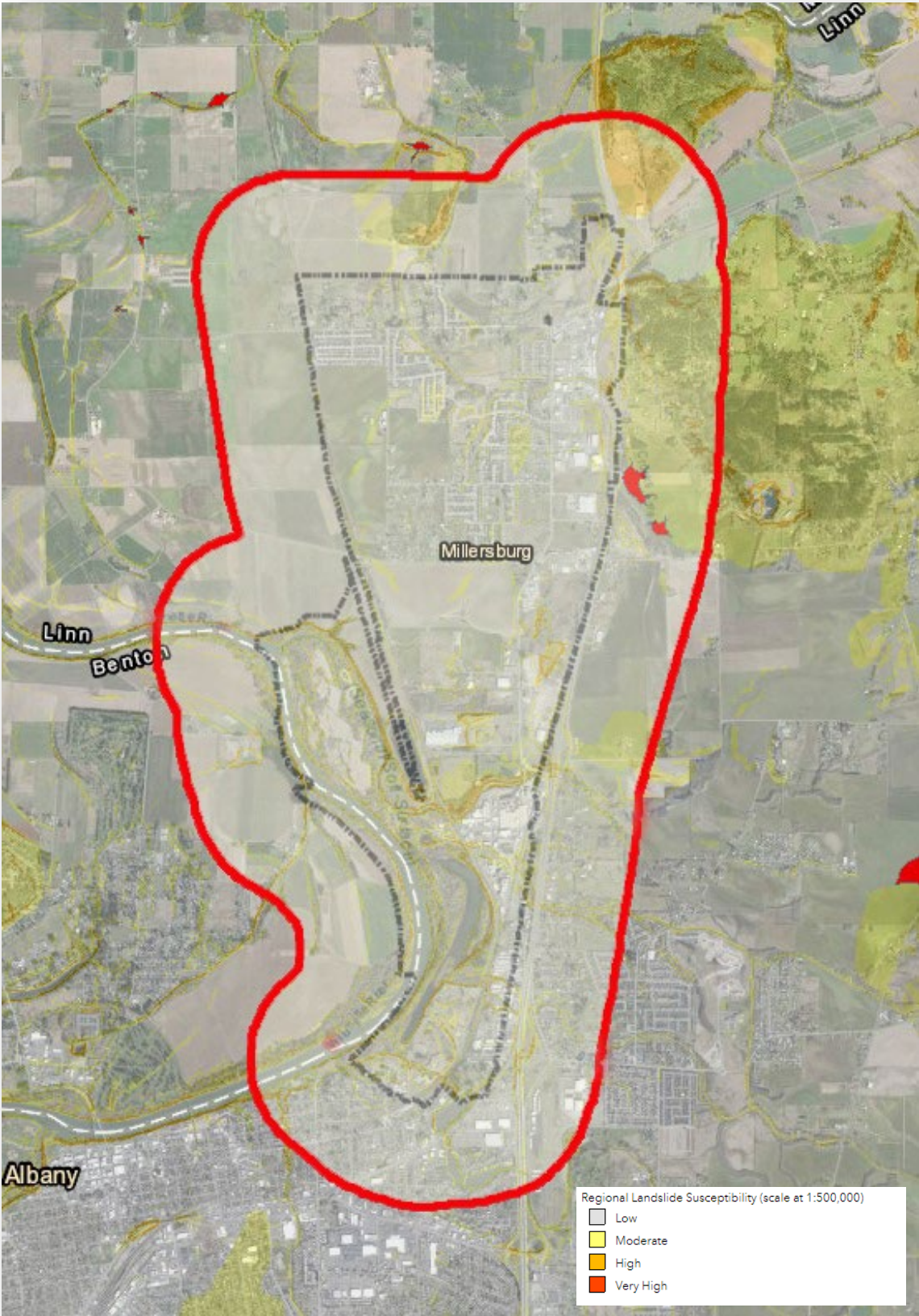


Exhibit 2- Habitat Map

