

Memo Date: May 2, 2007
Hearing Date: May 22, 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 (PA06-7301, Davidson301)

BACKGROUND

Applicant: Davidson Industries, Inc., an Oregon Corporation

Current Owner: Davidson Industries, Inc.

Agent: William R. Potter & Micheal M. Reeder

Map & Tax lots: 18-10-08 #700 & 800 18-10-08-30 #202, 203, 302, 500, 501, 600

Acreage: approximately 40 acres

Current Zoning: RI (Rural Industrial)

Date Property Acquired: 18-10-08 tax lot #700, June 4, 1982 (PRD #8216314)

18-10-08 tax lot #800, September 13, 1954 (WD #60239)

18-10-08-30 tax lot #202, May 27, 1966 (WD #51349)

tax lot #203, November 19, 1968 (WD #45557)

tax lot #302, December 1, 1970 (WD #29241) &

April 11, 1973 (WD #7316101)

tax lots #500 & #501, November 14, 1974 (WD #7448712)

tax lot #600, September 20, 1974 (WD #7441715)

Date claim submitted: December 1, 2006

180-day deadline: May 30, 2007

Land Use Regulations in Effect at Date of Acquisition: 18-10-08 tax lot #700, M3 (Heavy Industrial); all other tax lots were unzoned

Restrictive County land use regulation: Limitations on uses and development in the RI (Rural Industrial) zone (LC 16.292).

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

The current owner is Davidson Industries, Inc., an Oregon Corporation. Davidson Industries, Inc. acquired interest in the property on the dates and with the zoning as shown below:

18-10-08 tax lot #700, June 4, 1982 (PRD #8216314) zoned M-3 (Heavy Industrial)
tax lot #800, September 13, 1954(WD #60239) unzoned
18-10-08-30 tax lot #202, May 27, 1966 (WD #51349) unzoned
tax lot #203, November 19, 1968 (WD #45557) unzoned
tax lot #302, Dec. 1, 1970 (WD #29241) &
April 11, 1973 (WD #7316101) unzoned
tax lots #500 & 501, November 14, 1974 (WD #7448712) unzoned
tax lot #600, September 20, 1974(WD #7441715) unzoned

Currently, the entire property is zoned RI.

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

The majority of the property was unzoned when it was acquired by Davidson Industries, but tax lot #700 was zoned M3 on the date it was acquired. The use and development restrictions in the RI zone prevent the current owner from developing the property as could have been allowed on all but tax lot #700 when the company acquired it. The alleged reduction in fair market value is \$970,000, based on the submitted Comparative Market Analysis (CMA) which identifies this M37 claim as the 'Sawmill Site'.

The County Commissioners have accepted CMA's as competent evidence of valuation on previous claims. Because of this, the County Administrator has waived the requirement for an appraisal.

The applicant is also claiming that the following sections of Lane Code have restricted the use of the subject property:

Goal 4 and Goal 5 policies of the RCP except for the portion of Goal 4, Policy 8 pertaining to fire safety requirements. No evidence has been provided that demonstrates how these policies have lowered the fair market value of the property.

LC13.050, 13.120 and 13.400 – These provisions apply to subdivision and partitioning of property. No evidence has been provided that demonstrates how these regulations have lowered the fair market value of the property.

LC15.055(1), 15.055(2)(c), 15.055(3)-(7) and 15.105-.125 – These provisions apply to road and driveway approach spacing standards and building setbacks from roads. No evidence has been provided that demonstrates how these regulations have lowered the fair market value of the property.

LC 16.210, except for the fire safety requirements in LC 16.210 (6)(c) – These provisions are not applicable to RI (Rural Industrial) zoned land.

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

The use and development restrictions in the RI zone do not appear to be exempt regulations.

CONCLUSION

It appears this is a valid claim.

RECOMMENDATION

The County Administrator recommends the Board adopt the attached order to waive the restrictive land use regulations of the RI zone to June 4, 1982 on tax lot #700, September 13, 1954 on tax lot #800, May 27, 1966 on tax lot #202, November 19, 1968 on tax lot #203, Dec. 1, 1970 & April 11, 1973 on tax lot #302, November 14, 1974 on tax lots #500 & 501, and September 20, 1974 on tax lot #600.

**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 (Davidson301/PA06-7301)

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 Davidson Industries, Inc. (PA06-7301), the owner of real property known as the Tiernan Mill Site, located at 9634, 9638, 9640, 9644, 9672, 9766, and 9780 Highway 126, Mapleton, and more specifically described in the records of the Lane County Assessor as map 18 10-08, tax lots 700 and 800, and 18-10-08-30, tax lots 202, 203, 302, 500, 501, and 600, consisting of approximately 40 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 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 appears to qualify for compensation under Measure 37 but Lane County has not appropriated funds for compensation for Measure 37 claims and has no funds available for this purpose; and

WHEREAS, on May 22, 2007, the Board conducted a public hearing on the Measure 37 claim (PA06-7301) of Davidson Industries, Inc. and has now determined that the restrictive RI (Rural Industrial) zone use and development requirements of LC 16.292 were enforced and made applicable to prevent Davidson Industries, Inc. from developing the property as might have been allowed at the time the company acquired an interest in the property on June 4, 1982 for tax lot #700, September 13, 1954 for tax lot #800, May 27, 1966 for tax lot #202, November 19, 1968

for tax lot #203, Dec. 1, 1970 & April 11, 1973 for tax lot #302, November 14, 1974 for tax lots #500 & #501, and September 20, 1974 for tax lot #600, and that the public benefit from application of the current RI use and development restrictions to the applicant's property is outweighed by the public burden of paying just compensation; and

WHEREAS, Davidson Industries requests either \$970,000 as compensation for the reduction in value of the property, or waiver of all land use regulations that would restrict the development and uses that could have otherwise been allowed at the time the company 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 of the RI zone 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 explicitly revised here to reflect Board deliberation and action to allow Davidson Industries to make application for development of the subject property in a manner similar to what the company could have been able to do under the regulations in effect when it 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 Davidson Industries, Inc. 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 the company 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 Davidson Industries shall be granted and the restrictive provisions of LC 16.210 that limit the use and development of the land in the RI (Rural Industrial) zone shall not apply to Davidson Industries, so the company can make application for approval to develop the property located at 9634, 9638, 9640, 9644, 9672, 9766, and 9780 Highway 126, Mapleton, and more specifically described in the records of the Lane County Assessor as map 18 10-08, tax lots 700 & 800, and 18-10-08-30, tax lots 200, 203, 302, 500, 501 and 600, consisting of approximately 40 acres in Lane County, Oregon; in a manner consistent with the land use regulations in effect when the company acquired an interest in the property on June 4, 1982 for tax lot 700, September 13, 1954 for tax lot 800, May 27, 1966 for tax lot 202, November 19, 1968 for tax lot 203, Dec. 1, 1970 & April 11, 1973 for tax lot 302, November 14, 1974 for tax lots 500 & 501, and September 20, 1974 for tax lot 600.

IT IS HEREBY FURTHER ORDERED that Davidson Industries, Inc. 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 the company 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.

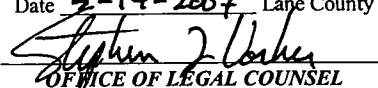
IT IS HEREBY FURTHER ORDERED that this action making certain Lane Code provisions inapplicable to use of the property by Davidson Industries does not constitute a waiver or modification of state land use regulations and does not authorize immediate division of the subject property or immediate construction 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 5-14-2007 Lane County

OFFICE OF LEGAL COUNSEL