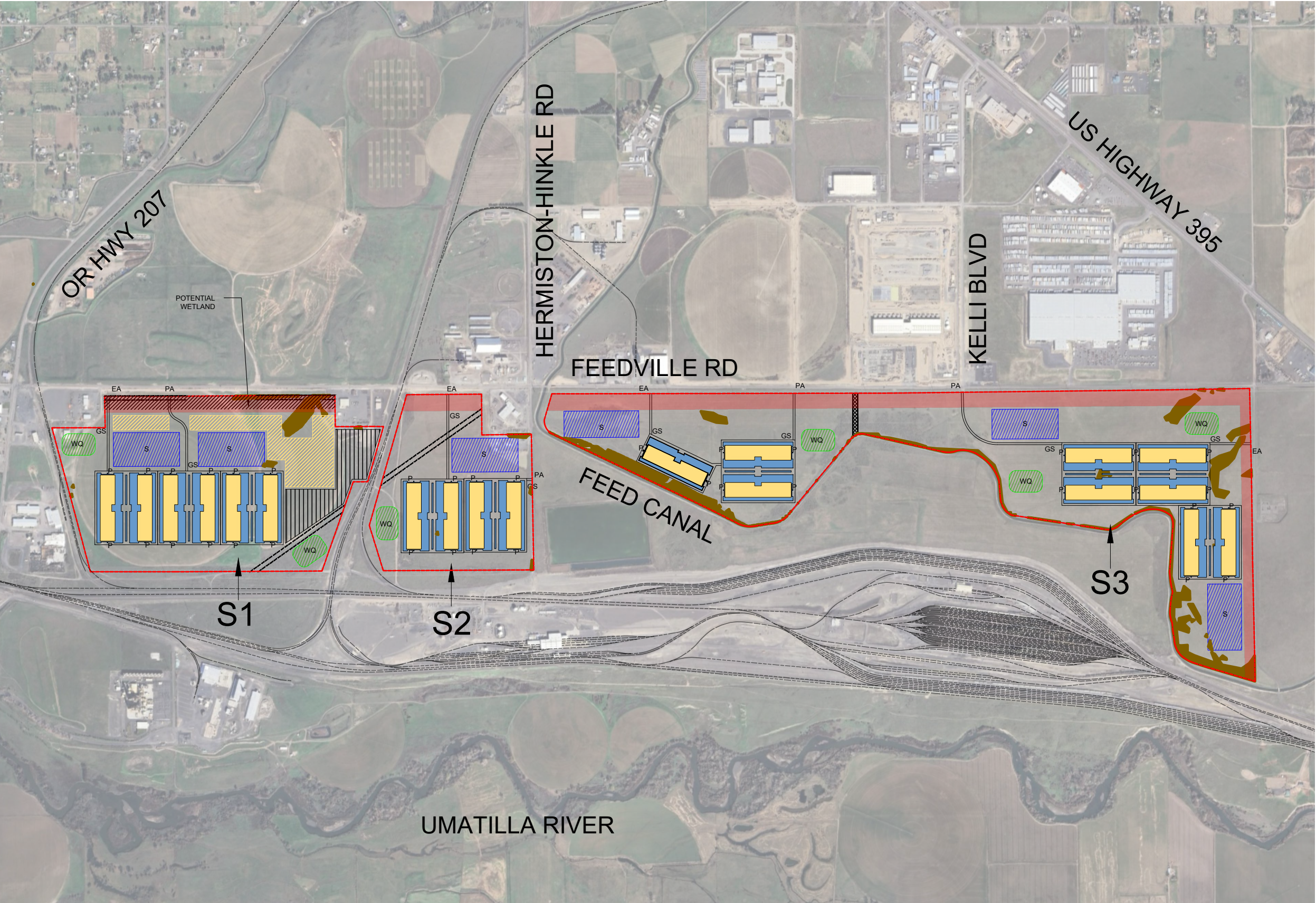


Hermiston Urban Growth Boundary Expansion and Related Plan and Code Amendments

Prepared by Winterbrook Planning in coordination with
the City of Hermiston and Umatilla County
Johnson Economics, Mackenzie, Kittleson Associates, and Anderson Perry



Figure 1 Overall Hyperscale Data Centers Conceptual Plan

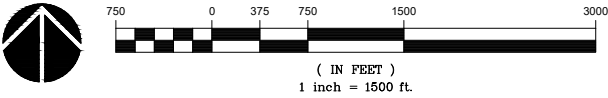


LEGEND

- GS = GUARD SHACK AREA
- P = AUTO PARKING AREA
- EA = EMERGENCY ACCESS
- PA = PRIMARY ACCESS
- [Yellow Box] = BUILDINGS
- [Green Box with WQ] = WATER QUALITY
- [Blue Box] = YARD/SUPPORT AREAS
- [Hatched Box] = RESIDENTIAL BUFFER
- [Blue Box with S] = SUBSTATION
- [Brown Box] = SLOPED AREAS (>5%)
- [Yellow Box with Diagonal Lines] = FUTURE ACCESSORY BLDGS
- [Hatched Box] = EXISTING POWER/CELL AREA
- [Cross-hatched Box] = FEED CANAL EASEMENT
- [Red Box] = FUTURE 150'/250' POWER CORRIDOR
- [Dashed Line] = EXISTING POWER EASEMENT
- [Dotted Line] = EXISTING RAILROAD

- NOTES**
- 1: TYPICAL BUILDING SIZE IS 200,000 SF - 250,000 SF EACH & 35' TALL
 - 2: ALL ACCESS POINTS AND INTERIOR DRIVE AISLES ARE 30' IN WIDTH
 - 3: AUTO PARKING IS LOCATED AT EACH BUILDING END (SHORT DIMENSION)

NOTE: PLANS ARE CONCEPTUAL AND SUBJECT TO CHANGE AS TRACTS DEVELOP



General Information

Applicant:	City of Hermiston
Representative:	Jesse Winterowd, AICP, Winterbrook Planning 610 SW Alder Street, Suite 810, Portland, OR 97205 503-827-4422 ext. 109 Jesse@winterbrookplanning.com
Proposal:	<p>The proposed plan amendment package implements the 2024 Hermiston Economic Opportunities Analysis (EOA) by providing five suitable hyperscale data center (HDC) sites on land immediately south of the existing urban growth boundary (UGB).</p> <p>(1) Amend the Hermiston Comprehensive Plan (HCP) map by expanding the UGB by 810 gross acres (including rights-of-way) and re-designate the UGB Expansion Area from County Heavy Industrial (HI) and Exclusive Farm Use (EFU) to Urban Industrial/HDC.</p> <p>(2) Amend the HCP text to reflect changes in population and employment forecasts, and to protect land within the UGB expansion area for their intended HDC uses.</p> <p>(3) Adopt the 2025 Public Facilities Plan (PFP) which demonstrates that the city can provide urban services efficiently to land within the existing UGB and the proposed UGB Expansion Area.</p> <p>(4) Amend the City Land Utilization Ordinance (LUO) and the County Zoning Ordinance to include a new HDC Overlay to ensure that land added to the UGB is reserved for HDCs and supporting uses.</p> <p>(5) Amend the Umatilla County Zoning Map for the Urban City Industrial/HDC Area to Industrial (M-2/HDC).</p> <p>(6) Annex the proposed UGB Expansion Area to the city of Hermiston.</p>

Table of Contents

Appendices 4

Table of Figures 5

Abbreviations and Definitions..... 5

Section 1. Introduction..... 7

 Purpose of the Proposed Plan Amendment Package..... 7

 Local Policy Basis 17

Section 2. Compliance with Goal 14..... 20

 Goal 14: Urbanization 20

 The UGB Amendment Rule 21

 HCP Urbanization Policies..... 42

 Joint Management Agreement 47

Annexation.....	49
Section 3. Applicable Procedural Goals.....	53
Goal 1: Citizen Involvement.....	53
Goal 2: Land Use Planning.....	54
Section 4. Compliance with Applicable Substantive Goals.....	60
Goal 6: Air, Water and Land Resources Quality.....	60
Goal 9: Economic Development.....	63
Goal 11: Public Facilities and Services.....	65
Goal 12: Transportation.....	67
Goal 13: Energy Conservation.....	71
Conclusion.....	75

Appendices

Appendix A: Plan Amendment Package

1. Hermiston Comprehensive Plan (HCP) text and map amendments
2. Hermiston Public Facilities Plan (PFP)
3. Hermiston Land Utilization Ordinance (LUO) amendments – Hyperscale Data Center (HDC) Overlay

Appendix B: HDC Conceptual Development Plan

Appendix C: GIS Map Set (Winterbrook Planning, APA)

Appendix D: Transportation Assessment (TIA, Kittelson & Associates)

Appendix E: Public Facilities Study (APA)

1. UGB Alternatives Analysis
2. Public Facilities Study for the UGB Expansion Area

Appendix F: UGB Expansion Property Information

1. Tax Lot Numbers and Tax Assessors Maps
2. Property owner petition agreeing to annexation
3. Legal description of property proposed for annexation

Appendix G: Consolidated Plan Amendment Application Information

1. Council Resolution Initiating Application
2. November 2019 Zoning Determination Letter

Appendix H: Umatilla County, Neighboring City, State Agency and Interest Group Coordination

1. Affected Local Governments
2. Affected State Agencies

Appendix I: Additional Background Information

1. Water Supply Capacity Memorandum (Mark Morgan, Hermiston Water Department, July 14, 2025)
2. Data Center Water Use Facts (Mark Morgan, Assistant City Manager, May 2024)

Table of Figures

Figures listed below appear on the page following each figure's initial reference in this narrative.

Figure 1-1 Overall Hyperscale Data Centers Conceptual Plan	2
Figure 1-1A Hyperscale Data Center Conceptual Development Plan (S1 and S2)	8
Figure 1-1B Hyperscale Data Center Conceptual Development Plan (S3)	9
Figure 1-2 UGB Expansion Area – Comprehensive Plan Map and Zoning Designations.....	12
Figure 1-3A Planned Water Facilities Serving the UGB Expansion Area.....	13
Figure 1-3B Planned Wastewater Facilities Serving the UGB Expansion Area.....	14
Figure 1-3C Planned Transportation Facilities Serving the UGB Expansion Area.....	15
Figure 2-1 Preliminary Study Area Map	26
Figure 2-2 Suitable HDC Tracts with One or More Suitable HDC Sites within the Study Area	31
Figure 2-3 Suitable HDC Tracts by UGB Rule Priority	35
Figure 2-4 Suitable HDC Tracts in relation to Agricultural Land.....	40
Figure 2-5 Annexation Area Map.....	50

Adopted and Acknowledged Reference Documents

- Hermiston Economic Opportunity Analysis (EOA 2024)
- Hermiston Comprehensive Plan (HCP 2024)
- Hermiston Transportation System Plan (TSP 1997)
- Hermiston 2040 Community Vision Action Plan (2022)
- Hermiston-Umatilla County Joint Management Agreement (JMA – 2017)
- Umatilla County Comprehensive Plan (UCCP – latest edition)
- Umatilla County Transportation System Plan (UC-TSP 2002)

Abbreviations and Definitions

DLCD	Oregon Department of Land Conservation and Development
EFU	Umatilla County Exclusive Farm Use Zone
EOA	Economic Opportunities Analysis
HCP	Hermiston Comprehensive Plan
HDC	Hyperscale Data Center
HDC Overlay	Hyperscale Data Center Overlay: Plan Designation and Zone
JMA	Joint Management Agreement between Hermiston and Umatilla County
HMC	Hermiston Municipal Code
LCDC	Oregon Land Conservation and Development Commission
LUO	Hermiston Land Utilization Ordinance
OAR	Oregon Administrative Rules: Goal 9 Rule (OAR 660-009 Economic Development) Goal 11 Rule (OAR 660-0011 Public Facilities and Services)

TPR (OAR 660-0012 Transportation Planning Rule)
UGB Rule (OAR 660-0024 Urban Growth Boundaries)

ODOT Oregon Department of Transportation
ORS Oregon Revised Statutes
PFP Hermiston Public Facilities Plan

Plan Amendment Package As used in this narrative, the “plan amendment package” includes the following amendments to land use plans and regulations necessary to implement the 2024 Hermiston Economic Opportunities Analysis (EOA) by providing suitable hyperscale data center (HDC) sites:

- Hermiston Comprehensive Plan (HCP) text and map changes
- Hermiston Urban Growth Boundary (UGB) expansion
- Public Facility Plan (PFP) adoption, and
- Land Usage Ordinance (LUO) text and map changes

Suitable Tracts Serviceable tracts (parcels with at least 20 acres under common ownership with at least 200 feet from existing or planned residential areas) with the characteristics required by the targeted employment use to operate. Suitable tracts include one or more suitable sites. As documented in the Hermiston EOA, HDCs require flat ($\leq 5\%$ slope), and serviceable sites with at least 100 acres outside the 100-year floodplain.