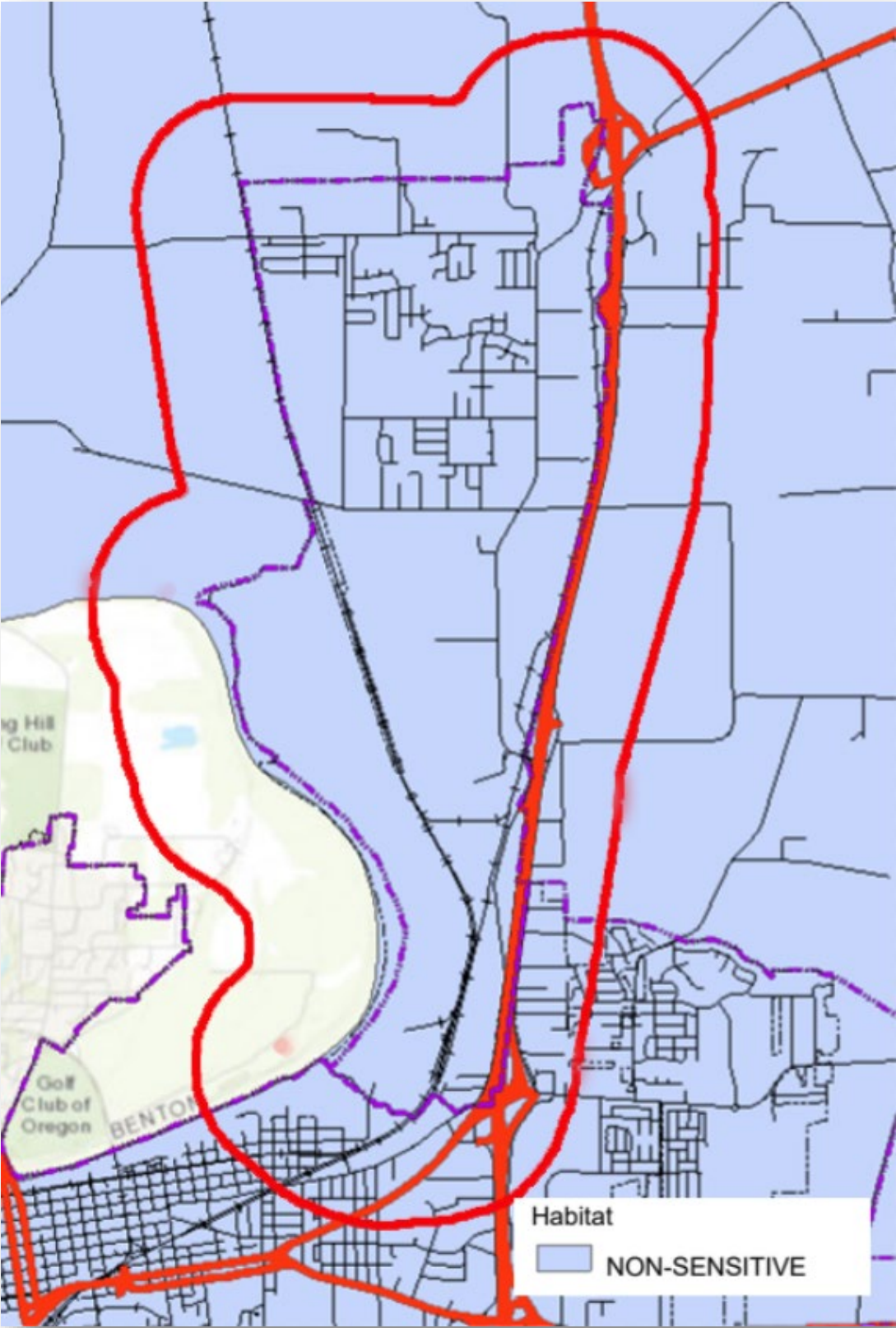


Exhibit 3- Infrastructure Map

