

Memo Date: February 20, 2007
Order Date: March 13, 2007



TO: Board of County Commissioners

DEPARTMENT: Public Works Dept./Land Management Division

PRESENTED BY: BILL VANVACTOR, COUNTY ADMINISTRATOR
KENT HOWE, PLANNING DIRECTOR

AGENDA ITEM TITLE: In the Matter of Considering a Ballot Measure 37 Claim and Deciding Whether to Modify, Remove or Not Apply Restrictive Land Use Regulations in Lieu of Providing Just Compensation (PA06-6698, Karlsen)

BACKGROUND

Applicant: Ethel J. Karlsen

Current Owner: Ethel J. Karlsen

Agent: Norm Waterbury

Map and Tax lot: 19-06-10 tax lot 400

Acreage: approximately 42

Current Zoning: F1 (Non-impacted Forest)

Date Property Acquired: Karlsen family: December 1, 1949 (D# 7562)
Ethel J. Karlsen: June 24, 1986 (WD# 59986)

Date Claim Submitted: October 2, 2006

180-day Deadline: March 31, 2007

Land Use Regulations in Effect at Date of Acquisition: Dec. 1, 1949, unzoned. June 24, 1986 -- F1 (Non-impacted Forest)

Restrictive County Land Use Regulation: Minimum parcel size of eighty acres and limitations on new dwellings in the F1 (Non-impacted Forest) zone (LC 16.210).

ANALYSIS

To have a valid claim against Lane County under Measure 37 and LC 2.700 through 2.770, the applicant must prove:

1. Lane County has enacted or enforced a restrictive land use regulation since the owner acquired the property, and

Ethel J. Karlsen, the current owner, acquired an interest (life estate) in the property on June 24, 1986 when it was zoned F1. The property was unzoned when first acquired by the Karlsen family on December 1, 1949, when Soren Karlsen and Dorothy M. Karlsen purchased the property from James Allen ((deed #7562). In 1980, Dorothy M. Karlsen reserved a life estate in herself and deeded the property to Karl E. Karlsen for his life and upon his death to the then surviving spouse for her life, and upon her death in fee simple to Norman F. Karlsen and Marvin E. Karlsen (Deed # 59986). The identity of Karl E. Karlsen's wife at that time was not known until supplemental information came from the applicant that identified Ethel J. Karlsen as Karl's surviving spouse, so her initial ownership date is June 24, 1986. She acquired fee simple title in 1992.

Because Ethel J. Karlsen is the surviving spouse of Karl E. Karlsen, by operation of law, her life estate ownership interest began in 1986. The Karlsen family's date of acquisition, through Dorothy M. Karlsen, deed #7562, was December 1, 1949, when the property was unzoned. Currently the property is zoned F1.

2. The restrictive land use regulation has the effect of reducing the fair market value of the property, and

The Karlsen family acquired an interest in the property in 1949, when the property was unzoned. For compensation consideration purposes, this is the date of acquisition for the Karlsen family.

The alleged reduction in fair market value presented by the applicant is \$ 342,000, based on the submitted 'hypothetical conditions' appraisal. The applicant is not requesting compensation, she desires to divide the subject property into two home sites totaling approximately 21 acres each.

Because the property was zoned F1 in 1984, and it was acquired by the current owner in 1986, the minimum lot size and limitations on new dwellings in the F1 zone were in place when she acquired it. Therefore, waiver will not eliminate these regulations.

3. The restrictive land use regulation is not an exempt regulation as defined in LC 2.710.

The minimum lot size and restrictions on new dwellings do not appear to be exempt regulations. The claimant has not identified any other restrictive land use regulations that allegedly reduce the fair market value of the property since her acquisition.

CONCLUSION

It appears this is a valid claim for compensation consideration because the Karlsen family acquired the property in 1949, through Dorothy Karlsen. It appears a waiver will not assist Ethel J. Karlsen, however, because the minimum lot size and dwelling restrictions have not changed since she acquired the property in 1986.

RECOMMENDATION

The County Administrator recommends the Board adopt the proposed order to waive the restrictive land use regulations to 1986.

**BEFORE THE BOARD OF COUNTY COMMISSIONERS OF LANE COUNTY,
OREGON**

ORDER No.

) IN THE MATTER OF CONSIDERING A BALLOT
) MEASURE 37 CLAIM AND DECIDING
) WHETHER TO MODIFY, REMOVE OR NOT
) APPLY RESTRICTIVE LAND USE
) REGULATIONS IN LIEU OF PROVIDING JUST
) COMPENSATION (Karlsen/PA06-6698)

WHEREAS, the voters of the State of Oregon passed Ballot Measure 37 on November 2, 2004, which added provisions to Oregon Revised Statutes (ORS) Chapter 197 to require, under certain circumstances, payment to landowner if a government land use regulation restricts the use of private real property and has the effect of reducing the property value; and

WHEREAS, the Board of County Commissioners of Lane County enacted Ordinance No. 18-04 on December 1, 2004, to establish a real property compensation claim application process in LC 2.700 through 2.770 for Ballot Measure 37 claims; and

WHEREAS, the County Administrator has reviewed an application for a Measure 37 claim submitted by Ethel J. Karlsen (PA06-6698), the owner of real property located at 23694 Wolf Creek Road, Veneta, and more specifically described in the records of the Lane County Assessor as map 19-06-10, tax lot 400, consisting of approximately 42 acres in Lane County, Oregon; and

WHEREAS, the County Administrator has determined that the application appears to meet all of the criteria of LC 2.740(1)(a)-(d), appears to be eligible for just compensation and appears to require modification, removal or not applying the restrictive land use regulations in lieu of payment of just compensation and has referred the application to the Board for public hearing and confirmation that the application qualifies for further action under Measure 37 and LC 2.700 through 2.770; and

