



Oregon

John A. Kitzhaber, M.D., Governor

Department of Land Conservation and Development

635 Capitol Street NE, Suite 150

Salem, OR 97301-2540

(503) 373-0050

Director's Office Fax (503) 378-5518

Main Fax: (503) 378-6033

Web Address: <http://www.lcd.state.or.us>



NOTICE OF ADOPTED AMENDMENT

April 13, 2011

TO: Subscribers to Notice of Adopted Plan
or Land Use Regulation Amendments

FROM: Angela Houck, Plan Amendment Program Specialist

SUBJECT: City of Arlington/Gilliam County Plan Amendment
DLCD File Number 001-10

The Department of Land Conservation and Development (DLCD) received the attached notice of adoption. A copy of the adopted plan amendment is available for review at the DLCD office in Salem and the local government office.

Appeal Procedures*

DLCD ACKNOWLEDGMENT or DEADLINE TO APPEAL: Thursday, April 28, 2011

This amendment was submitted to DLCD for review 45 days prior to adoption and the jurisdiction determined that emergency circumstances required expedited review. Pursuant to ORS 197.830 (2)(b) only persons who participated in the local government proceedings leading to adoption of the amendment are eligible to appeal this decision to the Land Use Board of Appeals (LUBA).

If you wish to appeal, you must file a notice of intent to appeal with the Land Use Board of Appeals (LUBA) no later than 21 days from the date the decision was mailed to you by the local government. If you have questions, check with the local government to determine the appeal deadline. Copies of the notice of intent to appeal must be served upon the local government and others who received written notice of the final decision from the local government. The notice of intent to appeal must be served and filed in the form and manner prescribed by LUBA, (OAR Chapter 661, Division 10). Please call LUBA at 503-373-1265, if you have questions about appeal procedures.

***NOTE: THE APPEAL DEADLINE IS BASED UPON THE DATE THE DECISION WAS MAILED BY LOCAL GOVERNMENT. A DECISION MAY HAVE BEEN MAILED TO YOU ON A DIFFERENT DATE THAN IT WAS MAILED TO DLCD. AS A RESULT YOUR APPEAL DEADLINE MAY BE EARLIER THAN THE ABOVE DATE SPECIFIED.**

Cc: Pam Rosenbalm, City of Arlington
Gloria Gardiner, DLCD Urban Planning Specialist
Grant Young, DLCD Regional Representative
Gary Fish, DLCD Transportation Planner
Thomas Hogue, DLCD Regional Representative

<paa> YA



FORM **2**

DLCD

Notice of Adoption

In person electronic mailed

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DEPT OF

APR 08 2011

**LAND CONSERVATION
AND DEVELOPMENT**

For Office Use Only

This Form 2 must be mailed to DLCD within **5-Working Days after the Final Ordinance is signed** by the public Official Designated by the jurisdiction and all other requirements of ORS 197.615 and OAR 660-018-000

Jurisdiction: **City of Arlington/Gilliam County**

Local file number: **001-2010**

Date of Adoption: **April 6, 2011**

Date Mailed: **April 7, 2011**

Was a Notice of Proposed Amendment (Form 1) mailed to DLCD? Yes No Date: 12/10/2010
04/04/2011
(revision)

Comprehensive Plan Text Amendment

Comprehensive Plan Map Amendment

Land Use Regulation Amendment

Zoning Map Amendment

New Land Use Regulation

Other:

Summarize the adopted amendment. Do not use technical terms. Do not write "See Attached".
Expanded City's Urban Growth Boundary by 300 acres for industrial development.

Does the Adoption differ from proposal? Please select one

The adoption follows the revised "Notice of Proposed Action" submitted April 4, 2011.

Plan Map Changed from: **EFU**

to: **M-1**

Zone Map Changed from: **N/A**

to: **N/A**

Location: **East side of Arlington**

Acres Involved: **300**

Specify Density: Previous: **N/A**

New: **N/A**

Applicable statewide planning goals:

1 **2** **3** **4** **5** **6** **7** **8** **9** **10** **11** **12** **13** **14** **15** **16** **17** **18** **19**

Was an Exception Adopted? YES NO

Did DLCD receive a Notice of Proposed Amendment...

45-days prior to first evidentiary hearing?

Yes No

If no, do the statewide planning goals apply?

Yes No

If no, did Emergency Circumstances require immediate adoption?

Yes No

DLCD file No. 001-10 (18642) [16593]

Please list all affected State or Federal Agencies, Local Governments or Special Districts:

DLCD and Gilliam County

Local Contact: **Pam Rosenbalm, City Recorder**

Phone: (541) 454-2743 Extension:

Address: P.O. Box 68

Fax Number: - -

City: **Arlington**

Zip: 97812

E-mail Address:

ADOPTION SUBMITTAL REQUIREMENTS

This Form 2 must be received by DLCD no later than 5 working days after the ordinance has been signed by the public official designated by the jurisdiction to sign the approved ordinance(s) per ORS 197.615 and OAR Chapter 660, Division 18

1. This Form 2 must be submitted by local jurisdictions only (not by applicant).
2. When submitting the adopted amendment, please print a completed copy of Form 2 on light green paper if available.
3. Send this Form 2 and one complete paper copy (documents and maps) of the adopted amendment to the address below.
4. Submittal of this Notice of Adoption must include the final signed ordinance(s), all supporting finding(s), exhibit(s) and any other supplementary information (ORS 197.615).
5. Deadline to appeals to LUBA is calculated **twenty-one (21) days** from the receipt (postmark date) by DLCD of the adoption (ORS 197.830 to 197.845).
6. In addition to sending the Form 2 - Notice of Adoption to DLCD, please also remember to notify persons who participated in the local hearing and requested notice of the final decision. (ORS 197.615).
7. Submit **one complete paper copy** via United States Postal Service, Common Carrier or Hand Carried to the DLCD Salem Office and stamped with the incoming date stamp.
8. Please mail the adopted amendment packet to:

**ATTENTION: PLAN AMENDMENT SPECIALIST
DEPARTMENT OF LAND CONSERVATION AND DEVELOPMENT
635 CAPITOL STREET NE, SUITE 150
SALEM, OREGON 97301-2540**

9. **Need More Copies?** Please print forms on 8½ -1/2x11 green paper only if available. If you have any questions or would like assistance, please contact your DLCD regional representative or contact the DLCD Salem Office at (503) 373-0050 x238 or e-mail plan.amendments@state.or.us.

CITY OF ARLINGTON
ORDINANCE NO. 408

**AN ORDINANCE AMENDING THE CITY'S 2002 – 2003
COMPREHENSIVE PLAN TO EXPAND THE URBAN GROWTH
BOUNDARY BY APPROXIMATELY 300 ACRES AND DESIGNATE THE
LAND AS INDUSTRIAL "M-1", ADOPT THE REQUIRED FINDINGS OF FACT
INCLUDING AN ECONOMIC OPPORTUNITIES ANALYSIS, TOGETHER
WITH CERTAIN COMPREHENSIVE PLAN POLICIES THAT WILL BE
PLACED IN THE POLICY SECTION OF THE COMPREHENSIVE PLAN,
AND DECLARING AN EMERGENCY.**

LEGISLATIVE FINDINGS

WHEREAS, the City owns approximately 680 acres of land on the eastern side of the corporate City Limits and Urban Growth Boundary; and

WHEREAS, approximately 138 acres of that land has been brought into the Urban Growth Boundary and designated as Large Lot Industrial "M-2"; and

WHEREAS, the City now desires to bring in an additional 300 acres of that land and designate it as Industrial "M-1"; and

WHEREAS, the City has caused the required number of public hearings to be conducted, beginning with the City Planning Commission on January 25, 2011; County Planning Commission on January 27, 2011; City Council initial hearing on February 2, 2011; and Gilliam County Court on March 12, 2011; and

WHEREAS, proper notices were provided as required to the Department of Land Conservation and Development and to adjoining property owners by first class mail as a courtesy; and

WHEREAS, all the above listed hearings have concluded with a positive affirmation of the proposed amendment.

NOW, THEREFORE, the City of Arlington does hereby ordain:


1. The attached map, Exhibit "A", depicting the Comprehensive Plan Map amendment to include the aforementioned 300 acres, to be designated Industrial M-1, within the City's Urban Growth Boundary, along with the detailed legal description provided by the City's Engineer, is hereby adopted.
2. The attached Findings Document, Exhibit "B", containing the Findings of Fact including an Economic Opportunities Analysis and required new Comprehensive Plan Policies is hereby adopted.

EMERGENCY CLAUSE

This ordinance being enacted by the Common Council in the exercise of its police power and for the purpose of meeting an emergency, and being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist and this ordinance shall take effect immediately upon being enacted.

APPROVED by the Common Council this 6th day of April, 2011

SIGNED



Jeff Bufton, Mayor

ATTEST



Pam Rosenbalm, City Recorder

IN THE COUNTY COURT OF THE STATE
OF OREGON FOR GILLIAM COUNTY

AN ORDINANCE AMENDING THE CITY'S)
2002-2003 COMPREHENSIVE PLAN TO)
EXPAND THE URBAN GROWTH BOUNDARY)
APPROXIMATELY 300 ACRES AND) COUNTY ORDINANCE NO. 2011-02
DESIGNATE THE LAND AS INDUSTRIAL)
"M-1", ADOPT THE REQUIRED FINDINGS OF)
FACT INCLUDING AN ECONOMIC)
OPPORTUNITIES ANALYSIS, TOGETHER)
WITH CERTAIN COMPREHENSIVE PLAN)
POLICIES THAT WILL BE PLACED IN THE)
POLICY SECTION OF THE COMPREHENSIVE)
PLAN, AND DECLARING AN EMERGENCY)

LEGISLATIVE FINDINGS

WHEREAS, the City owns approximately 680 acres of land on the eastern side of the corporate City Limits and Urban Growth Boundary; and

WHEREAS, approximately 138 acres of that land has been brought into the Urban Growth Boundary and designated as Large Lot Industrial "M-2"; and

WHEREAS, the City now desires to bring in an additional 300 acres of that land and designate it as Industrial "M-1"; and

WHEREAS, the City has caused the required number of public hearings to be conducted, beginning with the City Planning Commission on January 25, 2011; County Planning Commission on January 27, 2011; City Council initial hearing on February 2, 2011; and Gilliam County Court on March 2, 2011; and

WHEREAS, proper notices were provided as required to the Department of Land Conservation and Development and to adjoining property owners by first class mail as a courtesy; and

WHEREAS, the Gilliam County Planning Commission moved unanimously to recommend the approval of the proposed UGB expansion to the County Court, and

WHEREAS, the City and the County are required by state statutes to jointly agree to and adopt any Comprehensive Plan amendments involving the City's Urban Growth Boundary.

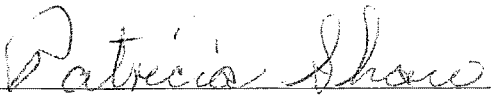
NOW, THEREFORE, BE IT ORDAINED BY THE COUNTY OF GILLIAM as follows:

1. The attached map depicting the Comprehensive Plan Map amendment to include the aforementioned 300 acres, to be designated Industrial M-1, within the City's Urban Growth Boundary, along with the detailed legal description provided by the City's Engineer, is hereby adopted as Exhibit A.
2. The attached Findings Document containing the Findings of Fact including an Economic Opportunities Analysis and required new Comprehensive Plan Policies is hereby adopted as Exhibit B.

EMERGENCY CLAUSE

This ordinance being enacted by the County Court in the exercise of its police power and for the purpose of meeting an emergency, and being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist and this ordinance shall take effect immediately upon being enacted.


APPROVED AND ENACTED THIS 6 DAY OF April, 2011.



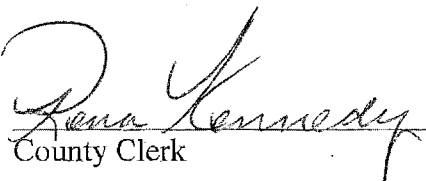
Judge Patricia Shaw



Commissioner Michael Weimer



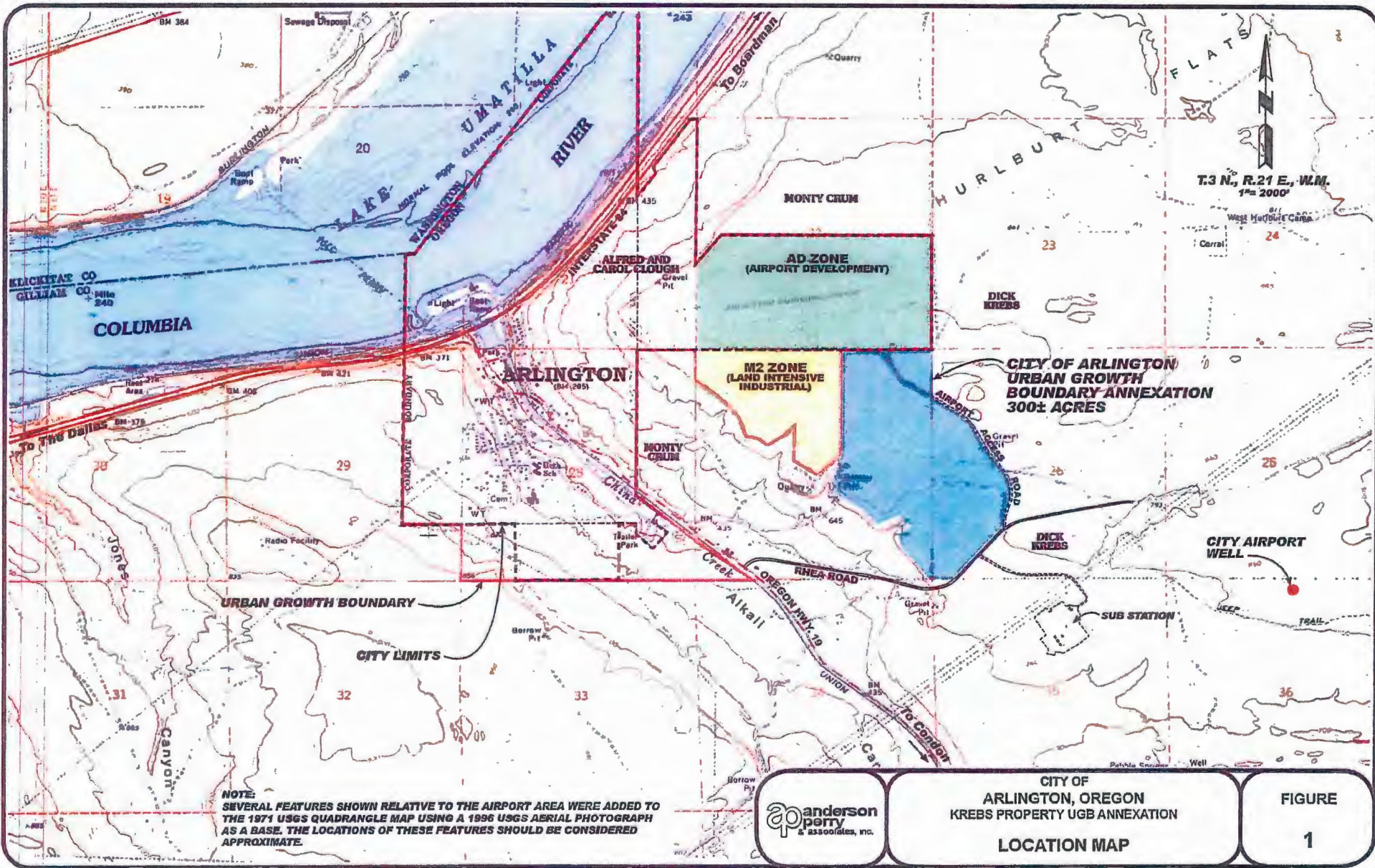
Commissioner Dennis Gronquist

ATTEST: 

County Clerk

April 6, 2011

Date



NOTE:
 SEVERAL FEATURES SHOWN RELATIVE TO THE AIRPORT AREA WERE ADDED TO THE 1971 USGS QUADRANGLE MAP USING A 1996 USGS AERIAL PHOTOGRAPH AS A BASE. THE LOCATIONS OF THESE FEATURES SHOULD BE CONSIDERED APPROXIMATE.