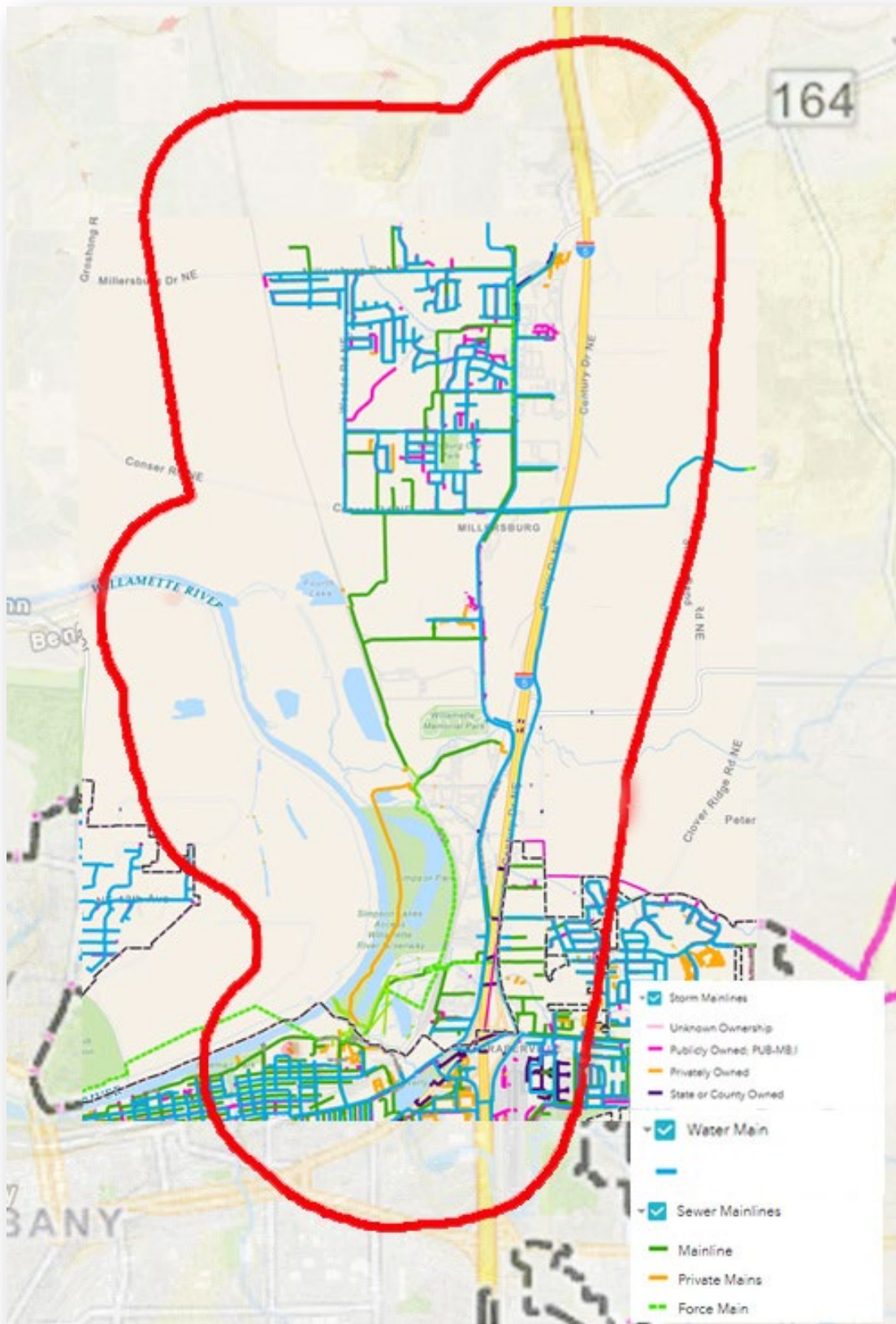


Exhibit 4- Planned Offramp

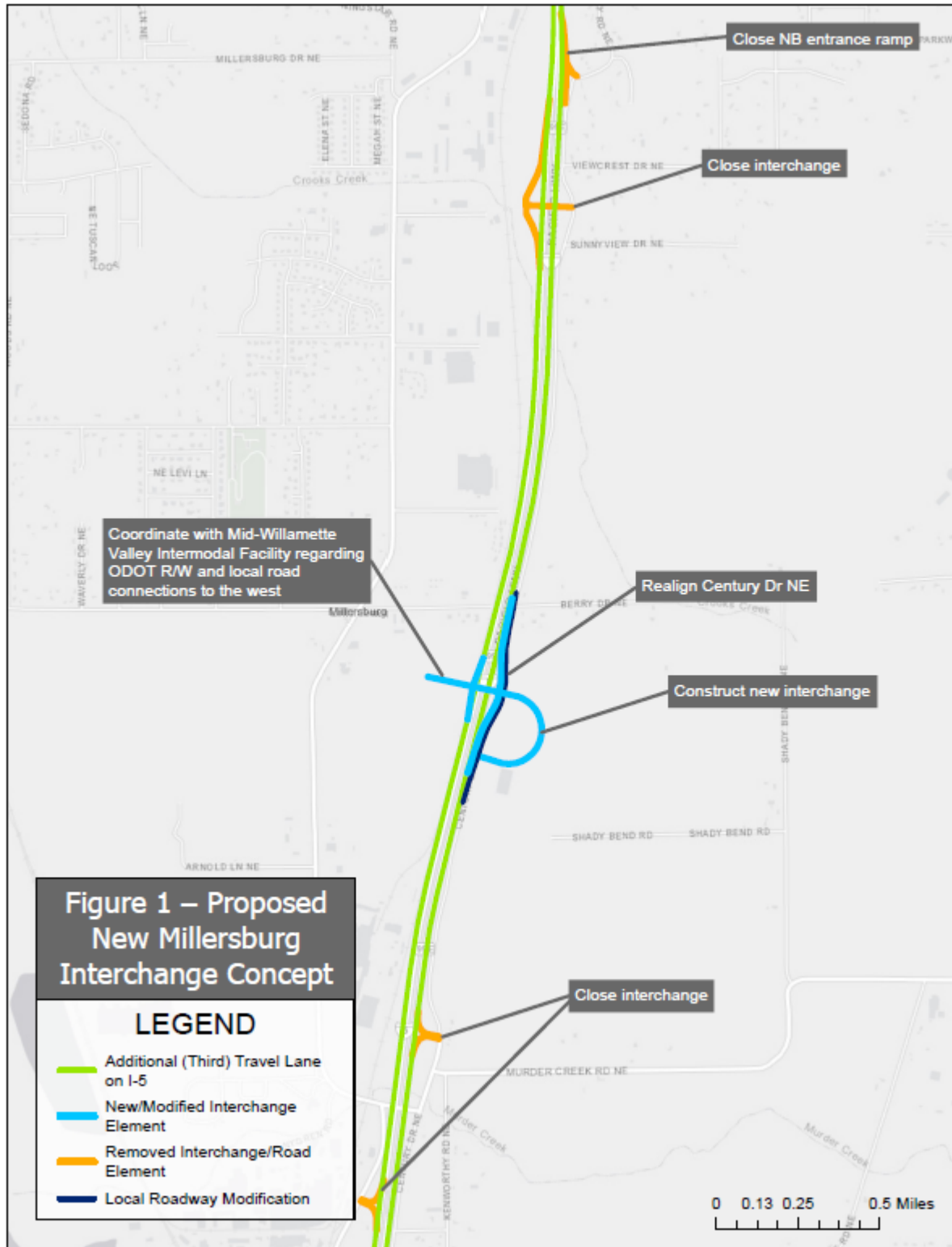