TIA Transportation Impact Analysis for UGB Expansion Area (Kittleson - 2025)

TSP Hermiston Transportation System Plan Update (Kittelson – 2025)

UGA Hermiston Urban Growth Area (unincorporated area within the UGB)

UGB Hermiston Urban Growth Boundary

UPRR Union Pacific Railroad

UCCP Umatilla County Comprehensive Plan

UCDC Umatilla County Development Code

Urban Land *“Areas immediately adjacent to the existing city limits where annexations in the near future are most likely to occur and where a full complement of urban service, including water, sewer and roads, can be readily extended. To assure efficient urbanization of these areas, detailed land use and public facilities planning has been undertaken.” (HCP Policy 4)*

Urbanizable Land *“Outlying areas designated as urbanizable, only nodes of commercial, industrial and community service uses ... have been designated on the comprehensive plan map. Detailed planning for these areas will occur as they are converted to urban land.” (HCP Policy 4)*

Section 1. Introduction

Purpose of the Proposed Plan Amendment Package

The purpose of the proposed plan amendment package is to meet the short-term need for suitable hyperscale data center (HDC) sites. Separate UGB amendments will be needed in the future to meet intermediate to long-term large-site commercial, industrial, and additional HDC needs identified in the 2024 EOA.

The 2024 Hermiston Economic Opportunities Analysis (EOA) determined that the demand for suitable HDC sites is extremely high in Umatilla County, and that Hermiston is well-positioned to attract much of this demand. The EOA determined that:

- In 2023, Hermiston permitted two HDCs within its existing UGB, each which includes four data center buildings and a power substation. These two HDC sites cover about 215 acres.
- HDCs require sites with at least 100 suitable acres. Each suitable site can accommodate two large data center buildings supported by parking and an electrical substation. In some cases, additional land is needed for electrical transmission line easements servicing suitable HDC sites or because the site is irregularly shaped.
- Hermiston has no remaining employment sites larger than 50 acres within its UGB; hence the need for the proposed urban growth boundary (UGB) amendment.
- Nine additional 100+ acre HDC sites are needed to accommodate demand during the 20-year planning period. The proposed UGB expansion includes the equivalent of five suitable HDC sites, found in three separate tracts (land under common ownership) to accommodate short-term HDC site needs.

The proposed UGB Expansion Area includes the equivalent of five suitable sites to meet the short-term need for development-ready 100-acre+ HDC sites. Figure 1-1 shows the conceptual development plan for the five suitable HDC sites.

- Each HDC site is intended to include enough land for four data center buildings.
- The three tracts contain enough land to efficiently accommodate 19 data center buildings (the equivalent of approximately five sites of four buildings each).

The proposed **HDC Overlay (Appendix A.3)** will ensure that the UGB Expansion Area is reserved for HDC use. As shown in **Figure 1-1A** and **Figure 1-1B** (following pages), the proposed UGB Expansion Area includes the Feedville Road right-of-way and the northern half of the Hermiston Irrigation District's Feed Canal easement. The UGB Expansion Area is bordered by:

- North - the existing Hermiston UGB and an industrial exception area;¹
- South - the Union Pacific Railroad (UPRR) industrial exceptions area, yard and tracks;
- East - the Stanfield UGB to the east; and
- West - an industrial exception area.

¹ Two small agricultural/commercial uses are located on EFU land south of Feedville Road: Purswell Pump and M&M Potato.

Figure 1-1A Hyperscale Data Center Conceptual Development Plan (S1 and S2)

LEGEND

- GS = GUARD SHACK AREA
- P = AUTO PARKING AREA
- EA = EMERGENCY ACCESS
- PA = PRIMARY ACCESS
- [Yellow Box] = BUILDINGS
- [Green Box with WQ] = WATER QUALITY
- [Blue Box] = YARD/SUPPORT AREAS
- [Hatched Box] = RESIDENTIAL BUFFER
- [Blue Box with S] = SUBSTATION
- [Brown Box] = SLOPED AREAS (>5%)
- [Yellow Box with Diagonal Lines] = FUTURE ACCESSORY BLDGS
- [Hatched Box with Vertical Lines] = EXISTING POWER/CELL AREA
- [Cross-hatched Box] = FEED CANAL EASEMENT
- [Red Box] = FUTURE 150'/250' POWER CORRIDOR
- [Dashed Line] = EXISTING POWER EASEMENT
- [Dotted Line] = EXISTING RAILROAD

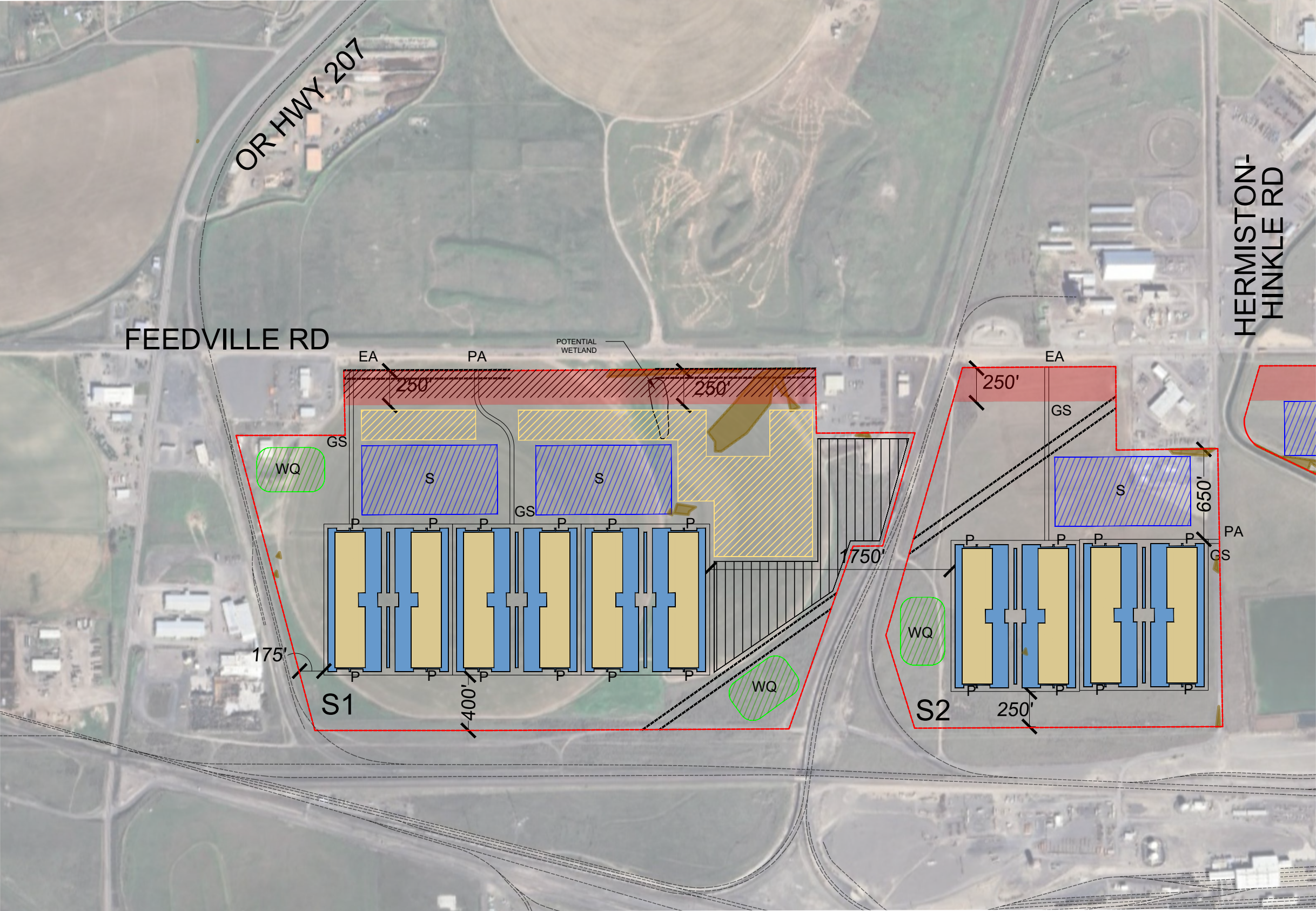
NOTES

1: TYPICAL BUILDING SIZE IS 200,000 SF - 250,000 SF EACH & 35' TALL

2: ALL ACCESS POINTS AND INTERIOR DRIVE AISLES ARE 30' IN WIDTH

3. AUTO PARKING IS LOCATED AT EACH BUILDING END (SHORT DIMENSION)

TRACT DATA	
S1	
TRACT AREA	±240.43 AC (220 SUITABLE ACRES)
BUILDING AREA	± 1,200,000 SF
PARKING	±240 SPACES
S2	
TRACT AREA	±120.35 AC (111 SUITABLE ACRES)
BUILDING AREA	± 800,000 SF
PARKING	±160 SPACES



NOTE: PLANS ARE CONCEPTUAL AND SUBJECT TO CHANGE AS TRACTS DEVELOP

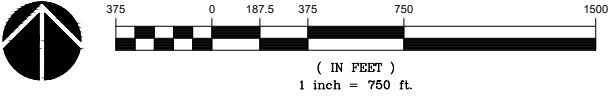
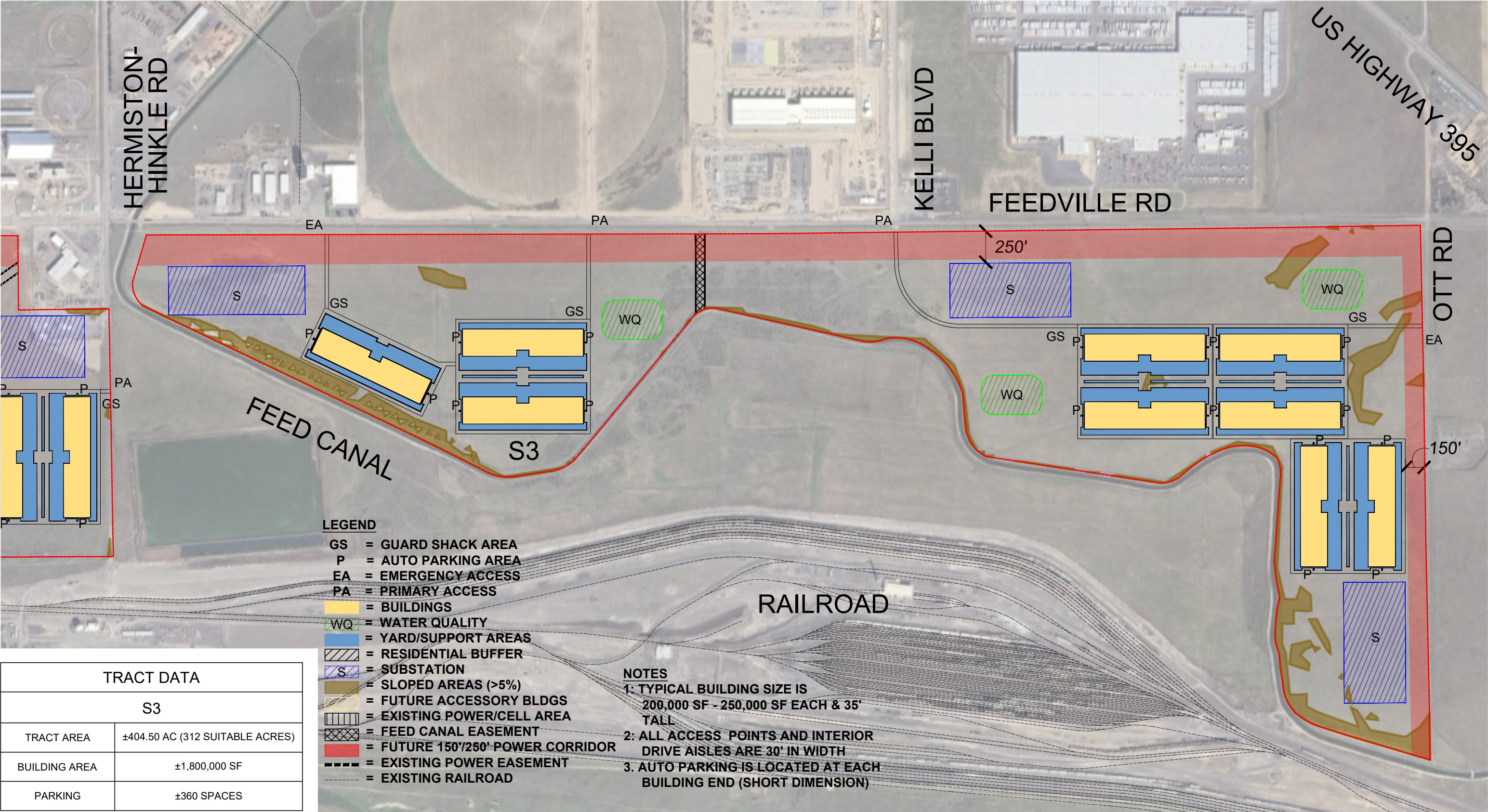
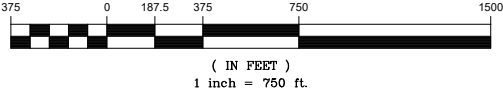