CITY OF
 ARLINGTON, OREGON
 KREBS PROPERTY UGB ANNEXATION
 LOCATION MAP

FIGURE
 1

EXHIBIT "A"

**EXHIBIT A
LEGAL DESCRIPTION – URBAN GROWTH BOUNDARY
(KREBS PROPERTY ANNEXATION)**

A parcel of land located within the East One-half of Section 27 and the West One-half of Section 26, Township 3 North, Range 21 East of the Willamette Meridian, Gilliam County, Oregon, said parcel is more particularly described as:

Beginning at the Northeast corner of said Section 27, marked by a brass capped iron pipe, **Thence** S00°07'27"E, along the East line of said Section 27, a distance of 1153.13 feet to a point on the westerly right-of-way of Airport Road, Gilliam County Deed Record M-64-52;

Thence along said right-of-way the following 11 courses:

1. S60°18'36"E, a distance of 563.56 feet to a point of curve to the right having a radius of 1,402.39 feet and a central angle of 33°31'05";
2. Thence southeasterly along the arc a distance of 820.40 feet;
3. Thence S26°47'31"E, a distance of 159.62 feet to a point of curve to the left having a radius of 1,939.86 feet and a central angle of 10°36'38";
4. Thence southeasterly along the arc a distance of 359.24 feet;
5. Thence S37°24'09"E, a distance of 499.32 feet to a point of curve to the right having a radius of 447.46 feet and a central angle of 23°47'02";
6. Thence southeasterly along the arc a distance of 185.74 feet;
7. Thence S13°37'07"E, a distance of 103.86 feet to a point of curve to the right having a radius of 606.62 feet and a central angle of 35°40'07";
8. Thence southerly along the arc a distance of 377.64 feet;
9. Thence S22°03'00"W, a distance of 139.12 feet to a point of curve to the left having a radius of 666.62 feet and a central angle of 20°08'37";
10. Thence southerly along the arc a distance of 234.37 feet;
11. Thence S01°54'23"W, a distance of 102.68 feet to a point on the northerly right-of-way of Rhea Road;

Thence along said northerly right-of-way of Rhea Road the following 6 courses;

1. S61°25'12"W, a distance of 149.93 feet;
2. Thence S41°32'57"W, a distance of 512.62 feet;
3. Thence S41°32'00"W, a distance of 709.84 feet;
4. Thence S50°34'05"W, a distance of 380.66 feet;
5. Thence S79°32'20"W, a distance of 233.12 feet;
6. Thence S84°35'20"W, a distance of 150.70 feet to a point near the crest of the high cliffs extending from said East line of Section 27 in a Northwesterly direction through said Section 27;

Thence generally along said crest the following 8 courses;

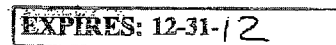
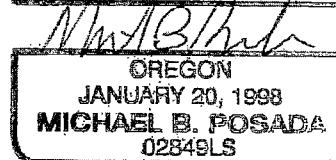
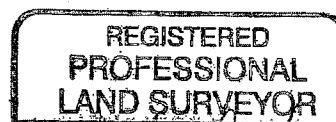
1. N39°41'18"W, a distance of 971.22 feet;
2. Thence N14°11'52"W, a distance of 270.02 feet;
3. Thence N51°16'47"E, a distance of 339.56 feet;
4. Thence N47°40'15"W, a distance of 370.45 feet;
5. Thence S63°45'13"W, a distance of 544.22 feet;
6. Thence N42°23'32"W, a distance of 507.51 feet;
7. Thence N59°30'23"W, a distance of 709.44 feet;
8. Thence N06°30'38"W, a distance of 234.56 feet, more or less, to the centerline of an

LEGAL DESCRIPTION – URBAN GROWTH BOUNDARY (continued)

existing gravel road known locally as the vacated Old Airport Road; **Thence** N15°18'53"E, along said centerline of vacated Old Airport Road, a distance of 543.49 feet to a non-tangent point on a curve to the left, from which the radius point bears N78°44'59"W, having a radius of 1,200 feet and a central angle of 11°10'06"; **Thence** continuing along said centerline of vacated Old Airport Road on the arc of said curve to the left a distance of 233.91 feet, which chord bears N05°39'58"E, a distance of 233.54 feet; **Thence** N00°04'54"E, along said centerline of vacated Old Airport Road, a distance of 2,282.45 feet to the North line of said Section 27; **Thence** leaving said centerline of vacated Old Airport Road on a bearing of N89°48'23"E, along said North line of said Section 27, a distance of 2,021.67 Feet to said Northeast corner of said Section 27, the **Point Of Beginning** of this description, containing 13,063,484 square feet or 299.9 acres, more or less.

Bearings in this description are relative to the line between the North one-quarter corner of said Section 27 and the Northeast corner of said Section 27 which is published as N89°48'23"E on Gilliam County Survey Number 241.

Prepared by Anderson-Perry & Associates, Inc.
March 31, 2011



DATED: 03-31-11

Drafted 12/03/2010
Revised 02/02/2011
Revised 03/01/2011
Revised 04/01/2011

CITY OF ARLINGTON
Urban Growth Boundary
Revision of 2011

COMPREHENSIVE PLAN ADDENDUM
FINDINGS OF FACT
DECISION
NEW COMPREHENSIVE PLAN POLICIES

Prepared for
CITY OF ARLINGTON
P.O. Box 68
500 West First Street, Municipal Bldg
Arlington, Oregon 97812

Prepared by
TENNESON ENGINEERING CORPORATION
3313 West Second Street, Suite 100
The Dalles, Oregon 97058
(541) 296-9177
Dan Meader, Planner

EXHIBIT B OF
ORDINANCE NO. _____

FOREWORD

This report was made possible by an extraordinary and unprecedented collaboration between local, county, and State government officials and agencies. On March 11, 2011, a group of individuals, including representatives of the Department of Land Conservation and Development (DLCD), the Governor's Office, the City of Arlington, Port of Arlington, Gilliam County, the Arlington School District, the Oregon Department of Transportation, the Oregon Department of Environmental Quality, and others, met in Arlington to assist the City in meeting the threshold requirements for completing this Urban Growth Boundary expansion. This collaboration is allowed and encouraged under Oregon Administrative Rule 660-009-0015(5) and 660-009-0020(1)(a). The results were extraordinary, as will be seen in the *Economic Opportunities Analysis* provided in this report.

The report is divided into segments that tend to flow together. The first segment is an overview of the current situation in the City. The second is a brief goal analysis, an assessment of the project with the statewide planning goals, that is required to be addressed as part of the administrative process to effectuate the Urban Growth Boundary expansion. The major piece in the middle of the document is the *Economic Opportunities Analysis* (EOA), which the State has assisted the City in preparing, followed by further findings on Goals 11 and 12. Finally, the report concludes with additional Comprehensive Plan policies that will be adopted as a final product of this land use action. All this material will be added to the City's Comprehensive Plan as an addendum and, at the first reprinting of the plan, the new Comprehensive Plan policies will be placed in the proper location in the plan document.

There are a number of individuals who assisted in completing this effort, and space and time does not allow a complete listing. However, there are four individuals who must be recognized for their contributions in this project. At the local level Denise Ball, Arlington City Councilor and Port of Arlington Administrative Assistant, provided a substantial amount of research on local fact finding and report documentation. Susie Anderson, Gilliam County Planning Director, served as the coordinator between the City and County and provided a substantial amount of information at the County level. At the State level, Tom Hogue of the Department of Land Conservation and Development has an infinite knowledge of the State Statutes and Administrative Rules, which allowed this process to go forward, and, finally, Scott Fairley of the Governor's Office was instrumental in putting together the meeting on March 11 and skillfully brought the participants to a common goal.

It is my understanding that this is the first time the State has undertaken such an intensive collaboration with a small city; the results have been outstanding. I am proud to have been a participant in this process.

April 4, 2011
Dan Meader

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EXHIBIT 2 – Warranty Deed
EXHIBIT 3 – City of Arlington Topography Map
EXHIBIT 4 – Memorandum of Agreement (City of Arlington/Port of Arlington)
EXHIBIT 5 – Gilliam County Soils Letter
EXHIBIT 6 – Off-Site Soil Information
EXHIBIT 7 – Oregon Department of Transportation Review Letter

INTRODUCTION

The purpose of this report is to provide the reviewer with the basic background information and state mandated findings to justify the inclusion of 300 acres of land inside the City of Arlington Urban Growth Boundary. The property lies to the east and south of the existing city limits and Urban Growth Boundary as shown on the map contained as Exhibit 1. The property is currently planned and zoned Exclusive Farm Use (EFU). The proposal is to bring the property into the City's Urban Growth Boundary as Industrial (M-1) on the City's Comprehensive Plan Map. The property would remain zoned EFU by Gilliam County until annexed into the City.

The process requires four public hearings. The initial public hearing is scheduled before the City of Arlington Planning Commission on January 25, 2011; before the Gilliam County Planning Commission on January 27, 2011; before the City Council on February 9, 2011; and before the Gilliam County Court on March 2, 2011. The *Notice of Proposed Amendment* has been provided to the State of Oregon Department of Land Conservation and Development 45 days in advance of the initial public hearing as required by State Statute. The City Council and County Court public hearings were continued for a variety of reasons until April 6, 2011. The *Notice of Proposed Amendment* to the Department of Land Conservation and Development has been revised to reflect these hearing date extensions.

Purpose of the Expansion

The purpose of the expansion is to provide the City of Arlington with additional industrially planned and zoned land to assist the City in achieving a more stable community by providing more local jobs. The City of Arlington lies at the extreme north end of Gilliam County and is one of three incorporated cities in the County. The City has a long history of commerce and

human activity along the Columbia River. In recent years, the City and the County have gained economic strength around two different industries. The solid waste industry has a regional landfill serving Hood River, Wasco, Sherman, Gilliam Counties and the cities of Portland, Oregon, Seattle and Kennewick, Washington. In addition, the last 10 years has seen the growth of wind energy generation sites in nearby Sherman and Gilliam Counties. There are a number of projects already operational and a number of new projects planned, particularly near Arlington. The purpose of this Urban Growth Boundary Expansion is to take advantage of those industries and provide adequate lands for other industrial activities that may spinoff from these existing and planned facilities. The City has struggled to maintain its population over the last half-century and has only seen slight amount of growth in the last 10 years.

Population History

The following table illustrates the population of the State of Oregon, Gilliam County, and the City of Arlington from 1960 to the present time.

	Oregon	Gilliam County	Arlington
1960	1,768,587	3,079	643
1970	2,091,533	2,342	375
1980	2,633,156	2,057	521
1990	2,842,321	1,917	425
2000	3,421,399	1,915	525
2010	3,823,465	1,885	610

Source: U.S. Census data and PSU Estimate (2009)

The point of this table is that the State of Oregon has more than doubled its population in the 50 years since 1960, Gilliam County has actually lost population, and the City of Arlington has struggled to maintain a stable population base. It has not reached the same population it had in

1960. The Arlington School District struggles to maintain enough students to run a full curriculum and is threatened the loss of teachers and programs. There are a number of homeless and jobless individuals living in the town at the present time. The purpose of the UGB Expansion is a unified attempt by City and County officials and the Port of Arlington to actively seek new industrial development to create jobs in the community. Civic leaders, including the City of Arlington, Port of Arlington, and Gilliam County Court, have long noted the need to measurably add to the dwindling population. The recent activities in the County noted above have assisted in creating a stronger economic base and the County, City, and Port wish to now take advantage of the current activity and provide enough land and opportunity for additional industrial activities.

Proposed Urban Growth Boundary Expansion

In 2003, the City purchased in fee title a tract of land from a local rancher containing approximately 678 acres (see attached deed, Exhibit 2). The tract adjoins the existing City Limits of the City and includes the existing M-2 zoned land, which was brought into the UGB in 2003. That tract also borders the City's municipal airport. The land is on the easterly side of the draw for the China Creek Drainage, in which the City of Arlington is located. The vegetative cover of the land is primarily sagebrush with a small scattering of Juniper trees. There are no dwellings or other structures on the property at the current time. The land is not suitable for farming. The Gilliam County Planning Department reviewed the soils maps and found that all of the soils in this property are SCS Soil Suitability Class VII and VIII. An exception to the Agricultural Land Use Goal is not required. In 2003, the City, during an update of its Comprehensive Plan, brought in 138 acres (surveyed) of this parcel into the Urban Growth Boundary. The intent now is to bring an additional 300 acres (computer calculated) into the

City's Urban Growth Boundary to allow continued industrial development. The Urban Growth Boundary Expansion land would be designated M-1, Industrial, by the City's Comprehensive Plan Map. The current zoning, Exclusive Farm Use (EFU), established by Gilliam County would remain in effect until such time as the property is officially annexed into the City. The existing 138 acres is currently undergoing development with a City recreational vehicle park to serve wind energy construction workers. The Port has indicated a desire to lease 30 acres to provide storage and repair facilities for the wind farm industry for projects currently underway in northern Gilliam County, and another 10 acres to become an interpretive center. The proposed Urban Growth Boundary expansion, some 300 acres, is located to the south and east of the 138 acres of M-2 land already in the Urban Growth Boundary and the City Limits. A topography map (see Exhibit 3) shows there are some deep draws in the lower portion of the property that possibly cannot be developed because of topographical limitations. The City believes most of the development will occur on the broad flat areas on the upper reaches of the property. A 78 acre development for Genesis Corporation lies in the area proposed to be brought into the Urban Growth Boundary. This development was recently approved by Gilliam County through a Conditional Use Permit process to allow the testing of prototypes of wind turbines. The developer seeks to construct approximately a 50,000 square foot building and test prototypes of wind turbines on the property. Recent indications show they are interested in leasing another 100 acres at this site to meet their needs. This land is part of the City's ownership and is part of the land proposed to be brought inside the Urban Growth Boundary.

The City of Arlington and the Port of Arlington have entered into a Memorandum of Understanding to allow the Port to actively market the industrial property. That agreement is attached as Exhibit 4. The Port's industrial land at the base of the City of Arlington is essentially

developed with a barge offloading facility, grain facilities, an RV park, and a marina. The Port's acreage at Willow Creek is currently involved in a contentious issue over Indian fishing rights and may not be available for some time, taking 57 acres of Port industrial land out of the County and Port's inventory of industrial lands. The lands at Shutler Station Industrial Park are nearing full development. The City and the Port want to add additional jobs directly into the community.

Utility Availability

The City provides domestic water and wastewater collection and treatment facilities to the lands within the corporate city limits. These utilities would be available to the properties if suitable development can be found. The land lies above the major portions of the City and gravity flow wastewater collection services could be constructed to serve the property. The City also purchased a well that lies outside the proposed Urban Growth Boundary. The well is undeveloped but has a tested water capability of 900 gallons per minute. There is also a small electrical substation to the southeast of the proposed Urban Growth Boundary expansion. An industrial development plan to provide site access and infrastructure to the 138 acres was developed for the City in June 2005 by Harper, Houf, Peterson & Righellis, Inc. It is clear that the alignments and service capabilities outlined in that study could be extended to serve all of the City's property proposed to be brought within the Urban Growth Boundary.

City of Arlington Development Potential

As noted earlier, the City of Arlington and Gilliam County, like most Eastern Oregon counties, have lagged significantly behind the State and the communities of the Willamette Valley in gaining population in the last 50 years. Only in Central Oregon has any significant population

increase occurred east of the Cascades. Arlington has all the needed attributes to serve as a population center and workplace for Eastern Oregon.

- The City has freeway access directly to Interstate 84.
- The City has direct rail access to the Union Pacific Railroad.
- The City has direct river access to the Columbia River and there is a barge offloading facility at the Port of Arlington.
- There is a municipal airport adjacent to the proposed industrial development.
- There is also a marina at the Port of Arlington.
- There is a 9-hole golf course currently owned and operated by the City of Arlington.
- There are limited tourist facilities in the City of Arlington.
- There is a determined group of people eager to work together to make the City and the north end of the County grow.

Immediate Focus

The Arlington Municipal Airport is going to be the focal point of the City and Port's immediate improvement and development plans. Insitu, a subsidiary of Boeing Corporation, has established a presence at the airport and uses the airport as the base facility for testing its products at the nearby Boardman Bombing Range. The Arlington Municipal Airport is a gravel runway that can be extended to a length of approximately 5,000 feet. It has a low elevation and would be used by not only Insitu, but also other corporate entities that are currently working in the area. The City and County have made the improvement of the Arlington Municipal Airport their number one

priority in the next year. Insitu has indicated that they will be constructing an industrial building on the airport property within a relatively short timeframe and more may follow.

URBAN GROWTH BOUNDARY REVISION ADMINISTRATIVE RULES

The following information is provided to address Administrative Rules contained in OAR 660, Division 24, which provides the guidelines for completing an Urban Growth Boundary Amendment. It appears that all that is really required is a Goal Analysis. In conducting this goal analysis, the City relied upon the following documents. All of the documents are available on the CD which is attached.

- **City of Arlington Comprehensive Plan 2002 – 2003**

The City of Arlington, through a Technical Assistance Grant from the Department of Land Conservation and Development, undertook an update of the City's Comprehensive Plan in 2002 and 2003. The new plan provided updated information where available. Where no new information was available, mostly in the physical environment, the information contained in the original 1977 Plan was brought forward and noted within the new plan. The 2002–2003 Comprehensive Plan was adopted by both the City of Arlington and Gilliam County and subsequently acknowledged by the Department of Land Conservation and Development through their Post-Acknowledgment Plan Amendment process. A copy of the plan and the acknowledgment form are provided digitally as attachments in this submittal.

- **Transportation System Plan**

The Transportation System Plan was prepared for Gilliam County and the Cities of Arlington and Condon, with a special section for the City of Lone Rock, in 1988 and 1999.

That plan was subsequently adopted as part of the City of Arlington's 2002 – 2003 Comprehensive Plan and is attached in this submittal for review.

- **City of Arlington Industrial Specific Plan**

This plan was prepared by Harper, Houf, Peterson & Righellis, Inc., in June 2005 and provides specific data and plans for transportation management and utilities provision, both water and sewer, through the proposed industrial site. That plan has also been scanned and is part of the submittal record. This plan will be adopted by the City and County as a reference document in this land use action.

Goals

Oregon Statewide Planning Goal Analysis Goals 1-14 are generally applicable. In this case, Goals 3 and 4 are not applicable as determined in the Administrative Rules.

Goal 1, Citizen Involvement

Approximately 680 acres of land was purchased by the City in 2003 through an open public process. The decision to undertake this Land Use Process to expand the Urban Growth Boundary to incorporate an additional 300 acres of the ownership was directed by a City Council decision. Because of the amount of acreage involved, this process is considered a legislative process. There are four public hearings scheduled for which notices will be provided to all adjoining property owners and general notices published in newspapers and posted about the town. The hearing process is as follows:

- Arlington City Planning Commission – January 25, 2011
- Gilliam County Planning Commission – January 27, 2011

- Arlington City Council – February 9, 2011, continued to March 9, 2011, subsequently continued to April 6, 2011.
- Gilliam County Court has been set forward to March 2, 2011, and continued until April 6, 2011.

This allows the final preparation of the findings document and final additions and corrections that may be necessary. Notices have been published and a revised notice of proposed action was provided to the Department of Land Conservation and Development.

Goal 2, Land Use Planning

The process requires four public hearings, including a hearing before the City and County Planning Commissions and the Arlington City Council and the Gilliam County Court, before a final decision can be made. Those have been scheduled for late January, February, and early March of 2011. There are no exceptions required for the land being brought into the Urban Growth Boundary. While the land is designated Exclusive Farm Use by the Gilliam County Planning and Zoning Maps, that is a blanket designation for most lands outside incorporated cities in Gilliam County. The land in question has Soil Suitability Classifications of Class VII and Class VIII and by definition is not classed as agricultural land.