Exhibit 5- Planning Area

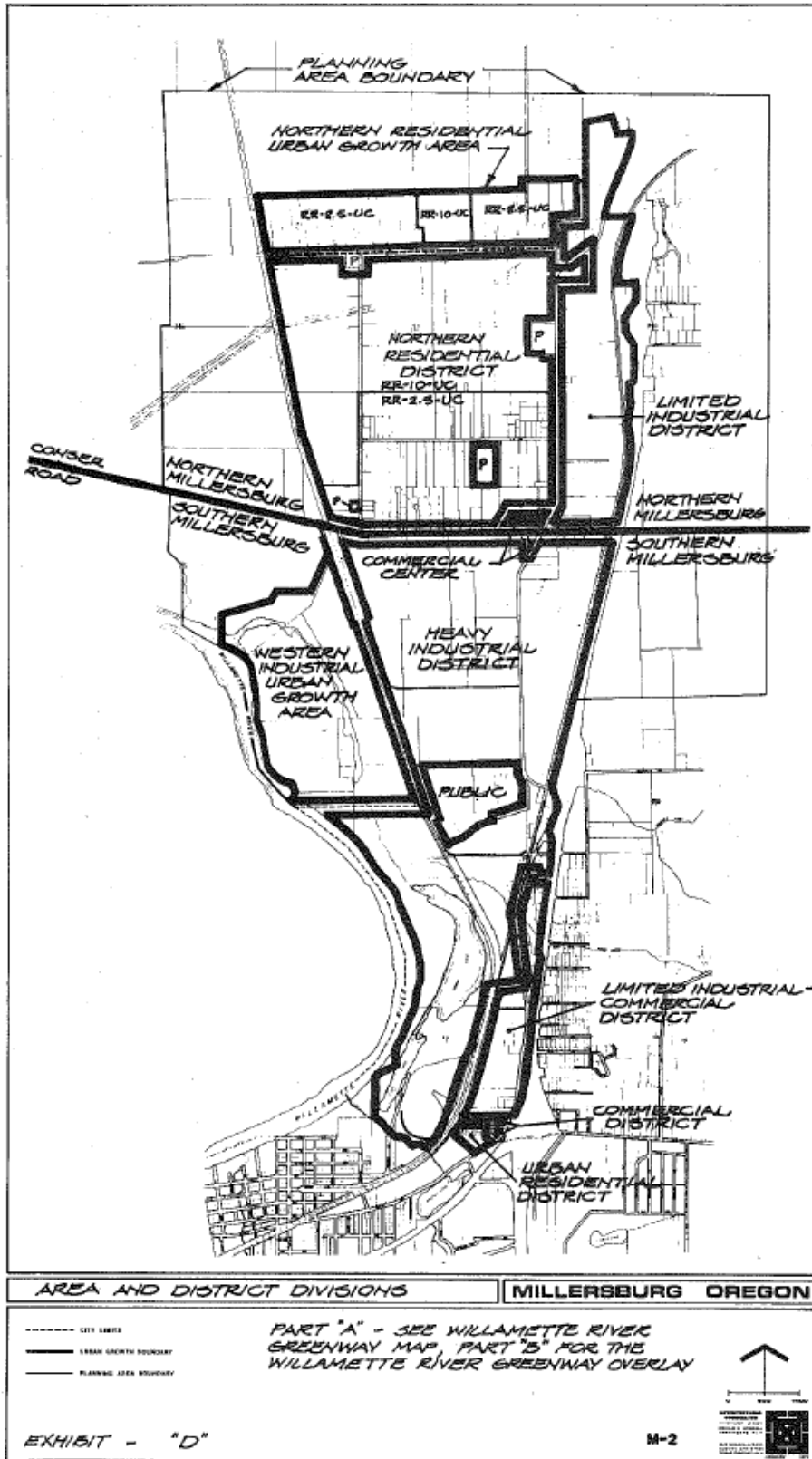