Figure 1-1B Hyperscale Data Center Conceptual Development Plan (S3)



NOTE: PLANS ARE CONCEPTUAL AND SUBJECT TO CHANGE AS TRACTS DEVELOP



Proposed Plan Amendment Package

The following HCP and LUO changes are needed to implement the EOA and are found in **Appendix A:**

- **HCP text and map amendments:**
 - Changes to HCP Policy 4 Orderly Urban Growth – to update background information consistent with the proposed UGB and HCP amendment package
 - Changes to HCP Policy 20 General Economic Development – to update background information consistent with the adopted 2024 EOA
 - Changes to HCP Policy 23 Provision of Public Facilities and Services and Policy 24 Water, Sewer and Storm Drainage – consistent with the proposed 2025 Hermiston PFP and to include information related to the replenishment of groundwater aquifers.
 - Changes to the Comprehensive Plan Map – to show the expanded UGB and areas redesignated from rural to Urban / Industrial with a HDC Overlay.
- **Hermiston LUO and Umatilla County Zoning Ordinance text and map amendments** to implement the acknowledged 2024 EOA, comply with the UGB Amendment Rule, HCP Policies 4 and 6, and the Joint Management Agreement (JMP) with Umatilla County.
- A new **Public Facilities Plan (PFP)** which shows how the city will serve the existing and expanded urban growth area (UGA) with critical public infrastructure, including wastewater, water, transportation and stormwater management facilities. Appendix 1 to the PFP incorporates information from the Public Facilities Study for the UGB Expansion Area (Appendix E.2 to this narrative) into the city-wide PFP.

Appendix F:

- **Annexation Map** – showing the precise location of the proposed annexation area.

Proposed UGB Expansion Area: HCP and Zoning Map Designations

Figure 1-2 (following pages) shows the proposed UGB Expansion Area in relation to the existing UGB. The UGB Expansion Area includes 810 gross acres:

- Five suitable HDC sites, located in three tracts, on about 764 gross acres – of which 643 acres are suitable for HDC uses.²
- To facilitate safe and efficient transportation and public facilities access to HDC sites, approximately 46 acres of existing public and railroad rights-of-way (including portions of Feedville Road, Highway 207, Ott Road, and UPRR tracks).

The city and county will designate each of these five sites Heavy Industrial (M-2) with an HDC overlay to ensure they are used exclusively for HDC uses. In preparation for the proposed UGB Expansion, Hermiston prepared a city-wide Public Facilities Plan (PFP) for the area within the existing UGB. **Figure 1-3A** through **Figure 1-3C** (following pages) show how the city intends to provide key urban services to the UGB Expansion Area. The Public Facilities Study for the UGB

² After excluding topographically constrained areas, existing and proposed easements, and required residential buffers.

Expansion Area (**Appendix A.2**) provides a project list and costs for necessary water and sewer services. The TIA for the Expansion Area (**Appendix D**) provides a discussion on necessary transportation improvements and approximate costs.

Figure 1-2 UGB Expansion Area – Comprehensive Plan Map and Zoning Designations

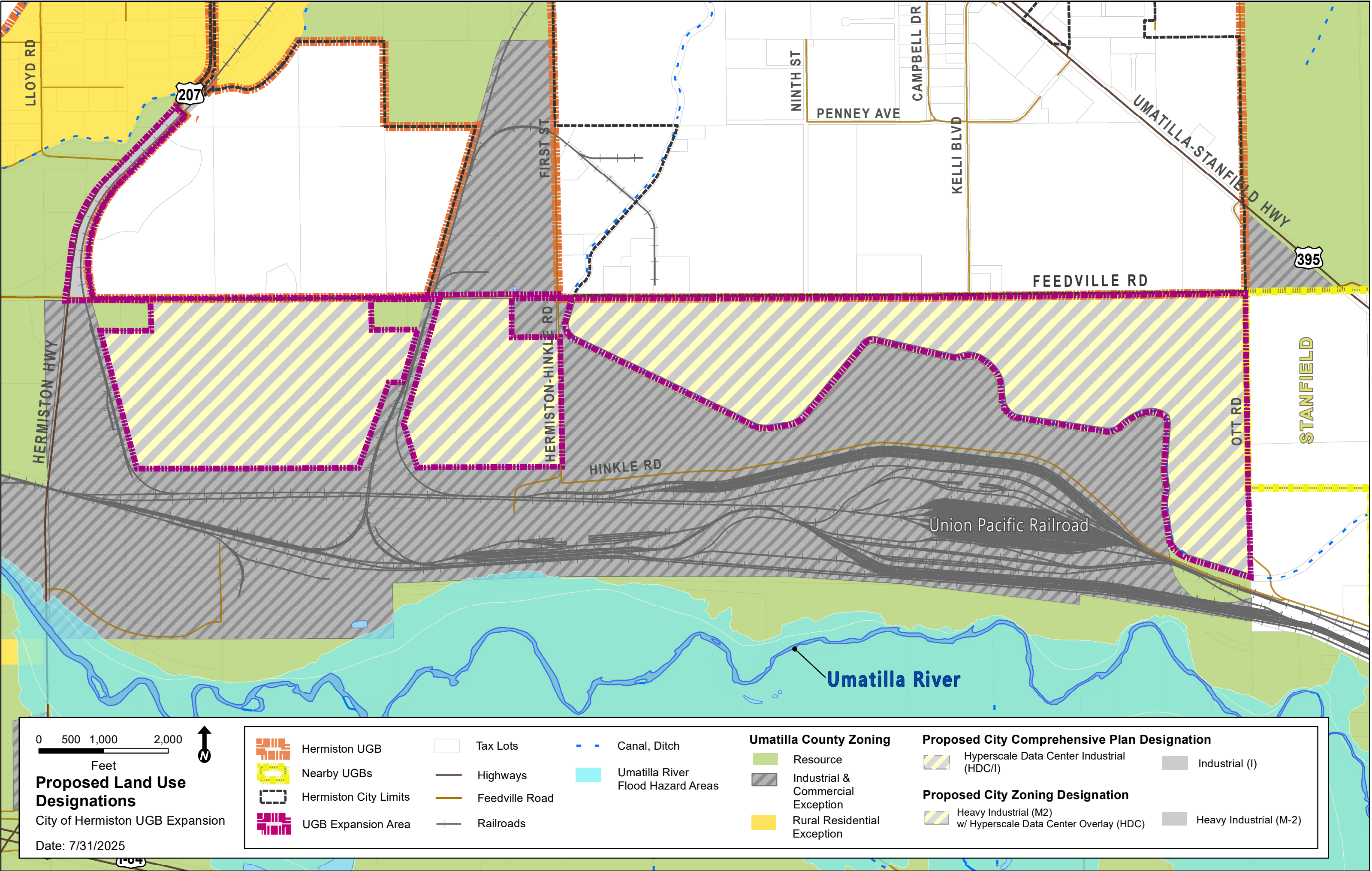
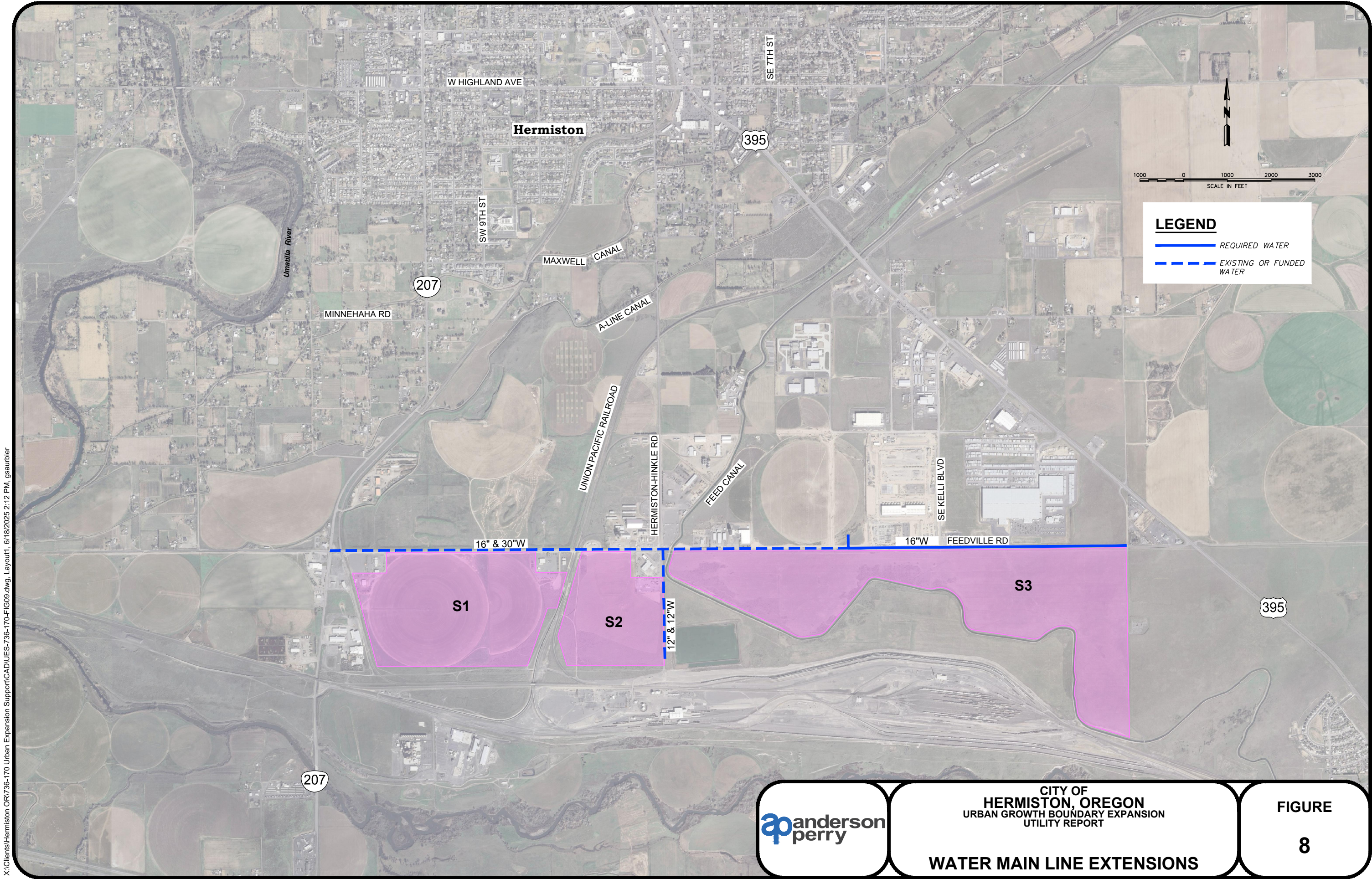
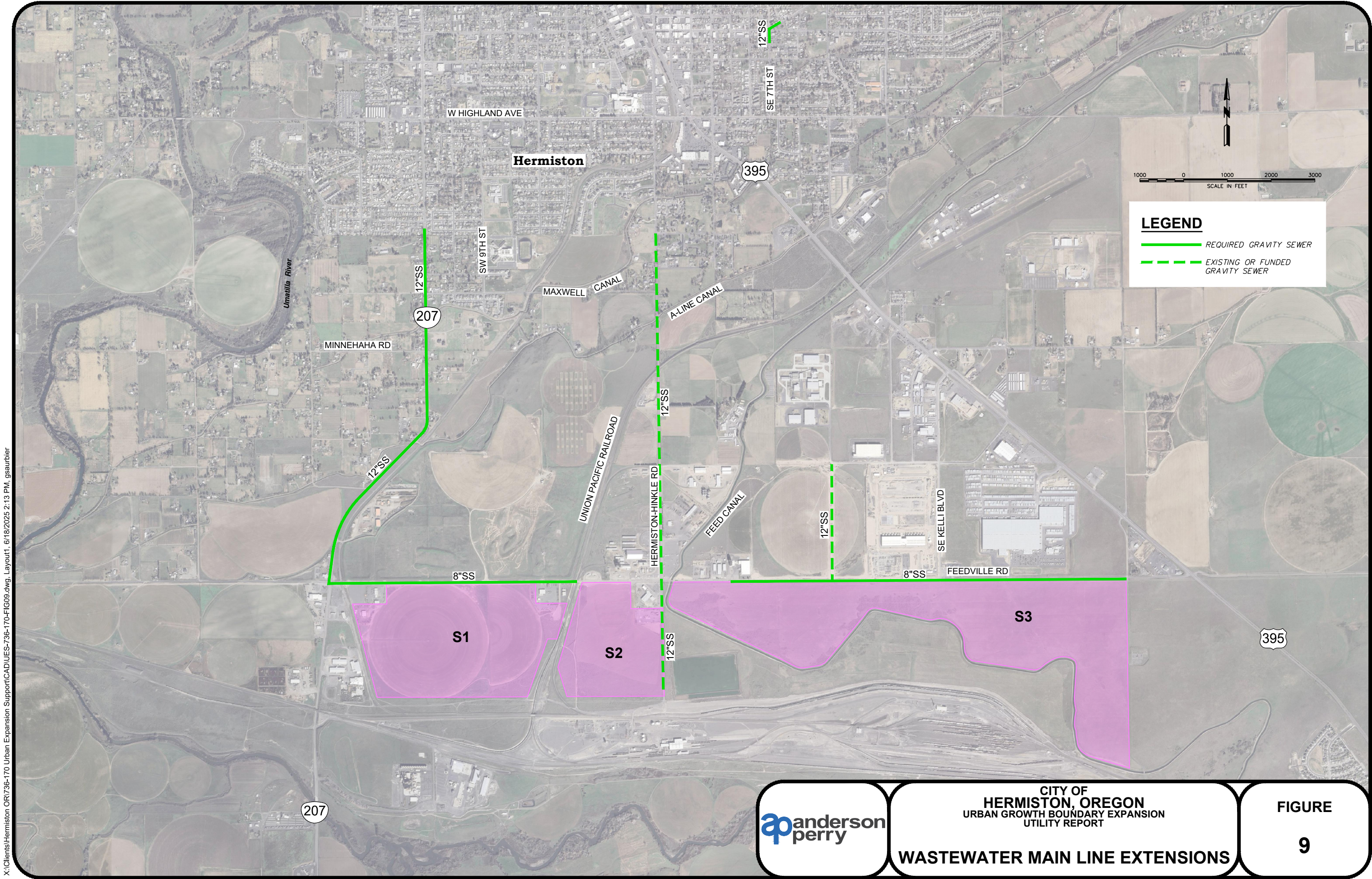