Goal 3, Agricultural Lands

Under the terms of the new Administrative Rule, agricultural lands need not be considered. However, these lands are not, by definition, agricultural lands (see Exhibit 5).

Goal 4, Forest Lands

There are no forest lands involved in this particular amendment process. See above information and City's Comprehensive Plan Goal 4, Page 9.

Goal 5, Natural Resources, Scenic & Historic Areas and Open Spaces

Neither the 1978 Plan nor the 2002–2003 Comprehensive Plan identified any Goal 5 resources in the City or the proposed expansion area. See Comprehensive Plan Pages 10 through 13.

Goal 6, Air, Water and Land Resource Quality

The land being proposed to be brought into the Urban Growth Boundary is on a sloping hillside. Municipal utility services can be provided to meet the level of development which occurs, see the Industrial Specific Plan prepared June 2005.

Goal 7, Areas Subject to Natural Hazards

There are no known natural hazards on this land. There are some well defined drainages on the lower portions. The topography is such that it is doubtful any development would occur in parts of these lower elevations. If development is proposed in these locations, there are geotechnical requirements in the Arlington Zoning Ordinance, Section 3.6 *Geological Combined Zone* (GH), which would require specific analysis of those lands before development could occur.

Goal 8, Recreational Needs

The City has a number of areas set aside for recreational activities. There is no intent to provide recreational activities on the lands being considered in this application.

Goal 9, Economic Development

The purpose of this proposed Urban Growth Boundary expansion is to bolster economic development in the City of Arlington and northern Gilliam County. The purpose of adding the 540 acres is to provide the means to allow the Port and City to aggressively market the property for industrial development. The City has struggled to maintain the population level that it reached in 1960. New jobs are needed.

The City's Comprehensive Plan, Pages 17 through 27, provides extensive information regarding the City's economy as of 2003. In the intervening years since this plan was adopted, and this year 2011, little has happened except more businesses have closed. The primary restaurant facility in town, a motel, and two of the service stations have closed their doors. The economic element of the Comprehensive Plan contains the complete report of the Oregon Downtown Development Association's analysis of the community conducted in July 2002. This includes a listing and discussion of the community's comparative advantages and disadvantages. There are several recommendations in the 2003 Comprehensive Plan, Pages 20-25. What is clear is more jobs are needed and land is needed to provide locations for those jobs.

Goal 10, Housing

In the 2003 update there is extensive information on the current housing stock of the City. There is a Buildable Lands Inventory Map that was prepared in 2002. Since that time there have been a total of 20 single-family dwellings constructed in the City. No duplexes, apartments, or other forms of multiple family housing have been constructed. A senior housing project was approved but failed for lack of funding.

Goal 11, Public Facilities and Services

The City has its own municipal wastewater collection and treatments facilities. The current loading is at 50% of its design capacity. That plant has been updated and can support a population of 1,200. The City's water system has recently been updated, including storage facilities and distribution systems. As noted earlier in this report, there is a well outside the boundaries of the land that the City purchased, which can be used to support industrial development. This well can provide over 900 gallons per minute of water service to the area. The City's 2005 Industrial Specific Plan, prepared by Harper, Houf, Peterson & Righellis, Inc., provides alternatives for providing sewer and water service to the 138 acres that is already in the Urban Growth Boundary. All of the proposed options for service utilize Airport Road and Rhea Road as the utility corridors. These are the exterior boundaries of the proposed Urban Growth Boundary expansion area. That report is hereby adopted by reference.

The major point of the public facilities information is that the City has the available space in its wastewater treatment system. It has a water source that will provide adequate water to the site. The development of the land can be accommodated within the City's existing and operating facilities. The 2005 Industrial Specific Plan provides a frame work for providing utility service to this site.

Goal 12, Transportation

The City has completed, in June 2005, an Industrial Site Access and Infrastructure Plan by Harper, Houf, Peterson & Righellis, Inc., outlining the transportation infrastructure necessary to serve the existing industrial property at this same location. The plan identifies three separate layouts and indicates in summary that none of the proposed development proposals would create

a deficiency in ODOT's mobility standards. It notes that full development of the 140 acres would require a right turn lane at Cottonwood Road and Oregon Highway 19. A south bound left turn lane at Railroad would be warranted and a south bound left turn lane from Railroad to Oregon Highway 19 would be required. All of these requirements would be after extensive development has occurred in the industrial area. This information appears on Page 38 of the aforementioned Industrial Plan. In addition, Gilliam County, along with the Cities of Arlington, Condon, and Lone Rock, prepared and adopted a Transportation System Plan in 1999. That Plan was prepared by David Evans & Associates.

The City's Comprehensive Plan, Page 41, discusses briefly the 1999 Plan and adopts it by reference. In addition, the City has adopted all of the implementing measures required by the State into its Zoning Ordinance. Those measures can be found in Section 4.18 of the City Zoning Ordinance and are shown on Pages 61 through 67. That element also contains the minimum street design standards including right-of-way width and pavement widths for a variety of streets. Those requirements reviewed by the State, to the best of the City's knowledge, have not been updated since 1999. Those requirements are still mandated by the State.

Goal 13, Energy Conservation

The clients envisioned on this industrial land are primarily involved in wind energy harvesting, a significant segment of the renewable resources energy market.

Goal 14, Urbanization

The City in its 2003 Comprehensive Plan provided a 20-year population projection based upon the County's population projection provided by the Oregon Office of Economic Analysis. That

projection is presented on Page 32 of the City’s Comprehensive Plan and goes through the year 2025. In order to update that information, a subsequent addition was provided in the original submittal and is included under “Other Administrative Rule Requirements” below. That projection is based upon the Office of Economic Analysis current projections for the populations of Gilliam County and reflects the City of Arlington’s historical proportionate share by the year 2031. What is clear is that the State’s projection is woefully inadequate. The current population of the City in 2010 is 610, already outstripping the year 2031 projection shown for Arlington. The City’s small annual percentages of population increase, however, are not adequate to justify a population projection will allow the City to plan for the type of growth desired. As noted on Pages 30-31 of the City’s Comprehensive Plan, the City can support a population of approximately 2,000 people at full build-out at the present time.

**2003 COMPREHENSIVE PLAN
POPULATION PROJECTION**

Year	Gilliam County	Percentage	Arlington
2005	2,032	26%	528
2016	2,071	26%	538
2015	2,116	26%	550
2020	2,161	26%	562
2025	2,207	26%	574

Other Administrative Rule Requirements

The focus of the majority of the Administrative Rules appears to be centered on residential development. The proposed amendment is to create more industrial land in the City. The Rules speak to a 20 year planning horizon and the need for a 20 year population projection. The City’s 2003 update of its Comprehensive Plan provided a project throughout the year 2025 which is shown below. The source is the State office of Economic Analysis. This information is dated and the City has already surpassed those estimates.

DEPARTMENT OF LAND CONSERVATION & DEVELOPMENT COMMENTS

The City received, prior to the first evidentiary hearing on January 25, 2011, before the City of Arlington Planning Commission, a letter, dated January 18, 2011, from the Department of Land Conservation and Development commenting on the proposed amendments. The City has caused that letter to be entered into the record for each of the public hearings. The City and County also take official notice of that letter and provide specific information with regard to comments provided. What follows is a specific discussion regarding the seven (7) points raised in the letter.

1. A coordinated 20-year population forecast consistent with ORS 195.036 *Statewide Planning Goal 14* and OAR 660-024-0030.

Response: The City’s Comprehensive Plan, using the Office of Economic Analysis *Population Project* and the population history of the City and the County, prepared a 20-year population project in the 2003 Plan, which extended to the year 2025. That was sufficient to have the Plan acknowledged by the Department in 2003. In order to provide a coordinated population projection for all three cities and the County, the following steps are necessary. The following table shows first the population history of Gilliam County and the three incorporated cities in it from 1978 to the present time, together with the percentage of the County’s population that exists for each city.

**GILLIAM COUNTY & INCORPORATED CITIES
POPULATION HISTORY**

Year	Gilliam County	Arlington	Percentage of County	Condon	Percentage of County	Lone Rock	Percentage of County
1978	2,150	525	24	780	36	25	1
1980	2,057	521	25	783	38	26	1
1985	1,900	450	24	720	38	25	1
1987	1,850	425	23	725	39	20	1
1990	1,717	425	25	635	37	11	1
2000	1,900	524	28	760	40	25	1
2002	1,900	547	29	770	41	20	1
2009	1,885	610	32	785	42	20	1

Source: PSU Center for Population Research and Census.

These percentages were then, in turn, averaged over the 32 year period to calculate with a base percentage for each community. A second table, based on the Office of Economic Analysis *2004 Population Projection* through the year 2040, was then shown for Gilliam County and the percentages for each city were then used to breakout a specific population projection for each community over the 20 year timeframe to the year 2031. The City of Arlington and Gilliam County will adopt this as a part of the Arlington Comprehensive Plan as part of this land use undertaking to meet the statutory requirements. What must be clear in this exercise is that the City of Arlington's population is, currently in the year 2010, 610, which exceeds the population projection provided by the State for the year 2031, 596. The State sees very little opportunity for population increase in the County as a whole or in each city in particular. That projection provides no basis for planning for future growth of the County or the individual cities. That is not acceptable to the County nor to Arlington. The County and its cities desperately need more people to sustain their economies. That is the purpose of this Urban Growth Boundary Expansion.

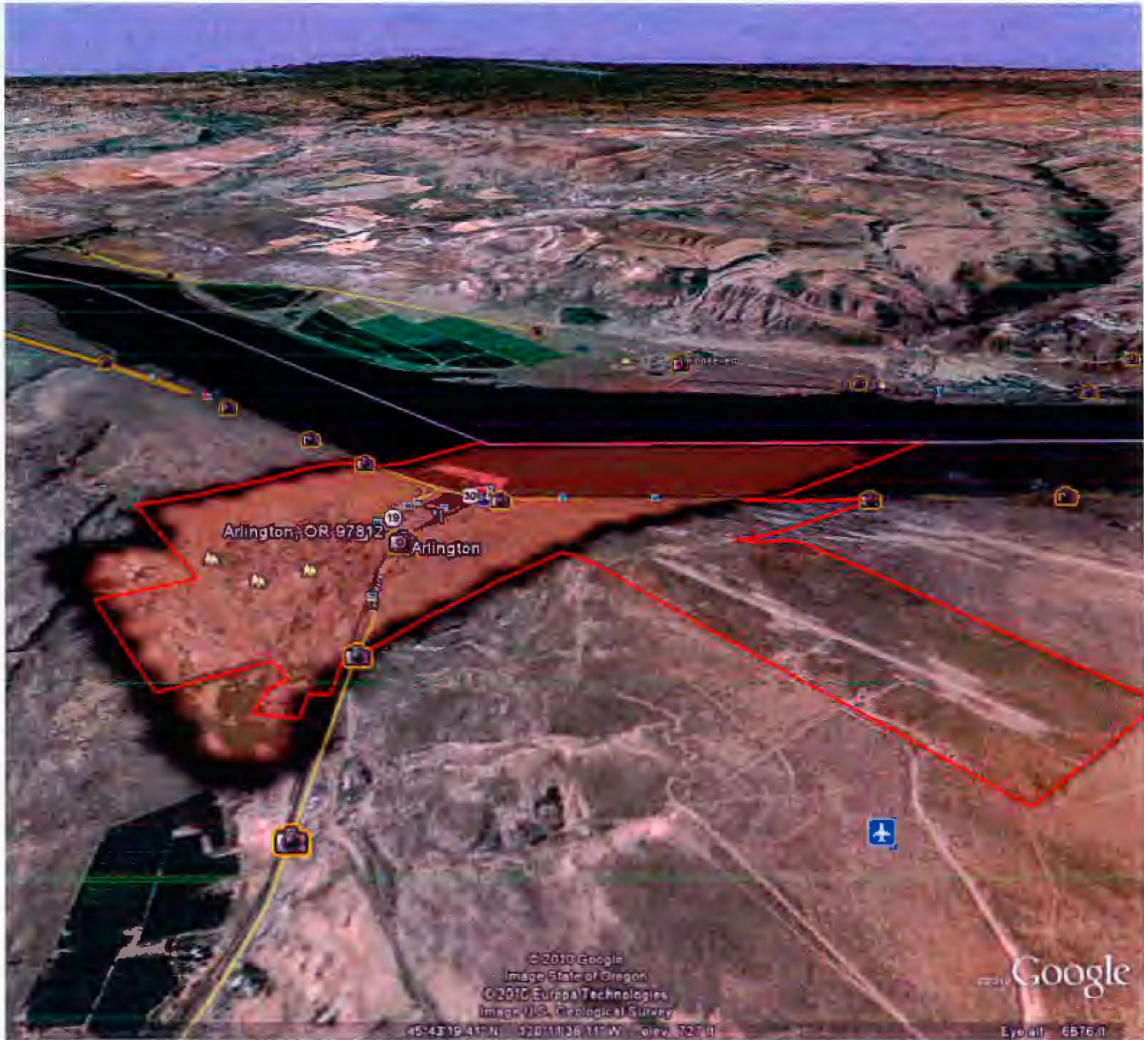
**GILLIAM COUNTY COORDINATED
POPULATION PROJECTION**

Year	Gilliam County	Arlington (26%)	Condon (39%)	Lone Rock (1%)
2003	1,900	494	741	19
2005	1,917	498	748	19
2010	1,946	506	459	20
2015	2,016	524	786	20
2020	2,101	546	819	21
2025	2,187	567	853	22
2030	2,275	592	887	23
2031	2,293	596	894	23

2. *Economic Opportunities Analysis* consistent with OAR 660, Division 9.

Response: The City reviewed the *Economic Opportunities Analysis* requirements and found the analysis is based on ongoing trends in development for which the City has no ability to provide (Please see discussion Item 1, above). The purpose of this Land Use Action is to provide opportunity to garner more jobs for the north end of the County and increase the population base at the north end of the County, in particularly the City of Arlington.

In an extraordinary effort, the Department of Land Conservation and Development met with City and County officials to assist in preparing the following *Economic Opportunities Analysis*.



City of Arlington, Oregon

2011 Economic Opportunities Analysis

On March 11, 2011, representatives from the City of Arlington, Port of Arlington, Gilliam County, the School District, Business Oregon (OBD), Oregon Department of Transportation (ODOT), Oregon Department of Environmental Quality (DEQ), Department of Land Conservation and Development, (DLCD) and the Office of the Governor, Regional Solutions Team (RST) met in Arlington to conduct an expedited Economic Opportunities Analysis (EOA) and employment land need determination.

Refer to OAR 660-009-0015(5) and OAR 660-009-0020(1)(a). Cities and counties are strongly encouraged to assess community economic development potential through a visioning or some other public input based process in conjunction with state agencies. Cities and counties are strongly encouraged to use the assessment of community economic development potential to form the community economic development objectives.

A collaboration of local government and state agencies may work together to examine the factual basis, establish the substantial evidence and make a reasonable determination of employment land need to satisfy the requirements of Oregon's Land Use Goals and administrative rules.

A local government may implement this determination by adopting findings and amendments to its comprehensive plan consistent with the land need determination and other applicable administrative rules.

A. **Assemble and Attach the Basic Facts**

- Transportation
 - 1400 AADT at Rhea Road.
 - 600 AADT on the I-84 ramps
- Population
 - 2003 Comprehensive Plan Coordinated population for 2025 is 538 (Source: Dan Meader 03/01 Findings Document pages 13-14 based on OEA Population Forecast)
 - Extrapolated population for 2031 is 596 (Source: Dan Meader 03/01 Findings Document, pages 16-17 from 2004 OEA Population Forecast)

- 2010 actual population 610 (Source: Dan Meader 03/01 Findings Document, page 16 based on PSU Center for Population Research and Census)
- Water and waste water capacity
 - Waste water at 40% of service capacity
 - Water at estimated 60% of service capacity, with additional well available near site.

(Source: Arlington Industrial Lands Meeting Minutes, City Engineer Brad Baird of Anderson Perry, page 2)

B. Review of Trends

As of 2003 and the adoption of a Comprehensive Plan update, trend data showed declines in traditional employment and a very conservative population forecast.

The city is well positioned with certain locational advantages to take advantage of the new growth opportunities, in part:

- Transportation capacity, including I-84 interchange, mainline rail siding and Columbia River port access as well as a small airport;
- Major utility corridors along the Columbia River including generation facilities (hydropower and gas/biomass generation); electrical power transmission facilities; natural gas pipelines; and, broadband fiber optic transmission facilities;
- Centrally located in the rapidly emerging wind energy sector, including the adjacent large Sheppard's Flat wind farm under construction (there are several hundred towers and turbines near Arlington) which is primarily accessed via Rhea Road;
- Expanding Central Oregon unmanned drone aviation sector requiring test and training facilities associated with the presence of military reservations very near the community. It is particularly noteworthy that a leading company in this sector (Insitu) is already operating out of temporary facilities at the airport and desires to expand;

- Existing large land fill operation that will continue to require a variety of services as well as provide future potential for emerging resource recovery technology companies as landfills are mined for valuable hydrocarbons and minerals.

(Sources: population tables Dan Meader 03/01 Finding Document, pages 13-14 and 16-17; development potential pages 5 & 6, Arlington Industrial Lands Meeting Minutes, pages 2 - 3)

C. **Economic Development Potential**

The local government and state agency collaborative process estimates Arlington to have significant opportunity to site several wind energy related service companies requiring perhaps a half a dozen medium to large sites to meet both the five-year and 20-year planning requirements. There is an immediate opportunity for a 100-acre site for expansion of an existing wind generation company, Genesis, which is currently utilizing 78 acres and desires 100 additional. There is also an immediate opportunity for a training facility site of at least 30 acres for Insitu to complement the existing operations, which suggests a 20-year need for 2-3 sites for the aviation-related sector. It is likely that resource recovery companies will need 2 medium sites in the next 20 years.