Exhibit 1- SLIDO Map

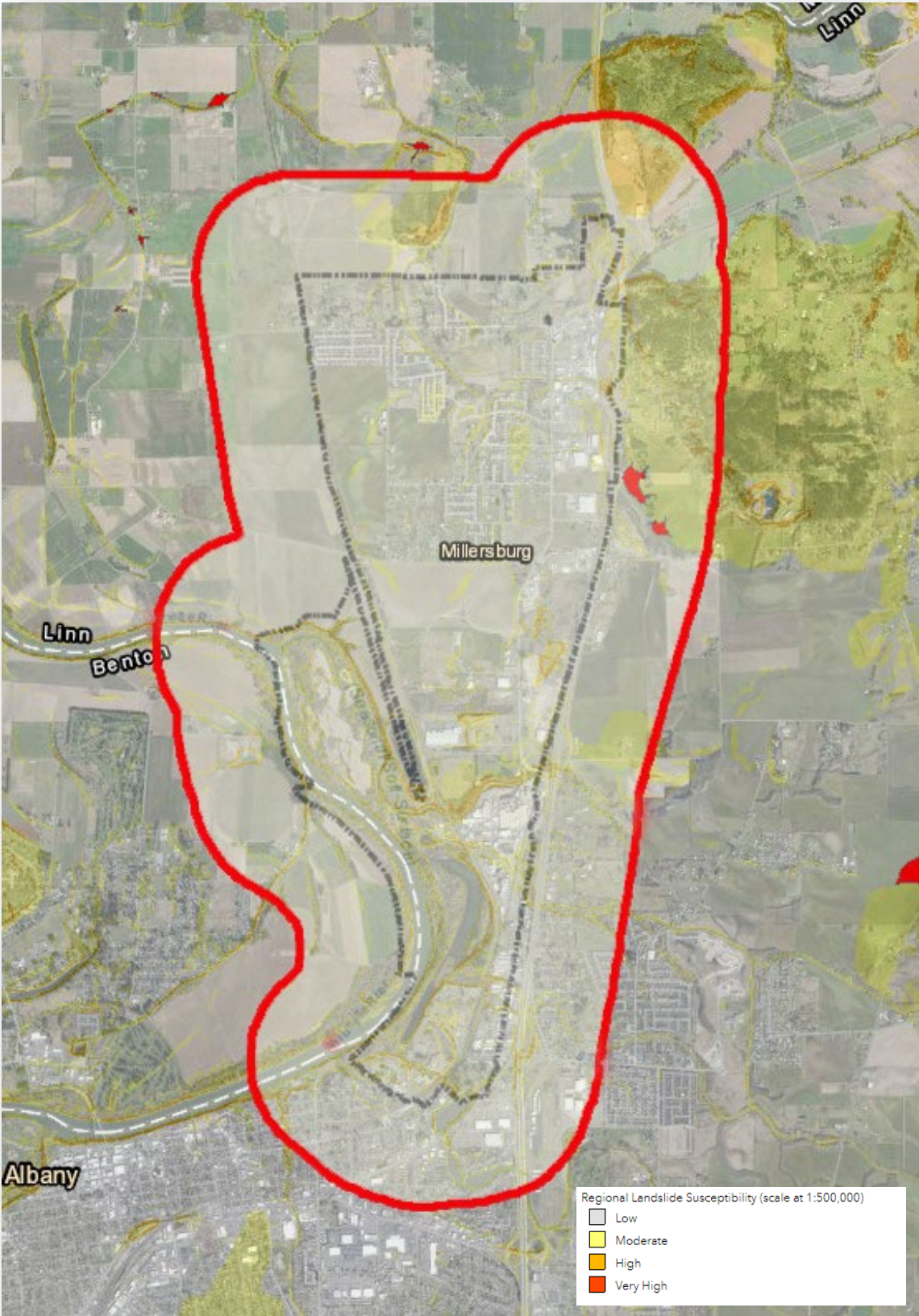