WHEREAS, the County Administrator has determined under LC 2.740(4) that modification, removal or not applying the restrictive land use regulation is not necessary to avoid owner entitlement to just compensation under Ballot Measure 37 and made that recommendation to the Board; and

WHEREAS, the Board has reviewed the evidence and confirmed the application does not appear to qualify for compensation under Measure 37; and

WHEREAS, on March 13, 2007, the Board conducted a public hearing on the Measure 37 claim (PA06-6698) of Ethel J. Karlsen and has now determined that the restrictive F1 (Nonimpacted Forest) zone dwelling and land division requirements of LC 16.210 were enforced and made applicable to this property to prevent development that might have been allowed on December 1, 1949, the date the Karlsen family acquired an interest in the property and that the public benefit from application of the regulations to the property is outweighed by the public burden of paying just compensation; and

WHEREAS, Ethel J. Karlsen requested either \$342,000 as compensation for the reduction in value of her property, or waiver of all land use regulations that would restrict the division of land into two separate lots and placement of a dwelling on each lot, uses that were allowed at the time the Karlsen family acquired an interest in the property; and

WHEREAS, the Board finds that under LC 2.760(3) the public interest would be better served by modifying, removing or not applying the challenged land use regulations to the subject property in the manner and for the reasons stated in the report and recommendation of the County Administrator incorporated here by this reference except as revised to reflect Board deliberation and action to allow Ethel J. Karlsen to make application for development of the subject property in a manner similar to what she could have been able to do under the regulations in effect when she acquired an interest in the property; and

WHEREAS, this matter having been fully considered by the Lane County Board of Commissioners.

NOW, THEREFORE IT IS HEREBY ORDERED that the applicant Ethel J. Karlsen made a valid claim under Ballot Measure 37 by describing the use being sought, identifying the county land use regulations prohibiting that use, submitting evidence that those land use regulations have the effect of reducing the value of the property, showing evidence that she acquired an interest in the property before the restrictive county land use regulations were enacted or enforced and the Board hereby elects not to pay just compensation but in lieu of payment, the request of Ethel J. Karlsen shall be granted and the restrictive provisions of LC 16.210 that limit the development of dwellings and the division of land in the F1 (Non-impacted Forest) Zone shall not apply to Ethel J. Karlsen, so she can make application for approval to develop the property located at 23694 Wolf Creek Road, Veneta, and more specifically described in the records of the Lane County Assessor as map 19-06-10, tax lot 400, consisting of approximately 42 acres in Lane County, Oregon, in a manner consistent with the land use regulations in effect when she acquired an interest in the property on June 24, 1986.

IT IS HEREBY FURTHER ORDERED that Ethel J. Karlsen still needs to make application and receive approval of any division of the property or placement of a dwelling under the other land use regulations applicable to dividing the property or placing a dwelling that were not specifically identified or established by her as restricting the division of the property or placement of a dwelling, and it would be premature to not apply those regulations given the available evidence. To the extent necessary to effectuate the Board action to not apply the dwelling or division restrictions of the applicable zone described above, the claimant shall submit appropriate applications for review and approval of a new dwelling to show the specific development proposals and in the event additional county land use regulations result in a restriction of those uses that have the effect of reducing the fair market value of the property, the County Administrator shall have the authority to determine those restrictive county land use regulations that will not apply to that development proposal to preclude entitlement to just compensation under Measure 37, and return to the Board for action, if necessary. All other Lane Code land use and development regulations shall remain applicable to the subject property until such time as they are shown to be restrictive and that those restrictions reduce the fair market value of the subject property.

IT IS HEREBY FURTHER ORDERED that this action making certain Lane Code provisions inapplicable to use of the property by Ethel J. Karlsen does not constitute a waiver or modification of state land use regulations and does not authorize immediate division of the subject property or immediate construction of a dwelling. The requirements of state law may contain specific standards regulating development of the subject property and the applicant should contact the Department of Administrative Services (DAS - State Services Division, Risk Management - Measure 37 Unit, 1225 Ferry Street SE, U160, Salem, OR 97301-4292; Telephone: (503) 373-7475; website address: <http://www.oregon.gov/DAS/Risk/M37.shtml>) and have the State of Oregon evaluate a Measure 37 claim and provide evidence of final state action before seeking county land use approval.

IT IS HEREBY FURTHER ORDERED that the other county land use regulations and rules that still apply to the property require that land use, sanitation and building permits be approved by Lane County before any development can proceed. Notice of this decision shall be recorded in the county deed records. This order shall be effective and in effect as described in LC 2.770 and Ballot Measure 37 to the extent permitted by law. This order does not resolve several questions about the effect and application of Measure 37, including the question of whether the right of applicant to divide or build dwellings can be transferred to another owner. If the ruling of the Marion County Circuit Court in *MacPherson v. Dept. of Administrative Services*, (Marion County Circ. Ct. Case No. 00C15769, October 14, 2005) or any other court decision involving Ballot Measure 37 becomes final and that decision or any subsequent court decision has application to Lane County in a manner that affects the authority of this Board to grant relief under Ballot Measure 37 and LC 2.700 through 2.770 then the validity and effectiveness of this Order shall be governed by LC 2.770 and the ruling of the court.

DATED this _____ day of _____, 2007.

Faye Stewart, Chair
Lane County Board of County Commissioners

APPROVED AS TO FORM

Date 2-9-2007 Lane County


OFFICE OF LEGAL COUNSEL