Efforts by the city and port have included contacts with all major wind energy companies in the area to determine industry service and maintenance needs over the life-span of a wind farm (typically 20-years). This contact resulted in a trip to Sweetwater, Texas; a community which is centrally located in an area of several major wind farms that has an area of land devoted to wind farm equipment service and maintenance. The Sweetwater facility features numerous smaller parcels with larger parcels for lay-down yards for large-part transit and storage. Establishment

of a similar facility would require 9-10 medium parcels, and perhaps 10 smaller parcels in the 5 to 10-acre range.

A summary of current projects submitted by the Port of Arlington includes type, acreage and job estimates supporting the site needs stated above. The local government and agency collaborative estimate is for 200 jobs in the short-term and 350 total over the planning period.

(Sources: Dan Meader 03/01 Findings Document, pages 3, 4 & 6; Arlington Industrial Lands Meeting Minutes, pages 2 & 3; January 25 pre-planning commission meeting minutes)

D. **Define the Community Objectives**

Arlington's objective is to reverse declining employment, population, civic fabric and tax base trends by providing an employment land supply able to capture the existing opportunities emerging on its doorstep (wind energy, aviation-related, and landfill-related) without overrunning its ability to provide services efficiently. By capturing the jobs the city is intending to recapture population. Once employment related development begins, the city intends to look in more detail at transportation and housing needs.

E. **Choose Site Categories**

This EOA identifies the need for Industrial employment land for wind energy service, aviation and resource recovery technology. The city will use its existing AD, M1 and M2 zoning codes to manage allowed uses, with an amendment to allow for a 5-acre minimum parcel size in its M2 zone.

F. **Suitable Site Criteria**

To capture identified opportunities, industrial land must meet these criteria:

- Industrial land will have to be flat, dry, and accessible to transportation, electrical power and communications facilities, buffered from non-industrial uses, and able to be served with cost-effective sewer and water.
- Wind energy service industry sites must be easily accessed by potentially large load trucks from Rhea Road, with large lay-down yards available.
- Aviation-related sites must have access to the airport facility, and have the potential for secure operations including temporary quarters.
- Resource recovery industry sites will need significant buffering and screening from other developed areas, especially residential zones.

(Sources: Dan Meader 03/01 Finding Document; Arlington Industrial Lands Meeting Minutes; January 25 pre-planning commission meeting minutes)

G. **Inventory Vacant Sites by Category**

Arlington has some existing industrial land able to meet the requirements of the identified opportunities:

- Airport Development (AD) – 318 acres mostly vacant
- Industrial (M1) – 10 acres most occupied. (perhaps 1 acre vacant)
- Mixed/Light Industrial (M2) – 138 acres vacant.

(Sources: Arlington Industrial Land Meeting Minutes; Tenneson Engineering Mapping; Anderson Perry mapping)

H. **Estimate Redevelopment Sites by Category**

There are no sites capable of redevelopment to meet the requirements of the identified opportunities.

I. **Implementation Measures**

To meet the requirements of the local government and state agency collaborative determination of employment land need, Arlington will:

- Give proper public notice regarding revised land use proceedings, including notice to DLCD (green sheet).
- Adopt this EOA into its comprehensive plan by reference.
- Adopt a policy into its comprehensive plan simultaneous with a UGB amendment for industrial land to trigger transportation planning once development has been permitted to accommodate 200 new employees in the AD, M1 and M2 zones.
- Act to preserve future industrial development potential by preserving future right of way at the highway intersection with Rhea Road for turn lanes or other safety measures.
- Monitor water and sewer capacity and perform additional planning work when either system exceeds 80% of service capacity.
- Work with DLCD and other state agencies to conduct robust future planning, especially for the expected transportation and housing needs analysis.
- Designate, plan and zone no more than an additional 300 acres of flat, serviceable M1 industrial land adjacent to existing AD and M2 land accessed off Rhea Road.
- Adopt either directly or by reference any required findings that have been identified in this EOA.
- Inform DLCD's regional representative of the outcome of its grant application to the county to support infrastructure development.

J. **Draft Findings**

Goal 9 Findings

OAR 660-009-015 (5) authorizes the community to assess community economic development potential through a visioning or some other public input based process in conjunction with state agencies and to use the assessment of

community economic development potential to form the community economic development objectives.

The rule authorizes a collaboration of local government and state agencies to work together to examine the factual basis, establish the substantial evidence and make a reasonable determination of employment land need to satisfy the requirements of Oregon's Land Use Goals and administrative rules, and to implement this determination by adopting findings and amendments to its comprehensive plan consistent with the land need determination and other applicable administrative rules.

On March 11, 2011, representatives from the City of Arlington, Port of Arlington, Gilliam County, the School District, Business Oregon (OBD), Oregon Department of Transportation (ODOT), Oregon Department of Environmental Quality (DEQ), Department of Land Conservation and Development, (DLCD) and the Office of the Governor, Regional Solutions Team (RST) met in Arlington to conduct an expedited Economic Opportunities Analysis (EOA) and employment land need determination.

In conducting this exercise the City and State followed OAR 660-009, looking at the following: City of Arlington Planning PAPA 001-10 submittal of December 10, 2010; City Planner Dan Meader Findings Document; 2003 Arlington Comprehensive Plan and Zoning Code; 2005 Industrial Specific Plan; 2005 Industrial Transportation Impact Study; Port of Arlington Project List; City of

Arlington Engineer's submittals; Office of Economic Analysis data; State Economic and Employment Forecasts, ODOT traffic volume studies; and, heard testimony incorporated into the Arlington Industrial Lands Meeting Minutes. These documents are attached as exhibits.

Community objectives were identified as follows:

Arlington's objective is to reverse declining employment, population, civic fabric and tax base trends by providing an employment land supply able to capture existing opportunities emerging on its doorstep (wind energy, aviation-related, and landfill-related) without overrunning its ability to provide services efficiently. By capturing the jobs the city is intending to recapture population. Once employment related development begins, the city intends to look in more detail at transportation and housing needs.

Based on the substantial evidence contained in the EOA, attached documents and referenced exhibits, and on the collaboration determination with state agency and above-noted entity partners, the City finds that an adequate supply of suitable sites to meet plan policies requires the 20-year industrial land supply to be:

- 318 acres of AD in a variety of site sizes
- 300 acres of M1 in a variety of site sizes
- 138 acres of M2 in a variety of site sizes

The City finds that it is in its interest to protect the intended use of newly added industrial land by applying and protecting the sites with a tightly managed M1 zone. This will establish the necessary limitations on incompatible uses and

protect the necessary sites for their intended uses. Land divisions will be managed to maintain a supply of large lots.

The City finds it is necessary to re-examine its transportation planning once development able to accommodate 200 employees on industrial land has been permitted.

OAR 660-009-0015 (1) requires: Review of National, State, Regional, County and Local Trends. The economic opportunities analysis must identify the major categories of industrial or other employment uses that could reasonably be expected to locate or expand in the planning area based on information about national, state, regional, county or local trends. This review of trends is the principal basis for estimating future industrial and other employment uses as described in section (4) of this rule. A use or category of use could reasonably be expected to expand or locate in the planning area if the area possesses the appropriate locational factors for the use or category of use. Cities and counties are strongly encouraged to analyze trends and establish employment projections in a geographic area larger than the planning area and to determine the percentage of employment growth reasonably expected to be captured for the planning area based on the assessment of community economic development potential pursuant to section (4) of this rule.

Exhibits contain the information examined and analyzed by the city to satisfy these rule requirements.

The City finds there is substantial evidence it is well positioned with certain locational advantages to take advantage of new growth opportunities, in part:

- Transportation capacity, including I-84 interchange, mainline rail siding and Columbia River port access as well as a small airport;
- Major utility corridors along the Columbia River including generation facilities (hydropower and gas/biomass generation); electrical power transmission facilities; natural gas pipelines; and, broadband fiber optic transmission facilities;
- Centrally located in the rapidly emerging wind energy sector, including the adjacent large Sheppard's Flat wind farm under construction (there are several hundred towers and turbines near Arlington) which is primarily accessed via Rhea Road;
- Expanding Central Oregon unmanned drone aviation sector requiring test and training facilities associated with the presence of military reservations very near the community. It is particularly noteworthy that a leading company in this sector, Insitu, is already operating out of temporary facilities at the airport and desires to expand;
- Existing large land fill operation that will continue to require a variety of services as well as provide future potential for emerging resource recovery technology companies as landfills are mined for valuable hydrocarbons and minerals.

(Sources: population tables Dan Meader 03/01 Finding Document, pages 13-14 and 16-17; development potential pages 5 & 6, Arlington Industrial Lands Meeting Minutes, pages 2 - 3)

The City finds a need for suitable Industrial employment land for uses such as wind energy service, aviation and resource recovery technology. The city will use its existing AD, M1 and M2 zoning codes to manage allowed uses, with an amendment to allow for a 5-acre minimum parcel size in its M2 zone. To capture identified opportunities, industrial land must meet these criteria that a typical and related to the intended uses:

- Industrial land will have to be flat, dry, and accessible to transportation, electrical power and communications facilities, buffered from non-industrial uses, and able to be served with cost-effective sewer and water.
- Wind energy service industry sites must be easily accessed by potentially large load trucks from Rhea Road, with large lay-down yards available.
- Aviation-related sites must have access to the airport facility, and have the potential for secure operations including temporary quarters.
- Resource recovery industry sites will need significant buffering and screening from other developed areas, especially residential zones.

(Sources: Dan Meader 03/01 Finding Document; Arlington Industrial Lands Meeting Minutes; January 25 pre-planning commission meeting minutes)

OAR 660-009-0015 requires an inventory of existing sites suitable to meet the identified need. Based on the review of the above noted materials and the ground-truth work conducted by staff, City Planner Dan Meader Findings Document pages 4 and 5 states the following:

The City of Arlington and the Port of Arlington have entered into a Memorandum of Understanding to allow the Port to actively market the industrial property. That agreement is attached as Exhibit 4. The Port's industrial land at the base of the City of Arlington is essentially developed with a barge offloading facility, grain facilities, an RV park, and a marina. The Port's acreage at Willow Creek is currently involved in a contentious issue over Indian fishing rights and may not be available for some time, taking 57 acres of Port industrial land out of the County and Port's inventory of industrial lands. The lands at Shutler Station Industrial Park are fully committed. The City and the Port want to add additional jobs directly into the community.

The City finds there is substantial evidence developed in collaboration with its state agency partners and by examination of its buildable land inventory that there are no redevelopable sites of the needed types within the community. The City examined the Arlington Zoning Map and Gilliam County Assessor's records, and

staff spent time on the ground verifying property details, all of which revealed that Arlington has some vacant industrial land able to meet the requirements of the identified opportunities:

- Airport Development (AD) – 318 acres mostly vacant
- Industrial (M1) – 10 acres most occupied. (perhaps 1 acre vacant)
- Mixed/Light Industrial (M2) – 138 acres vacant

(Sources: Arlington Industrial Land Meeting Minutes; Tenneson Engineering Mapping; Anderson Perry mapping)(Sources: Arlington Industrial Land Meeting Minutes; Tenneson Engineering Mapping; Anderson Perry mapping)

In assessing the community's economic development potential to meet OAR 660-009-0015, the City finds and agrees that the local government and state agency collaborative process estimates Arlington to have significant opportunity to site several wind energy related service companies requiring perhaps a half a dozen medium to large sites to meet both the five-year and 20-year planning requirements. There is an immediate opportunity for a 100-acre site for expansion of an existing wind generation company (Genesis) which is currently utilizing 78 acres and desires 100 additional. There is also an immediate opportunity for a training facility site of at least 30 acres for an aviation company (Insitu) to complement the existing operations, which suggests a 20-year need for 2-3 sites for this sector. It is likely that resource recovery companies will need 2 medium sized sites in the next 20 years.

Efforts by the city and port have included contacts with all major wind energy companies in the area to determine industry service and maintenance needs over the life-span of a wind farm (typically 20-years). This contact resulted in a trip to

Sweetwater, Texas; a community which is centrally located in an area of several major wind farms that has an area of land devoted to wind farm equipment service and maintenance. The Sweetwater facility features numerous smaller parcels with larger parcels for lay-down yards for large-part transit and storage. This City has relied on this evidence to determine that the establishment of a similar facility would require 9-10 medium parcels, and perhaps 10 smaller parcels in the 5 to 10-acre range.

A summary of current projects submitted by the Port of Arlington includes type, acreage and job estimates supporting the site needs stated above. The agency collaborative estimate is for 200 jobs in the short-term and 350 total over the planning period.

(Sources: Dan Meader 03/01 Findings Document, pages 3, 4 & 6; Arlington Industrial Lands Meeting Minutes, pages 2 & 3; January 25 pre-planning commission meeting minutes)

The City finds there is substantial evidence developed in collaboration with its state agency partners that the EOA contains the required review of trends, required site types with suitability criteria, inventory of available lands and assessment of community development potential.

The City finds there is substantial evidence developed in collaboration with its state agency partners that this EOA meets the requirements of OAR 660-009 in that the review of trends is the principal basis of its industrial land needs determination; that the substantial evidence is contained therein and is such that a

reasonable person can rely on that evidence to reach the same conclusion that the City reached, as did DLCD and other state agencies in collaboration with the City.

The City has identified the site types based on policy choices regarding the kinds of employers anticipated to locate on the proposed expansion area, using the characteristics defining site types consistently throughout the analysis, as evidenced by the preceding sections of this report, to meet the requirements of OAR 660-009-0015.

The EOA and exhibits contain the evidence relied upon by the City to satisfy the requirement to identify suitable site criteria as follows:

To capture identified opportunities, industrial land must meet these criteria:

- Industrial land will have to be flat, dry, and accessible to transportation, electrical power and communications facilities, buffered from non-industrial uses, and able to be served with cost-effective sewer and water.
- Wind energy service industry sites must be easily accessed by potentially large load trucks from Rhea Road, with large lay-down yards available.
- Aviation-related sites must have access to the airport facility, and have the potential for secure operations including temporary quarters.
- Resource recovery industry sites will need significant buffering and screening from other developed areas, especially residential zones.

(Sources: Dan Meader 03/01 Finding Document; Arlington Industrial Lands Meeting Minutes; January 25 pre-planning commission meeting minutes)

In order to assure that the comprehensive plan includes measures adequate to implement the local economic development policies, the following will be adopted into the plan:

The City of Arlington will:

- Give proper public notice regarding revised land use proceedings, including notice to DLCD (green sheet)
- Adopt this EOA into its comprehensive plan by reference
- Adopt a policy into its comprehensive plan simultaneous with a UGB amendment for industrial land to trigger transportation planning once development has been permitted to accommodate 200 new employees in the AD, M1 and M2 zones
- Act to preserve future industrial development potential by preserving future right of way at the highway intersection with Rhea Road for turn lanes or other safety measures
- Monitor water and sewer capacity and perform additional planning work when either system exceeds 80% of service capacity
- Work with DLCD and other state agencies to conduct robust future planning, especially for the expected transportation and housing needs analysis
- Designate, plan and zone no more than an additional 300 acres of flat, serviceable M1 industrial land adjacent to existing AD and M2 land accessed off Rhea Road
- Adopt either directly or by reference any required findings that have been identified in this EOA.
- Inform DLCD's regional representative of the outcome of its grant application to the county to support infrastructure development.

The City finds that the comprehensive plan and EOA include the necessary implementation measures and a determination of the 20-year supply as well as the maintenance of the short-term supply of serviceable lands.

Goal 14 Findings

Exhibits contain the evidence relied upon by the City in satisfying the safe harbor requirements of OAR 660-024-0030(4)(b)(C). The City finds its proportion of county population will remain the essentially the same.

Population data for the City are as follows:

- 2003 Comprehensive Plan Coordinated population for 2025 is 538 (Source: Dan Meader 03/01 Findings Document pages 13-14 based on OEA Population Forecast)
- Extrapolated population for 2031 is 596 (Source: Dan Meader 03/01 Findings Document, pages 16-17 based on 2004 OEA Population Forecast)
- 2010 actual population 610

(Source: Dan Meader 03/01 Findings Document, page 16 based on PSU Center for Population Research and Census)

The City and State Agency partners reviewed alternative sites, determining the following for the proposed expansion area and alternative sites examined:

The vegetative cover of the land is primarily sagebrush with a small scattering of Juniper trees. There are no dwellings or other structures on the property at the current time. The land is not suitable for farming. The Gilliam County Planning Department reviewed the soils maps and found that all of the soils in this property are SCS Soil Suitability Class VII and VIII. (Dan Meader Findings Document page 3) and; The City looked at two other areas for expansion of the Urban Growth Boundary - the west side of the City, on the hillside above the town, and to the south of Rhea Road, south of the proposed property being proposed for the Urban Growth Boundary. Both areas contain SCS soil classifications that are

agricultural resource soils. The property on the westerly portion lies above the City's water storage tanks and away from the City's public street infrastructure. The cost of providing services would be substantial. The area to the south of Rhea Road could use Rhea Road and the utility pattern proposed for the proposed area. However, it does lie further south of the City, and as will be shown below, contains suitable farm soils. Areas to the north would be the Columbia River and no development would occur there.

The city finds that its boundary location alternatives analysis is consistent with ORS 197.298, Goal 14, and OAR 660-024-060.

(Dan Meader Findings Document pages 18 and 19, items 6 and 7)

The City finds there is substantial evidence developed in collaboration with its state agency partners that its location analysis of alternative sites did not identify any sites both suitable for the identified opportunities and of higher priority under Goal 14, OAR 660-024 and ORS 197.298 criteria. The City finds that its examination of the soil capacity class for the expansion site indicates all Class VII or VIII soils with no resource value.

Other Findings

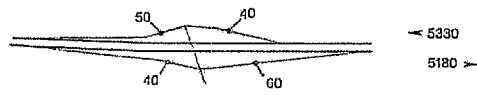
The City examined its Goal 5 element in the comprehensive plan, and examined Gilliam County's comprehensive plan in order to ascertain whether or not there was any record of known Goal 5 Resources; there were none.

The City finds that no Goal 5 resources have been identified in the expansion area, do not exist on the County inventory of Goal 5 sites, or have been reported by consultation with DSL.