Exhibit 2- Habitat Map

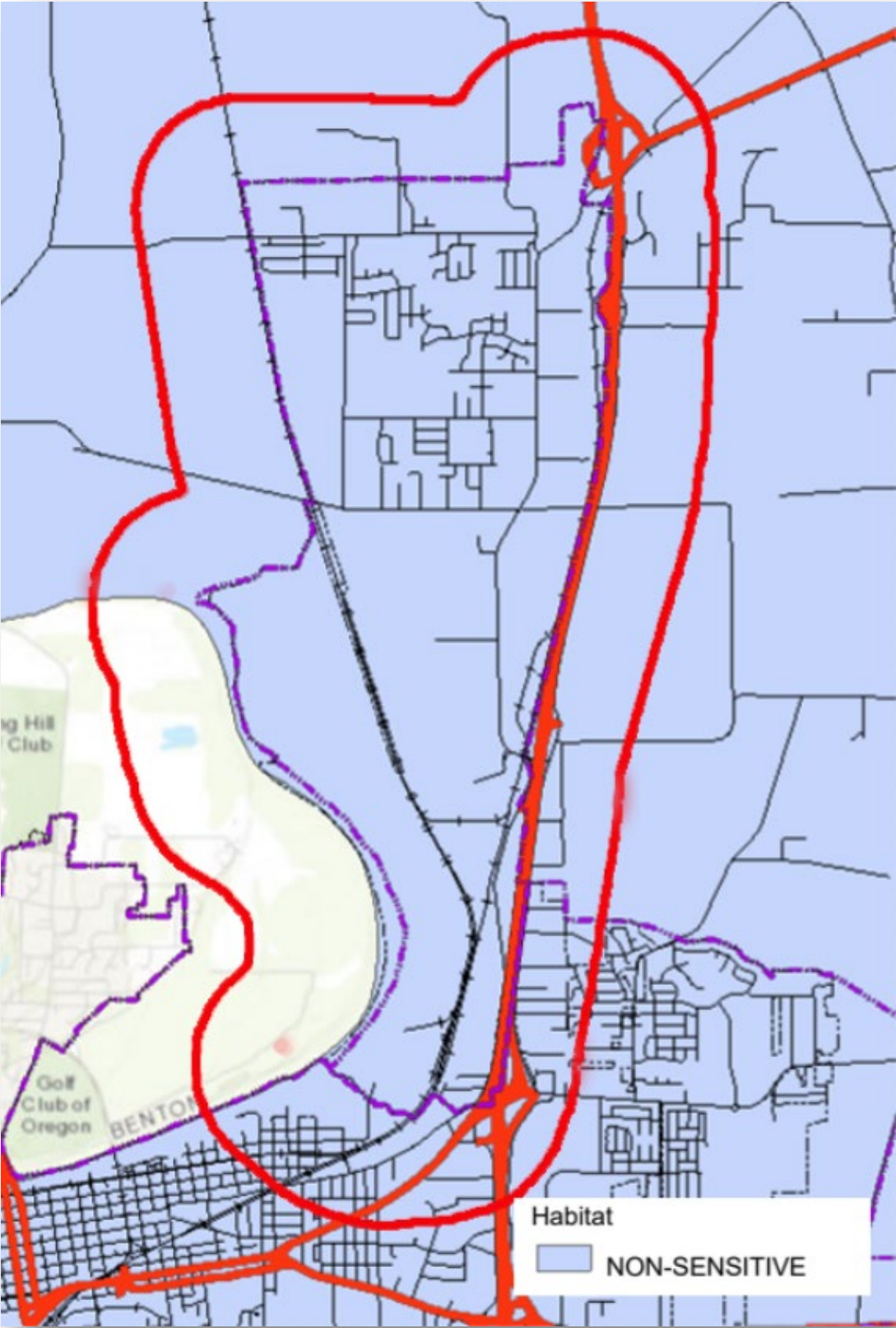


Exhibit 