Figure 1-2 UGB Expansion Area – Comprehensive Plan Map and Zoning Designations



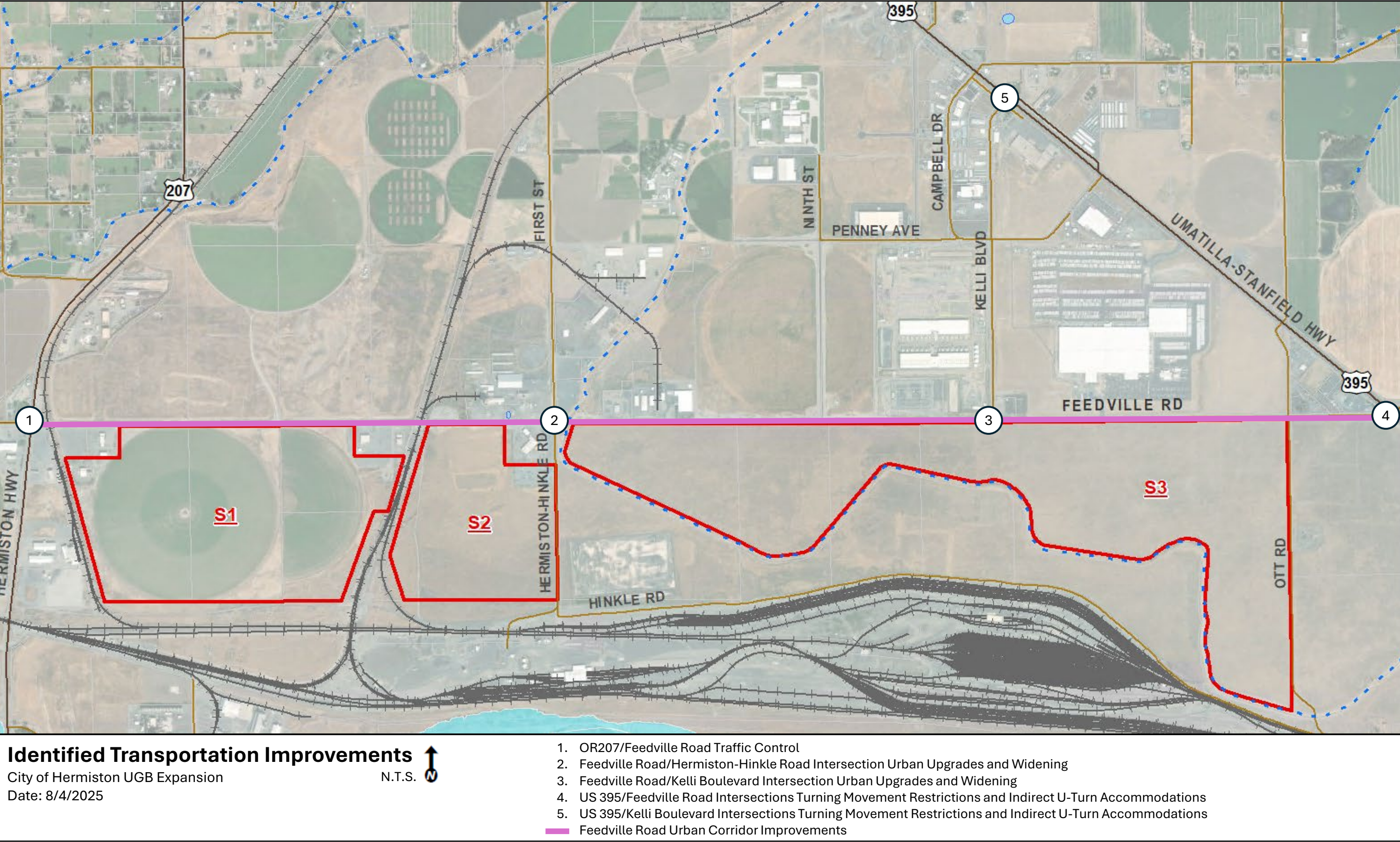
X:\Clients\Hermiston OR\736-170 Urban Expansion Support\CAD\UES-736-170-FIG09.dwg, Layout1, 6/18/2025 2:12 PM, gsaubler

Figure 1-3B Planned Wastewater Facilities Serving the UGB Expansion Area



X:\Clients\Hermiston OR\736-170 Urban Expansion Support\CAD\UES-736-170-FIG09.dwg, Layout1, 6/18/2025 2:13 PM, gsaubler

Figure 1-3C Planned Transportation Facilities Serving the UGB Expansion Area



Applicable Review Criteria and Narrative Organization

The burden of proof is on the applicant (the city) to demonstrate that the proposed legislative plan amendment package meets the review criteria set forth in Sections 1 and 2 below. Basically, the proposed amendment package must comply with applicable:

- Statewide planning goals and rules,
- HCP policies (including comprehensive plan text and map amendment requirements),
- LUO text and map amendment requirements,
- UCCP urbanization policies as implemented by JMA procedural requirements, and
- LUO annexation standards.

Each section of this narrative corresponds with the relevant review criteria. Quotations from applicable goals, rules, statutes, or local policies and criteria are shown in *italic font*. Winterbrook's responses are shown in standard font.

Section 2. Compliance with Goal 14, the UGB Rule, and Related HCP Policies

Statewide Planning Goal 14 Urbanization as implemented by the UGB Rule (OAR 660 Division 024) and HCP Policies 4 Orderly Urban Growth, 5 Annexation, and 6 Conversion, and the Joint Management Agreement (JMA) with Umatilla County.

Section 3. Compliance with Applicable Statewide Procedural Goals, Related HDC Policies, HCP and LUO legislative amendment requirements, and the JMA coordination requirements.

- **Statewide Planning Goal 1 Citizen Involvement** as implemented by HCP Policy 1 Citizen Involvement and LUO 157. 226 and 156.08 *et seq* related public hearings, notification, review and decision procedures.
- **Statewide Planning Goal 2 Land Use Planning** as implemented by HCP Policies 2 Planning Process, 3 Intergovernmental Coordination, and Section IV.A Comprehensive Plan Map.
- **The Joint Management Agreement with Umatilla County** related to the county's role in review and co-adoption of Comprehensive Plan amendments affecting unincorporated land.

Section 4. Compliance with Applicable Substantive Statewide Planning Goals, Rules and Related HCP Policies

- **Goal 5 Natural Resources** (OAR 660-023) as implemented by HCP Policy 7 Natural Resources. There are no significant Goal 5 natural resource sites within the proposed UGB Expansion Area; therefore, Goal 5 does not apply.
- **Goal 6 Air, Water and Land Resources Quality** as implemented by HCP Policy 8 Surface and Groundwater Resources, 11 Air Quality, and 12 Noise.
- **Goal 7 Natural Hazards** as implemented by HCP Policy 14 Natural Hazards and Development Limitations. There are no inventoried natural hazard areas within the UGB Expansion Area; therefore, Goal 7 does not apply.
- **Goal 8 Park and Recreation Facilities** (if applicable) as implemented by HCP Policy 16 Parks and Recreation. There are no planned park or recreation facilities within the UGB Expansion

Area. No residential development is proposed within the UGB Expansion Area that could generate the need for park and recreational facilities. Therefore, Goal 8 does not apply.

- **Goal 9 Economic Development** (OAR 660-009) as implemented by HCP Policy 18 General Industrial Development and Policy 20 General Economic Development and the 2024 EOA.
- **Goal 10 Housing** (OAR 660-008) The Hermiston Housing Capacity Analysis (HCA) indicates that the existing UGB has sufficient buildable land to accommodate 20-year housing need. No residential land is proposed in the UGB Expansion Area, and no housing-related changes are proposed to the HCP or the LUO. Therefore, continued compliance with Goal 10 is not affected by the proposed plan amendment package and Goal 10 does not apply.
- **Goal 11 Public Facilities and Services** (OAR 660-011) as implemented by HCP Policies 23 Provision of Public Services; 24 Water, Sewer, and Storm Drainage; and Policy 30 Private Utilities.
- **Goal 12 Transportation** (OAR 660-012-060) as implemented HCP Policy 34 Transportation System Plan and LUO 156.09 Transportation System Plan.
- **Goal 13 Energy Conservation** as implemented by HCP Policy 15 Energy Conservation.