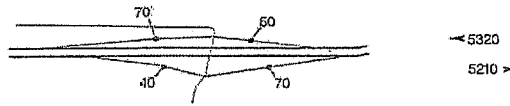
Notes: The City will need to make findings for Goals 11 and 12 as necessary.

INTERSTATE INTERCHANGES AND REST AREAS

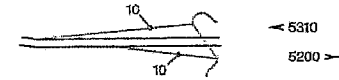
Philippi Canyon - Exit 123



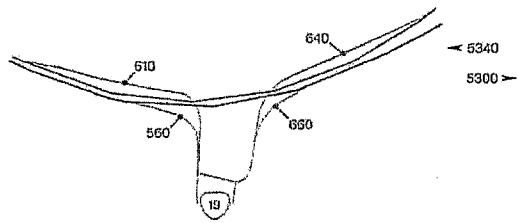
Blalock - Exit 129



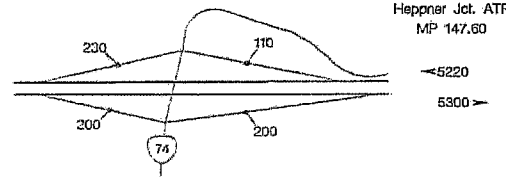
Woelpern - Exit 131



Arlington - Exit 137

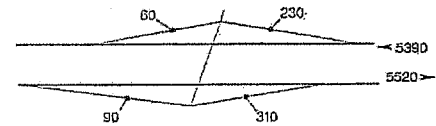


Heppner Jct. - Exit 147

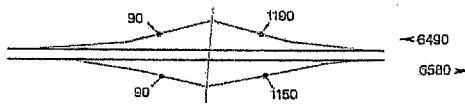


11-009
Heppner Jct. ATR
MP 147.60

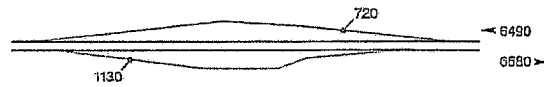
Threemile Canyon - Exit 151



Tower Road - Exit 159



Boardman Rest Area - Exit 160



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FOA EXHIBIT 1

Milepoint	2009 AADT All Vehicles	Location Description
REDMOND SPUR HIGHWAY NO. 4 (Continued)		
Y 120.49	7600	0.09 mile south of Jack Pine Avenue
Y 120.63	7600	0.01 mile north of Greenwood Avenue
Y 121.01	8100	0.01 mile north of Antler Avenue
Y 121.03	7800	0.01 mile south of Antler Avenue
Y 121.28	7900	0.01 mile north of Evergreen Avenue
Y 121.30	7900	0.01 mile south of Evergreen Avenue
Y 121.49	8200	0.01 mile north of McKenzie Highway (OR126) (Highland Avenue)
NORTHBOUND - ONE-WAY TRAFFIC		
On 5th Street		
Y 120.49	7600	0.09 mile south of Jack Pine Avenue
Y 120.63	7600	0.01 mile north of Greenwood Avenue
Y 121.00	8300	0.01 mile north of Antler Avenue
Y 121.02	7200	0.01 mile south of Antler Avenue
Y 121.29	8700	0.02 mile north of Evergreen Avenue
Y 121.32	7800	0.01 mile south of Evergreen Avenue
Y 121.50	7300	0.01 mile north of McKenzie Highway (OR126) (Highland Avenue) and Ochoco Highway (OR126) (S. Canal Boulevard)
JOHN DAY HIGHWAY NO. 5		
Milepoint indicates distance from Columbia River Highway (I-84), in Arlington		
0.32	1200	0.02 mile north of Beech Street
0.48	1300	0.03 mile northwest of Main Street
0.53	1300	0.02 mile southeast of Main Street
0.82	1400	0.02 mile southeast of Columbia Street
Equation: MP 1.13 BK = MP 20.97 AH		
1.62	1500	0.02 mile northwest of Rhea Lane (Airport Road)
1.66	1400	0.02 mile south of Rhea Lane (Airport Road)
3.89	1100	0.10 mile north of Eight Mile Canyon Road
6.81	770	* Shuttler Automatic Traffic Recorder, Sta. 11-007, 6.81 miles south of Columbia River Highway No. 2 (I-84/US30)
7.20	290	0.02 mile south of Cedar Springs Road
11.95	280	0.02 mile north of Cameron Road (The Tree Lane)
15.39	290	0.02 mile north of Baseline Road
16.81	220	0.02 mile north of Upper Rock Creek Road
19.83	210	0.02 mile north of Mikkalo Road
19.87	290	0.02 mile south of Mikkalo Road
23.13	290	0.02 mile south of Clem Road
29.48	320	0.30 mile south of Cayuse Canyon Road at Gwendolen
On Washington Street		
37.45	350	0.05 mile north of Cottonwood Road
37.52	480	0.02 mile south of Cottonwood Road
37.90	580	0.02 mile north of Walnut Street
On Walnut Street		
37.94	670	0.02 mile west of Washington Street
38.05	1100	0.02 mile east of Wasco-Heppner Highway (OR206/Main Street)
On Main Street		
38.09	1600	0.02 mile south of Wasco-Heppner Highway (OR206)/ Walnut Street)

Region 9: Industry Employment Forecast, 2008-2018
Gilliam, Hood River, Sherman, Wasco, and Wheeler Counties

	2008	2018	Change	% Change
Total payroll employment	25,740	28,190	2,450	10%
Total private	21,340	23,340	2,000	9%
Natural resources and mining	4,000	4,240	240	6%
Mining and logging	60	70	10	17%
Construction	1,160	1,080	-80	-7%
Manufacturing	2,050	2,170	120	6%
Durable goods	1,140	1,220	80	7%
Nondurable goods	910	950	40	4%
Trade, transportation, and utilities	4,400	4,760	360	8%
Wholesale trade	850	940	90	11%
Retail trade	3,050	3,290	240	8%
Transportation, warehousing, and utilities	500	530	30	6%
Information	270	260	-10	-4%
Financial activities	720	760	40	6%
Professional and business services	1,340	1,630	290	22%
Educational and health services	3,530	4,080	550	16%
Health care and social assistance	3,360	3,890	530	16%
Ambulatory health care services	820	960	140	17%
Nursing and residential care facilities	690	810	120	17%
Leisure and hospitality	3,230	3,670	440	14%
Arts, entertainment, and recreation	700	760	60	9%
Accommodation and food services	2,520	2,910	390	15%
Accommodation	600	670	70	12%
Food services and drinking places	1,930	2,240	310	16%
Other services	640	690	50	8%
Government	4,400	4,850	450	10%
Federal government	550	540	-10	-2%
State government	570	610	40	7%
Local government	3,280	3,700	420	13%
Indian tribal	340	370	30	9%
Local education	1,630	1,790	160	10%

Note: Industry and occupational employment totals are not equal due to rounding.
Farm employment is included in natural resources and mining.
Previous industry projections were limited to nonfarm employment.

This is a continuation of the points raised in the initial DLCD comment letter.

3. A demonstration for the City's 20-year need for land for industrial employment opportunities consistent with the population forecast OAR 660-009-025, Goal 14, and OAR 660-024-040.

Response: There is no basis for the City to provide based on past trends. The *Economic Opportunities Analysis* provides the basis to meet this rule. The current wind farm projects underway and subsequent projects lining up will necessitate additional industrial land development.

4. An analysis of the capacity within the existing UGB to meet the demonstrated need for industrial land consistent with Goal 14 of OAR 660-024-0050.

Response: The City's current industrial base consists of small portions of acreage along Cottonwood Road and Highway 19 in the City, most of which is developed, and the 138 acres which was brought into the City as part of the main ownership being sought to be brought in now. The 138 acres currently has a 20 acre RV park in development, a 30 acre industrial site being developed by the Port, and other activities being pursued by the City and the Port.

5. Consideration of measures to increasing existing UGB capacity to accommodate part, or all, of the 20-year industrial land need consistent with Goal 14 of OAR 660-025-0050.

Response: As noted above, there is some vacant acreage available for industrial development. The City has determined, in its best interest, to expand the Urban Growth Boundary to incorporate the land it bought and purchased for long-term industrial development. It is not, by definition, farm land. It is suited for industrial development. Water, sewer and transportation facilities can be provided to it with ease. The City wants to be able to control the development that occurs on this side of the City.

6. An evaluation and comparison of the relative costs, advantages and disadvantages of alternative UGB expansion areas with respect to the provision of public facilities and service, including streets and roads consistent with OAR 660-024-0060(8).

Response: The City had briefly looked at two other areas for expansion of the Urban Growth Boundary. The west side of the City, on the hillside above the town, and to the south of Rhea Road, south of the proposed property being brought into the Urban Growth Boundary. Both areas have SCS soil classifications that are suitable agricultural soils. The property on the westerly portion lies above the City's water storage tanks and away from the City's public street infrastructure. The cost of providing services would be substantial. The area to the south of Rhea Road could use Rhea Road and the utility pattern proposed for the proposed area. However, it does lie further south of the City, and as will be shown below, contains suitable farm soils as defined.

7. Boundary location alternatives analysis consistent with ORS 197.298, Goal 14, and OAR 660-024-060.

Response: The aforementioned sites to the west and south of the City both contain soils that would be defined as farm soils, Soil Class Suitability Classifications VI, see Exhibit 6. Because they are farm soils, the City does not want pursue those alternatives any further.

The *Economic Opportunities Analysis* required additional findings for Goal 11, *Public Facilities Plan*, and Goal 12, *Transportation*. The City offers the following responses.

- **Goal 11** - The City's 2003 Comprehensive Plan provided a well developed public facilities element indicating not only the current conditions, but the proposed improvements of both the sewer and water facilities. A phone conversation from the Public Works Director, on February 16, 2011, indicates those improvements listed in the 2003 Plan have now been made.

The 2005 Industrial Specific Plan by Harper, Houf, Peterson & Righellis, Inc. provides detailed plans for providing infrastructure to the site. The 2005 plan provides detailed cost estimates for the improvement of the domestic water system, including booster pumps, water main extensions, and a new reservoir. In addition, the plan provides cost estimates for providing wastewater collection service to the site, including approximately 15,000 lineal feet of 8 inch sewer main. The total estimated cost for these improvements is \$2,121,000. There may be substantial savings in actual construction costs. The City has approached the County for assistance in funding this construction and the County is considering a \$2,000,000 grant to the City for this effort.

- **Goal 12** - The Goal 12 element of the Comprehensive Plan adopts, by reference, the 1999 *Transportation System Plan* prepared for Gilliam County and the Cities of Condon, Arlington, and a special section for Lone Rock by David Evans and Associates. The 2005 Industrial Specific Plan contains specific traffic plans and improvement needs. This plan has been reviewed by the Oregon Department of Transportation and has been approved by that agency. See Exhibit 7. A Comprehensive Plan policy will be added to the Goal 12 policies that requires the City to monitor the number of jobs created on the site and to protect the rights-of-way at Cottonwood and Rhea Roads.

CONCLUSIONS AND DECISION

This proposed Urban Growth Boundary expansion has been on the City's agenda since the land was purchased in 2003. The City has taken the proper steps to develop plans for providing infrastructure to the site, the utilities, water and sewer, can be made readily available to the site, the transportation improvements can be readily completed. The intended use of the land is clearly industrial. The City and the Port are working closely together to market the land availability to targeted wind energy supply chain industries.

The City has direct access to a host of transportation modes, including Interstate Freeway access, Rail access, Columbia River barge access, and air service. There are modern telecommunication services readily available.

This proposed Urban Growth Boundary expansion is considered the City's best path to achieve additional population to support the existing commercial/industrial base in the community.

DECISION

It is the decision of the Arlington City Council and the Gilliam County Court to jointly adopt these findings, including the *Economic Opportunities Analysis*, and approve with an ordinance that also amends the Comprehensive Plan Map of the City of Arlington to include the 300 acres of land, as shown on Map 1 of this report, and to designate that land on the Comprehensive Plan Map as Industrial "M-1". There are number of implementation measures which must be addressed to complete this action.

Implementation Measures

As required by the *Economic Opportunities Analysis*, there are a number of implementation measures that the City must complete as part of this process. What follows is a brief discussion of those.

- Give proper public notice regarding the revised land use proceedings, including notice to DLCDC (green sheet).

Response: Notices were properly published in the local newspapers for the final public hearings on April 6, 2011, by both the Arlington City Council and Gilliam County Court. A revised green sheet was submitted to the Department on April 4, 2011.

- Adopt this EOA into its comprehensive plan by reference.

Response: The adoption of this entire report as an addendum to the Comprehensive Plan complies with that requirement.

- Adopt a policy into its comprehensive plan simultaneous with a UGB amendment for industrial land to trigger transportation planning once development has been permitted to accommodate 200 new employees in the AD, M1 and M2 zones.

Response: The City will adopt as a Comprehensive Plan policy under Goal 12, Transportation, Policy #7. That policy will read:

7. The City will monitor the number of jobs created in the Industrial Zones AD, M-1, and M-2. When the job creation reaches 200 employees, the City will begin transportation planning to assess the need for turning lanes on Cottonwood Road and Rhea Road. This assessment will be in cooperation and collaboration with the Oregon Department of Transportation.

- Act to preserve future industrial development potential by preserving future right of way at the highway intersection with Rhea Road for turn lanes or other safety measures.

Response: The City will adopt as a Comprehensive Plan policy under Goal 12, Transportation, Policy #8. That policy will read:

8. The City will act in conjunction with Gilliam County to preserve the right-of-way at Rhea Road and the highway intersection for future turn lanes or other safety measures.

- Monitor water and sewer capacity and perform additional planning work when either system exceeds 80% of service capacity.

Response: The City will adopt as a Comprehensive Plan policy under Goal 11, Public Facilities, Policy #5. That policy will read:

5. The City will continue to monitor its water and sewer service capacity to ensure to begin planning for upgrading the system needs when either system exceeds 80% of existing service capacity.

- Work with DLCD and other state agencies to conduct robust future planning, especially for the expected transportation and housing needs analysis.

Response: The City will adopt as a Comprehensive Plan policy under Goal 14, Urbanization, Policy #5. That policy will read:

5. The City will work with the Department of Land Conservation and Development and other State agencies to initiate future long range planning, especially for the expected transportation and housing needs analysis, as the industrial development culminates in future needs.

- Designate, plan and zone no more than an additional 300 acres of flat, serviceable M1 industrial land adjacent to existing AD and M2 land accessed off Rhea Road.

Response: The completion of this land use action will designate the aforementioned 300 acres as M-1, Industrial, on the Comprehensive Plan Map. When the property is annexed to the City, it will be brought in as Industrial M-1 on the City's Zoning Map.

- Adopt either directly or by reference any required findings that have been identified in this EOA.

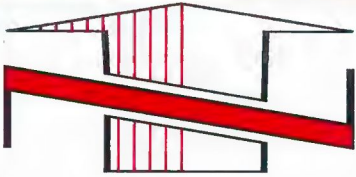
Response: The entire EOA has been enfolded into the existing Findings of Fact document, which is being entirely adopted as an addendum to the City's Comprehensive Plan.

- Inform DLCD's regional representative of the outcome of its grant application to the county to support infrastructure development.

Response: That grant application request is still pending. When the decision is made by the County Court, notice and results of the decision will be forwarded on to the regional office.

EXHIBIT 1

Comprehensive Map Amendment

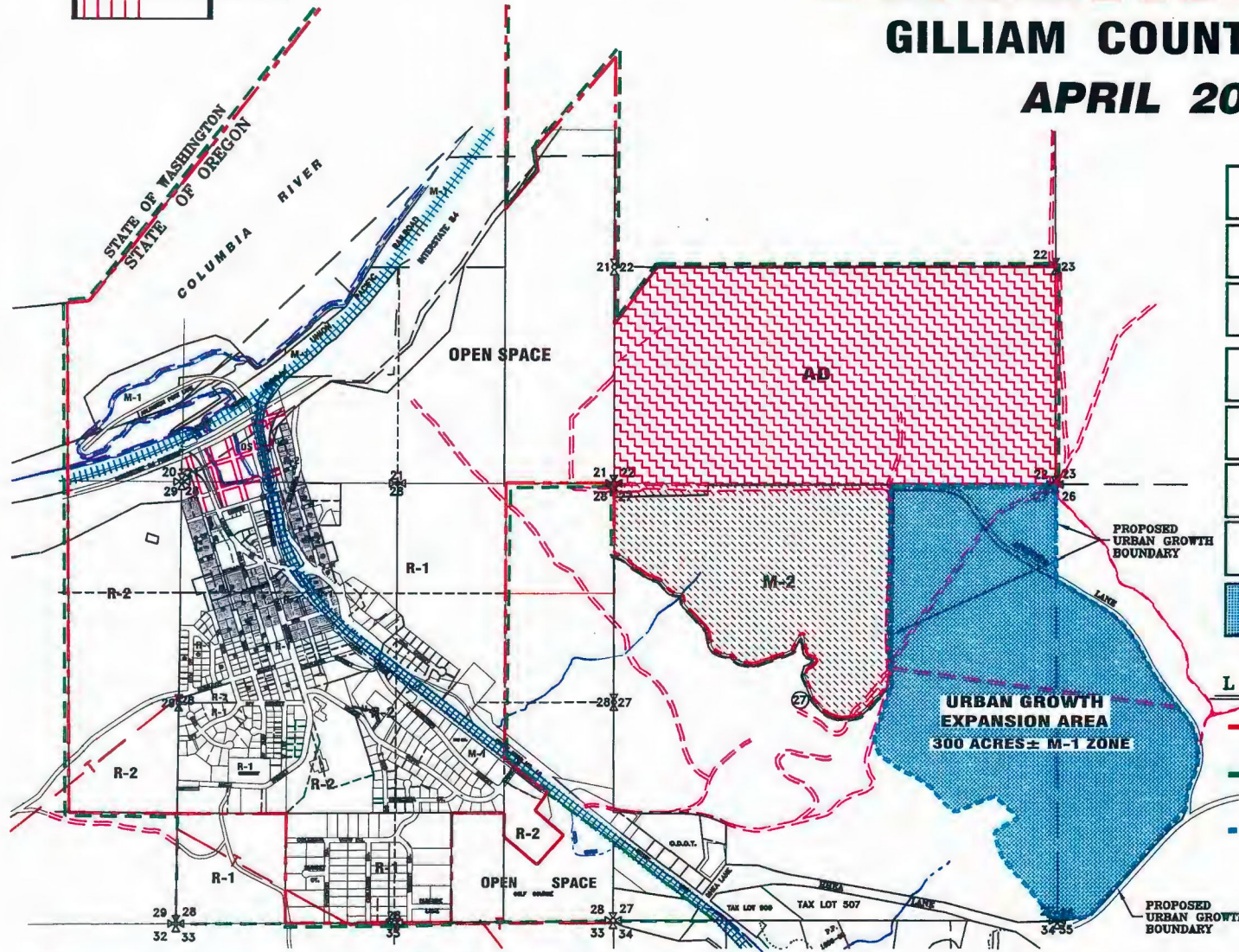


0' 1000' 2000' 4000'
SCALE IN FEET

CITY OF ARLINGTON

GILLIAM COUNTY, OREGON

APRIL 2011



- | | | |
|--|------------------------------|---------------------------|
| | R-1 | SINGLE FAMILY RESIDENTIAL |
| | R-2 | MULTI-FAMILY RESIDENTIAL |
| | C-1 | COMMERCIAL |
| | M-1 | INDUSTRIAL |
| | M-2 | LAND INTENSIVE INDUSTRIAL |
| | AD | AIRPORT DEVELOPMENT |
| | OPEN SPACE | |
| | U.G.B. EXPANSION AREA | |

