



# **City of Canby**

## **Urban Growth Boundary Expansion**

### **Phase 1 Memo**

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**May 2024 Draft**

**3J CONSULTING**  
CIVIL ENGINEERING | WATER RESOURCES | COMMUNITY PLANNING

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# Executive Summary

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The City of Canby has experienced consistent population increases over the last twenty years, prompting a series of analyses to identify economic and residential growth trends and opportunities. These are documented the Canby 2023 Economic Opportunity Analysis (EOA), and 2024 Housing Needs Analysis (HNA). The analyses identify a land deficit to accommodate 20-years of growth within the current Urban Growth Boundary (UGB). The total land need is 564.2 acres for residential (74.3 acres), parks (43.1 acres), and employment (446.8 acres) uses.

In compliance with the policy framework in the State of Oregon, the City has initiated the process for a UGB expansion. Following the Oregon Administrative Rules (OARs), the City created a Preliminary Study Area where all lands within a one-and-a-half mile radius were considered for the expansion of the UGB. Following the precise OARs, the City excluded certain lands from the Preliminary Study Area that were not appropriate for an urban level of service or use. Following the strict guidelines from the State the City determined what lands can and cannot be removed from consideration for a UGB expansion.

After lands established as not appropriate for a UGB expansion had been excluded from the Preliminary Study Area, the City followed the State rules for what land is considered the first priority for inclusion into a UGB. The first priority lands include non-resource and exception lands that are not designated as rural reserves. The City determined that in order to meet a portion of the identified land need, the lands adjacent to the existing UGB that are considered exception lands that are the highest priority as determined by state rules will be included in the UGB expansion boundary change. With the inclusion of approximately 200 acres of first priority exception land, a land deficit of 364.2 acres still exists.

The next step in the process for determining the proposed boundary change for the Canby UGB is to determine what additional lands beyond the identified 200 acres of exception land will be included in the UGB expansion. The non-exception lands required to be analyzed for potential UGB expansion are existing farmland. The City values farmland as an important resource in the surrounding region, and understands that farmland is of great significance to the State as a whole. The state rules require that cities engaging in UGB expansions of this scale follow detailed instructions to determine what land can be included into a UGB. These rules are based on soil types and capability class, and also requires a wide ranging analysis on the urbanization of land.

The urbanization analysis will determine the following: how efficient will the accommodation of identified land need be; how orderly and economically sound will the provision of public facilities and services be to meet the land need; what are the comparative environmental, energy, economic, and social consequences to meet the land need; and how compatible is the urbanization of land with surrounding and nearby agricultural and forest activities. These consideration are known as the Boundary Location Factors in Goal 14. The Canby UGB Expansion Phase 2 Memo will use this analysis to determine the proposed boundary change of the existing UGB.



# 1. Introduction

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Population increases in Canby, Clackamas County, and Oregon have remained steady for the past twenty years. According to Portland State University's Population Research Center (PRC), the trend will continue. The 2022 PRC forecast for Canby shows the population within Canby's Urban Growth Boundary (UGB) increasing by approximately 6,000 new residents by the year 2043, bringing the total to nearly 25,000.

Canby's 2023 Economic Opportunities Analysis (EOA) identifies a deficit of approximately 447 acres to meet employment land needs through 2043, including land for infrastructure. The City's Housing Needs Analysis (HNA) identifies a need for 74.3 acres, including land for infrastructure, schools, and other public facilities. The City has also identified an additional need of 43.1 acres for parks. The combined estimate is for 564 acres to meet the city's 20-year land need.

This UGB Expansion Report follows the guidance provided by Statewide Planning Goal 14: Urbanization, which incorporates the requirements of ORS 197A.300 to 197A.325 Amendment of Urban Growth Boundary Outside Metro. The report answers the following questions to justify a UGB expansion for Canby: Is any additional land needed for one or more urban uses, and if so, how much? If additional land is needed, how much can be accommodated within the current UGB? If additional land is needed outside the UGB, where is the best place to expand the boundary? What other amendments are needed to comply with the statewide planning goals?

The Phase 1 Canby UGB Expansion Report provides information to meet the following steps in the UGB expansion process:

1. Establish Land Need
2. Establish Study Area
3. Analyze Study Area
  - a. Establish Parcel Prioritization
  - b. Apply Suitability Analysis

The Phase 2 Canby UGB Expansion Report will update the Phase 1 report as needed and include additional information to meet these subsequent steps:

3. Analyze Study Area
  - c. Apply Goal 14 Location Factors
4. Evaluate Urbanization Potential

## Policy Framework

Statewide Planning Goal 14: Urbanization guides UGB expansions in Oregon. The purpose of Goal 14 is "to provide for an orderly and efficient transition from rural to urban land use, to accommodate urban population and urban employment inside urban growth boundaries, to ensure efficient use of land, and to provide for livable communities."

To amend an urban growth boundary, a city must complete a boundary location analysis, comparing alternative locations and considering which addition to the UGB will result in the most accommodating and cost-effective boundary, while creating the fewest conflicts with neighboring land uses, and causing the fewest negative environmental and economic impacts.

Through discussions with staff from the Department of Land Conservation and Development (DLCD), the City determined that the Standard Method for UGB expansions best suits Canby. The Standard Method is governed by Oregon Administrative Rule (OAR) 660-024. The rule





regulates how to establish a study area to evaluate land for inclusion in the UGB and the priority of land for inclusion in the UGB. In addition, the four boundary location factors of Goal 14 must be applied.

Canby has also enrolled in the Sequential Method for UGB expansions. Oregon Administrative Rule (OAR) 660-025-0185 and Oregon Revised Statutes (ORS) 197.626(3) govern the Sequential Method.

The 1992 Clackamas County – City of Canby Urban Growth Management Agreement (UGMA, Appendix A) establishes a site-specific Urban Growth Management Boundary (UGMB) that includes unincorporated land within Canby’s UGB, and procedures for City and County governance of the unincorporated areas within the UGMB. The UGMA does not stipulate any specific procedure for amending the UGMA and/or the UGMB other than a general description of planning and coordination responsibilities.

The Canby Comprehensive Plan also governs UGB expansions and implements the UGMA. The Urban Growth Element of Canby’s 2019 Comprehensive Plan<sup>1</sup> includes two goals: 1. To preserve and maintain designated agricultural and forest lands by protecting them from urbanization; 2. To provide adequate urbanizable area for the growth of the city, within the framework of an efficient system for the transition from rural to urban land use.

Relevant Urban Growth Element policies include:

**1: Canby Shall coordinate its growth and development with Clackamas County.**

Implementation Measures

A) The City shall provide the County with the opportunity to review and comment on proposed land use actions within or by the City which will clearly affect lands or facilities or services within the Urban Growth Boundary prior to City action. Such proposals may include:

- Comprehensive Plans or Plan Amendments, including any proposed changes in land use designations or policies.
- New or amended planning implementation ordinances and/or measures, including, but not limited to zoning and subdivision ordinances.
- Proposed land use actions within the City limits which would have a significant impact on lands, services, or facilities outside the City limits, including rezonings, conditional use permits, subdivisions, and planned unit developments.

B) A special “coordination” area is hereby established along with the Urban Growth Boundary. This area, lying immediately outside of the Urban Growth Boundary, represents the general geographical area where Canby and Clackamas County will continue to coordinate planning activities, including those pertaining to requests for changes in land use.

C) County requests for comments on development proposals and other land use actions will be reviewed by City staff. If necessary, the staff may schedule such matters before the Planning Commission and/or City Council prior to responding to the County.

D) Lack of comment by either entity to the requests of the other shall be considered the same as a “no objection” response.

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<sup>1</sup> The Canby Comprehensive Plan is currently being updated, but will continue to implement the UGMA.



**2. Canby shall provide the opportunity for amendments to the Urban Growth Boundary (subject to the requirements of Statewide Planning Goal 14 where warranted by unforeseen changes in circumstances).**

Implementation Measures

A) Amendments to the Urban Growth Boundary are regarded as amendments to both the Canby and the Clackamas County Comprehensive Plans. The City will process applications for UGB amendments in the manner prescribed by City ordinance, giving special emphasis to the following considerations:

- Demonstrated need for the change to accommodate unpredicted population trends, to satisfy urban housing needs, or to assure adequate employment opportunities.
- The orderly and economic provision of urban facilities and services.
- Maximum efficiency of land uses within the current urbanizable area.
- Environmental, energy economic and social consequences.
- Compatibility of the proposed change with other Elements of the City and County Comprehensive Plan.
- All other requirements of the Statewide Planning Goals.

B) After action by the City Council, a recommendation shall be forwarded to the Board of County Commissioners in order to ensure coordination in any UGB amendments which may occur.

C) City and County staff members shall meet and confer at least annually on Canby's Urban Growth Boundary in order to evaluate recent trends and consider amendments which may be appropriate.

D) The City Council will re-evaluate the Urban Growth Boundary in the Spring of 1985 and on five-year increments thereafter. The Council may initiate boundary amendments at that time and will complete new coordination agreements with the Board of County Commissioners.

The proposed UGB amendment must be approved by the City of Canby and Clackamas County, and acknowledged by DLCD and/or the Land Conservation and Development Commission (LCDC).

**Process Overview**

The UGB Expansion project commenced in January 2023. A Project Advisory Committee (PAC) convened to guide the process and make recommendations for Planning Commission and City Council consideration. The PAC met three times thus far. All meetings were noticed and open to the public.



The PAC is made up of the following representatives:

- Aaron Downs
- Ben Wiley
- Ana Bozich
- Audrey Traaen
- Barry Johnson
- Bob Cambra
- Brian Hodson
- Carol Sullivan
- Cindy Moore
- Dan Ewert
- Sam Johnston
- Ethan Manuel
- Sarah Magenheimer
- Frank Cutsforths
- Jason Bristol
- Jason Padden
- Matt English
- Michelle Wilson
- Mike Robinson
- Mitch Magenheimer
- Mindy Montecucco
- Ray Keen
- Susan Myers
- Tony Helbling

The Technical Advisory Committee (TAC) consists of City Department staff, county staff, and state agency representatives, as well as members of other transportation organizations. The TAC has met one time thus far to review the Preliminary Study Area for the UGB expansion. The second TAC meeting to review the final Study Area and parcel prioritization will be held in June 2024.

The TAC is made up of the following representatives:

- Don Hardy, City of Canby
- Ryan Potter, City of Canby
- Jerry Nelzen, City of Canby
- Jeff Snyder, City of Canby
- Heidi Muller, Canby Area Transit
- Matt English, Canby Fire
- Karen Buehrig, Clackamas County
- Stephen Williams, Clackamas County
- Kelly Reid, DLCD
- Debbie Martisak, ODOT Freight Mobility
- Avi Tayar, ODOT
- Seth Brumley, ODOT

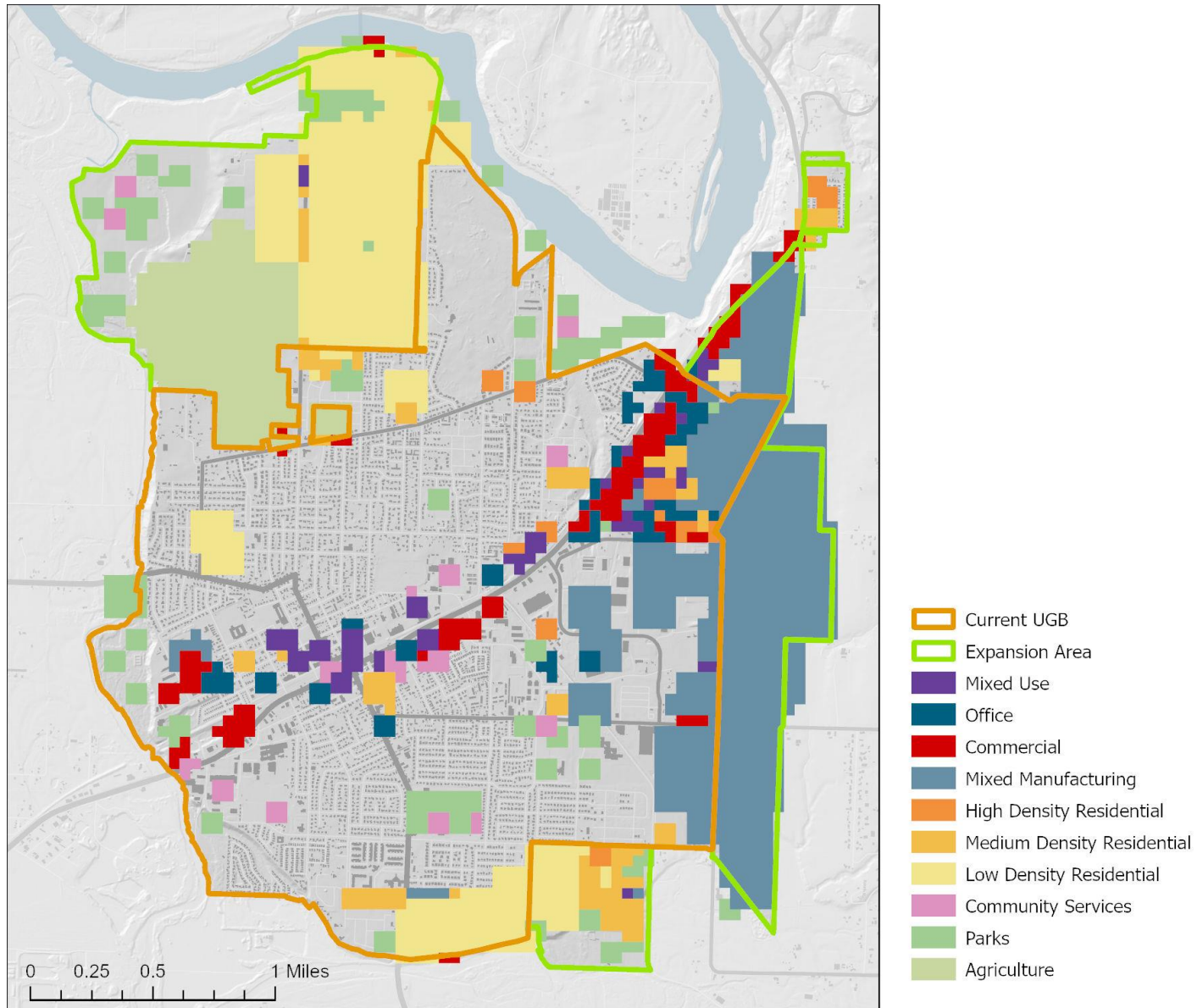
### Community Summits

Community summits #2 and #3 included a mapping activity that gathered feedback from community members. The mapping activity included information about known opportunities and constraints of land within city limits and the Urban Growth Boundary (UGB) Expansion study area. It was also used to gain feedback from the community on potential improvements to local systems and infrastructure. Community Summit #2 occurred in November of 2023 and hosted approximately 150 people. Community Summit #3 occurred in January of 2024 and hosted approximately 50 people. The mapping activities worked to support scenario planning efforts as well as parcel prioritization within the UGB study area.