Local Policy Basis

As documented below, approval of the proposed plan and code amendment package is necessary to implement applicable portions of the Hermiston Community Vision, the Hermiston Comprehensive Plan (HCP), and the 2024 Hermiston Economic Opportunities Analysis (EOA).

Community Vision

The adopted and acknowledged EOA carries out the city's 2040 Vision by supporting a “booming economy” that offers economic opportunities so that individuals and families can “thrive” by attracting “more business and job opportunities.”

HERMISTON 2040 VISION *A community where friendliness and opportunity abound. Welcome to Hermiston. Where life is sweet and our future is sweeter. In 2040, Hermiston is a community where everyone is welcome – whether you’re visiting or looking for a place to call home, we provide a safe, beautiful, and close-knit community where neighbors help one another, and friendliness and opportunity abound. From a booming economy to recreational amenities, we have big city services rooted in small-town values.*

GROWING + PROSPEROUS HERMISTON *As the fastest growing community in eastern Oregon, Hermiston is fostering sustainable growth that embraces the diversity of its growing population while preserving the small-town feel. Hermiston’s individuals and families thrive in a community that offers access to economic opportunities, diverse retail offerings, housing options for all, and world-class education and support services.*

- *Provide economic opportunities that allow individuals and families to thrive.*
- *Promote sustainable growth that preserves the city’s small-town feel.*
- *Revitalize Hermiston’s downtown – update the older buildings and attract businesses to Main Street.*

- *Attract more businesses and job opportunities.*

Hermiston Comprehensive Plan (HCP)

The proposed plan amendment package carries out the city's economic goals as expressed in the HCP. As stated in the HCP (p. III-22):

"Hermiston is well situated as an economic hub in Umatilla County and the surrounding region. The city enjoys some competitive advantages which can be enhanced in the future to grow employment, establish successful industry clusters, and diversify the employment base. An ample supply of buildable commercial and industrial lands, in multiple zoning classifications, will provide the flexibility to meet the needs of new and expanding businesses.

Vision - *To become the center of commercial and industrial activity in northeast Oregon providing an attractive, livable community utilizing adaptive, modern policies to capture economic development opportunities."*

The 2024 Economic Opportunities Analysis (EOA)

The EOA implements both Hermiston's vision statement and the HCP. The EOA (pp. 47-52) determined that 1,838 gross buildable acres are needed to meet long-term employment needs. Although the existing UGB has about 690 buildable employment acres, the city lacks large commercial, industrial, and suitable HDC sites.

The EOA (pp. 55-56) explains the critical importance of providing suitable sites for hyperscale data centers:

"The single largest growth industry in the Hermiston area is the data center industry, which has grown exponentially over the last ten years, and particularly the last six years. Multiple additional hyperscale data centers are under construction or planned at this time, each requiring 100 to 150 acres of appropriate land.

- ***Trends in this sector point to accelerating growth in coming years, with Oregon looking to be a top six national, and top 10 global location, if appropriate sites for expansion are available.***
- *The data center industry entails significant investment and on-going economic activity that supports long-term employment in other sectors. The size of this sector in Umatilla County will attract competitors, suppliers and support vendors, and construction firms for on-going expansion.*
- *Other than the "information" and "construction" sectors directly impacted by data center development, sectors with the highest employment growth include health care, transportation/warehousing/utilities, tourism-related including dining, education.*
- *The inventory of remaining buildable lands points to a lack of larger industrial sites. **After the completion of two [HDC] projects currently under construction, there will be no remaining sites large enough to accommodate hyperscale data centers.***

Given very strong growth trends in the data center industry, the established and growing local cluster, and known future projects under planning by credible investors, **there is a need for as many as nine large sites of at least 100 acres, appropriate for hyperscale data centers.** The projected regional, national, and global trends in this industry support this demand if appropriate sites are available."

Section 2. Compliance with Goal 14

Compliance with Goal 14, the UGB Rule (OAR 660-024), Relevant HCP Policies, and the Joint Management Agreement (JMA)

Each Oregon city must have an urban growth boundary (UGB) to separate urban and urbanizable land from rural land. Statewide Planning Goal 14 and the UGB Rule (OAR 660-024) set forth requirements that cities must meet to expand their UGBs.

UGB amendments are a cooperative process between the City of Hermiston and Umatilla County. In addition to statewide standards, UGB amendments are also subject to relevant city and county urbanization policies.

The findings below explain why Hermiston's proposed UGB amendment package complies with Goal 14 as implemented by the UGB Rule, related Hermiston urban growth management policies, and the JMA between the city and Umatilla County.

Goal 14: Urbanization

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.

Urban Growth Boundaries Urban growth boundaries shall be established and maintained by cities, counties and regional governments to provide land for urban development needs and to identify and separate urban and urbanizable land from rural land. Establishment and change of urban growth boundaries shall be a cooperative process among cities, counties and, where applicable, regional governments. An urban growth boundary and amendments to the boundary shall be adopted by all cities within the boundary and by the county or counties within which the boundary is located, consistent with intergovernmental agreements [...]

Land Need Establishment and change of urban growth boundaries shall be based on the following: (1) Demonstrated need to accommodate long range urban population, consistent with a 20-year population forecast coordinated with affected local governments, or for cities applying the simplified process under ORS chapter 197A, a 14-year forecast; and (2) Demonstrated need for housing, employment opportunities, livability or uses such as public facilities, streets and roads, schools, parks or open space, or any combination of the need categories in this subsection (2). ***In determining need, local government may specify characteristics, such as parcel size, topography or proximity, necessary for land to be suitable for an identified need. Prior to expanding an urban growth boundary, local governments shall demonstrate that needs cannot reasonably be accommodated on land already inside the urban growth boundary.***

Boundary Location The location of the urban growth boundary and changes to the boundary shall be determined by evaluating alternative boundary locations consistent with ORS 197A.320 or, for the Metropolitan Service District, ORS 197.298, and with consideration of the following factors: (1) Efficient accommodation of identified land needs; (2) Orderly and economic provision of public facilities and services; (3) Comparative environmental, energy, economic and social consequences; and (4) Compatibility of the proposed urban uses with nearby agricultural and forest activities occurring on farm and forest land outside the UGB.

Urbanizable Land Land within urban growth boundaries shall be considered available for urban development consistent with plans for the provision of urban facilities and services. Comprehensive plans and implementing

measures shall manage the use and division of urbanizable land to maintain its potential for planned urban development until appropriate public facilities and services are available or planned.

Overview: The 2024 EOA identifies a need for 11 suitable sites to accommodate planned HDC development. HDC sites must have a minimum site size of 100 acres, on land outside the floodplain with slopes of 5% or less, that can be provided with urban services in an efficient manner. The EOA determined that (except for two HDC sites that are under construction totaling 215 acres), the existing UGB has no parcels designated for employment use with more than 50 acres. Therefore, the city must look outside the UGB for the nine remaining HDC sites.

- Winterbrook determined that there is only one “first priority” exception area parcel within the Study Area that meets HDC sites requirements. The Umatilla County Comprehensive Plan designates this HDC for rural Heavy Industrial (HI) use. This HI site is sandwiched between the UGB to the north and the UPRR tracks to the south.
- Therefore, the city must consider agricultural land to meet the need for the remaining eight suitable HDC sites.

Statewide Planning Goal 14 is implemented by the UGB Rule (OAR 660-024). The following narrative explains in detail why the proposed employment amendment package is consistent with each relevant UGB Rule section quoted below.

The UGB Amendment Rule

Land Need OAR 660-024-0040

OAR 660-024-0040 Land Need

(3) A local government may review and amend the UGB in consideration of one category of land need (for example, housing need) without a simultaneous review and amendment in consideration of other categories of land need (for example, employment need).

Response: Hermiston proposes to amend the UGB to meet a limited subset of employment land need: i.e., the short-term need for five of nine suitable HDC sites. As shown in **Figure 1-1A** and **Figure 1-1B HDC Conceptual Development Plans**, the proposed UGB Expansion Area can accommodate the equivalent of five suitable HDC sites.

Future UGB amendments will address the intermediate to long-term need for four additional HDC sites, as well as large-site needs for general industrial and commercial uses identified in the EOA.

(5) [...] the determination of 20-year employment land need for an urban area must comply with applicable requirements of Goal 9 and OAR chapter 660, division 9, and must include a determination of the need for a short-term supply of land for employment uses consistent with OAR 660-009-0025. Employment land need may be based on an estimate of job growth over the planning period; local government must provide a reasonable justification for the job growth estimate but Goal 14 does not require that job growth estimates necessarily be proportional to population growth. [...]

Response: EOA Chapter VI Forecast of Employment and Land Need (pp. 38-46) explains the required linkage between 20-year population growth, projected employment, and employment land needs. The EOA (p. 40) summarizes the reasons why eleven HDC sites are needed in Hermiston

during the 20-year planning period, and why the city must should provide additional suitable and serviceable HDC sites to meet short-term HDC needs:

"Pace of Hyperscale Development Activity (Umatilla County and Hermiston)

As discussed in Section V, the data center industry has grown rapidly in the region over the past decade, with nine hyperscale data center campuses finished or under development in Umatilla County. Two campuses are currently under development in south Hermiston on E. Penney Avenue. These two campuses cover roughly 215 acres, include 8 individual data center buildings, and will house hundreds of future jobs which are reflected as future growth in the Information sector in Figure 6.3 below.

In addition to these two campuses under development, there are multiple proposed additional hyperscale campuses in the immediate area of Hermiston. These campuses will be served by Hermiston infrastructure and utilities, and it is reasonable to assume that these would be Hermiston developments, even if located on land that is currently unincorporated and/or outside of the city's UGB. (As Section VII of this report discusses, there will be no suitably large sites remaining within the UGB after the build-out of the Penney Ave. sites.)

Umatilla has experienced rapid growth in hyperscale campus development in the last decade, and particularly in the last six years. **Considering the pace of development over the past six years, plus anticipated additions over the next three years, Umatilla County alone has experienced the addition of one hyperscale data center per year on average.** If appropriate large sites continue to be available, Johnson Economics concludes that this pace will be sustainable for the foreseeable future, Sufficient interest in available sites has already been expressed by multiple developers to maintain this pace for the next ten years.

This pace implies an estimated 20 new data center developments in northwest Umatilla County over the 20-year planning period of this report, of which Hermiston could reasonably expect to capture up to half if appropriate land is available.

The proposed ongoing development of multiple new hyperscale campuses in the immediate Hermiston area is credible, being supported by a very large technology company that has proven its intent to build these facilities continuously and quickly in Umatilla County over the past decade.

Based on this analysis, high employment growth has been forecasted in the Information sector as shown in Figure 6.3. As multiple data center developers have demonstrated that they have the intent and the resources to make these large investments on an ongoing basis, this analysis finds that they are not speculative and will happen if suitable sites are available."

OAR 660-024-0050 Land Inventory and Response to Deficiency

- (1) When evaluating or amending a UGB, a local government must inventory land inside the UGB to determine whether there is adequate development capacity to accommodate 20-year needs determined in OAR 660-024-*

0040. [...] For employment land, the inventory must include suitable vacant and developed land designated for industrial or other employment use, and must be conducted in accordance with OAR 660-009-0015. [...]

- (4) *If the inventory demonstrates that the development capacity of land inside the UGB is inadequate to accommodate the estimated 20-year needs determined under OAR 660-024-0040, the local government must amend the plan to satisfy the need deficiency, either by increasing the development capacity of land already inside the city or by expanding the UGB, or both, and in accordance with ORS 197.296 where applicable. Prior to expanding the UGB, a local government must demonstrate that the estimated needs cannot reasonably be accommodated on land already inside the UGB. If the local government determines there is a need to expand the UGB, changes to the UGB must be determined by evaluating alternative boundary locations consistent with Goal 14 and applicable rules at OAR 660-024-0060 or 660-024-0065 and 660-024-0067. [...]*

Response: OAR 660-009-0015 Economic Opportunities Analysis sets forth requirements for preparing an EOA. The acknowledged Hermiston EOA met these requirements and provides the evidentiary basis for the proposed UGB expansion. The EOA (p. 56) provides a summary of employment land need and supply during the 20-year planning period.