LEGEND :

- | | |
|--|--------------------------------------|
| | CITY LIMITS LINE (1,775 AC.) |
| | URBAN GROWTH BOUNDARY (1,900 AC.) |
| | PROPOSED URBAN GROWTH EXPANSION LINE |

COMPREHENSIVE MAP AMENDMENT

URBAN GROWTH BOUNDARY EXPANSION MAP

W.O. #10501

TENNESON ENGINEERING CORP.
CONSULTING ENGINEERS
3313 W. 2nd STREET, SUITE 100
THE DALLES, OREGON 97058
PH. 541-296-9177 FAX 541-296-6657

EXHIBIT 2

Warranty Deed

STATE OF OREGON }
County of Gilliam } 35. MOD. 1.1.11

After Recording Deliver to:
Annah Coney Baker & Thompson, P.C.
Attorneys at Law, 305 Cascade Street
P.O. Box 325, Hood River, Oregon 97111

I hereby certify that the within
instrument was certified for record
DECEMBER 16, 2002 at 3:50 P M
and assigned No. M-73-145
Fees \$51.00

Until A Change Is Requested, All Tax Statements
Shall Be Sent to The Following Address:
City of Arlington
P.O. Box 68, Arlington, Oregon 97812

Witness my hand and seal of county affixed.

RENA JO KENNEDY
County Clerk

By *Myra [Signature]*



Tax Acct. No. 3N-21-26&27,501

The true and actual consideration for this conveyance
is \$301,000.00, part of which is a charitable contribution
by seller to purchaser.

CONTRACT FOR THE SALE OF REAL PROPERTY

THIS AGREEMENT, made this 12th day of December, 2002, by J. R. KREBS, herein
called "seller," and the CITY OF ARLINGTON, OREGON, a municipal corporation of the State of Oregon, herein
called "purchaser,"

WITNESSETH:

Seller agrees to sell to purchaser and purchaser agrees to purchase that certain land, and all
improvements thereon, situated in the County of Gilliam and State of Oregon, as described on the "Description Sheet,"
attached hereto and incorporated herein by this reference as though fully set out hereat.

The purchase price of the property is \$301,000.00. Of this price, seller donates, as a charitable
contribution, to purchaser the sum of \$145,500.00, giving purchaser a credit of this sum immediately against the purchase
price. Purchaser acknowledges and accepts this charitable donation. The remaining balance of the purchase price, being
ONE HUNDRED FIFTY-FIVE THOUSAND FIVE HUNDRED DOLLARS (\$155,500.00), shall be payable by
purchaser to seller as follows:

- (a) The sum of **EIGHTY THOUSAND DOLLARS (\$80,000.00)**, which is paid upon the
execution hereof.
- (b) The remaining principal balance of **SEVENTY-FIVE THOUSAND FIVE HUNDRED
DOLLARS (\$75,500.00)**, shall be paid in annual installments of **THIRTY-SEVEN THOUSAND
SEVEN HUNDRED FIFTY DOLLARS (\$37,750.00)**, the first of such installments to be paid on the
31st day of January, 2003, and a subsequent installment to be paid on or before the 31st day of January,
2004. No interest shall accrue on the unpaid balances of principal.

Purchaser shall have the privilege of increasing any installment payment or prepaying the whole
consideration at any time; provided that no additional payments shall be credited as regular future payments nor excuse
purchaser from making the regular installment payments provided for in this agreement.

Purchaser shall be entitled to possession of the premises as of the 12th day of December,
2002.

Purchaser shall not commit or suffer any waste of the property.

The real property herein conveyed is subject to farm tax deferral. Purchaser accepts the real property
under said deferral, and if and when purchaser removes the property from farm tax deferral and utilizes it, or part of it,
otherwise, purchaser agrees to pay all penalties, taxes, interest, and related charges in connection with the removal of
said real property from farm tax deferral, and to indemnify, defend, and hold harmless seller therefrom.

Purchaser acknowledges a portion of the real property described herein formerly was the site of the
City of Arlington Municipal Disposal/Solid Waste Depository. Purchaser accepts said site, including latent defects,
assumes all responsibilities in connection therewith including, if any, responsibilities for future clean-up of past waste
disposal, and further agrees to indemnify, defend, and hold harmless seller in connection therewith.

Seller covenants that seller is the owner of the above described property free of all encumbrances except as
set forth herein in Exhibit "C".

The purchaser has inspected the real property described herein, knows the condition thereof, and accepts
the real property "as is" without any representations or warranties of any type or nature including representations against
latent defects.

Upon payment of the entire purchase price for the property, as provided herein, and performance by purchaser of all other terms, conditions and provisions hereof, seller shall forthwith execute and deliver to purchaser a Bargain and Sale Deed conveying said property free and clear of all liens and encumbrances, except as herein provided and those placed upon the property or suffered by purchaser subsequent to the date of this agreement.

In the event that purchaser shall fail to perform any of the terms of this agreement, time of payment and performance being of the essence, seller shall, at seller's option, subject to the requirements of notice as herein provided, have the following rights:

- (a) To foreclose this contract by strict foreclosure in equity.
- (b) To declare the full unpaid balance of the purchase price immediately due and payable.
- (c) To specifically enforce the terms of this agreement by suit in equity.

Purchaser shall not be deemed in default for failure to perform any covenant or condition of this contract, other than the failure to make payments as provided for herein, until notice of said default has been given by seller to purchaser and purchaser shall have failed to remedy said default within thirty (30) days after the giving of the notice. Notice for this purpose shall be deemed to have been given by the deposit in the mails of a certified letter containing said notice and addressed to purchaser at Post Office Box 68, Arlington, Oregon 97812. If purchaser shall fail to make payment as herein provided and said failure shall continue for more than fifteen (15) days after the payment becomes due, purchaser shall be deemed in default and seller shall not be obligated to give notice to purchaser of a declaration of said default.

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930.

IN WITNESS WHEREOF, the parties hereto have executed this agreement in duplicate as of the day and year first above written.

SELLER:

J. R. Krebs
J. R. Krebs

PURCHASER: CITY OF ARLINGTON, OREGON,

By Ruben T. Wetherell
Ruben T. Wetherell, Mayor

Attest Leslie Wetherell
Leslie Wetherell, City Recorder

STATE OF OREGON)
County of Gilliam) as.

BE IT REMEMBERED that on this 12th day of December, 2002, before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named J. R. KREBS, known to me to be the identical individual described in and who executed the within instrument and acknowledged to me that he executed the same freely and voluntarily. (Contract for the Sale of Real Property)

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year last above written.

Sheryl A. Walters
Notary Public for Oregon
My Commission Expires: 5/6/06

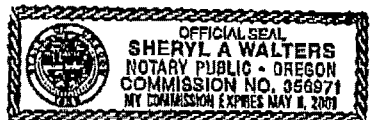


STATE OF OREGON)
County of Gilliam) as.

BE IT REMEMBERED that on this 12th day of December, 2002, before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named RUBEN T. WETHERELL, MAYOR, and LESLIE WETHERELL, RECORDER, for the City of Arlington, known to me to be the identical individuals described in and who executed the within instrument and acknowledged to me that he/she executed the same freely and voluntarily. (Contract for the Sale of Real Property)

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year last above written.

Sheryl A. Walters
Notary Public for Oregon
My Commission Expires: 5/6/06



DESCRIPTION SHEET
Krebs to City of Arlington

A parcel of land in the West One-half of Section 26 and in Section 27, Township 3 North, Range 21 East of the Willamette Meridian, in the County of Gilliam, State of Oregon, said parcel lying northerly and westerly of the right-of-way of Rhea Road and Airport Road as it is now constructed and in place, more particularly described as follows:

Beginning at the Northeast corner of said Section 27, a brass capped iron pipe, said point being the **TRUE POINT OF BEGINNING**, of the parcel being described; thence $S00^{\circ}07'27''E$ along the common line between said Sections 26 and 27, a distance of 1,153.13 feet to a point on the westerly right-of-way of said Airport Road; thence along said right-of-way the following 11 courses:

1. $S60^{\circ}18'36''E$ a distance of 563.56 feet to a point of curve to the right having a radius of 1,402.39 feet and a central angle of $33^{\circ}31'05''$;
2. thence southeasterly along the arc a distance of 320.40 feet;
3. thence $S26^{\circ}47'31''E$, a distance of 159.62 feet to a point of curve to the left having a radius of 1,939.86 feet and a central angle of $10^{\circ}36'38''$;
4. thence southeasterly along the arc a distance of 359.24 feet;
5. thence $S37^{\circ}24'09''E$, a distance of 499.32 feet to a point of curve to the right having a radius of 447.46 feet and a central angle of $23^{\circ}47'02''$;
6. thence southeasterly along the arc a distance of 185.74 feet;
7. thence $S13^{\circ}37'07''E$, a distance of 103.86 feet to a point of curve to the right having a radius of 606.62 feet and a central angle of $35^{\circ}40'07''$;
8. thence southerly along the arc a distance of 377.64 feet;
9. thence $S22^{\circ}03'00''W$, a distance of 139.12 feet to a point of curve to the left having a radius of 666.62 feet and a central angle of $20^{\circ}08'37''$;
10. thence southerly along the arc a distance of 234.37 feet;
11. thence $S01^{\circ}54'23''W$, a distance of 102.68 feet to a point on the northerly right-of-way of Rhea Road;

Thence along said right-of-way the following 14 courses:

1. $S61^{\circ}25'12''W$ a distance of 149.93 feet;
2. thence $S41^{\circ}32'57''W$, a distance of 512.62 feet;
3. thence $S41^{\circ}32'00''W$, a distance of 709.84 feet;
4. thence $S50^{\circ}34'05''W$, a distance of 380.66 feet;
5. thence $S79^{\circ}32'20''W$, a distance of 233.12 feet;
6. thence $S84^{\circ}35'20''W$, a distance of 152.24 feet;
7. thence $S89^{\circ}27'51''W$, a distance of 526.30 feet;
8. thence $N75^{\circ}12'30''W$, a distance of 346.46 feet to a point of curve to the left having a radius of 6,935.49 feet and a central angle of $04^{\circ}59'30''$;
9. thence westerly along the arc a distance of 604.23 feet;
10. thence $N80^{\circ}12'00''W$, a distance of 1,706.53 feet;
11. thence $N76^{\circ}10'03''W$, a distance of 355.49 feet;
12. thence $N76^{\circ}45'36''W$, a distance of 371.57 feet;
13. thence $S77^{\circ}12'41''W$, a distance of 112.45 feet;
14. thence $S41^{\circ}59'03''W$, a distance of 31.78 feet to a point on the East line of the Southwest One-quarter of the Southwest One-quarter of said Section 27;

Thence leaving said right-of-way, $N00^{\circ}10'01''E$ along said East line, a distance of 545.72 feet to a point on the centerline of Old Airport Road; thence along said centerline the following 7 courses:

1. $N70^{\circ}11'34''W$, a distance of 250.22 feet to a point of curve to the left, having a radius of 493.05 feet and a central angle of $24^{\circ}10'20''$;
2. thence westerly along the arc a distance of 208.01 feet;
3. thence $S85^{\circ}38'06''W$, a distance of 93.88 feet to a point of curve to the right having a radius of 2,073.72 feet and a central angle of $06^{\circ}36'39''$;
4. thence westerly along the arc a distance of 239.27 feet;
5. thence $N87^{\circ}45'15''W$, a distance of 264.58 feet to a point of curve to the right having a radius of 711.25 feet and a central angle of $23^{\circ}02'58''$;
6. thence westerly along the arc a distance of 286.13 feet;
7. thence $N64^{\circ}42'17''W$, a distance of 27.55 feet to a point on the west line of the said Southwest One-quarter of the Southwest One-quarter of Section 27;

Thence leaving said right-of-way $N00^{\circ}17'39''E$ along said west line, a distance of 1,225.09 feet to the West One-quarter corner of said Section 27; thence continuing along said west line $N00^{\circ}14'04''E$, a distance of 1318.99 feet to the North One-Sixteenth corner of said Sections 27 and Section 28; thence continuing along said west line, $N00^{\circ}13'33''E$, a distance of 1202.54 feet to a point on the South line of a parcel of land described in Volume 44 of Deeds, Page 17 of the Gilliam County Records; thence along the South and East lines of said parcel the following two courses, $N89^{\circ}48'23''E$ a distance of 1,100.88 feet; thence $N00^{\circ}11'37''W$, a distance of 119.00 feet to a point on the North line of said Section 27;

DESCRIPTION SHEET
Krebs to City of Arlington
 (continued)

Thence N89°48'23"E along said North line, a distance of 1,559.93 feet to the North One-quarter of said Section 27; thence continue N89°48'23"E along said line, a distance of 2,659.93 feet to the POINT OF BEGINNING, containing 29,560,571 square feet or 678.617 acres.

TOGETHER WITH a parcel of land in the Southwest one-quarter and the Southeast one-quarter of Section 27, Township 3 North, Range 21 East of the Willamette Meridian, Gilliam County, Oregon, more particularly described as follows:

Beginning at the South one-quarter corner of said Section 27, said point being the TRUE POINT OF BEGINNING; thence S89°37'02"W along the south line of said Section, a distance of 507.93 feet to the point of curve of a non tangent curve to the left, of which the radius point lies S46°23'24"W, a radial distance of 3,359.79 feet; thence northwesterly along the arc, through a central angle of 04°54'04", a distance of 287.40 feet; thence N50°54'48"W along the chord of a spiral curve to the left, a distance of 379.65 feet to a point on the southerly right-of-way of Rhea Road; thence along said right-of-way the following 4 courses:

1. S86°52'52"E, a distance of 484.74 feet;
2. S80°12'00"E, a distance of 533.10 feet to a point of the north-south centerline of said Section;
3. continuing S80°12'00"E a distance of 1,173.43 feet to a point of curve to the right having a radius of 6,815.49 feet and a central angle of 04°12'14";
4. easterly along the arc of said curve a distance of 500.06 feet to a point on the south line of said Section;

Thence S89°27'51"W along said south line, a distance of 1,645.44 feet to the POINT OF BEGINNING.

Containing 555,957 square feet or 12.763 acres.

TOGETHER WITH an existing basalt well located in the Northwest quarter of the Northeast quarter of Section 36, Township 3 North, Range 21 East of the Willamette Meridian, in the County of Gilliam and State of Oregon, including a one (1) acre permanent easement surrounding the well in a square with each side measuring 208.71 feet and with the well being in the exact center of the easement.

FURTHER TOGETHER WITH easements as described in attached Exhibit "A" and "B".

SUBJECT TO: Easements, rights of way, agreements, restrictions, and regulations of record.

EXHIBIT "A"

Further, together with a perpetual nonexclusive easement for a water line from the well to the property herein conveyed, said easement being 25 feet in width and extending north from the center of the well property site to the south line of Section 25; said easement shall continue west along the south line of Sections 25 and 26, the southern boundary being the section line, 25 foot easement until it intersects with the Rhea Road right of way; said easement being north of and parallel to the Pacific Power and Light Company's power line easement recorded in Volume 45, pages 484 to 487. Said water line shall be buried no less than 36" deep, and the surface area to be restored in a husband-like manner; this easement is granted subject to all prior easements and encumbrances of record; Seller does not warrant to purchaser the right to access across any prior easements.

EXHIBIT "B"

And further, together with a perpetual nonexclusive road easement, to be used only by seller, his invitee and independent contractors, and only by full-time employees of purchaser, to access an existing well location in a one acre parcel of land in the N.W. Quarter of the N.E. Quarter of Section 36, T3N, R21E. Said easement beginning on the south right of way boundary of the Gilliam County Rhea Road, 1.8 miles east of the Oregon State Highway 19, and commencing in a southerly and easterly direction on an existing rock based road for 5198 feet to said well.