As shown in Figure 1, Within both of the community summits, participants agreed that low density residential should be located in the UGB study area that was north of the city.



**Figure 1. 40-Year Vision Map**



Preservation of farmlands was also spoken about for the northwest region of the UGB study area, specifically focusing on the dahlia farms and nurseries in that region. Manufacturing and industrial uses were generally located by the public in the eastern and southeastern nodes of the UGB study area. Commercial uses and mixed uses were placed along Highway 99E. Participants also grouped office uses, commercial uses, high and medium density residential uses, and community services together. These clusters generally occurred in the eastern and southern regions of the city, moving into UGB study area nodes.

Street improvements collectively identified by participants included improvements to the Walnut Street Extension and to Highway 99E. The creation of Canby's own Emerald Necklace was also identified as a tactic that could increase circulation by connecting existing parks, trails, and greenways. Connecting the Logging Road Trail with Molalla River State Park was identified as a goal of many community members. Traffic modifications such as creating roundabouts, providing an overpass or underpass of Canby's train tracks, and creating a bypass around Canby were discussed among various groups.

#### Online Questionnaire

An online mapping activity was held on the *Cultivating Canby* website from November of 2023 to February of 2024. This activity asked participants to place to place "pins" where they would like to see different types of development occur on the map. The map included both city boundaries and the Urban Growth Boundary (UGB) study area. The online mapping exercise garnered approximately 44 placements for desired development.

Participants located low density residential in the northern region of the UGB study area. Mixed use development was located along the Willamette River, near the Canby Ferry, as some wanted to see waterfront businesses with housing above. Mixed manufacturing and some office space was located in the eastern portion of the UGB study area. Medium and high density residential was located along Highway 99E, in downtown Canby, and in the southern portion of the UGB study area. Participants added parks in the northern and southern regions of the city near housing developments, noting that parks should be connected to trails and other open spaces.

UGB Listening Sessions. The City hosted the first of two listening sessions in November 2023. The listening session provided a space for property owners outside of city limits to ask questions about their properties and the overall process. To advertise for the first listening session, a postcard was sent out to addresses within the UGB expansion study area, and approximately 50 people attended the first listening session. The City presented an overview of the UGB expansion process and maps of the Preliminary Study Area. The City also distributed a Frequently Asked Questions (FAQ) document to provide an overview of the UGB expansion process. The FAQ was updated to incorporate questions asked at the listening session and will continue to be updated on an ongoing basis.

The second listening session will be held in June 2024, where the City will present the final study area and parcel prioritization results. Property owners in the UGB study area will be able to ask more detailed questions about their properties due to a better understanding of parcel prioritization and a depiction of the final study area.





## 2. Establish Land Need

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This chapter details the steps taken to establish Canby's land need:

- Analyze population growth forecast
- Identify residential land need
- Identify other land need, including parks, schools, and public facilities
- Identify employment land need
- Identify site characteristics of needed land

This analysis focuses on estimating the acres needed to accommodate the 20-year population forecast as set by Portland State University's Population Research Center. It addresses housing, employment, and additional factors including livability, parks, public facilities, and land and parcel suitability.

### Population Growth Forecast

The land needed to accommodate the projected growth of residential and employment uses in the 20-year planning horizon is based on the official population forecast, housing type mix and employment land needs identified in the City's draft 2024 HNA and adopted 2023 EOA. These two studies used the 2022 population forecast prepared by Portland State University's Population Research Center (PRC).

The 2022 PRC population forecast for Canby projected a population of 24,586 in 2043. This is an increase of 5,931 people from 2022, at an average annual growth rate of 1.3%. This growth rate is a larger population increase compared to Clackamas County as a whole. The HNA will be adopted by the City of Canby in summer 2024. The EOA was adopted by City Council in September 2023 and subsequently acknowledged by DLCD.

### Land Need: Residential and Public Facilities.

The draft 2024 HNA states that population growth will require the addition of 2,286 new dwelling units between 2023 and 2043. The forecasted housing need of 2,286 dwelling units is partially addressed by 412 units currently in the development pipeline. Once pipeline developments are completed, the remaining housing demand over the next 20 years is expected to consist of 1,873 dwellings.

The forecasted housing mix that addresses 20-year demand is expected to consist of: 555 standard lot detached homes, 596 small lot homes and cottages; 364 manufactured homes, townhomes, and plexes (2-4 units per structure); and 359 apartments or condominiums (5+ units per structure) and group quarters units.

### **Additional findings from the 2024 HNA to be added upon adoption.**

These findings result in an overall residential UGB deficiency in Canby of 74.3 acres including right-of-way for roads and public facilities, but not including parks.

### Identify Other Land Need: Parks

Land needed for parks, open spaces and trails is based on the City's level of service (LOS) in the adopted 2022 Comprehensive Parks and Recreation Master Plan, which is 10 acres of parks per



1,000 residents, plus open spaces and trails to connect all residents to a park. The 2043 population estimate of 5,931 people translates to 59.3 acres of developed core parks. The City conducted a study of opportunities to develop additional park land within the current UGB. As shown in Table 2, there are three parcels that are city-owned and dedicated for parks, but have not yet been developed: Ivy Ridge Park (0.8 acres), Auburn Farms Park (2.3 acres), and Faist Park (0.3 acres); a combined 3.4 acres. Additional city-owned parcels that may be used for future park use include the Walnut Street Extension property (2.4 acres after right-of-way is removed) and the Police Station/Honda Pits property (10.4 acres after the existing police station and skate park are removed); a combined 12.8 acres. In total, the City has identified 16.2 acres of potential park land within the existing UGB.

**Table 2. Potential Park Land within Existing Canby UGB**

<b>Park</b>	<b>Taxlot</b>	<b>Description</b>	<b>Acres</b>
Ivy Ridge Park	41E04DC10400	Dedicated through Ivy Ridge subdivision. Ivy Ridge received parks SDC credits.	0.8
Auburn Farms Park	31E28C 00200	Identified as Dodds Park in the Parks and Recreation master Plan.	2.3
Faist Park	41E03BD13400	Land was dedicated as part of Faist 5 subdivision. Identified as Faist Park in the Parks Master Plan	0.3
Walnut St. Extension property	31E34A 01600	Right-of-way acres removed.	2.4
Police Station/ Honda Pits	41E05 00405	Police station and skate park acres removed.	10.4
<b>TOTAL</b>			<b>16.2</b>

When we subtract 16.2 acres for potential parks within the UGB from the 59.3 acres based on the population forecast and City LOS parks standard, the UGB expansion land need for parks is 43.1 acres.





## Land Need and Site Characteristics: Employment and Public Facilities

The 2023 Canby EOA estimates future employment land need including the number of sites required and typical site characteristics based on expected land uses (Statewide Planning Goal 9). As shown in Table 3, the EOA identifies a deficit of 446.8 acres of employment land in the 20-year planning period (2023-2043). This includes 8.3 acres for commercial uses and 438.5 acres for industrial uses (Table 3). These totals include an allowance for needed for infrastructure right-of-way estimated at 25% of the acreage needed for employment uses.

**Table 3. UGB Employment Land Needs (gross buildable unconstrained acres)**

Land Use Need	Acres
Commercial (RC, DC, HC)	8.3
Industrial/Other Employment (CM, LI, HI)	438.5
Total Buildable Land	446.8

In addition to the amount of land needed, the 2023 EOA also identifies target services and industries for future economic growth consistent with market trends and stakeholder priorities. These industry clusters include:

- Advanced Manufacturing
  - Energy Systems
  - Electronic Component Manufacturing
  - Fabricated Metal Product Manufacturing
  - Navigational, Measuring, Electromedical, and Control Instruments
- Food/Beverage Processing
- Health Care

The EOA identifies specific site suitability characteristics needed to accommodate these services and industries. Page 24 states, “In light of the fact that the remaining land supply within the City is primarily comprised of smaller tax lots (only 5 vacant commercial tax lots exist with over 1 acre in size), the City should explore strategies that support “special site” preferences for strategic uses, such as a new neighborhood shopping center, lifestyle center, hotel(s), and a medical/health campus that typically require sites ranging from 4-8 acres in size.” This also pertains to desired tourism-related facilities listed in the EOA, including trails, parks, camping/RV facilities, sports complex, and amphitheater.

The EOA goes on to say City policies should “consider whether special site requirements are needed over the long-term that would require additional land area to be annexed in locations to accommodate large industrial uses that cannot be located on existing or planned industrial areas.”

Table 4 shows the number and size of sites needed to accommodate various users.



**Table 4. Specific Land Demand by Plan Designation and Size**

<b>Number of Sites by Use Type</b>	<b>Typical Acreage</b>	<b>Sites Needed</b>	<b>Deficit/Surplus</b>
<b>Industrial</b>			
Very small users	0.25	20	6
Small users	1.75	75	(64)
Medium users	8	19	(11)
Large users	15	9	(6)
Total	25	123	(75)
<b>Commercial – Office &amp; Retail</b>			
Very small users	0.25	184	(179)
Small users	1.75	8	(3)
Medium users	8	1	(1)
Large users	15	0	0
Total	25	193	(183)

Source: FCS Group, LLC with typical Acreage includes 25% addition for infrastructure

Combined, the 20-year land need for residential and associated uses and employment land needs is 855.2 acres, as shown in Table 5.

**Table 5. Canby Residential and Employment Land Need**

<b>Land Use</b>	<b>Land Need</b>
Residential (including public facilities)	74.3 acres
Parks	43.1 acres
Employment (Including commercial and industrial properties and right-of-way)	446.8 acres
Total UGB Expansion Area Land Need	564.2 acres

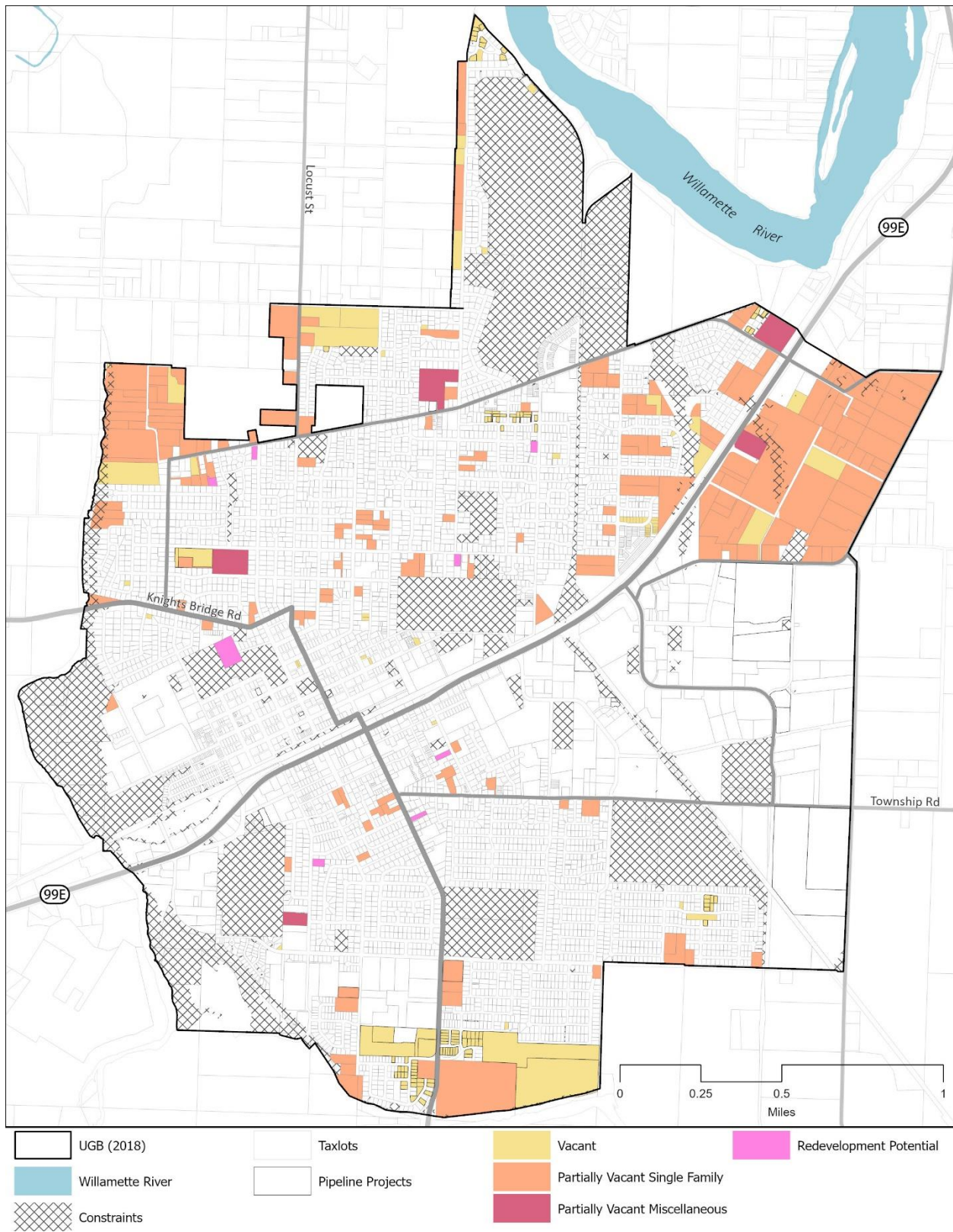
### Examine Sites within Existing UGB

Prior to pursuing a UGB expansion, the City must demonstrate that the land needs cannot reasonably be accommodated on land already inside the UGB. The City is required to evaluate opportunities to provide efficient development of residential land within the existing UGB.

Canby has approximately 439 acres of buildable residential land inside the UGB, as illustrated on the Buildable Land Inventory map (Figure 2).



Figure 2. Residential Buildable Land Inventory



“Land use efficiency measures” increase the capacity for growth within the existing UGB thus reducing the need for UGB expansion. Canby recently adopted important efficiency measures that provide additional housing production opportunities including:

- The City has a provision in the zoning code (Chapter 16.82) that allows deviations of development standards for "Special Housing Projects for the Elderly or Handicapped."
- Housing in a specifically defined Downtown Core area of the C-1 Zone doesn't have to provide any parking if the development is mixed use.
- The City's R-2 (High Density) residential zone was amended to require a minimum density of 14 du/ac, preventing lower density development.
- The City amended its zoning code to allow duplexes in all low density residential zones to fully comply with HB 2001.