“Employment Land Need. The EOA analysis finds that the forecasted 20-year job growth by industry, will translate to a need for 1468 total gross acres of land zoned for employment uses. However, this includes an estimated 1,210 acres for hyperscale data center development. (There are two sites of roughly 215 acres currently under development as data center campuses that can be deducted from this total finding of need.

Excluding data centers, an estimated 62% of the remaining land need is for other industrial users (Industrial, Warehouse, Business Park), and 38% of need is for commercial users (Office, Institutional, Retail).

A range of site sizes will be needed ranging from the small to the very large to accommodate the projected business expansion. Different commercial and industrial users have different site requirements driven by the specific nature of their business operations, firm size, location and infrastructure requirements, and other factors.

Adequacy of Employment Land Supply The Buildable Land Inventory (BLI) of employment lands completed in conjunction with the EOA found a total of 690 buildable acres in commercial, industrial and mixed-use zones. While this total supply exceeds the total forecasted need (excluding data centers), the zoning categories, site sizes and site characteristics of the available supply do not fully meet the forecasted demand.

The following is a summary of findings on the adequacy of available employment sites compared to the forecasted need:

- For commercial users, the forecasted need for sites of different sizes does not match the current supply. The estimated demand for commercial sites (retail/office/institutional) exceeds the current supply. There is a deficit of commercial sites of nearly all site sizes over 5 acres.

- For industrial users, there is a discrepancy between the size of sites needed and those available. Most notably there is a deficit of suitable large industrial sites (>50 acre), and a deficit of mid-sized (5-30 acre) industrial sites.

Given very strong growth trends in the data center industry, the established and growing local cluster, and known future projects under planning by credible investors, there is a need for as many as nine large sites of at least 100 acres, appropriate for hyperscale data centers. The projected regional, national, and global trends in this industry support this demand if appropriate sites are available."

The EOA concludes that the existing UGB is in the process of accommodating two HDCs (i.e., building permits have been issued). However, no additional sites are available within the UGB to accommodate the need for nine additional 100+ acres sites. This is why the city proposes to expand the UGB to meet the immediate need for HDC sites.

- (6) *When land is added to the UGB, the local government must assign appropriate urban plan designations to the added land, consistent with the need determination and the requirements of section (7) of this rule, if applicable. **The local government must also apply appropriate zoning to the added land consistent with the plan designation or may maintain the land as urbanizable land until the land is rezoned for the planned urban uses, either by retaining the zoning that was assigned prior to inclusion in the boundary or by applying other interim zoning that maintains the land's potential for planned urban development.** The requirements of ORS 197.296 regarding planning and zoning also apply when local governments specified in that statute add land to the UGB.*
- (7) ***Lands included within a UGB pursuant to OAR 660-024-0065(3) to provide for a particular industrial use, or a particular public facility, must be planned and zoned for the intended use and must remain planned and zoned for that use unless the city removes the land from the UGB.***

Response: Hermiston has prepared a conceptual development plan for the proposed UGB Expansion Area, which shows how this land can be provided with urban services in the short-term to meet HDC site requirements.

- As shown in **Figure 2-2**, the city proposes to designate the entire UGB Expansion Area "Industrial/HDC" when it is added to the UGB.
- **Amended HCP Policy 4** calls for protecting the UGB Expansion Area for planned HDC uses by applying an HDC overlay.
- The city requests that the county rezone the Urban Industrial/HDC area M-2/HDC to ensure that the land will develop exclusively for HDC and supporting uses as called for in the conceptual development plan.
- The city proposes to annex the land as part of this consolidated land use application, thereby enabling the city to provide urban services in accordance with the **HDC Conceptual Development Plans (Figure 1-1A and Figure 1-1B)** and the **PFP for the UGB Expansion Area (Figure 1-3A through Figure 1-3C)**.

Establishment of a Study Area OAR 660-024-0065

OAR 660-024-0065 Establishment of Study Area to Evaluate Land for Inclusion in the UGB

(1) When considering a UGB amendment to accommodate a need deficit identified in OAR 660-024-0050(4) (i.e., a need that cannot be met within the existing UGB), a city outside of Metro must determine which land to add to the UGB by evaluating alternative locations within a “study area” established pursuant to this rule. To establish the study area, the city must first identify a “preliminary study area” which shall not include land within a different UGB or the corporate limits of a city within a different UGB. The Preliminary Study Area shall include:

(a) All lands in the city’s acknowledged urban reserve, if any;

(b) All lands that are within the following distance from the acknowledged UGB: [...] (B) For cities with a UGB population equal to or greater than 10,000: one mile;

(c) All exception areas contiguous to an exception area that includes land within the distance specified in subsection (b) and that are within the following distance from the acknowledged UGB: [...] (B) For cities with a UGB population equal to or greater than 10,000: one and one-half miles;

Response: Hermiston has a population of greater than 10,000. **Figure 2-1** (following page) shows the Preliminary Study Area. The Preliminary Study Area excludes the Umatilla UGB to the northwest and the Stanfield UGB to the southeast and includes roughly equal proportions of agricultural land (zoned EFU-20, EFU 40 and EFU/FI) and rural residential, commercial and industrial exception areas (zoned RR-2 and RR-4, AB, HI and C).

Required HDC Site Characteristics

OAR 660-024-0065 Establishment of Study Area to Evaluate Land for Inclusion in the UGB

- (3) *When the primary purpose for expansion of the UGB is to accommodate a particular industrial use that requires specific site characteristics, or to accommodate a public facility that requires specific site characteristics, and the site characteristics may be found in only a small number of locations, the preliminary study area may be limited to those locations within the distance described in section (1) or (2), whichever is appropriate, that have or could be improved to provide the required site characteristics. For purposes of this section:*

- (a) The definition of “site characteristics” in OAR 660-009-0005(11) applies for purposes of identifying a particular industrial use.*

OAR 660-009-0005(11) and (12)

- (11) *“Site Characteristics” means the attributes of a site necessary for a particular industrial or other employment use to operate. Site characteristics include, but are not limited to, a minimum acreage or site configuration including shape and topography, visibility, specific types or levels of public facilities, services or energy infrastructure, or proximity to a particular transportation or freight facility such as rail, marine ports and airports, multimodal freight or transshipment facilities, and major transportation routes.*
- (12) *“Suitable” means serviceable land designated for industrial or other employment use that provides, or can be expected to provide the appropriate site characteristics for the proposed use.*

Response: The purpose of the proposed UGB expansion is to provide five suitable HDC sites with at least 100 serviceable acres or more, as shown on **Figure 1-1A** and **Figure 1-1B, the Conceptual Development Plans** and **Figure 1-2, UGB Expansion Area – Proposed HCP Plan and Zoning Designations**. The acknowledged EOA includes a technical memorandum prepared by Mackenzie (pp. 2-5) that focuses in more detail on the siting requirements of HDCs. Quoting from this memorandum:

“Based on the EOA’s identified need for hyperscale data centers, the remainder of this report discusses the characteristics and site needs of these modern very-large data centers. This analysis is intended to augment the prior siting criteria work noted above, to address the evolution of the data center industry over the past decade. By way of context, in 2010, the ratio of energy consumption for hyperscale and cloud data centers was 13% of the total and 87% for other types. As of 2022, hyperscale demand increased to 77%.

Hermiston’s proximity to the Columbia River and major electrical transmission lines makes the area desirable for hyperscale data center campuses, as evidenced by several recent developments by Amazon Web Services (AWS) in Morrow and Umatilla Counties. The following sections of this report primarily focus on the siting criteria for the hyperscale category of data center facilities, based on information derived from trade organizations, literature, an end user, and Mackenzie engineering staff.

Hyperscale Data Center Site Criteria The availability of sufficient, affordable, and dependable electricity and water supply are critical factors driving site selection for data center development. Due to the need for data centers to stay in continuous

operation, low natural hazard and security risks are also critical. There is also preference for milder climates, which reduces cooling demand and in turn, electricity, and water consumption.

Site and Building Characteristics The typical site size for a hyperscale data center campus is 100 acres or more, including four or more buildings at 200,000 square feet (SF) to 250,000 SF each, with 5-10 acres for dedicated electrical substations. For hyperscale data centers, the minimum site size per building is approximately 25 acres; however, recent trends in Eastern and Central Oregon show that the development generally consists of four or more buildings on 100+ acres. For new hyperscale data center development, 100 acres is the minimum site size, with recent examples in Eastern Oregon averaging roughly 110 acres, and scaling to more than 150 acres in some cases.

While sites can have a variety of shapes, the minimum dimension is determined by the length of the data center buildings. Recent examples of hyperscale buildings range from 1,000 feet to 1,150 feet in length. Sites need to be large enough to contain these large buildings plus associated parking and circulation, utilities, supportive infrastructure, and buffers.

Site topography should be relatively flat, with a maximum grade of 5%, and site shape should accommodate large rectangular building(s). Building facilities, accompanying substations, and access roads should be located outside of areas of special flood hazard (i.e., 1% annual chance or "100-year" floodplain on Flood Insurance Rate Maps issued by the Federal Emergency Management Agency)."

Location Sites should be within 30 miles of an interstate highway or freight route. Frontage on major streets is not necessary as data centers do not rely on or benefit from high daily vehicle or pedestrian traffic, so facilities can be removed from major arterials. Proximity to marine ports and airports is generally not necessary. Proximity to rail lines is also not necessary.

Due to the noise produced by cooling equipment and backup generators, proximity to residential zones or other sensitive uses may be undesirable. While it is typically possible to mitigate those effects through building and landscape design, providing separation between hyperscale data centers and residential uses is typically desired to avoid these conflicts and to minimize exposure to potential emissions from back-up generators.

Utilities

Water Data centers utilize large amounts of water for cooling equipment. In some cases, the water demand for data centers is estimated based on their energy use, which is measured in megawatt-hours (MWh). The estimated water demand is 1,000 gallons per day per acre, which requires a minimum 12" high-pressure supply line per Mackenzie engineering staff.⁵ www.energy.gov/eere/buildings/data-centers-and-servers.

Sanitary Sewer According to Mackenzie civil engineers, a minimum 8" service line is required if the site is reliant on sanitary sewer. Some hyperscale data center projects have developed alternative methods of disposing or reusing wastewater that does not

require disposal of cooling water via sanitary sewer. Individual projects will therefore differ in their sanitary sewer requirements based on the proposed approach. Natural Gas Natural gas supply is not required; however, a minimum 4" service line where available increases the marketability of sites and is highly recommended.

Electricity Data centers have a very high demand for electricity to power and cool equipment. Cooling the equipment accounts for approximately 40% of total energy consumption. The minimum power requirement per building is 60 megawatts (MW), so a prototypical four-building campus would require a minimum supply of 240 MW. This level of demand requires a dedicated substation, typically 5-10 acres in size.

Redundancy is required to ensure data centers can operate without interruption. According to the U.S. Department of Energy (DOE), data centers collectively account for about 2% of total U.S. electricity use. Backup generators, typically diesel-powered, are also required.

Telecommunications Data center facilities require major telecommunications infrastructure including fiber optic service and route diversity.

Transportation Sites require adequate access and circulation for truck traffic and fire apparatus. Proximity to public transit, airports, marine ports, or railroads is not required. Data centers generate minimal traffic, so frontage on high-capacity road classifications is not critical to site selection. The Industrial Development Competitiveness Matrix specifies trip generation capacity in terms of average daily trips per acre (ADT/ac), but this metric does not account for floor area ratio (FAR), which can vary significantly between single- and multi-story developments. Therefore, it may be more appropriate to based trip generation on floor area. According to the Institute of Transportation Engineers (ITE) Trip Generation Manual, 11th Edition, the average daily trip (ADT) generation rate for Land Use Code 160 (Data Center) is 0.99 trips per 1,000 SF (KSF) of gross floor area (GFA), though ITE notes this rate is based on a limited data set.

Security Sites require gated access, security lighting, and enhanced security systems to ensure data remains secure and systems stay online. Proximity to buildings or infrastructure which may be vulnerable to attack is a factor in evaluating site suitability.