EXHIBIT "C"

LIST OF RIGHTS-OF-WAY, EASEMENTS, ETC. ON RECORD
FOR THE SUBJECT PROPERTY

1. Any rights of way for public utilities crossing the described lands.
2. The rights of the public and of governmental bodies in and to any portion of the described lands lying within the limits of roads.
3. Right of Way Easement, including the terms and provisions thereof, recorded February 27, 1940, in Gilliam County Deed Book 31, page 345. Grantor: Smythe Bros., Inc. Grantee: Pacific Power and Light Company.
4. Easement, including the terms and provisions thereof, recorded March 15, 1940, in Gilliam County Deed Book 31, page 359. Grantor: Smythe Bros., Inc. Grantee: Pacific Telephone and Telegraph Co.
5. Right of Way Easement, including the terms and provisions thereof, recorded November 13, 1949, in Gilliam County Deed Book 34, page 158. Grantor: Krebs Bros. Grantee: Pacific Power and Light.
6. Transmission Line Easement, including the terms and provisions thereof, recorded June 18, 1953, in Gilliam County Deed Book 35, page 146. Grantor: Krebs, et al. Grantee: The United States of America.
7. Roadway Easement, including the terms and provisions thereof, recorded August 7, 1963, in Gilliam County Deed Book 44, page 400. Grantor: Krebs Bros. Grantee: George W. Shane, Jr. NOTE: This easement contains a reservation and a condition.
8. Roadway Easement, including the terms and provisions thereof, recorded July 7, 1964, in Gilliam County Deed Book 45, page 310. Grantor: Krebs, et al. Grantee: George W. Shane, Jr. NOTE: This easement contains a reservation and a condition.
9. Right of Way Easement, including the terms and provisions thereof, recorded May 15, 1964, in Gilliam County Deed Book 45, page 484. Grantor: Krebs, et al. Grantee: Pacific Power and Light.
10. Transmission Line and Access Road Easement, including the terms and provisions thereof, recorded October 10, 1966, in Gilliam County Deed Book 47, page 261. Grantor: Krebs, et al. Grantee: The United States of America.
11. Easement for Roadway Purposes, including the terms and provisions thereof, recorded July 7, 1983, in Gilliam County Deed Records as M-64-52. Grantor: Portland General Electric Company. Grantee: The United States of America.
12. Easement, including the terms and provisions thereof, recorded August 10, 1984, in Gilliam County Deed Records as M-64-349. Grantor: J.R. Krebs. Grantee: Gilliam County.
13. Reservation for Electric Powerline Easement contained in that certain Bargain and Sale Deed, including the terms and provisions thereof, recorded April 18, 1988, in Gilliam County Deed Records as M-66-157. Grantor: Portland General Electric Company. Grantee: H.R. Krebs and J.R. Krebs. NOTE: This Bargain and Sale Deed was re-recorded April 28, 1988 as M-66-163 to add the land use disclaimer.
14. Road Easement, including the terms and provisions thereof, recorded November 27, 2000, in Gilliam County Deed Records as M-72-213. Grantor: J.R. Krebs. Grantee: Northwest Open Access Network.

EXHIBIT 3

Topography Map

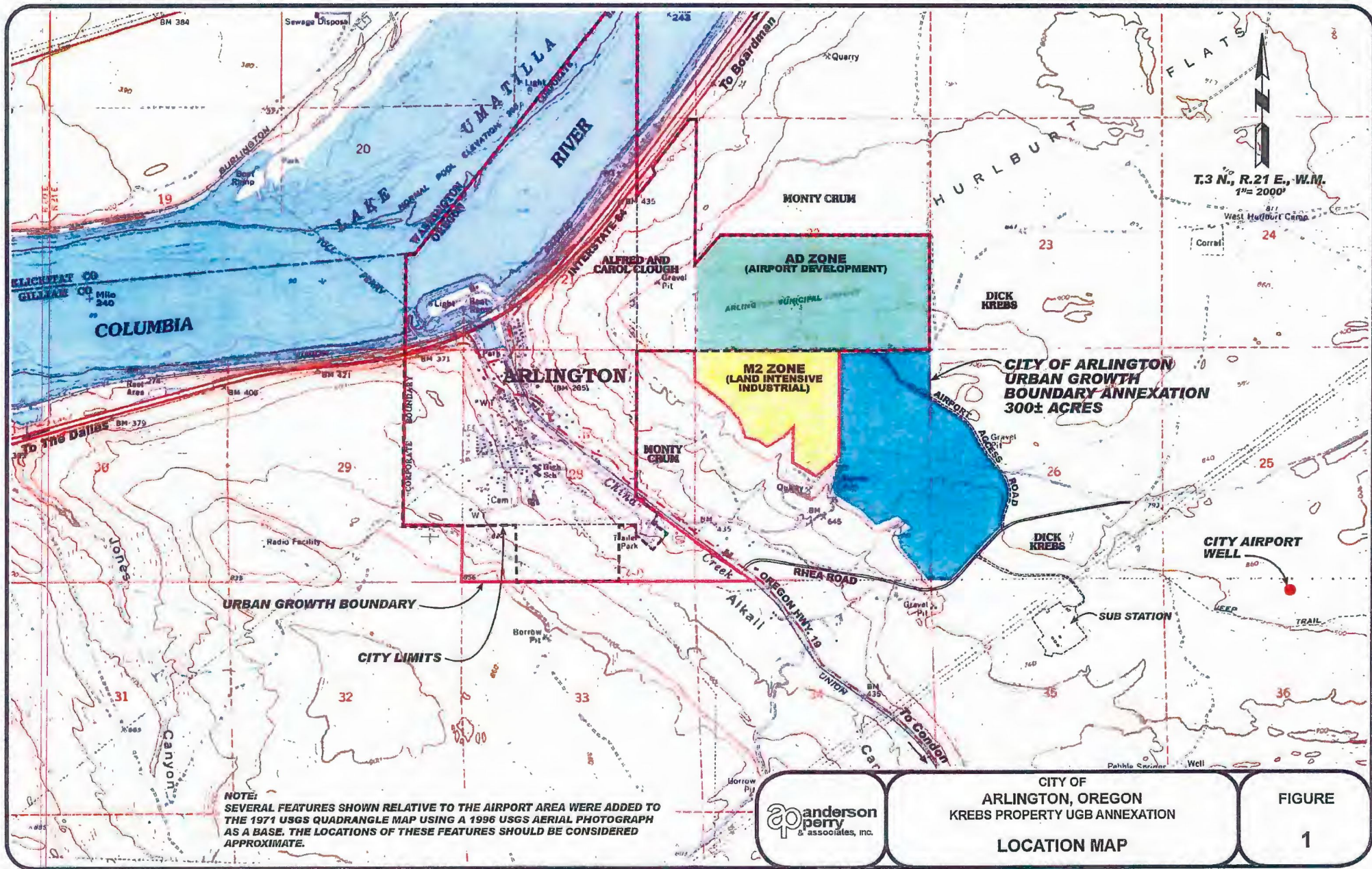


EXHIBIT 4

Memorandum of Agreement

MEMORANDUM OF AGREEMENT

THIS MEMORANDUM OF AGREEMENT, made and entered into this 8th day of September, 2010, by and between **CITY OF ARLINGTON, OREGON**, hereinafter called "City," and **PORT OF ARLINGTON**, hereinafter called "Port,"

WITNESSETH:

WHEREAS, the parties hereto agree to work together in the future to develop and identify common threads from possible economic growth projects; and

WHEREAS, the parties agree to work towards community sustainability and economic development throughout the areas of their jurisdiction; and

WHEREAS, City is the owner of undeveloped real property which is capable of housing economic development; and

WHEREAS, Port has developed a concept for obtaining financial backing to develop infrastructure and utilities for the real property and to commence with projects to bring the initial keystone base industries into the area to build a platform for future economic growth; and

WHEREAS, the City of Arlington is strategically located in the center of wind power activity and has the potential of becoming a center for a variety of wind energy related projects; and

WHEREAS, the Port is interested in pursuing the development of commercial and industrial businesses on property currently owned by the City, however, in order to obtain grants and engage in programs necessary to gain the capital to develop said property, the Port needs an ownership interest in the same; and

WHEREAS, bringing the utilities, such as water and power, to the City's property will facilitate the continued development of all of the remaining City property in the area;

NOW, THEREFORE, in consideration of the mutual covenants of the parties, each to the other giving, the parties do hereby agree as follows:

1. City agrees to convey to Port, by Bargain and Sale Deed, two parcels of property in the vicinity of the Arlington Airport, which parcels shall be selected and surveyed by Port.

2. One of the parcels to be conveyed will be utilized by the Port for development of industrial wind energy support facilities and businesses. This parcel shall be approximately forty (40) acres in size. The second parcel will be located in an area providing a panoramic view of the current wind power projects and will be used for the construction of an interpretive center, to be utilized in conjunction with other wind energy related projects, such as the one currently proposed by the School District at the Arlington Port Site.

3. The Port will take the lead to assist in providing for and finding the funding for development of infrastructure to the City property at the Airport Site, which will facilitate the future development of the remaining City property.

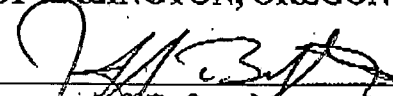
4. The deed of conveyance from City to Port shall contain a restriction and reversion clause which will require the Port to be in substantial compliance with its development plan schedule within five (5) years of the date of said conveyance and demonstrate an ability to be in the final stages of completing such plans within ten (10) years of said date. If the Port has not complied with these requirements, the property will automatically, with no further action being required, revert back to the City as though no conveyance had been made.

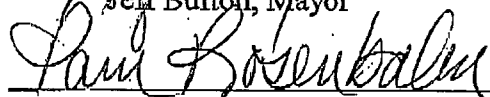
5. Immediately after the execution of this agreement, the Port will commence to obtain a survey of the property to be conveyed and present the surveyed legal descriptions to the City for its concurrence at a City Council meeting. Upon the City's approval of the legal descriptions, a deed will be prepared in full compliance with the terms of this agreement.

6. The City and Port, through future collaboration with each other and Gilliam County as development partners, anticipate great success in making the area a stronger and more sustainable region, with great economic benefits for the Mid-Columbia Region.

IN WITNESS WHEREOF, the parties hereto have executed this agreement in duplicate this day and year first hereinabove written.

CITY: CITY OF ARLINGTON, OREGON

By 
 Jeff Buffon, Mayor

Attest: 
 Pam Rosenbalm, City Recorder

PORT: PORT OF ARLINGTON

By 
 Tim Wetherell, Chair

EXHIBIT 5

Soils Letter

PLANNING DEPARTMENT

221 S. Oregon St. PO Box 427 Condon, OR 97823
Office: 541.384.2381 Fax: 541.384.3304



September 20, 2010

Dan Meader
3313 W 2nd Street Suite 100
The Dalles, Oregon 97058

RE: Soil production types for lands proposed to be included in the City of Arlington Urban Growth Boundary Area

Dear Mr. Meader

As a follow-up to the information I received regarding the proposed inclusion into the Urban Growth Management Area of the City of Arlington for 513.6 acres located at 3 North; 21 East; portions of Section 26 and Section 27; Tax Lot 501 owned by the City of Arlington, I have conducted research as to the soil production types on the proposed acres and the availability of Industrial lands in Gilliam County. It is my understanding that the City of Arlington proposes to expand the Urban Growth Boundary area by the inclusion of the 513.6 acres in the Urban Growth Boundary Area and the zoning would be M-2 Land Intensive Industrial.

To that end, I have attached a soil production map for the proposed acres, which demonstrate that the soils are exclusively types VII and VIII which are not considered suitable for cropland production and are considered minimal rangelands.

I have also conducted research regarding the available Industrial lands in Gilliam County and the following is the result:

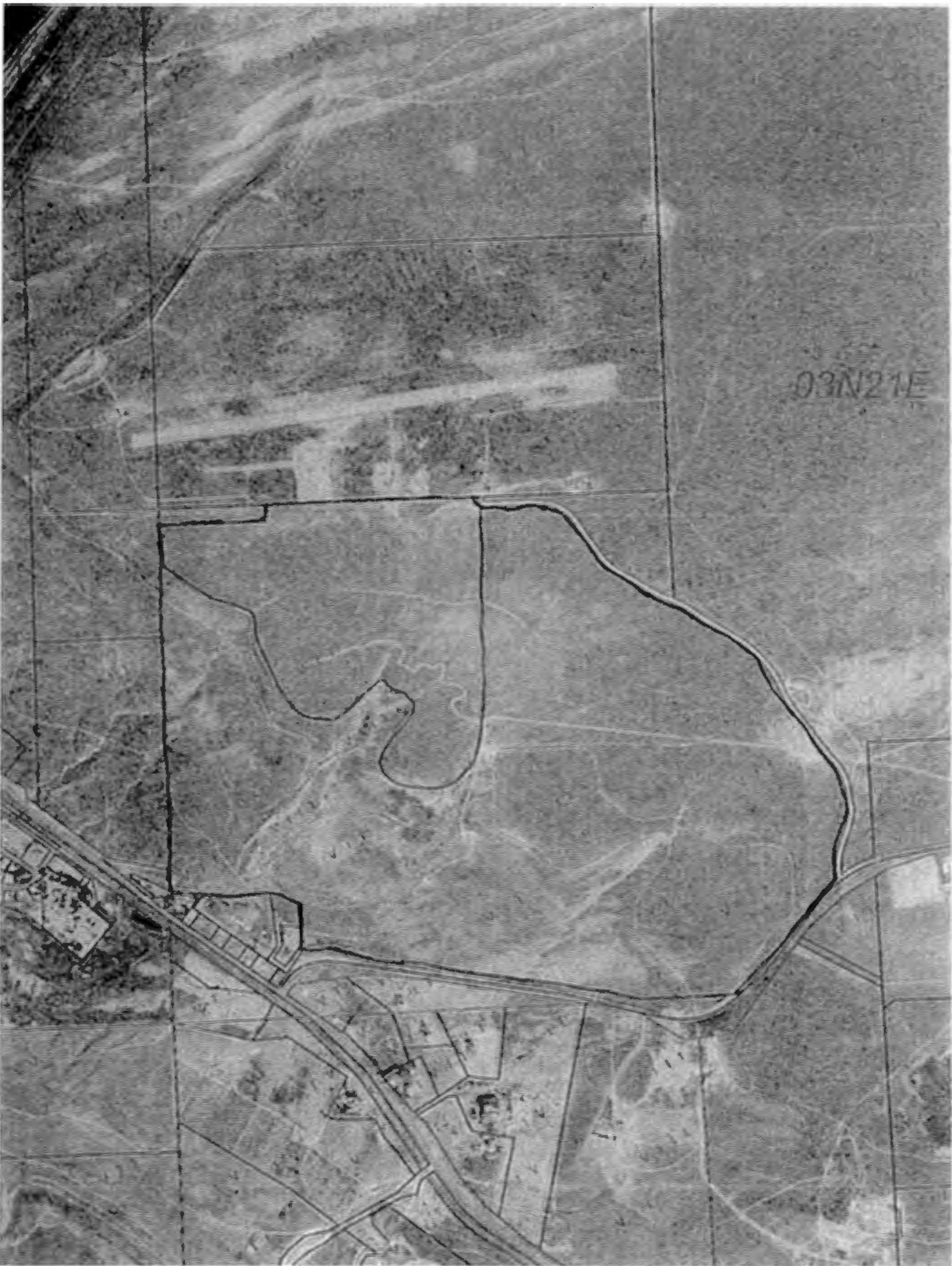
- 1) Shutler Station Industrial Park is currently undergoing an expansion due to the increasing need for wind component staging areas and other industrial uses
- 2) The majority of land zoned Limited Industrial located south of Arlington is currently in use or being considered for business recruitment

Please feel free to contact me if you have any questions.

Best Wishes,

A handwritten signature in cursive script that reads "Susie Anderson".

Susie Anderson
Gilliam County Planning Director



03N21E

EXHIBIT 6

Soil Information

Dan Meader

From: Susie Anderson [susie.anderson@co.gilliam.or.us]
Sent: Monday, February 07, 2011 12:18 PM
To: Dan Meader
Subject: Soil Information
Importance: High
Attachments: Land Capability classification.pdf

Hi Dan!

Attached are the land capability classification for an area south of Rhea Road and NE of fourmile road. There is a lot more than 500 acres, so take your pick. The clearly demonstrates that the soil types elsewhere are better suited for agricultural enterprises rather than industrial uses!

Good Luck

Susie

1. **Capability Class.**

- i. **Definition.** Capability class is the broadest category in the land capability classification system. Class codes I (1), II (2), III (3), IV (4), V (5), VI (6), VII (7), and VIII (8) are used to represent both irrigated and nonirrigated land capability classes.

ii. **Classes and definitions.**

Class I (1) soils have slight limitations that restrict their use.

Class II (2) soils have moderate limitations that reduce the choice of plants or require moderate conservation practices.

Class III (3) soils have severe limitations that reduce the choice of plants or require special conservation practices, or both.

Class IV (4) soils have very severe limitations that restrict the choice of plants or require very careful management, or both.

Class V (5) soils have little or no hazard of erosion but have other limitations, impractical to remove, that limit their use mainly to pasture, range, forestland, or wildlife food and cover.

Class VI (6) soils have severe limitations that make them generally unsuited to cultivation and that limit their use mainly to pasture, range, forestland, or wildlife food and cover.

Class VII (7) soils have very severe limitations that make them unsuited to cultivation and that restrict their use mainly to grazing, forestland, or wildlife.

Class VIII (8) soils and miscellaneous areas have limitations that preclude their use

3/10/2011

for commercial plant production and limit their use to recreation, wildlife, or water supply or for esthetic purposes.