In addition, the City is currently considering the following measures by zone:

#### **Low Density Residential Zone (R-1)**

- Allow cottage cluster developments as an outright permitted use.
- Add minimum lot size and modified lot dimensions for townhouses.
- Establish a maximum residential density standard of six (6) units per acre.
- Increase maximum impervious surface area to 70%.
- Require that townhouse developments shall not exceed three (3) consecutive dwellings separated by at least 20 feet, or if a part of a PUD, six (6) consecutive attached dwellings separated by at least 10 feet.

#### **Medium Density Residential Zone (R-1.5)**

- Allow cottage clusters developments as an outright permitted use.
- Increase the maximum townhouse grouping from three (3) to six (6) dwelling units.
- Allow fourplexes as an outright permitted use.
- Decrease the minimum townhouse lot size from 3,000 to 1,800 square feet.
- Require that townhouse development shall not exceed six (6) consecutive attached dwellings in a row and that groupings should be separated by at least 10 feet.

#### **Highway Commercial Zone (C-2)**

- Allow mixed-use development outright in the C-2 zone.
- Add minimum residential density for mixed-use development.
- Remove minimum front yard setback along Highway 99E and South Ivy Street, and establish a maximum setback standard.
- Identify the types of architectural features that may exceed the maximum building height standard.

#### **Planned Unit Development (PUD)**

- All uses permitted outright or conditionally may be permitted with a PUD.
- Allow uses to be spread across a PUD site, regardless of the underlying base zone.
- Create exception for cottage clusters in PUDs for the purpose of calculating the minimum open space requirement.
- Add approval criteria for a density bonus.



- Create exception that cottage cluster units do count toward maximum density allowance within a PUD.
- Allow the total base zone density to be spread throughout the PUD site, regardless of the underlying base zone.

Canby has insufficient land to accommodate projected growth over a 20-year planning period. The total deficit is 564.2 acres, including a residential and parks land deficit of 117.4 acres, and an employment land deficit of 446.8 acres.



### 3. Establish Study Area

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After applying land use efficiency measures, the City has a residential land deficit of 117.4 acres including parks, and an employment land deficit of 446.8 acres, for a total land need of 564 acres.

This chapter establishes and evaluates the Canby UGB Expansion Study Area to satisfy the land needs identified in Chapter 2. The process of establishing and evaluating the Study Area is dictated by Oregon Administrative Rules, and includes the following:

- Create Preliminary Study Area
- Exclusion of Lands from Preliminary Study Area
- Create Study Area

#### Create Preliminary Study Area

Defining the area to be considered for expansion, known as the Preliminary Study Area, is dictated by OAR 660-024-0065. The provisions of the administrative rule state that the Preliminary Study Area must include all lands in the city's acknowledged urban reserves and land that is within a certain distance from the acknowledged UGB: one-half mile for jurisdictions of less than 10,000 and one mile for jurisdictions of more than 10,000, or land beyond the specified distances at the discretion of the jurisdiction.

As of the 2020 PSU Population Research Center estimates from July 1, 2020, the City of Canby has a population of 18,171 residents.<sup>2</sup> This population count was used in both the City of Canby Housing Needs Analysis, and City of Canby Economic Opportunities Analysis. Therefore, the City considered land within one mile of the current UGB, known as the "one mile buffer" for the Preliminary Study Area.

The City of Canby has no urban reserves and is surrounded by a combination of rural reserves and "undesignated" areas, as illustrated in Figure 3.

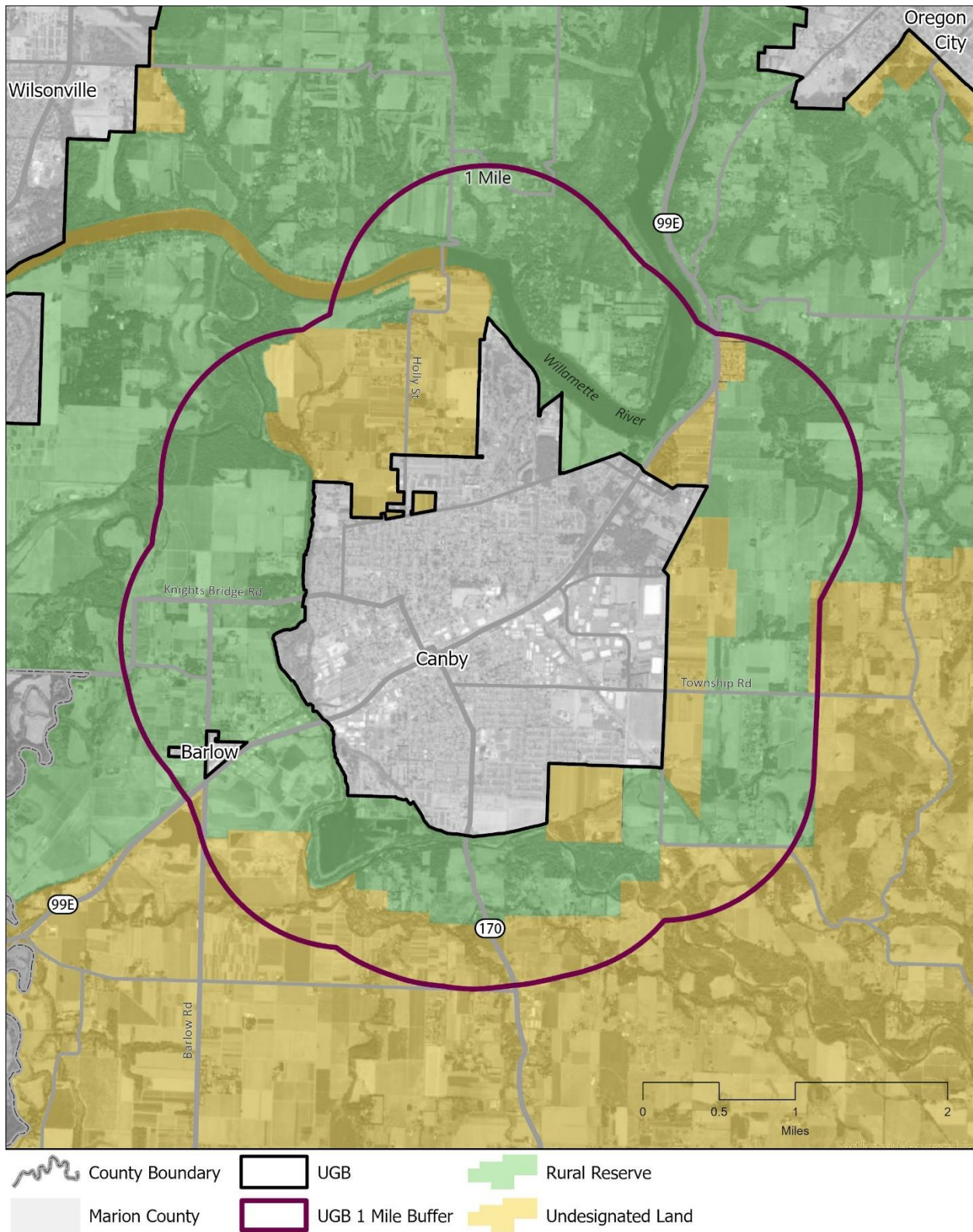
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<sup>2</sup> "2020 ANNUAL OREGON POPULATION REPORT TABLES," Population Research Center, Portland State University, April 15, 2023, <https://www.pdx.edu/population-research/sites/populationresearch.web.wdt.pdx.edu/files/2023-04/2022%20Annual%20Population%20Report%20Tables%20.pdf>.





Figure 3. Preliminary Study Area with Undesignated Lands and Rural Reserve Lands





In the Canby UGB Expansion Preliminary Study Area there are “exception areas” with existing county zoning designations: Rural Residential Farm Forest 5-Acre (RRFF5); Rural Area Residential 2-Acre (RA2); and/or Rural Industrial (RI). Exception areas are rural lands that have the physical properties that make it suitable for farm or forest use but are approved by a county with an “exception” to zone the land for urban uses. Exception areas are lands that are either “physically developed” or “irrevocably committed” to non-farm and non-forest uses, and have the appropriate corresponding county zoning.<sup>3</sup>

In determining the Preliminary Study Area, OAR 660-024-0065(1)(c) directs cities to include exception areas within the one mile buffer, and to also include exception areas within one and one-half miles from the current UGB for exception areas that are contiguous to an exception area in the one mile buffer.

The Preliminary Study Area for Canby contains exception areas within the established one mile buffer that extend contiguously beyond that one mile. A secondary buffer was added to the Preliminary Study Area to demonstrate the additional half mile in accordance with OAR 660-024-0065(1)(c). These contiguous exception areas are generally located north of the existing UGB across the Willamette River, and to the northeast of the existing UGB abutting Highway 99E and the Willamette River.

Some of the contiguous exception lands that are included in the Preliminary Study Area within the additional half mile buffer are designated as Rural Reserves. Rural reserves are intended to provide long-term protection for large blocks of agricultural land, forest land, and other important natural landscape features that limit urban development.<sup>4</sup>

Figure 4 illustrates the Undesignated Lands, Rural Reserves, and exception lands and demonstrates where there is overlap between the land categorizations. The contiguous exception area lands are shown grouped together with a dashed line in Figure 4.

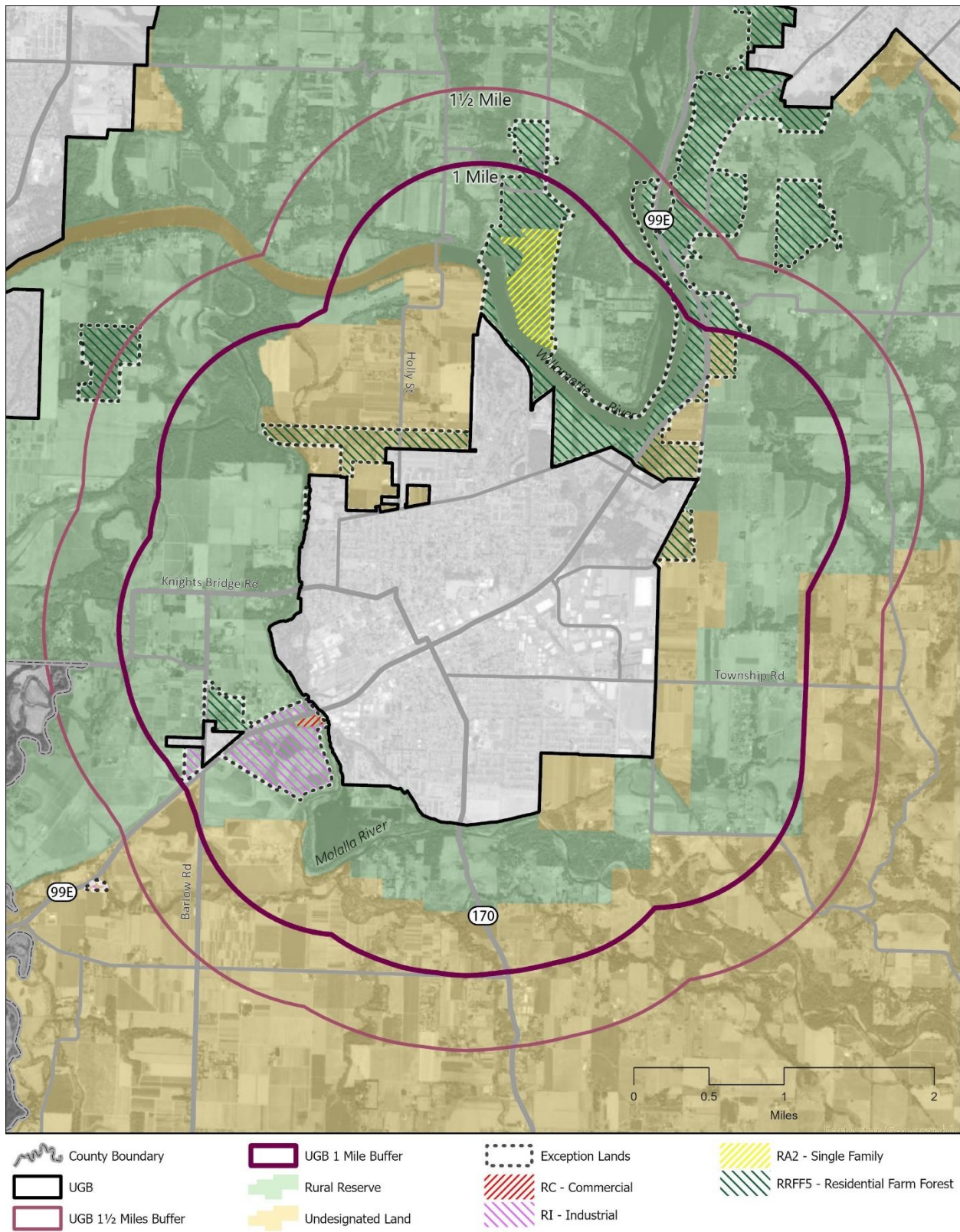
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<sup>3</sup> “Exception Areas,” Department of Land Conservation and Development: Rural Planning and Development: State of Oregon, accessed November 1, 2023, <https://www.oregon.gov/lcd/rp/pages/index.aspx#:~:text=In%20some%20cases%2C%20a%20county,farm%20and%20non%20forest%20uses>.

<sup>4</sup> “UGBs and Urban/Rural Reserves,” Department of Land Conservation and Development: State of Oregon, accessed November 1, 2023, <https://www.oregon.gov/lcd/up/pages/ugbs-and-urbanrural-reserves.aspx>.



Figure 4. Preliminary Study Area with Exception Areas Overlap



## Exclusion Of Lands From The Preliminary Study Area

The rules for establishing the Study Area allow for certain lands to be excluded from the Preliminary Study Area, as established in OAR 660-024-0065(4). The reasons for exclusion of lands from the Preliminary Study Area include:

- Lands are impracticable to provide necessary public facilities and services to;
- Lands are subject to natural hazards (flooding); or
- Lands contain specific scenic, natural, cultural or recreational resources.

The City of Canby determined that certain areas within the Preliminary Study Area meet the exclusion criteria of OAR 660-024-0065(4)(a & b), which may be excluded and no longer considered for expansion of the UGB. After completing an exclusion analysis, the City determined that some areas have overlapping criteria that meet the threshold for exclusion.

Areas to be excluded from the Preliminary Study Area include lands across the Willamette River and Molalla River from the existing UGB that are undesignated. There is some overlap between lands considered undesignated and exception lands (based on their existing county zoning designation), and lands that are excluded based on the above stated reasons. These lands are excluded due to their location and impracticability to be served.

Also excluded from the Preliminary Study Area are all rural reserves surrounding the existing UGB, along with some of the lands identified as within the Special Flood Hazard Area (SFHA) identified on the Flood Insurance Rate Map (FIRM).

Additional lands are excluded from the Preliminary Study Area based on the impracticability to provide them with necessary public facilities or services. This determination is based on existing steep slopes, impediments to service provisions based on the likely amount of development that could occur; the likely cost of facilities and services; and properties considered Goal 5 resources as they are listed with a National Register of Historic Places designation.