3- Infrastructure Map

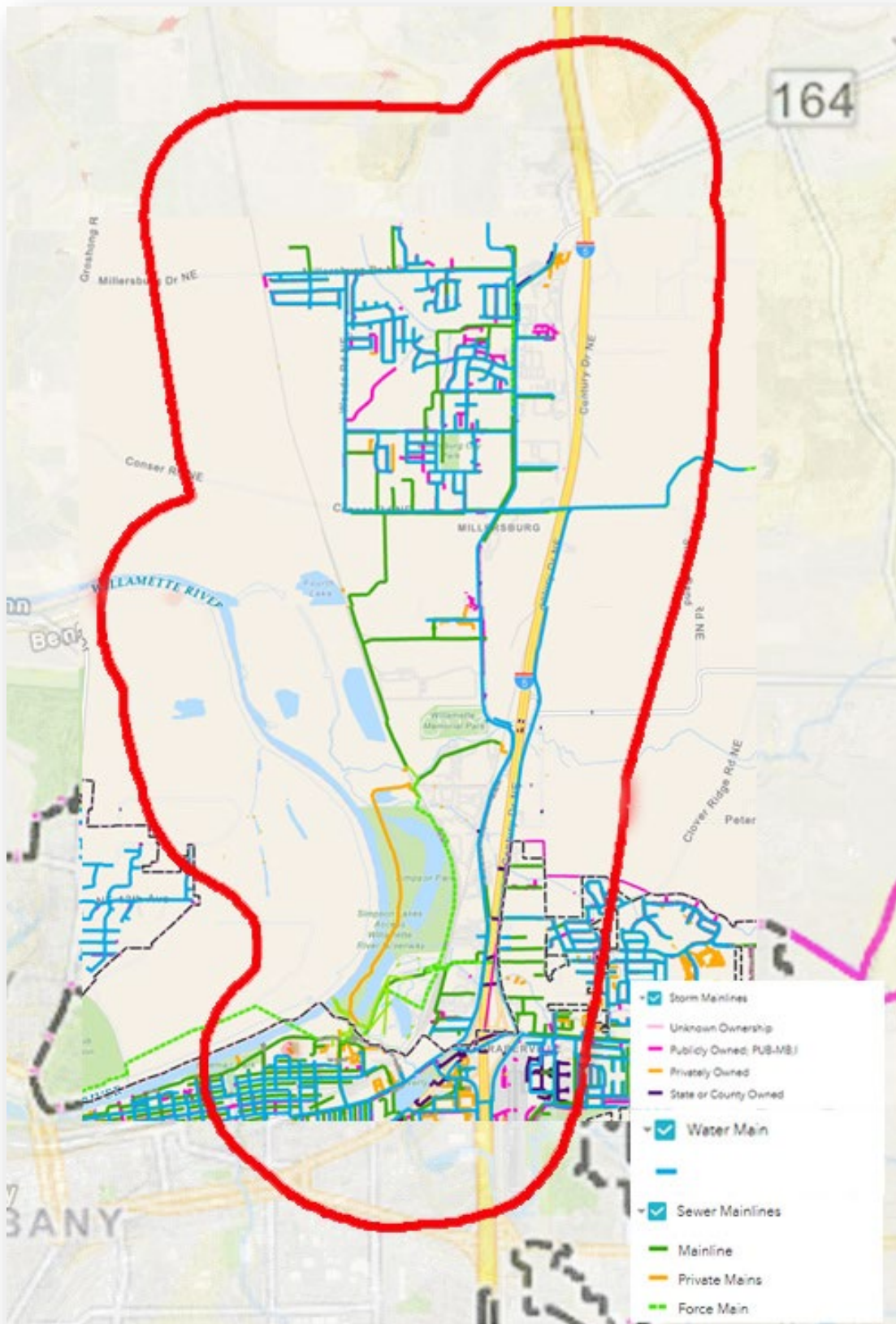


Exhibit 4- Planned Offramp