Natural Hazards Due to the need for the facility to be in continuous operation, sites must have minimal seismic, flood, or other natural hazard risk exposure."

Thus, HDC sites must have at least 100 contiguous acres of suitable land within the study area, outside the 100-year floodplain, with slopes of 5% or less, at least 200 feet from residential uses, and of sufficient depth and width to allow for the construction of four rectangular buildings and a power substation. For a site to be suitable and available, it must be privately owned and available for sale to a private industrial user.³

(6) For purposes of evaluating the priority of land under OAR 660-024-0067, the "Study Area" shall consist of all land that remains in the Preliminary Study Area described in section (1), (2) or (3) of this rule after adjustments to the area based on sections (4) and (5), provided that when a purpose of the UGB expansion is to

³As documented in **Appendix I**, the Union Pacific Railroad (UPRR) owns several hundred acres of EFU land near the Hinkle rail yard. Most of this land is needed by UPRR for existing and future operations. However, UPRR is willing to sell land north of the Feed Canal for future industrial purposes. This potential site is identified on Figure 2-2 and Table 1 as the South 3 (S3) tract. Although this tract contains 379 acres, its irregular shape allows the equivalent of two properly-configured HDC sites of 100 acres or more.

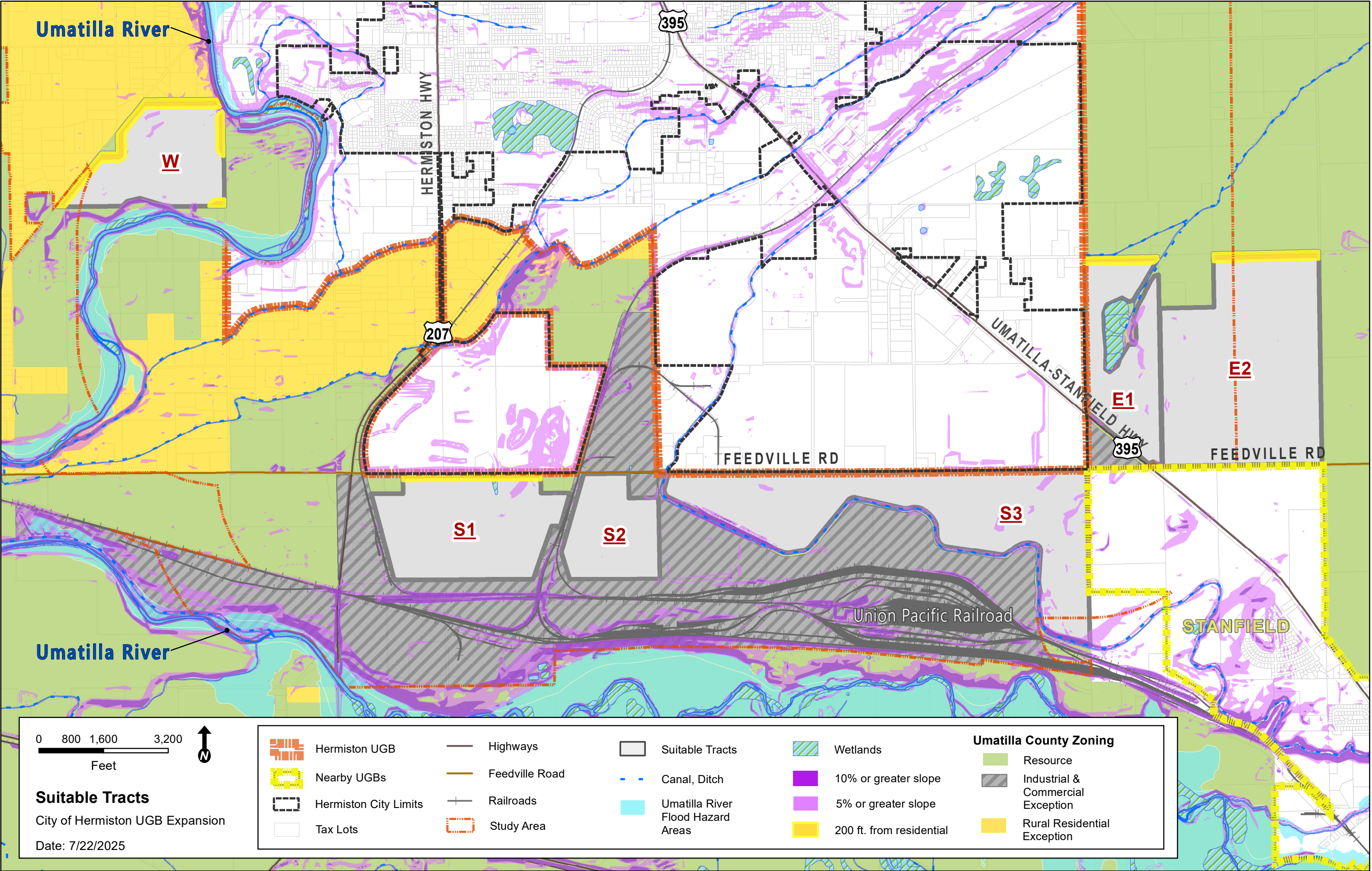
accommodate a public park need, the city must also consider whether land excluded under subsection (4)(a) through (c) of this rule can reasonably accommodate the park use.”

Response: Figure 2-2 shows the **Preliminary Study Area**. No land has been subtracted from the Preliminary Study Area based on OAR 660-024(4) and (5). No park uses are proposed within the UGB Expansion Area. Thus, the Study Area and the Preliminary Study Area are the same.

Figure 2-2 (following page) shows six suitable HDC tracts (suitable parcels with at least 100 acres under common ownership)⁴ within the Study Area. Each of these tracts has one or more suitable HDC sites with at least 100 acres of suitable land in common ownership – after discounting land with slopes of 5% or greater, within a 200-foot buffer from residential uses, and outside the 100-year floodplain. The next section of this narrative addresses UGB Rule priorities for UGB expansion.

⁴ To determine HDC tracts, Winterbrook used GIS technology to identify all contiguous parcels of 20 acres or more under common ownership to identify “tracts” of 100 acres or more. Parcels separated by roads, rivers or canals were not considered “contiguous.” For example, a 20-acre parcel next to two 40-acre parcels (120 acres total) with the same owner would qualify as an HDC tract. Winterbrook then applied HDC suitability criteria to determine the number of suitable HDC sites within each tract. For example, land within the 100-year floodplain was subtracted from the base acreage.

Figure 2-2 Suitable HDC Tracts with One or More Suitable HDC Sites within the Study Area



Priorities for UGB Expansion OAR 660-024-0067

OAR 660-024-0067 Evaluation of Land in the Study Area for Inclusion in the UGB; Priorities

- (1) A city considering a UGB amendment must decide which land to add to the UGB by evaluating all land in the Study Area determined under OAR 660-024-0065, as follows:*
 - (a) Beginning with the highest priority category of land described in section (2), the city must apply section (5) to determine which land in that priority category is suitable to satisfy the need deficiency determined under OAR 660-024-0050 and select for inclusion in the UGB as much of the land as necessary to satisfy the need.*
 - (b) If the amount of suitable land in the first priority category is not sufficient to satisfy all the identified need deficiency, the city must apply section (5) to determine which land in the next priority is suitable and select for inclusion in the UGB as much of the suitable land in that priority as necessary to satisfy the need. The city must proceed in this manner until all the land need is satisfied, except as provided in OAR 660-024-0065(9).*
 - (c) If the amount of suitable land in a particular priority category in section (2) exceeds the amount necessary to satisfy the need deficiency, the city must choose which land in that priority to include in the UGB by applying the criteria in section (7) of this rule.*
 - (d) In evaluating the sufficiency of land to satisfy a need under this section, the city may use the factors identified in sections (5) and (6) of this rule to reduce the forecast development capacity of the land to meet the need.*
 - (e) Land that is determined to not be suitable under section (5) of this rule to satisfy the need deficiency determined under OAR 660-024-0050 is not required to be selected for inclusion in the UGB unless its inclusion is necessary to serve other higher priority lands.*
- (2) Priority of Land for inclusion in a UGB:*
 - (a) **First Priority is urban reserve, exception land, and nonresource land.** Lands in the Study Area that meet the description in paragraphs (A) through (C) of this subsection are of equal (first) priority [...]*
 - (b) **Second Priority is marginal land:** land within the Study Area that is designated as marginal land under ORS 197.247 (1991 Edition) in the acknowledged comprehensive plan. [...]*
 - (c) **Third Priority is forest or farm land that is not predominantly high-value farm land:** land within the Study Area that is designated for forest or agriculture uses in the acknowledged comprehensive plan and that is not predominantly high-value farmland as defined in ORS 195.300, or that does not consist predominantly of prime or unique soils, as determined by the United States Department of Agriculture Natural Resources Conservation Service (USDA NRCS). In selecting which lands to include to satisfy the need, the city must use the agricultural land capability classification system or the cubic foot site class system, as appropriate for the acknowledged comprehensive plan designation, to select lower capability or cubic foot site class lands first.*
 - (d) **Fourth Priority is agricultural land that is predominantly high-value farmland:** land within the Study Area that is designated as agricultural land in an acknowledged comprehensive plan and is predominantly*

high-value farmland as defined in ORS 195.300. 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. In selecting which lands to include to satisfy the need, the city must use the agricultural land capability classification system to select lower capability lands first.

*(5) With respect to section (1), a city must assume that vacant or partially vacant land in a particular priority category is “suitable” to satisfy a need deficiency identified in OAR 660-024-0050(4) **unless it demonstrates that the land cannot satisfy the specified need based on one or more of the conditions described in subsections (a) through (g) of this section:** [...]*

(e) With respect to a particular industrial use or particular public facility use described in OAR 660-024-0065(3), the land does not have, and cannot be improved to provide, one or more of the required specific site characteristics. [...]

Response: Winterbrook has identified all study area tracts with one or more sites with characteristics necessary for HDCs to operate. The justification for the HDC site requirements is found in the EOA and in the discussion above. Because the required site characteristics depend primarily on size, topography, shape and access, the sites within identified tracts cannot be “provided” with one or more of the required characteristics.

Table 1 describes the size and location of each of the six suitable HDC tracts, and how each suitable tract fits within the Goal 14 Rule priority scheme. To meet short-term HDC site needs, five suitable sites with at least 100 acres each must be brought into the UGB.

Highest Priority Tracts

The South 2 tract is the highest priority for UGB expansion because it is an industrial exception area. The Goal 14 Rule requires that this tract (with one suitable HDC site) be included within the UGB before including farmland.

Table 1. UGB Rule Priority Scheme as applied to Suitable HDC Tracts within the Study Area			
Tract ID	Suitable HDC Tract Acres (potential HDC sites)	UGB Rule Priority	Predominant (%) USGS Soil Classification
Highest Priority for UGB Expansion			
South 2 (S2)	120 (1 site)	First	N/A (Exception Area)
Medium Priority for UGB Expansion			
South 1 (S1)	226 (2 sites) ⁵	Fourth (a)	Class IV (100%)

⁵As discussed under the Goal 14 maximum land use efficiency criterion below, the South 2 tract includes capacity for six buildings, just less than two sites due to on site restrictions.

South 3 (S3)	379 (2 sites) ⁶	Fourth (a)	Class IV (82%)
West (W)	148 (1 site)	Fourth (a)	Class IV (99%)
Lowest Priority for UGB Expansion			
East 1 (E1)	152 (1 site)	Fourth (b)	Class II (96%)
East 2 (E2)	422 (4 sites)	Fourth (b)	Class II (78%)

Medium Priority Tracts

The South 1 (with two sites), South 3 (with two sites), and West tracts all have high-value agricultural soils with predominantly Class IV soils and therefore must be included before tracts with Class II soils. However, as shown in **Figure 2-3** (following page), the West Tract is located on the west side of the Umatilla River. Since the city can meet its short-term need for five additional suitable HDC sites by including the South 1 and South 2 tracts, there is no need to cross the river to meet the immediate need for five HDC sites.

Lowest Priority Tracts

The East 1 and 2 tracts are the lowest priority for UGB Expansion because they have Class II, high-value agricultural soils. Although these tracts can be developed efficiently due to their shape, they have relatively high-quality agricultural soil and are not needed to meet the city's short-term HDC site needs.