The specific reasons for each exclusion and how these lands meet the thresholds for exclusion in OAR 660-024-0065(4)(a-c) and OAR 660-024-0065(7)(a-c) is discussed in further detail below.



### **Exclusion of Rural Reserves: Impracticable to provide services**

In accordance with OAR 660-024-0065(4)(a), lands that are impracticable to provide necessary public facilities or services to the land may be excluded from the Preliminary Study Area. OAR 660-024-0065(7) describes several reasons why cities may consider land impracticable to provide necessary public facilities or services to. Subsection (b) identifies land that is isolated from existing service networks such that it is impracticable to provide the necessary services.

The rural reserves that surround the existing Canby UGB cannot be included in any UGB amendments pursuant to OAR 660-027-0040(4), which states:

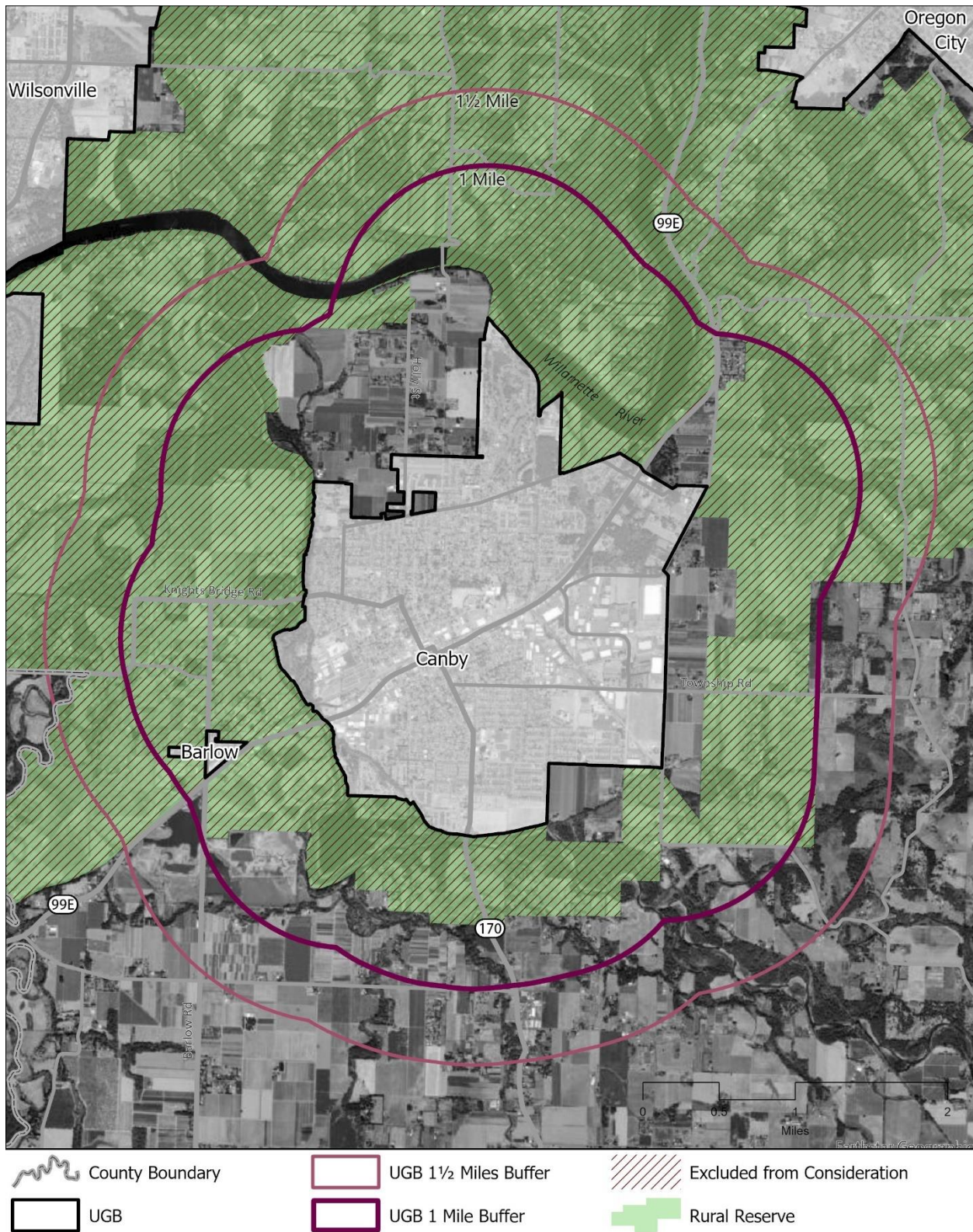
*(4) Neither Metro nor a local government may amend a UGB to include land designated as rural reserves during the period described in section (2) or (3) of this rule, whichever is applicable.*

The City finds that due to the inability to include rural reserves in a UGB, these lands are isolated from existing services and are considered impracticable to provide services to. All lands that are designated as Rural Reserves are excluded from the Preliminary Study Area. The excluded area described is illustrated in Figure 5.





Figure 5. Exclusion of Rural Reserves



### **Exclusion of Major Rivers: Impracticable to provide services – Impediments to service**

The lands in the Preliminary Study Area that are across the Willamette or Molalla rivers from the current city and UGB are excluded due to the areas being impracticable to provide necessary public facilities to the land. The exclusion of these lands from the Preliminary Study Area is allowed under OAR 660-024-0065(7)(b & c) due to these areas being isolated from existing service networks by “physical impediments” to service provision.

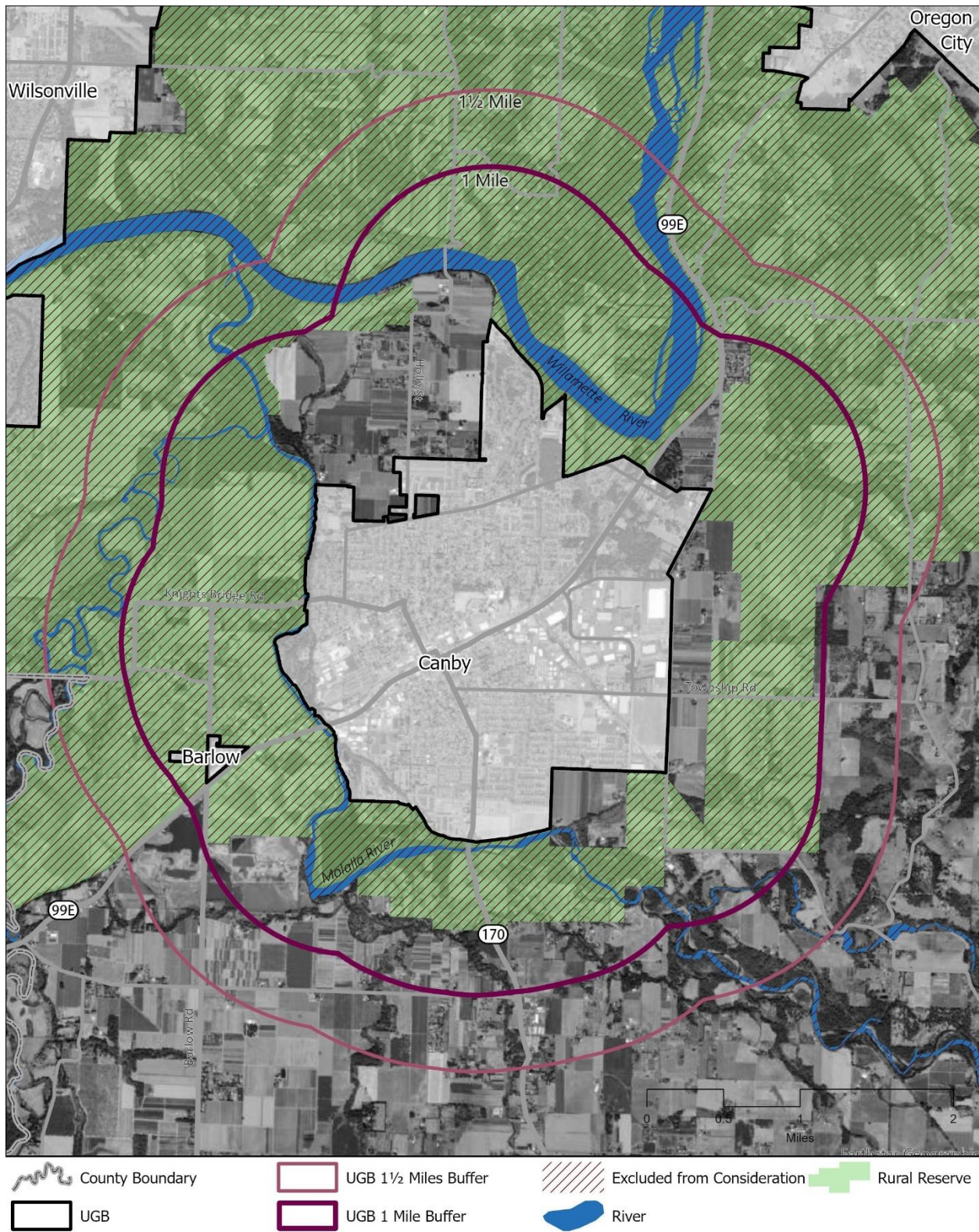
Major rivers or other water bodies that would require a new bridge crossing to served planned urban development are included as an example of “impediments to service provision” in OAR 660-024-0065(7)(c). The City’s determination to remove these lands from the Preliminary Study Area is based on the likely cost of facilities and services that would be necessary to serve the areas across the two rivers.

All lands that are across the Willamette River and the Molalla River from the existing UGB were excluded from the Preliminary Study Area. The excluded area described in this section is illustrated in Figure 6. Overlap exists between the land across the two rivers from the existing UGB that were excluded, and lands excluded from the Preliminary Study Area due to the designation of Rural Reserve.





Figure 6. Exclusion of Major Rivers





**Exclusion of Madrona Road Area: Impracticable To Provide Services – Impediments To Service – Amount Of Development And Cost Of Facilities And Services**

The city may exclude land from the Preliminary Study Area based on an evaluation of the likely amount of development that could occur on the land within the planning period (OAR 660-024-0065(7)(b)(A)) and the likely cost of facilities and services (OAR 660-024-0065(7)(b)(B)). To the north of the current Canby UGB and to the east of Highway 99-E, the following tax lots that abut Madrona Lane are being excluded from the Preliminary Study Area:

31E26: 1401, 1501, 1502, 1601, and 1603

31E27DA: 100, and 102

31E27AD: 300, 400, 500, 501, 600, 700, 800, and 900

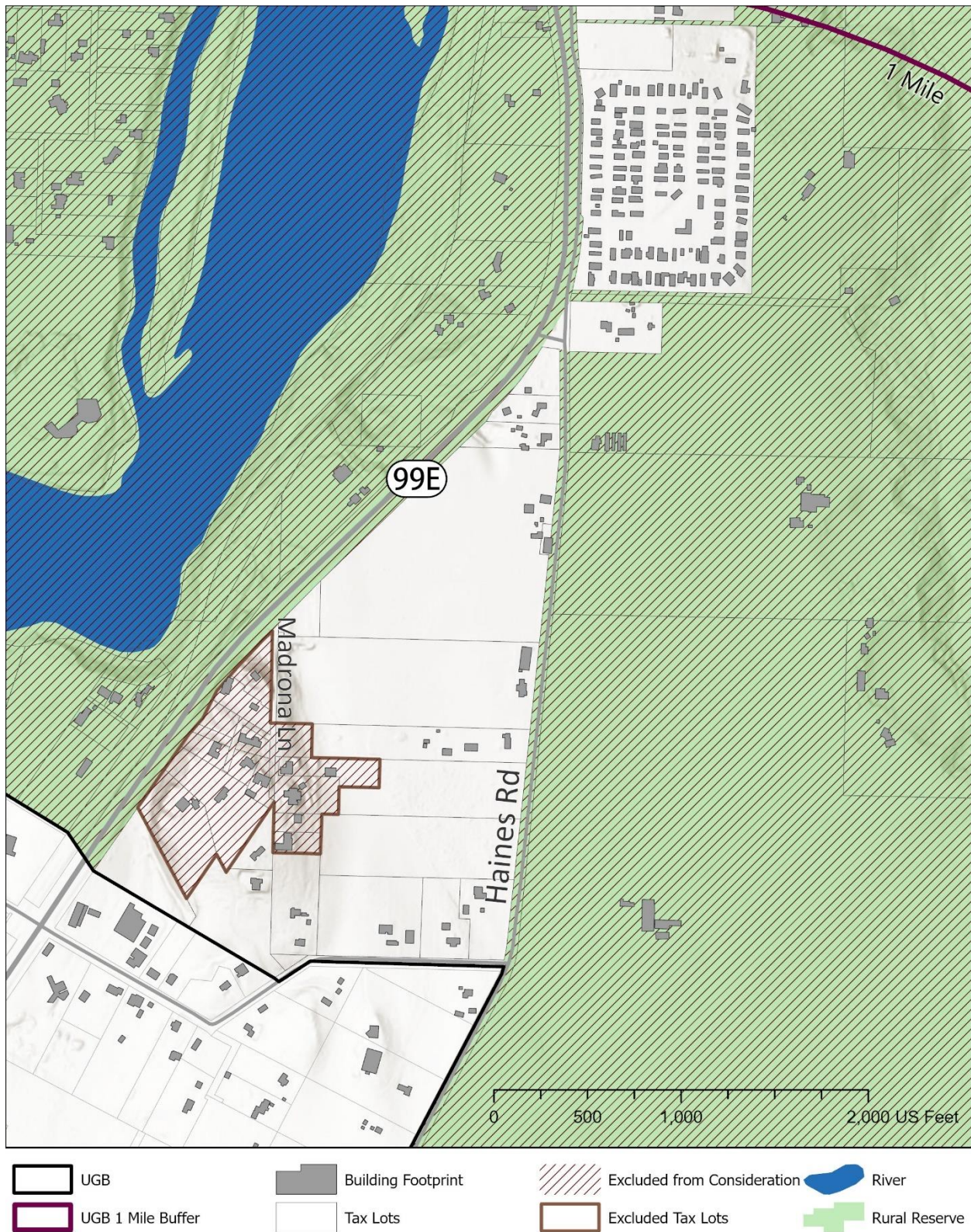
The City of Canby City Engineer of Record, Curt J. McLeod, PE, from CURRAN-McLEOD, INC. found the tax lots to be impracticable to serve within the planning period due to extremely high construction costs to extend infrastructure to the area due to rock excavation, steep slopes, many required easements, and the disruption to landscaping. In addition, the area would yield few additional development sites due to the existing development pattern and unbuildable steep slopes. The infrastructure cost per new lot would exceed the value of the lots. The full letter from Curt McLeod, PE is included with this memo as Appendix 1.