Susie Anderson
Gilliam County Planning Director/Wasteshed Coordinator
P.O. Box 427
Condon, OR 97823
Phone: (541) 384-2381
Fax: (541) 384-2166

SOIL TYPES: SHEPHERDS FLAT NORTH

(Data cited from the Natural Resources Conservation Service)

GILLIAM COUNTY

#	Soil Unit Name(s)	Soil Classification
13	Kimberly fine sandy loam	3
14B	Krebs silt loam, 2 to 5 percent slopes	6
14D	Krebs silt loam, 5 to 20 percent slopes	6
15E	Licksillet very stony loam, 35 to 40 percent slopes	7
22F	Nansene silt loam, 35 to 70 percent slopes	7
23B	Olex silt loam, 0 to 5 percent slopes	6
23D	Olex silt loam, 12 to 20 percent slopes	6
24D	Olex gravelly silt loam, 5 to 20 percent slopes	6
24E	Olex gravelly silt loam 20 to 40 percent slopes	6
29D	Quincy-Rock outcrop complex, 1 to 20 percent slopes	8
32B	Ritzville silt loam, 2 to 7 percent slopes	3
32D	Ritzville silt loam, 12 to 20 percent slopes	4
38A	Roloff silt loam, 0 to 2 percent slopes	4
38B	Roloff silt loam, 2 to 7 percent slopes	4
39D	Roloff rock outcrop complex, 1 to 20 percent slopes	4
40B	Sagehill fine sandy loam, 2 to 5 percent slopes	4
40C	Sagehill fine sandy loam, 5 to 12 percent slopes	4
40D	Sagehill fine sandy loam, 12 to 20 percent slopes	4
40E	Sagehill fine sandy loam, 20 to 40 percent slopes	4
41C	Sagehill fine sandy loam, hummocky, 5 to 12 percent slopes	4
4C	Blalock loam, 2 to 12 percent slopes	6
55B	Warden silt loam, 2 to 5 percent slopes	4
55C	Warden silt loam, 5 to 12 percent slopes	4
55D	Warden silt loam, 12 to 20 percent slopes	4
55E	Warden silt loam, 20 to 40 percent slopes	6
56B	Willis silt loam, 2 to 5 percent slopes	3

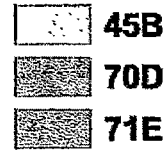
MORROW COUNTY

#	Soil Unit Name(s)	Soil Classification
45B	Ritzville silt loam, 2 to 7 percent slopes	3
70D	Warden very fine sandy loam, 12 to 20 percent slopes	4
71E	Warden silt loam, 20 to 40 percent slopes	6

Shepherds Flat North Soil Types Map 4

Data cited from
U.S. Department of Agricultural
Natural Resource Conservation Service
Web Soil Survey

Morrow County Soil Type



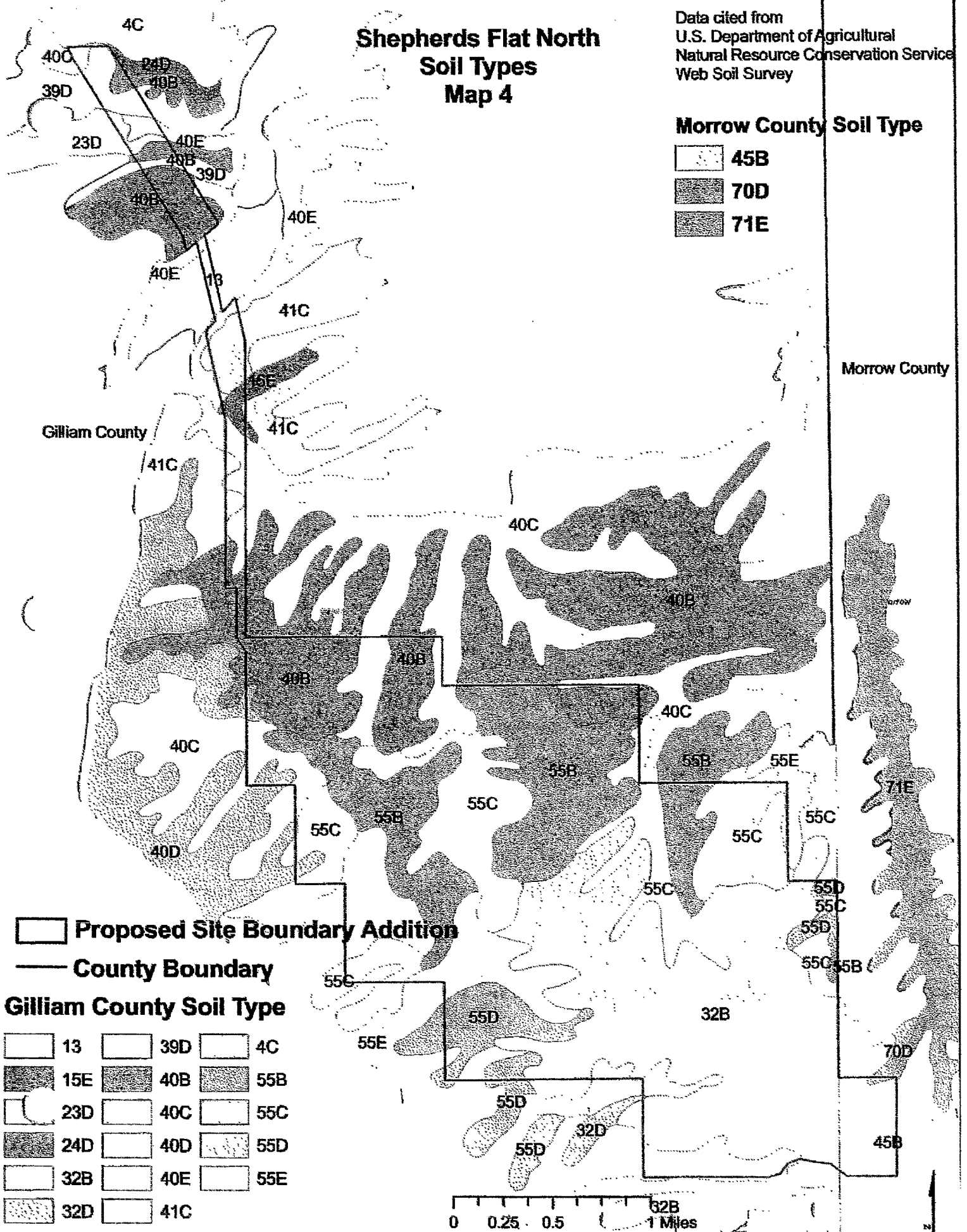
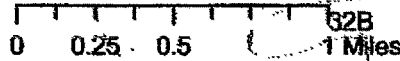
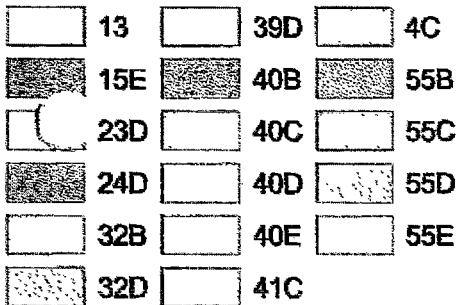
Morrow County

Gilliam County

Proposed Site Boundary Addition

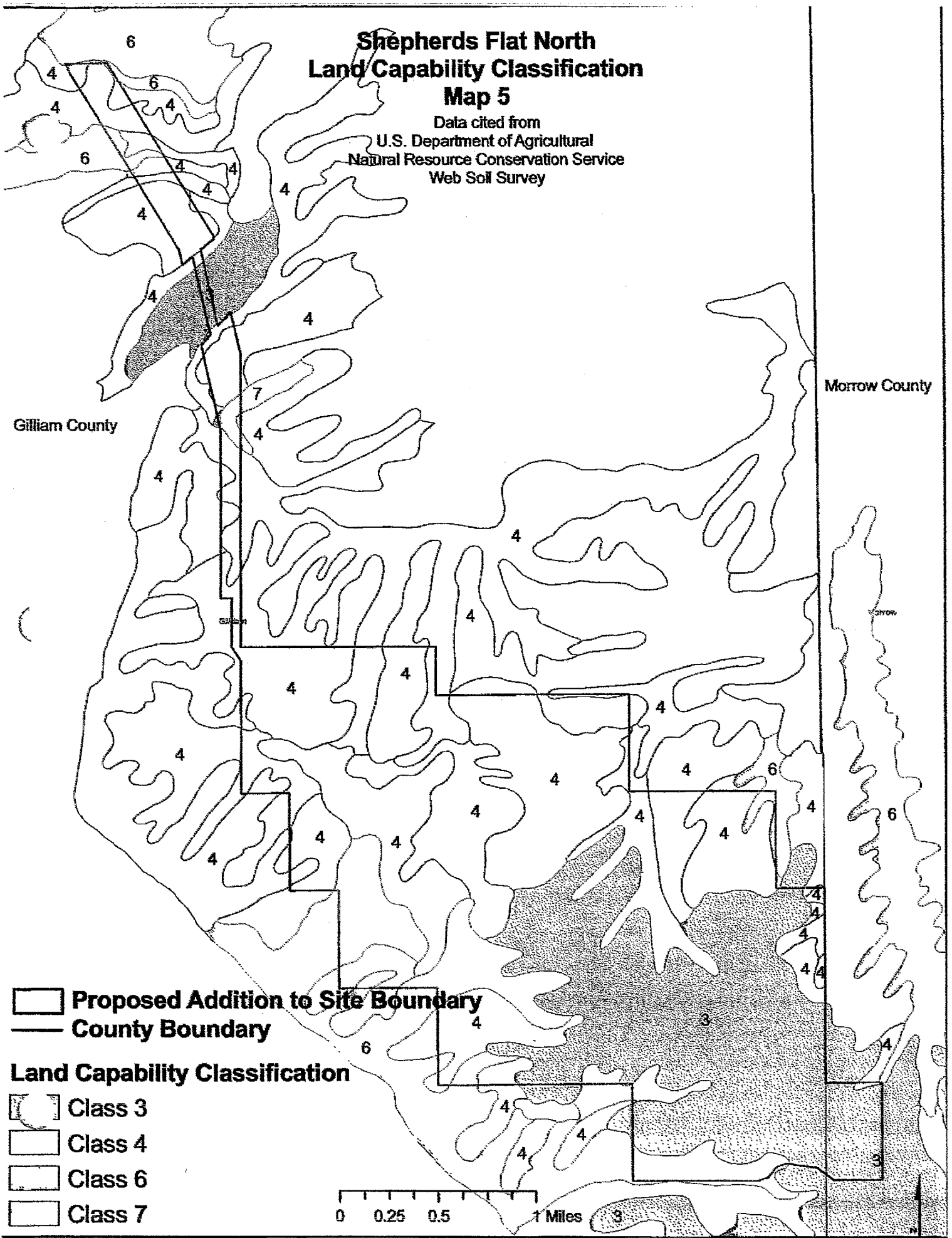
County Boundary

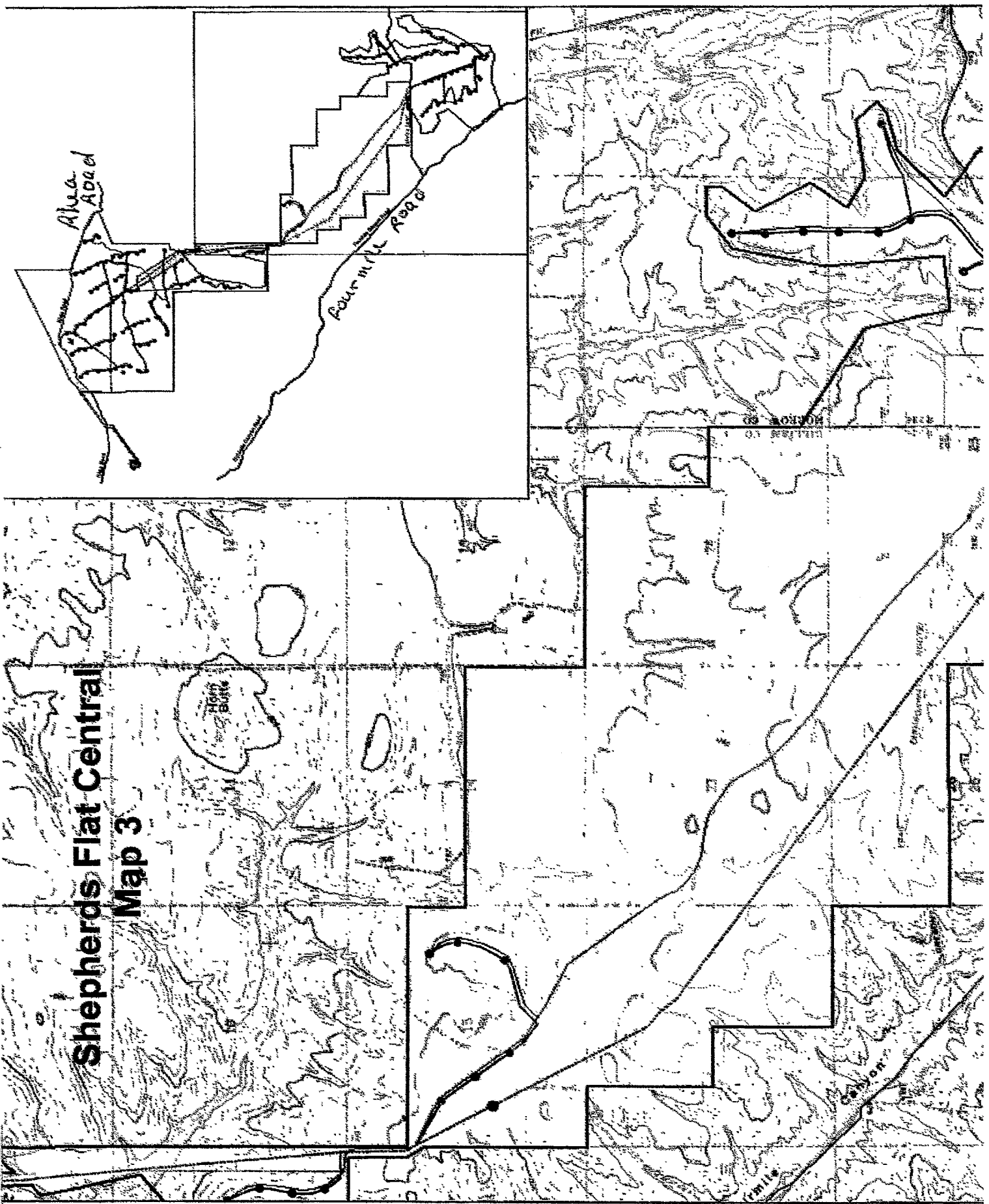
Gilliam County Soil Type



Shepherds Flat North Land Capability Classification Map 5

Data cited from
U.S. Department of Agricultural
Natural Resource Conservation Service
Web Soil Survey





Shepherds Flat Central
Map 3

Aluca Road

Four Mile Road

BURN

Cottonwood

1 mile

EXHIBIT 7

ODOT Review Letter



Oregon

John A. Kitzhaber, M.D., Governor

Department of Transportation

Region 4 Planning

63085 N. Highway 97, Ste. 107

Bend, OR 97701

Phone: (541) 388-6248

Fax: (541) 388-6361

rod.r.cathcart@odot.state.or.us

March 24, 2011

TO: City of Arlington

From: Rod Cathcart, Region 4 Transportation Analyst

Subject: Arlington UGB Expansion, File No: 001 - 2010

The Oregon Department of Transportation (ODOT) appreciates the opportunity to review and comment on the proposed industrial lands UGB expansion. Subsequent to the application we gained additional information at the March 11, 2011 meeting in Arlington and also recently received a June 2005 traffic study for the previous industrial lands UGB expansion.

At the March 11th meeting, DLCD presented an expedited review process and ODOT agreed to pursue the process with DLCD. Other recommendations developed at the meeting include a traffic review when the industrial area reaches 200 employees and reducing the size of the proposed expansion to around 300 acres which is approximately the amount of flat developable land in the original proposal.

To facilitate the expedited process ODOT agreed to review available existing traffic information and make an assessment in lieu of requiring the applicant to produce a complete traffic study. After review of historic traffic volume data regularly collected by ODOT within the area of concern, it was determined that the June 2005 traffic study developed for the previous industrial lands UGB expansion was sufficient and the conclusions therein remain valid.

The study concludes: "a northbound right turn lane will be warranted at the intersection of OR 19/Cottonwood Street and a southbound left turn lane will be warranted at the intersection of OR 19/Rhea Road in the 20 year horizon of the study with full buildout of the industrial area (p 18)." It should be noted however that this conclusion is based on an industrial development and employment density that is likely higher than is realistic given the location of the industrial area.

We recommend that, as a condition of approval, the City of Arlington be required to enter into an agreement with ODOT to review turn lane warrants at these two intersections when the industrial area reaches 200 employees. The agreement should include a funding plan for the recommended improvements. If the recommended condition is approved, it is the position of ODOT that the proposed UGB expansion will have no significant impact to our facilities and we have no objection to the application. As future site plans are submitted for specific developments, this will be an additional opportunity for the City, developer and ODOT to review traffic and safety conditions.

Please feel free to contact me if you have questions or need additional information.

Sincerely,

Rod Cathcart

ODOT Region 4 Planning

rod.r.cathcart@odot.state.or.us

CC via e-mail: Tom Hogue, DLCD
Brad DeHart, ODOT District 9
Pat Cimmiyotti, ODOT District 9
Mark DeVoney, ODOT Region 4 Planning
Ana Jovanovic, ODOT Region 4 Planning



LETTER OF TRANSMITTAL

TO: Department of Land Conservation and Development
 635 Capitol Street NE, Suite 150
 Salem, Oregon 97301-2540

Date	04/07/11	Work Order #	11700
Attention	Plan Amendment Specialist		
RE:			

ENCLOSED ARE THE FOLLOWING:

QUANTITY	DESCRIPTION
1	NOTICE OF ADOPTION
1	CITY OF ARLINGTON ORDINANCE
1	GILLIAM COUNTY ORDINANCE

THESE ARE TRANSMITTED (as checked below)

- | | | |
|--|--|--|
| <input type="checkbox"/> For approval | <input type="checkbox"/> As requested | <input type="checkbox"/> Filing/Recording |
| <input checked="" type="checkbox"/> For your use | <input type="checkbox"/> Approved as noted | <input type="checkbox"/> For your review & comment |

CHARGES

Remarks: Please be aware that Exhibits "A" and "B" are exactly the same for both the City and County ordinances and only one set was attached.	SF Blueline	
	SF Mylar	
	Xerox	
	Tube, Mailer, Etc.	
	P & H	
	TOTAL	

PICKED UP BY:
 DELIVERED BY:
 COPY TO: City of Arlington w/ enclosures
 Gilliam County w enclosures

BY: Dan Meader, Contract Planner

DEPT OF

APR 08 2011

LAND CONSERVATION AND DEVELOPMENT

If enclosures are not as noted, please notify us at once.