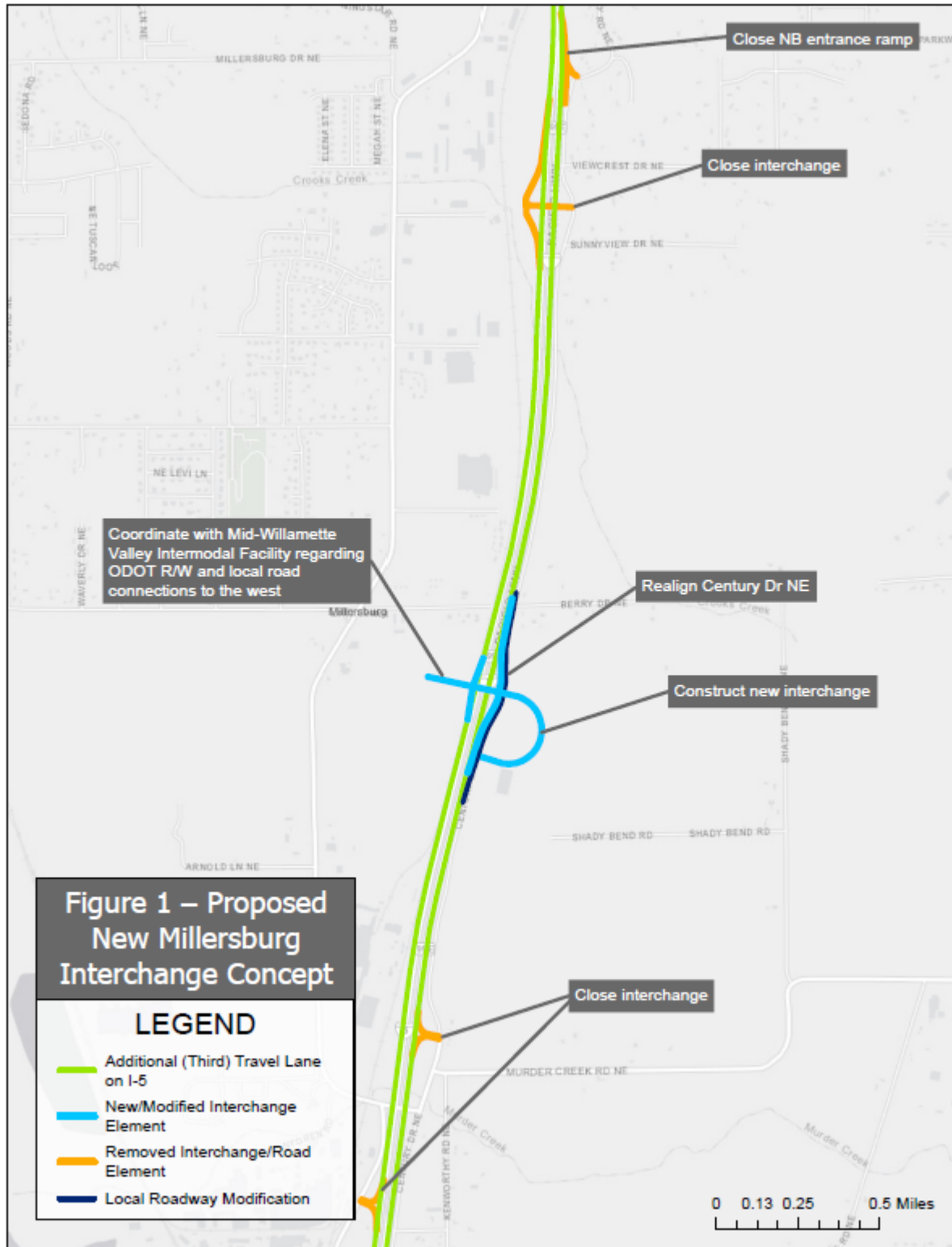


Exhibit 5- Planning Area