The excluded area described in this section is demonstrated in Figure 7.





Figure 7. Exclusion of Madrona Road Area





### **Exclusion of New Era Area: Impracticable To Provide Services – Amount Of Development**

The City may exclude land from the Preliminary Study Area because it is impracticable to provide necessary facilities or services to the land within the planning period based on an evaluation of the likely amount of development that could occur on the land within the planning period (OAR 660-024-0065(7)(b)(A)).

The City decided to exclude the area to the east of Highway 99 and north of the existing UGB, known as New Era. Many properties in this location have zoning designations that qualify them as exception land, but are already excluded based on their designation as Rural Reserves. The following tax lots are excluded from the Preliminary Study Area based on the properties being unlikely to develop within the planning period due to their existing land uses and location:

- 31E26: 0103, a property containing Historic Landmarks;
- 31E23: 1500, a property containing the Canby Regency mobile home park;
- 31E23: 1700, a property containing the St. Patrick's Cemetery; and
- 31E23: 1801 and all tax lots to the north of this property and east of Highway 99.

The property containing historic landmarks is considered a Goal 5 resource and is excluded from consideration based on OAR 660-024-0067(1)(d), which allows a city to forecast development capacity for such land (OAR 660-024-0064(8)). The property in this area is listed on the Oregon Historic Sites Database and is impracticable to provide necessary facilities or services to based on the likely amount of development that could occur on the land within the planning period.

The City decided not to exclude all properties in the Preliminary Study Area that contain Goal 5 historic landmarks or other Goal 5 resources in order to perform a more detailed analysis on these properties.

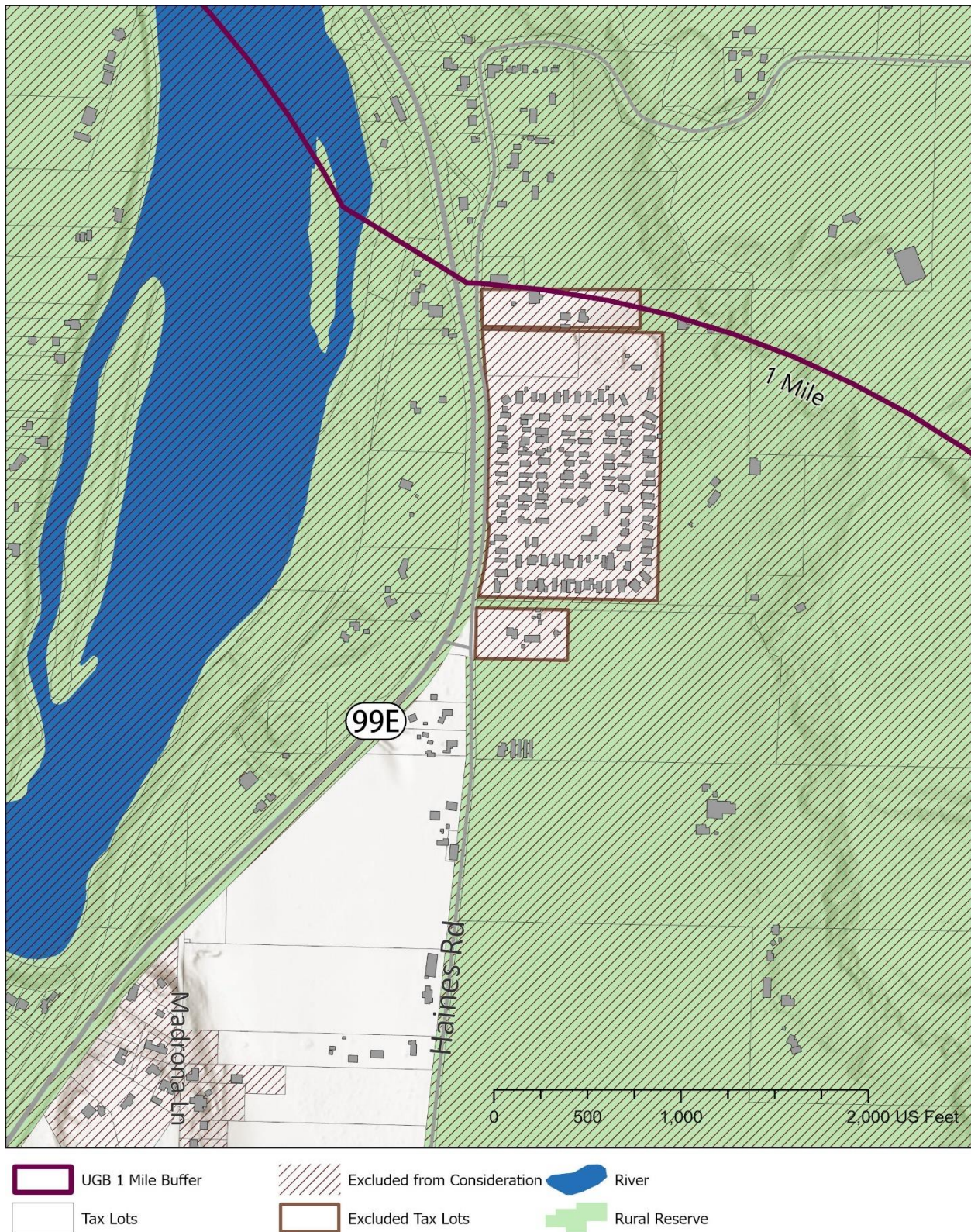
With the exclusion of these properties, the remaining exception land within the New Era area to the north and east of the existing UGB are no longer contiguous to the Preliminary Study Area due to the previously excluded Rural Reserves.

The City excluded these New Era properties because they will not provide the amount of development required to meet the land need based on the existing land uses. The excluded area described is illustrated in Figure 8.





Figure 8. Exclusion of New Era Area





### **Exclusion of SFHAs: Significant Development Hazards – Flooding**

Lands may be excluded from the Preliminary Study Area if the City determines that there are significant development hazards due to a risk of flooding including inundation during storm surges. There are several areas of land that meet the definition in OAR 660-024-0065(4)(b)(B) that are excluded because they are within the SFHA identified on the FIRM. The City excluded the areas within the SFHA on the following tax lots:

31E29A: 200, 300, 401, and 500 located along the Molalla River to the west of the City.  
31E29D: 300, and 200 located along the Molalla River to the west of the City.  
41E03: 2400, 2500, 2600, 2601, and 2602 located along the Molalla River to the south-east of the City.

The excluded areas on these properties are illustrated in Figures 9 and 10. Only the areas subject to identified SFHA are excluded from these properties.

The City decided not to exclude all areas within the Preliminary Study Area that contain identified SFHA land in order to keep these lands in the Study Area for further analysis.

### **Exclusion of Steep Slopes: Impracticable to provides necessary public facilities or services**

The City may exclude land from the Preliminary Study Area because it is impracticable to provide necessary facilities or services to the land within the planning period based on an evaluation of the likely amount of development that could occur on the land within the planning period (OAR 660-024-0065(7)(b)(A)). Areas with steep slope are excluded for this reason.

The same areas described above that are excluded due to presence of SFHA land contain areas of land that have slopes of 25 percent or greater. These areas do not meet the definition of buildable land as they are over 25 percent slope. While this term is only applied to residential land in this context, this heavily sloped land if kept in the Preliminary Study Area, would not be considered suitable for industrial uses because it is over 10 percent slope.

Based on the likely amount of development that could occur in the planning period, the City excluded the areas with steep slopes on the following tax lots:

31E29A: 200, 300, 401, and 500 located along the Molalla River to the west of the City.  
31E29D: 300, 200, and 210 located along the Molalla River to the west of the City.  
41E03: 2400, 2500, 2600, 2601, and 2602 located along the Molalla River to the south-east of the City.

The excluded areas on these properties are illustrated in Figures 9 and 10. Only the areas with slopes over 25 percent are being excluded from these properties.

The City decided not to exclude all areas within the Preliminary Study Area that contain slopes of 25 percent in order to keep these lands in the Study Area for further analysis.



Figure 9. Exclusion of SFHAs and Steep Slopes to the west of the existing UGB

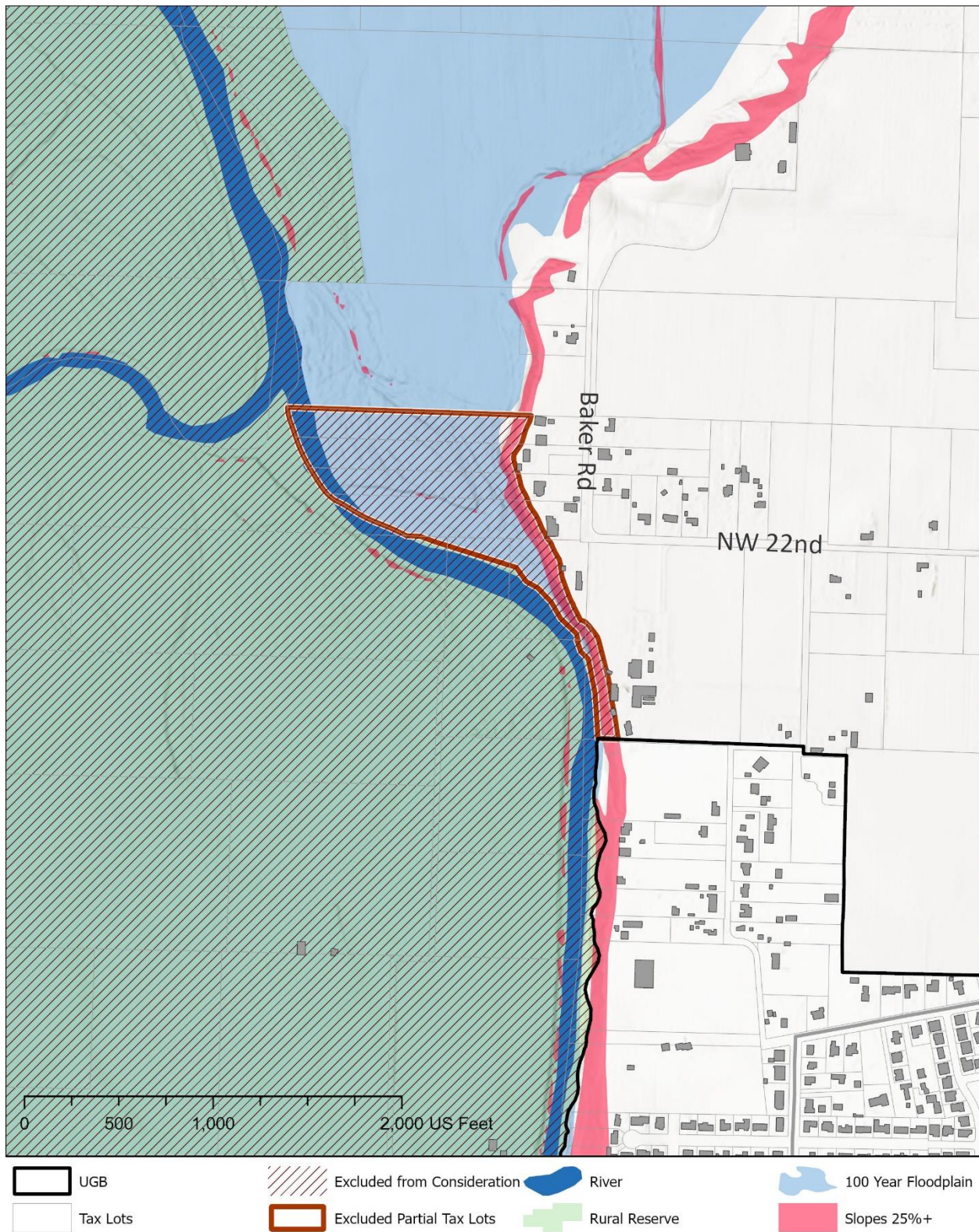
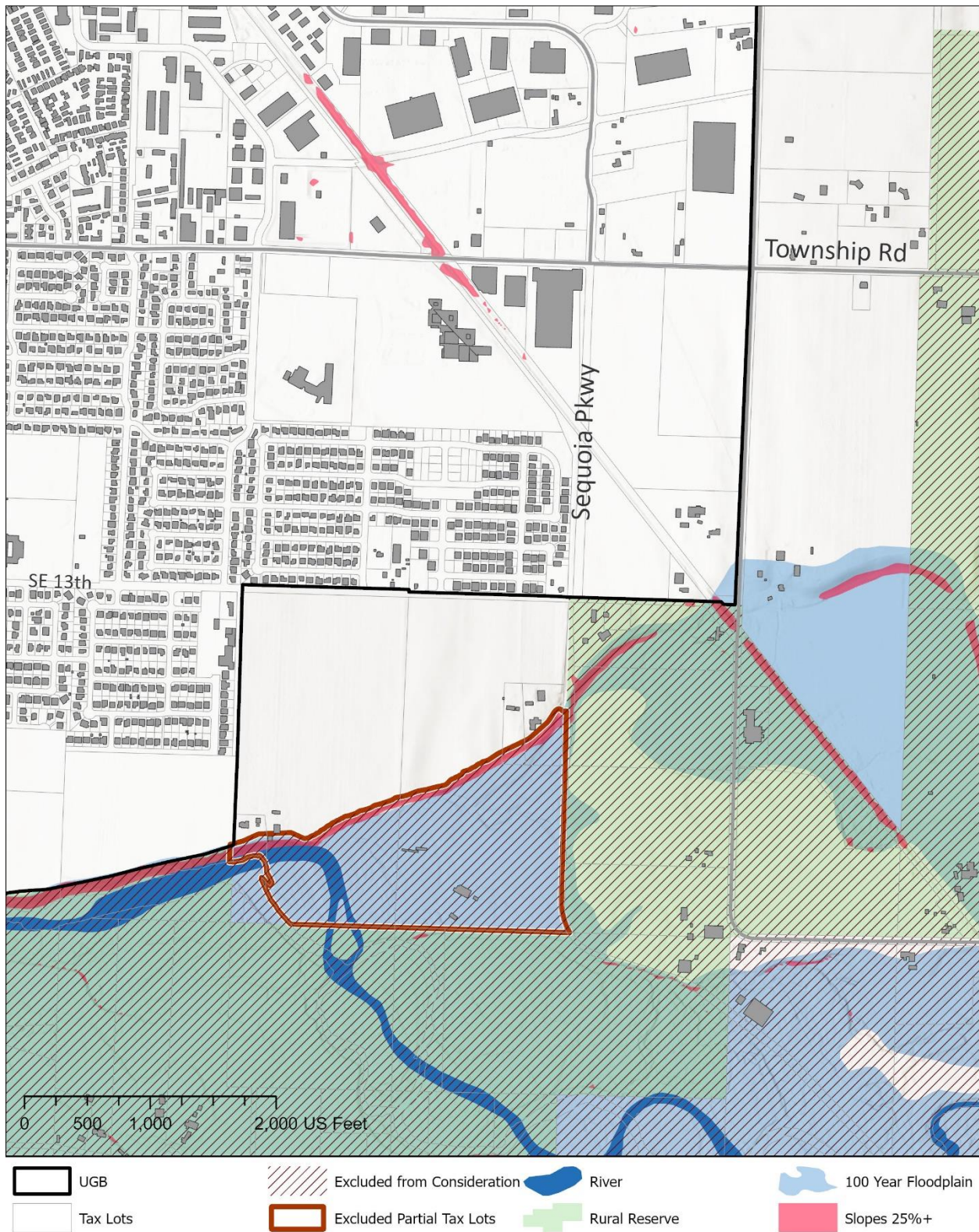




Figure 10. Exclusion of SFHAs and Steep Slopes to the southeast of the existing UGB.





## **Exclusion Areas Conclusion**

In summary, lands from the Preliminary Study Area were excluded using the exclusion provisions allowed in OAR 660-024-0065. All excluded lands are shown in the above figures. Upon exclusion of these lands, several locations that are inside the one and a half mile buffer establishing the Preliminary Study Area are now physically separated from the existing UGB. Lands that are physically separated through the above exclusions are no longer considered for inclusion into the UGB as there would be no contiguous boundary. Non-contiguous areas within the study area are impracticable to provide necessary services to.

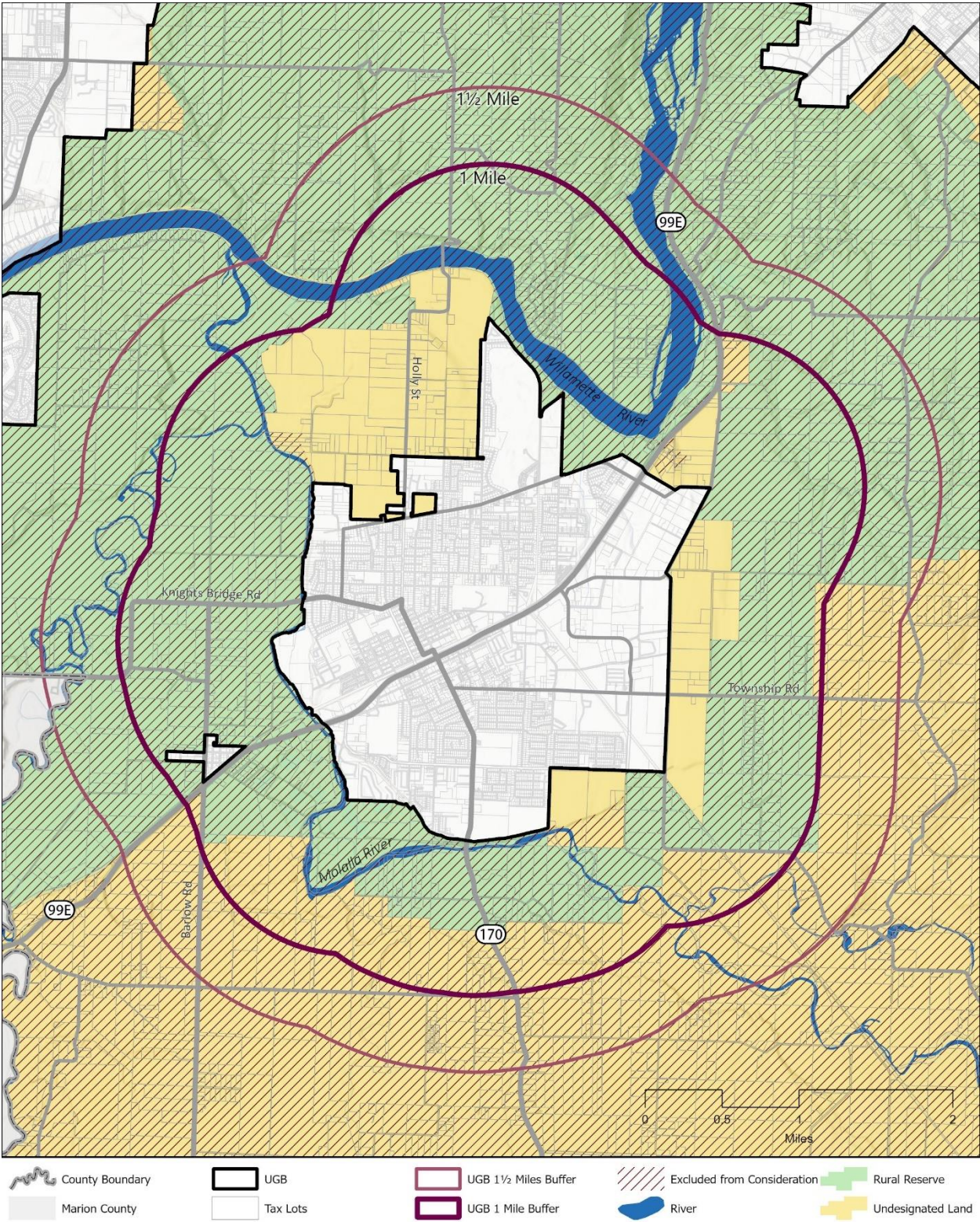
Other areas of land within the Preliminary Study Area, specifically those that are within the SFHA, or contiguous areas of at least five acres where 75 percent or more of the land has a slope of 25 percent or greater, are kept in the Preliminary Study Area at this time for further analysis. There are no further adjustments or exclusions to the Preliminary Study Area.

All excluded areas from consideration are illustrated in Figure 11.





Figure 11. Exclusion of Land from Preliminary Study Area





## Create Study Area

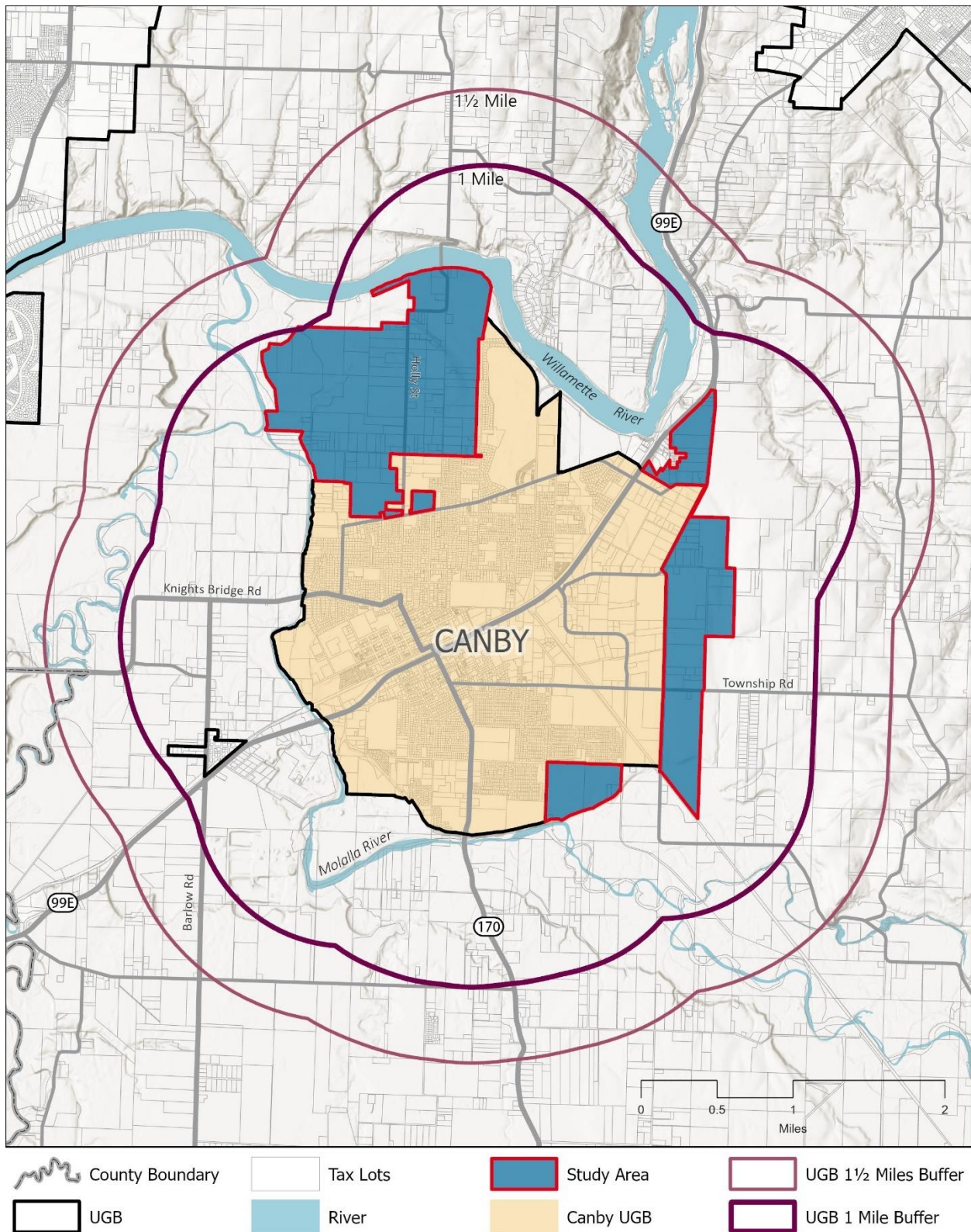
The land need after applying efficiency measures, as determined in Chapter 2, is 564.2 total acres. The total acreage in the finalized Study Area is 1,516.1 acres after all exclusions. OAR 660-024-0065(5) requires that the Study Area contain at least twice the amount of land needed for the deficiency determined in OAR 660-024-0050(4) and described in Chapter 2. The amount of land in the Study Area meets this threshold.

Figure 12 below illustrates the Study Area, which includes 1,516.1 gross acres on 201 tax lots. The Study Area consists only of undesignated lands that currently have Clackamas County zoning designations of Rural Residential Farm Forest 5-Acre (RRFF5) or Exclusive Farm Use (EFU).

The City finds that the Study Area shown in Figure 12 complies with the requirements of OAR 660-024-0065 by establishing a Study Area to evaluate land for inclusion to a UGB.



Figure 12. Canby UGB Expansion Study Area





## 4. Analyze Study Area

The process for evaluating and prioritizing land for inclusion in the UGB is described in OAR-660-024-0067. The highest priority land for inclusion is analyzed for suitability to meet the deficiency for both the employment and residential land need. Surrounding the current UGB the highest priority lands in the Study Area are the exception lands. If there is no excess of suitable first priority land established, those lands are established as areas for inclusion into the UGB. If a deficiency of land still exists after the highest priority suitable lands are established for inclusion, the next highest priority of land is analyzed for suitability. Goal 14 location factors are applied to any excess land to determine the best areas for inclusion. This process results in determining all the land to meet the need for a Canby UGB adjustment.

### Establish Subareas

This section provides details about soils and other boundary related considerations to describe the basis for establishing subareas within the Study Area. The boundaries of the subareas are determined by the existing edges of undesignated lands, exception lands, tax lots, and soil types. For non-exception land areas, soil types and classifications are considered so that areas of predominantly of higher capability soils are not grouped together with areas of soils predominantly of lower capability. The subareas do not contain a mix of exception land and resource lands, and do not include any land designated as rural reserves.

Figure 13 below shows the determined subareas within the Study Area. Subareas 1a, 1b, 1c, and 1d are the exception land subareas. Subareas 2-10 are lands within the Study Area that are a lower priority for inclusion, and are further evaluated.

Nearly all of lands surrounding the existing Canby UGB are considered high-value farmland as defined by ORS 215.710, which includes prime or unique farmland, consistent with the definitions from the United States Department of Agriculture (USDA) Natural Resources Conservation Service (NRCS). Therefore, all of the subareas include land that is classified as high-value farmland by one or more of the definitions in ORS 195.300(10). As demonstrated in Figure 14, areas that meet the definition of high-value farmland could not be used as a specific qualifier in determining the non-exception land subarea boundaries.

An overlap of lands considered high-value farmland based on varying definitions is demonstrated in Figure 14. These areas are primarily made up of irrigated or not irrigated soils that are classified as: prime, unique, Class I, or Class II (ORS 215.710(1)(a & b)). The subareas and their size in acres is demonstrated in Table 5.

**Table 6. Subarea Size**

Subarea	Number of Tax Lots	Total Acres (Gross)
1a	44	110.9
1b	5	4.9
1c	16	49.9
1d	14	34.3
2	1	13.0
3	3	60.8
4	3	27.8
5	26	392.4
6	60	345.8
7	3	40.5
8	19	227.9
9	2	112.0
10	5	95.9
<b>Total</b>	<b>201</b>	<b>1516.1</b>



Figure 13. Study Area Subareas

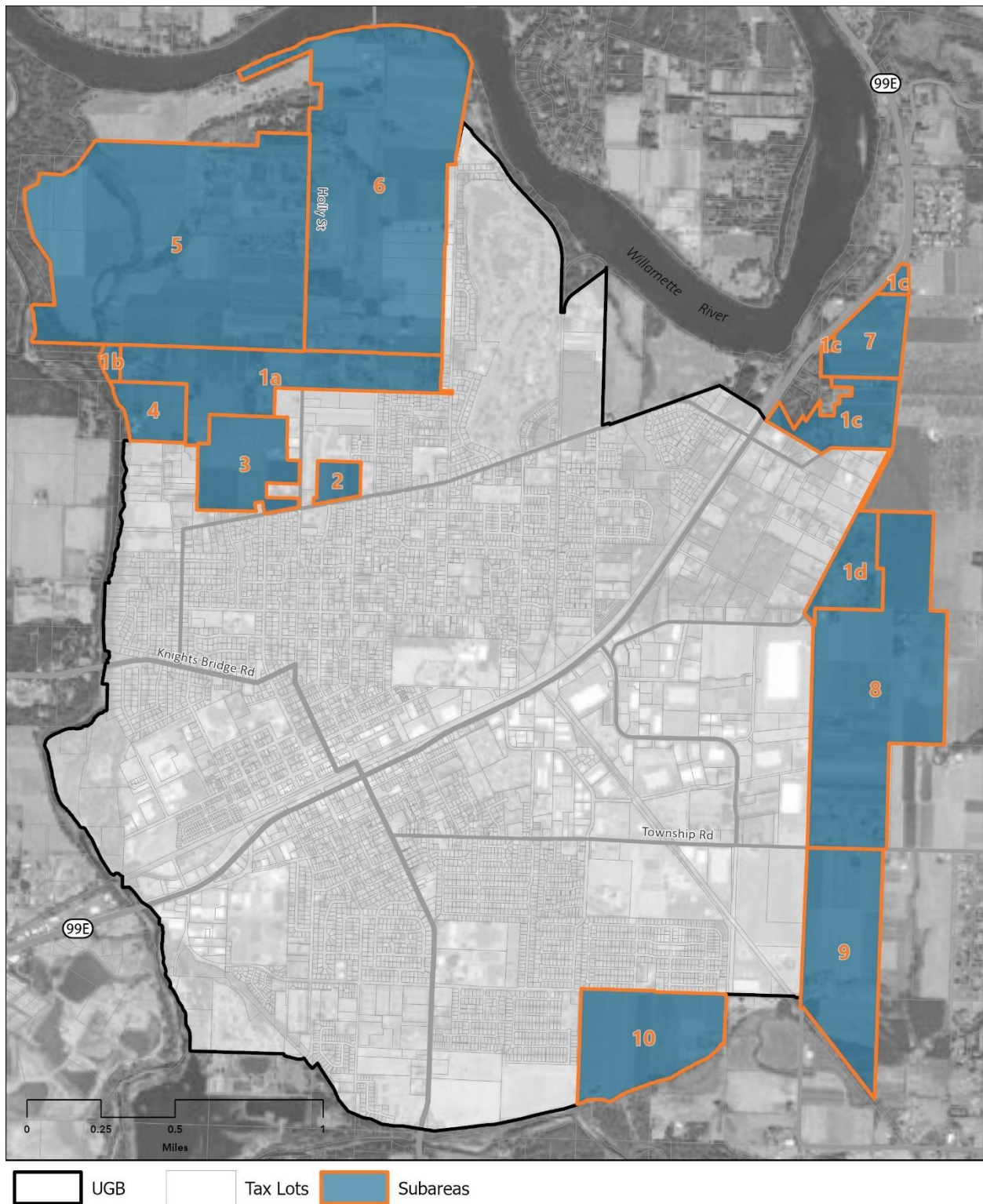
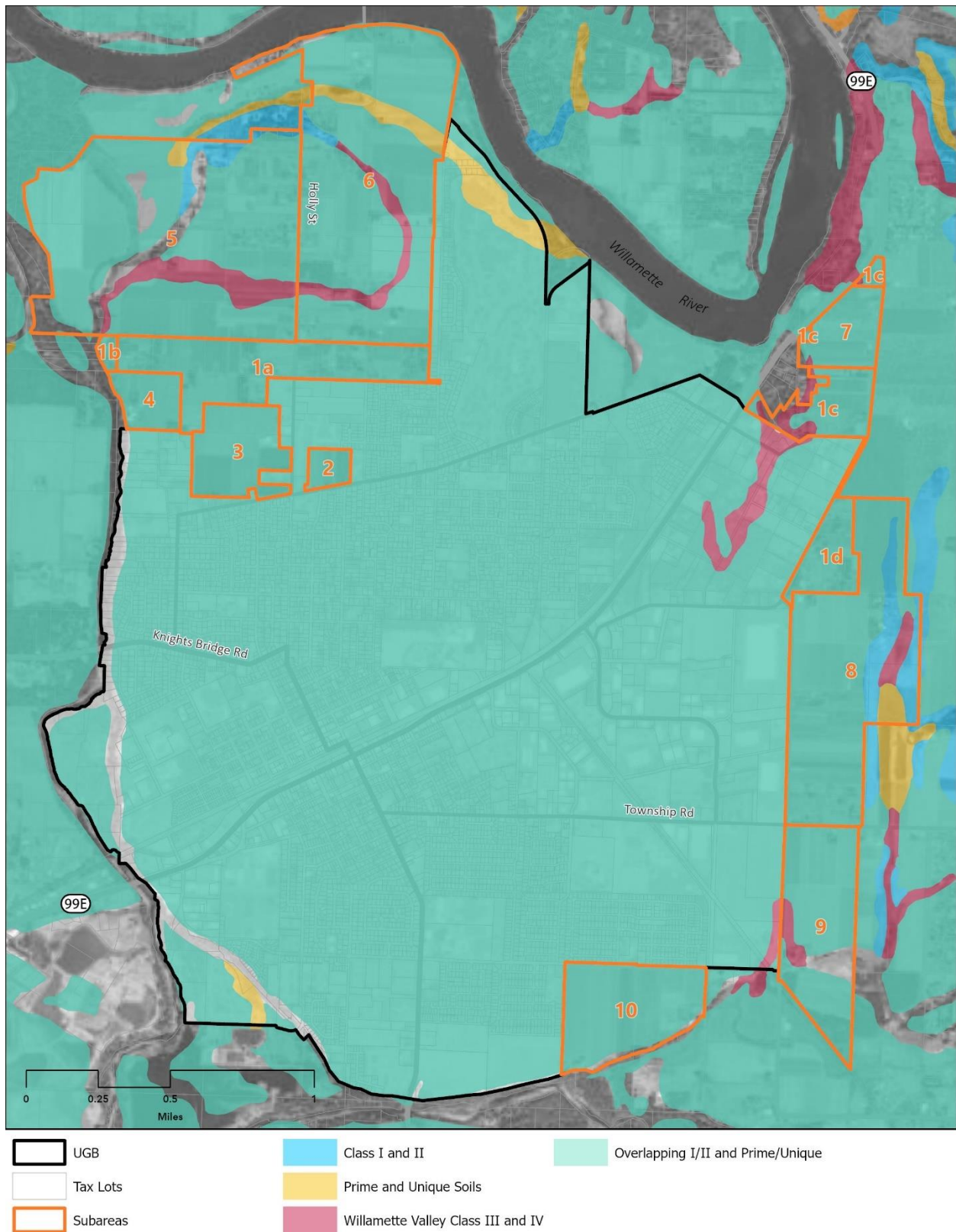


Figure 14. High-Value Farmland and Subareas





## Establish Priority for Inclusion in the UGB (OAR 660-024-0067(2))

This section determines the prioritization of lands for inclusion into the Canby UGB. After determining priority, lands are assessed to ensure that they are suitable to satisfy the land need. If the amount of suitable land does not meet the land need identified in Chapter 2, then the next highest priority land for inclusion is evaluated for suitability until the land need is met. If there is an excess of suitable land in a particular priority category, the City will choose which lands in that priority to include into the UGB by applying the boundary location factors of Goal 14. The Goal 14 boundary factors are used to compare alternative locations and determine which of the excess lands in a particular priority category are most suitable for inclusion into the UGB. Lands in the Study Area are evaluated by the priorities set by OAR 660-024-0067(2).

### **First Priority for Inclusion (OAR 660-024-0067(2)(a))**

The First Priority includes urban reserves, exception lands, and nonresource lands. Canby does not have any acknowledged urban reserves. The Study Area contains areas of exception lands and nonresource lands which are described as subareas 1a, 1b, 1c, and 1d.

There is a gross total of 200.0 acres of exception land in the Study Area, all with existing County zoning designation of Rural Residential Farm Forest 5-Acre (RRFF5). The exception lands are grouped into subareas determined primarily by their county zoning designations. Consideration was also given to existing tax lot boundaries, existing rights-of-way, and soil types when determining the separate exception land subareas.

Other exception lands that are within the one mile, and one and one-half mile buffers were previously excluded as described in Chapter 3, using the exclusion criteria of OAR 660-024-0065.

In accordance with OAR 660-024-0067(2)(a), these land areas are the highest priority for inclusion into the UGB. With respect to the suitability criteria of OAR 660-024-0067(5-6) the City determined how much of that land is suitable to meet the need deficiency.





## First Priority Suitability Criteria

As established the exception lands in the Study Area are the highest priority for inclusion due to their nonresource Clackamas County zoning designation. The Land Need established in Chapter 2 identifies 446.8 acres of employment need and 117.4 acres of residential and parks need.

The following tables demonstrate suitability for inclusion to meet the land need for employment land, which are separated into Commercial and Industrial uses based on available Canby zoning designations. The columns in each table are based on suitability criteria in OAR 660-024-0067(5)(a-g). The tables for commercial/industrial employment suitability include several more columns based on the specific related suitability criteria in OAR 660-024-0067(5)(a)(A-B).

Acres that are considered unsuitable in the tables below include areas that could have been previously excluded from the Study Area. These acres are unsuitable due to lands subject to natural hazards (flooding) or lands that are contiguous of at least five acres where 75 percent or more of the land has a slope of 25 percent or greater. These unsuitable lands are grouped together in the “Acres That Qualify For Exclusion” column in the tables and are subtracted from the amount of suitable lands in a given subarea.

Goal 5 resources are also considered unsuitable land. Goal 5 resources considered as unsuitable land include portions of parcels that contain historic landmarks (clipped to include only the landmarks and not the entire parcel). Wetlands within the Study Area are also unsuitable based on Canby Development Code Chapter 16.140. The Willamette River Greenway, and streams with regulatory buffers are all unsuitable.

Some overlap exists between unsuitable lands that qualify for exclusion, and unsuitable lands that contain Goal 5 resources. The City made note of these overlapping unsuitable areas and did not count them twice in the tables.

At this time, the City decided not to make findings for unsuitability for employment land based on Existing Development Patterns as allowed in OAR 660-024-0067(5)(a)(B).

None of the lands in the Study Area contain conservation easements or committed uses, as described in OAR 660-024-0067(5)(f-g), therefore they are not included in any of the tables.

**Table 7. First Priority Lands Suitability – All Employment**

Subarea	Total Acres	# of Tax Lots	# of Tax Lots ≤ 2 acres	Primarily 2 Acres or Less	Acres That Qualify For Exclusion	Goal 5 Acres	Suitable Acres
<b>1a</b>	110.9	44	19	No	0	0	110.9
<b>1b</b>	4.9	5	5	Yes	0	0	0.0
<b>1c</b>	49.9	16	7	No	0	0.1	49.8
<b>1d</b>	34.3	14	7	No	0	0	34.3
<b>Total</b>	200.0	79	38	-	0	0.1	195.0

There are 200.0 acres of exception land in the Study Area, of which 195.0 acres is considered suitable to meet the employment land need for commercial employment uses after applying the suitability criteria of OAR 660-024-0067(5)(f-g).

The City also considered the specific suitability criteria for Industrial Uses for employment land need based on the amount of industrial land need determined in the EOA.



**Table 8. First Priority Lands Suitability – Employment – Industrial Uses**

<b>Subarea</b>	<b>Total Acres</b>	<b>Acres of Tax Lots &lt;5 Acres</b>	<b>Acres That Qualify For Exclusion</b>	<b>Goal 5 Acres</b>	<b>10% Slope</b>	<b>Suitable Acres</b>
<b>1a</b>	110.9	98.8	0	0	0.4	12.0
<b>1b</b>	4.9	4.4	0	0	0.0	0.5
<b>1c</b>	49.9	26.1	0	0.1	7.6	22.8
<b>1d</b>	34.3	31.5	0	0	0.0	2.7
<b>Total</b>	200.0	160.8	0	0.1	8.0	38.0

Of the 200.0 acres of exception land in the Study Area 38.0 acres are suitable for industrial employment uses after applying the suitability criteria of OAR 660-024-0067(5)(d).

**Table 9. First Priority Lands Suitability – Residential**

<b>Subarea</b>	<b>Total Acres</b>	<b># of Tax Lots</b>	<b>Acres That Qualify For Exclusion</b>	<b>Goal 5 Acres</b>	<b>Suitable Acres</b>
<b>1a</b>	110.9	44	0	0	110.9
<b>1b</b>	4.9	5	0	0	4.9
<b>1c</b>	49.9	16	0	0.1	49.8
<b>1d</b>	34.3	14	0	0	34.3
<b>Total</b>	200.0	79	0	0	199.9

Of the 200.0 acres of exception land in the Study Area nearly all of it is considered suitable to meet the residential land need after applying the suitability criteria of OAR 660-024-0067(5). Much of this exception land is parcelized, with over 80% of the combined tax lot acres being made up of parcels 5 acres or less. For this reason, and based on the expected land need for employment being mostly for industrial uses, the City determined that the exception land in subareas 1a, 1b, 1c, and 1d are best suited to meet the residential and parks land need.

The suitability analysis will help guide the City on future land uses, however further analysis is needed to determine specific subareas to be designated with appropriate residential or employment comprehensive plan designations upon inclusion into the Canby UGB.

The exception land is the highest priority of land for inclusion to meet the all identified land need. With a total of land need of 564.2 acres, and 200.0 acres of exception land able to meet that need, the City finds that the 200.0 acres of first priority land is not enough to meet the identified land need.

The City proceeded to the next highest priority category to determine and select for UGB inclusion as much of the suitable land in that priority as necessary to satisfy the remaining 364.2 acres of land need.



### **Second Priority for Inclusion (OAR 660-024-0067(2)(b))**

The Second Priority for inclusion into the UGB are marginal lands as determined by OAR 660-024-0067(2)(b). There are no marginal lands in Clackamas County, therefore no marginal lands are considered for inclusion into the Canby UGB.

The City finds that there is no second priority land within the study area to meet the identified land need and proceeded to the next highest priority category to determine and select for UGB inclusion.

### **Third Priority for Inclusion (OAR 660-024-0067(2)(c))**

The Third Priority for inclusion into the UGB are agriculture or forest lands that are not predominantly high-value farmland (as defined in ORS 195.300 and ORS 215.710), or lands that do not consist predominantly of prime or unique soils (as determined by the United States Department of Agriculture Natural Resources Conservation Service). The high-value farmland areas shown in Figure 14, demonstrates that the remainder of the Study Area shall be evaluated for third priority inclusion. This analysis will focus on subareas 2-10, as the exception lands subareas have already been identified as suitable to satisfy some of the land need. The City used the agricultural land capability classification system.

OAR 660-024-0067(4)(a) allows for areas of land not larger than 100 acres to be grouped together and studied as a single unit of land. In accordance with this rule, subareas 2, 3, 4, and 7 that are not larger than 100 acres are grouped together for the purposes of categorizing and evaluating land pursuant to the third and fourth priority categories.

OAR 660-024-0067(4)(b) allows for areas of land larger than 100 acres that are similarly situated to be grouped together for analysis. Due to the multiple definitions of high-value farmland, all of the subareas are considered predominately high-value farmland. Most of the subareas over 100 acres in size have portions of soils of higher and lower capability grouped together. Separating the lands into smaller subareas based on agricultural land capability classification would not change the prioritization for inclusion into the UGB because the characteristics of the subareas still meet the definition of containing predominately high-value farmland as defined in ORS 217.715. Therefore, subareas that group higher and lower capability resource lands can be grouped together and remain consistent with the intent of prioritization rule in OAR 660-024-0067(2). Table 10 below demonstrates that each subarea is predominately high-value farmland, based on the amount of prime or unique soils (acres) for each of the remaining subarea.



**Table 10. Prime or Unique Soils**

Subarea (exception land subareas not included)	Total Acres in Subarea	Prime or Unique Soils (Acres) in Subarea	Percent of Acerage with Prime or Unique Soils
<b>2</b>	13.0	13.0	100%
<b>3</b>	60.8	60.8	100%
<b>4</b>	27.8	27.5	99%
<b>5</b>	392.4	308.4	79%
<b>6</b>	345.8	313.6	91%
<b>7</b>	40.5	39.1	97%
<b>8</b>	227.9	183.5	81%
<b>9</b>	112.0	96.7	86%
<b>10</b>	95.9	90.7	95%
<b>Total</b>	1316.1	1133.2	86%

To demonstrate all definitions that designate these areas as high-value farmland, the acres of prime or unique soils and acres of viticultural area are separated from the lands that meet the definition based on the agricultural land capability classification system. Table 11 below demonstrates the amount of high-value farmland in each subarea with each definitions separated. In reality, the subareas have considerable overlap between the definitions that designate the land as high-value farmland.

**Table 11. High-Value Farmland by Varying Definitions**

Subarea (exception land subareas not included)	High-Value Farmland Areas				Non High- Value Farmland Acres	Total Acres	Percent High-Value Farmland
	Class I & II Soils	Willamette Soils Class III & IV	Prime or Unique (not in soil subclass)	Viticultural Area (not in soil subclass/prime or unique)			
<b>2</b>	13.0	-	-	-	0.0	13.0	100%
<b>3</b>	60.8	-	-	-	0.0	60.8	100%
<b>4</b>	27.5	-	-	-	0.4	27.8	99%
<b>5</b>	319.7	33.9	3.4	-	35.5	392.4	91%
<b>6</b>	299.5	22.0	17.7	-	6.5	345.8	98%
<b>7</b>	39.1	0.5	-	0.1	0.9	40.5	98%
<b>8</b>	211.8	8.7	7.4	-	-	227.9	100%
<b>9</b>	96.7	6.7	-	-	8.7	112.0	92%
<b>10</b>	90.7	-	-	-	5.1	95.9	95%
<b>Total</b>	1,158.8	71.7	28.6	0.1	57.0	1,316.1	96%

The City finds that the majority of each subarea is considered high-value farmland, based on the definitions of ORS 195.300(10) and ORS 215.710. All of the subareas are therefore predominantly high-value farmland for the purposes of determining third and fourth priority of land for inclusion in a UGB as outlined in OAR 660-024-0067(2).

The remaining non-exception land subareas were evaluated for third priority inclusion:

**Subarea 2** – Soils on the lands in this subarea are predominately high-value, due to the status of “Prime farmland if irrigated”, and Class I or II soils.

The City finds that Subarea 2 does not have enough third priority land to meet the identified needs.





**Subarea 3** – Soils on the lands in this subarea are predominately high-value, due to the status of “Prime farmland if irrigated”, and Class I or II soils.

The City finds that Subarea 3 does not have enough third priority land to meet the identified needs.

**Subarea 4** – Soils on the lands in this subarea are predominately high-value, due to the status of “Prime farmland if irrigated”, and Class I or II soils.

The City finds that Subarea 4 does not have enough third priority land to meet the identified needs.

**Subarea 5** – Soils on the lands in this subarea are predominately high-value, due to the status of “All areas are prime farmland”, “Prime farmland if irrigated”, Class I or II soils, or subclass III or IV of Latourell loam.

Approximately 35 acres of the 392.4 acre subarea is not considered high-value farmland. This non-high-value farmland is separated from the existing UGB, and consist of an “island” within the SFHA boundary and a “band” of soil type that run north to south roughly along the SFHA boundary of the subarea.

Pursuant to OAR 660-024-0067(4)(b), areas of land larger than 100 acres that are similarly situated and have similar soils may be grouped together provided soils of lower agricultural or forest capability may not be grouped with soils of higher capability in a manner inconsistent with the intent of section (2) of this rule, which requires that higher capability resource lands shall be the last priority for inclusion in a UGB.

Because the “island” and “band” of non-high-value soil is isolated from other similar types of soils, it would not present a logical separate subarea and was grouped into the greater Subarea 6. The 35.5 acres of non-high-value farmland out of the 392.4 acre subarea does not meet the threshold to be considered not predominantly high-value farmland.

The City finds that Subarea 5 does not have enough third priority land to meet the identified needs.

**Subarea 6** – Soils on the lands in this subarea are predominately high-value, due to the status of “All areas are prime farmland”, “Prime farmland if irrigated”, Class I or II soils, or subclass III or IV of Latourell loam.

6.5 acres of non-high-value farmland exists in this subarea, located on the very north portion of the subarea that is abutting the Willamette River. Pursuant to OAR 660-024-0067(4)(b), areas of land larger than 100 acres that are similarly situated and have similar soils may be grouped together provided soils of lower agricultural or forest capability may not be grouped with soils of higher capability in a manner inconsistent with the intent of section (2) of this rule, which requires that higher capability resource lands shall be the last priority for inclusion in a UGB.

Because the area of non-high-value soil along the Willamette River is isolated from other similar types of soils, it would not present a logical separate subarea and was grouped into the greater Subarea 6. The 6.5 acres of non-high-value farmland out of the 345.8 acre subarea does not meet the threshold to be considered not predominantly high-value farmland.

The City finds that Subarea 6 does not have enough third priority land to meet the identified needs.

**Subarea 7** – Soils on the lands in this subarea are predominately high-value, due to the status of “All areas are prime farmland”, Class I or II soils, or subclass III or IV of Latourell loam.



There are 0.9 acres of non-high-value farmland in this subarea, located to the east of East Madrona Lane in tax lot: 31E26 01300. Pursuant to OAR 660-024-0067(4)(a), areas of land not larger than 100 acres may be grouped together and studied as a single unit of land. The 0.9 acres of non-high-value farmland in the 40.5 acre subarea does not meet the threshold to be considered not predominantly high-value farmland.

The City finds that Subarea 7 does not have enough third priority land to meet the identified needs.

**Subarea 8** – Soils on the lands in this subarea are predominately high-value, due to the status of “All areas are prime farmland”, “Farmland of unique importance”, Class I or II soils, or subclass III or IV of Dayton silt loam.

The City finds that Subarea 8 does not have enough third priority land to meet the identified needs.

**Subarea 9** – Soils on the lands in this subarea are predominately high-value, due to the status of “All areas are prime farmland”, Class I or II soils, or subclass III or IV of Latourell loam.

Approximately 9 acres of non-high-value resource lands exist in this subarea, located to the east of South Mulino Road in tax lot: 41E02 00600. Pursuant to OAR 660-024-0067(4)(b), areas of land larger than 100 acres that are similarly situated and have similar soils may be grouped together provided soils of lower agricultural or forest capability may not be grouped with soils of higher capability in a manner inconsistent with the intent of section (2) of this rule, which requires that higher capability resource lands shall be the last priority for inclusion in a UGB.

The 8.7 acres of non-high-value farmland within the 112.0 acre subarea does not meet the threshold to be considered not predominantly high-value farmland. Subarea 9 was created with the lower capability soils intentionally included. The City finds that there is no practical way to create the subarea to separate the higher and lower capability soils based on the location of the lower capability soils in the subarea.

The City finds that Subarea 9 does not have enough third priority land to meet the identified needs.

**Subarea 10** – Soils on the lands in this subarea are predominately high-value, due to the status of “All areas are prime farmland”, or are Class I or II soils.

Approximately 5 acres of non-high-value farmland exist in this subarea, located to the south of Southeast 13th Avenue along the boundary of the subarea in tax lots: 41E03 02400, 41E03 02500, 41E03 02600, 41E03 02601, and 41E03 02602. Pursuant to OAR 660-024-0067(4)(a), areas of land not larger than 100 acres may be grouped together and studied as a single unit of land. The 5.1 acres of non-high-value farmland within the 95.9 acre subarea does not meet the threshold for farmland that is not predominantly high-value. Subarea 10 was created with the lower capability soils intentionally included. There is no practical way to create the subarea to separate the higher and lower capability soils.

The City finds that Subarea 10 does not have enough third priority land to meet the identified needs.



### **Third Priority Conclusion**

The City finds that through using the agricultural land capability classification system, there are no subareas that are not predominately high-value farmland that can be included in the UGB to meet the land need. No lands are included using the Third Priority criteria. The City analyzed the remaining land for Fourth Priority inclusion.

### **Fourth Priority for Inclusion (OAR 660-024-0067(2)(d))**

As dictated by ORS 195.300 and 215.710, defining high-value farmland relies on a series of soil, crop, water, and topographic analyses. Of the 12 definitions of high-value farmland in state statutes, one definition identifies high-value farmland as areas predominantly composed of soils classified as Class I or Class II by NRCS. Class I and Class II soils are high-value soils because they are resilient to damage, easy to manage, and have few limitations for field crops. Pursuant to OAR 660-024-0067(4)(d), predominantly means more than 50 percent of the land being evaluated. Based on these definitions, all of the Canby UGB Study Area is predominantly composed of Class I or Class II soils.

The Study Area is evaluated against the remaining sections of ORS 195.300 and 215.710. Land located in EFU zones within irrigation districts or water use permit holdings, the prevalence of wine grape crops, and land containing named high-value soils or specific elevations, slopes, and aspects within the Willamette Valley viticultural area are determined as high-value farmland.

Table 10 above demonstrates acreage high-value Prime or Unique soils separated. Table 11 outlines the different categories of high-value farmland that make up each remaining subarea. As determined, the majority of the remaining lands have Prime and/or Unique soils overlapping with the other definitions of high-value farmland. The presence of Prime or Unique soils are considered in the determination of farmland value, however the predominance of Class I or Class II soils is enough to consider the entire Study Area to be predominately high-value farmland.

The Fourth Priority for inclusion into the UGB are areas of predominantly high-value farm or forest land. The Fourth Priority inclusion criteria state that a city may not select land that is predominantly made up of prime or unique farm soils, as defined by the USDA NRCS, unless there is an insufficient amount of other land to satisfy its land need. As established, there is a remaining land need of 364.2 acres after the suitability analysis for first priority lands determined that all exception lands are suitable for inclusion. The remaining non-exception resource land is being considered for Fourth Priority inclusion into the UGB in order to meet the land need.

Subareas 2, 3, 4, 5, 6, 7, 8, 9 and 10 are the remaining subareas for fourth priority inclusion. These subareas have enough land to satisfy the identified need. The following tables demonstrates the suitability for inclusion to meet the remaining land need.





## Fourth Priority Suitability Criteria

**Table 12. Fourth Priority Lands Suitability – Employment**

Subarea	Total Acres	# of Tax Lots	# of Tax Lots ≤ 2 acres	Primarily 2 Acres or Less	Acres Qualify for Exclusion	Goal 5 Acres	Suitable Acres
<b>2</b>	13.0	1	0	No	0	0	13.0
<b>3</b>	60.8	3	0	No	0	0	60.8
<b>4</b>	27.8	3	1	No	0	0	27.8
<b>5</b>	392.4	26	4	No	163.1	18.9	226.5
<b>6</b>	345.8	60	29	No	8.4	28.0	315.6
<b>7</b>	40.5	3	1	No	0	0.2	40.3
<b>8</b>	227.9	19	3	No	0	0.6	227.3
<b>9</b>	112.0	2	1	No	42.1	4.3	69.8
<b>10</b>	95.9	5	2	No	0	0.1	95.8
<b>Total</b>	1316.1	122	41	-	213.7	52.0	1076.9

There are 1,316.1 acres of fourth priority land in the Study Area, of which 1,076.9 acres is considered suitable to meet the employment land need for commercial employment uses after applying the suitability criteria of OAR 660-024-0067(5)(f-g). This amount of land exceeds the amount necessary to satisfy the need deficiency.

The City also considered the specific suitability criteria for Industrial Uses for employment land need because there is a high need of industrial land determined in the EOA.

**Table 13. Fourth Priority Lands Suitability – Employment – Industrial Uses**

Subarea	Total Acres	Acres of Tax Lots <5 Acres	Acres That Qualify For Exclusion	Goal 5 Acres	10% Slope	Suitable Acres
<b>2</b>	13.0	0	0	0	0	13.0
<b>3</b>	60.8	0	0	0	0	60.8
<b>4</b>	27.8	1.2	0	0	0	26.7
<b>5</b>	392.4	11.6	163.1	18.9	20.7	195.3
<b>6</b>	345.8	87.6	8.4	28.0	27.9	227.0
<b>7</b>	40.5	0.2	0	0.2	1.6	38.5
<b>8</b>	227.9	21.3	0	0.6	13.9	192.9
<b>9</b>	112.0	0.9	42.1	4.3	1.0	68.0
<b>10</b>	95.9	5.2	0	0.1	1.1	90.1
<b>Total</b>	1316.1	127.9	213.7	52.0	66.2	912.1

Of the 1,316.1 acres of fourth priority land in Study Area 912.1 acres are suitable for industrial employment uses after applying the suitability criteria of OAR 660-024-0067(5)(d). This amount of land exceeds the amount necessary to satisfy the need deficiency.



**Table 14. Fourth Priority Lands Suitability – Residential**

<b>Subarea</b>	<b>Total Acres</b>	<b># of Tax Lots</b>	<b>Acres That Qualify For Exclusion</b>	<b>Goal 5 Acres</b>	<b>Suitable Acres</b>
<b>2</b>	13.0	1	0	0	13.0
<b>3</b>	60.8	3	0	0	60.8
<b>4</b>	27.8	3	0	0	27.8
<b>5</b>	392.4	26	163.1	18.9	226.5
<b>6</b>	345.8	60	8	28.0	315.6
<b>7</b>	40.5	3	0	0.2	40.3
<b>8</b>	227.9	19	0	0.6	227.3
<b>9</b>	112.0	2	42.1	4.3	69.8
<b>10</b>	95.9	5	0	0.1	95.8
<b>Total</b>	1316.1	122	213.7	52.0	1076.9

There are 1,316.1 acres of fourth priority land in the Study Area, of which 1,076.9 acres of land is suitable to meet the residential and parks land need after applying the suitability criteria of OAR 660-024-0067(5). Compared to the exception land, fewer of these subareas are highly parcelized, with approximately 30% of the parcels being 2 acres or less, as demonstrated in Table 12. For this reason, the City determined that the fourth priority land in subareas 2-10 are best suited to meet the remaining employment land deficiency.

Because there is an excess of suitable fourth priority lands, the subareas are analyzed with the Goal 14 Location Factors pursuant to OAR 660-024-0067(1)(c) to determine which of the subareas are best suited for inclusion into the UGB to satisfy the remaining land need.

The UGB Expansion Phase 2 Memo will complete the Goal 14 Location Factors and finalize the findings for which lands will be included into the Canby UGB.



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**Appendix 1 – Madrona Lane Site Evaluation, CURRAN-McLEOD, INC.**