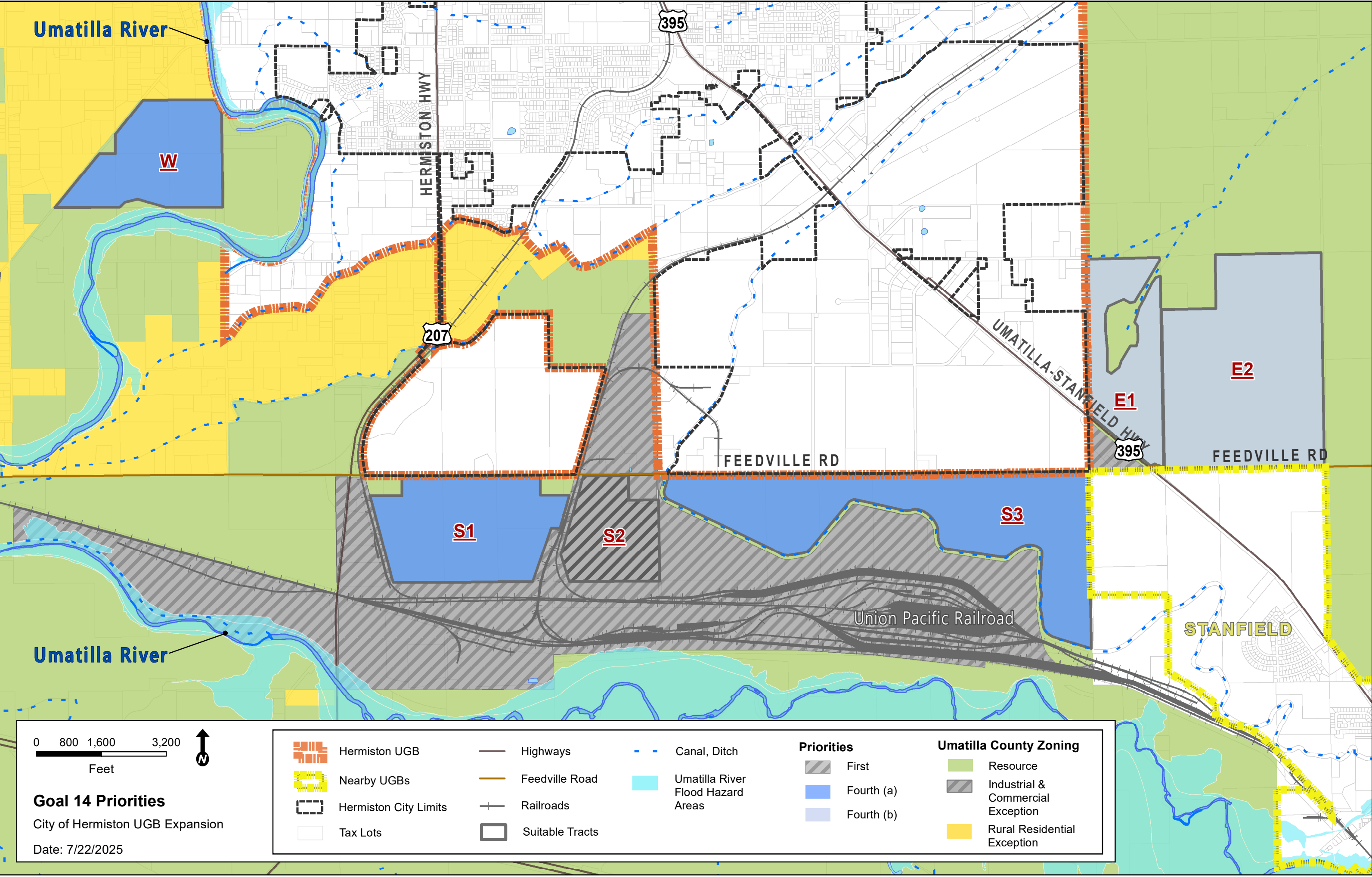
The remainder of this analysis focuses on which of the higher priority EFU tracts – with predominantly Class IV agricultural soils – to include within the UGB to meet the short-term need for suitable HDC sites.

Goal 14 Boundary Location Factors

Pursuant to subsection (1)(c), if the amount of suitable land in a particular priority category under section (2) exceeds the amount necessary to satisfy the need deficiency, the city must choose which land in that priority to include in the UGB by first applying the boundary location factors of Goal 14 and then applying applicable criteria in the acknowledged comprehensive plan and land use regulations acknowledged prior to initiation of the UGB evaluation or amendment. The city may not apply local comprehensive plan criteria that contradict the requirements of the boundary location factors of Goal 14. The boundary location factors are not independent criteria; when the factors are applied to compare alternative boundary locations and to determine the UGB location the city must show that it considered and balanced all the factors. The criteria in this section may not be used to select lands designated for agriculture or forest use that have higher land capability or cubic foot site class, as applicable, ahead of lands that have lower capability or cubic foot site class.[...]

⁶ As discussed under the Goal 14 maximum land use efficiency criterion below, the large South 3 tract includes capacity for nine buildings, greater than two sites.

Figure 2-3 Suitable HDC Tracts by UGB Rule Priority



(1) Efficient accommodation of identified land needs;

Response: To recap: the EOA identified a need for 11 suitable HDC sites of 100 acres or more. There are two suitable HDC sites within the existing UGB, both of which are under construction, leaving a remaining need for nine suitable sites (900 acres).

Since there are no remaining employment sites large enough to accommodate another HDC, the city looked outside the UGB to meet HDC site needs. Due to the immediate need for HDC sites, the city has elected to focus on providing five short-term HDC sites.

- **Tract S2 (an industrial exception area with one suitable HDC site) is the highest priority for inclusion within the UGB. This tract must be brought into the UGB before tracts with high-value farmland can be included. This highest priority tract accounts for one of the needed HDC sites.**
- **Tracts E1 and E2 have been removed from further consideration because they have predominantly Class II agricultural soils and are the lowest priority for inclusion within UGB.**

There is a remaining need for four suitable HDC sites. The Study Area includes three suitable tracts with predominantly high-value farmland with predominantly Class IV agricultural soils. These three tracts have five suitable HDC sites. In the discussion below, we have conducted an ESEE analysis to determine which of these three tracts to include within the Hermiston UGB.

- Tract W (one HDC site)
- Tracts S1 (two HDC sites)
- Tract S3 (two HDC sites)

As shown in **Figure 1-2**, the proposed UGB Expansion Area (Tracts S1 and S3) borders the existing UGB for over two miles; when combined with Tract S2, the shared border is almost three miles. Expanding the UGB to the south will provide the five additional suitable HDC sites between the UGB and an existing county exception area, resulting in a compact and efficient urban growth form.

In contrast, the western Tract W is separated from the UGB by the Umatilla River, making it more difficult to serve the one HDC site efficiently. On balance, the proposed UGB Expansion Area most efficiently accommodates short-term HDC site needs.

(2) Orderly and economic provision of public facilities and services;

Response: **Appendix E.1** includes Anderson Perry engineers' evaluation of the six suitable HDC tracts outside the UGB to determine the relative costs of providing urban services necessary to serve HDC sites within these subareas. Anderson Perry determined that:

- Tract W, with only one suitable HDC site, would be most expensive to serve with sewer, water and transportation facilities because facilities would need to cross the Umatilla River.
- The southern Tracts S1 and S3 would be relatively less expensive to serve because they are adjacent to the existing UGB. When combined with Tract S2 (the exception area), the cost of serving the southern (proposed UGB Expansion Area) tracts is much lower on a per acre basis than serving Tract W.

Figure 1-1A and Figure 1-1B (HDC Conceptual Development Plans), Figure 1-3A through Figure 1-3C (UGB Expansion Area PFP maps) incorporate the results of Anderson Perry's and Kittleson's

analysis, and show how sewer, water, transportation, electrical and fiber optics facilities can be provided to the proposed UGB Expansion Area in an orderly and economic manner.

(3) Comparative environmental, energy, economic and social consequences; and

Response: The tables below summarize the ESEE consequences of expanding the UGB to suitable HDC tracts to the south and west of the existing UGB.

Table 3.A Economic Consequences	
The economic consequences of the three UGB expansion options are generally positive because of the positive economic impacts identified in the EOA.	
Southern Tracts S1, S3	Because the southern UGB Expansion Area (a) has relatively low public facilities costs, and (b) will have relatively less impact on farming activities and the agricultural economy, the economic consequences are positive when compared with expansion to the west.
Western Tract W	Expanding to the west (Tract W) is more expensive from a public facilities point of view and would introduce potential conflicts with adjacent farming activities, and thus would have some adverse economic consequences.

Economic Consequences Conclusion: Overall, expanding into the proposed UGB Expansion Area (Tracts S1, S2, and S3) has fewer adverse economic consequences than expansion to the west across the Umatilla River.

Table 3.B Social Consequences	
The social consequences of all two remaining UGB expansion options are generally positive, because of the social benefits associated with increased job opportunities identified in the EOA. Potential adverse social consequences (noise and air pollution from occasional, temporary use of emergency diesel generators) could have resulted from placing HDCs near residential areas; however, this adverse social consequence is avoided by elimination of potential HDC sites that cannot reasonably meet the 200' residential separation standard.	
Southern Tracts S1, S3	<p>Southern Tracts S2 and S3 do not border residential land; they border industrial exception areas or industrially designated land within the Hermiston and Stanfield UGBs, thus eliminating adverse social impacts related to proximity to residential land.</p> <p>Tract S1 is bordered on the east, west, and south by industrial exception areas, and on the north by a planned residential area (across Feedville Road). HDC structures will be setback at least 200' from this residential area to mitigate potential adverse social impacts from HDC operations.</p>
Western Tract W	Tract W is bordered by rural residential land to the northwest, agricultural land to the southwest, and is separated from rural residential and future urban residential land to the northeast, east, and southeast by the Umatilla River. There is sufficient

	space on this 148-acre tract to provide a 200' setback from all residential areas, thus mitigating potential adverse social consequences.
--	---

Social Consequences Conclusion: Potential adverse social impacts on residential land are minimal. Two of the three southern tracts do not border residential land, thus avoiding potential adverse social impacts related to proximity to residential land. Tract W and S1 share borders with residential land; potential adverse social impacts from emergency generator use will be mitigated by a 200' HDC structure setback from residential land.

Table 3.C Environmental Consequences	
The only designated natural resource site within the Study Area is the Umatilla River. None of the suitable tracts include land within the Umatilla River 100-year floodplain or within Umatilla County's Umatilla Flood Hazard nor Natural Area overlays. Potential adverse impacts on agricultural land are addressed in the next agricultural lands table below.	
Southern Tracts S1, S3	The two southern HDC tracts are separated from the Umatilla River floodplain by the UPRR tracks and yard, and an industrial exception area to the south and southwest.
Western Tract W	Western Tract W borders the Umatilla River to the north and south. Public facilities would need to be extended across the river to serve W. For these reasons, the potential for adverse environmental impacts is somewhat greater than expanding the UGB to the east or south.

Environmental Consequences Conclusion: There are no significant adverse impacts on designated Goal 5 natural resources sites. However, the western Tract W is bordered by the Umatilla River, thus increasing the potential for adverse impacts to this County natural resource site compared with the three southern tracts.

Table 3.D Energy Consequences	
HDCs require large amounts of reliable electrical energy – a primary reason why Umatilla County attracts HDC development. However, out-of-direction travel can also increase energy use.	
Southern Tracts S1, S3	Development of the southern sites minimizes out-of-direction travel due to proximity to Hwy 395 via Feedville Road.
Western Tract W	Development of Tract W minimizes out-of-direction travel due to proximity to the I82 interchange via Westland Road.

Energy Consequences Conclusion: There is no significant difference in energy consequences among suitable HDC sites. See also discussion under HCP Policy 15: Energy Conservation.

ESEE Conclusion: HDC development will provide local jobs and thus will have positive economic and social benefits. However, the western HDC Tract W has more negative ESEE consequences than the three southern tracts. Notably, the two southern tracts are well-buffered from EFU land in the Study Area, whereas Tract W borders the Umatilla River and EFU land, with potentially adverse environmental consequences.

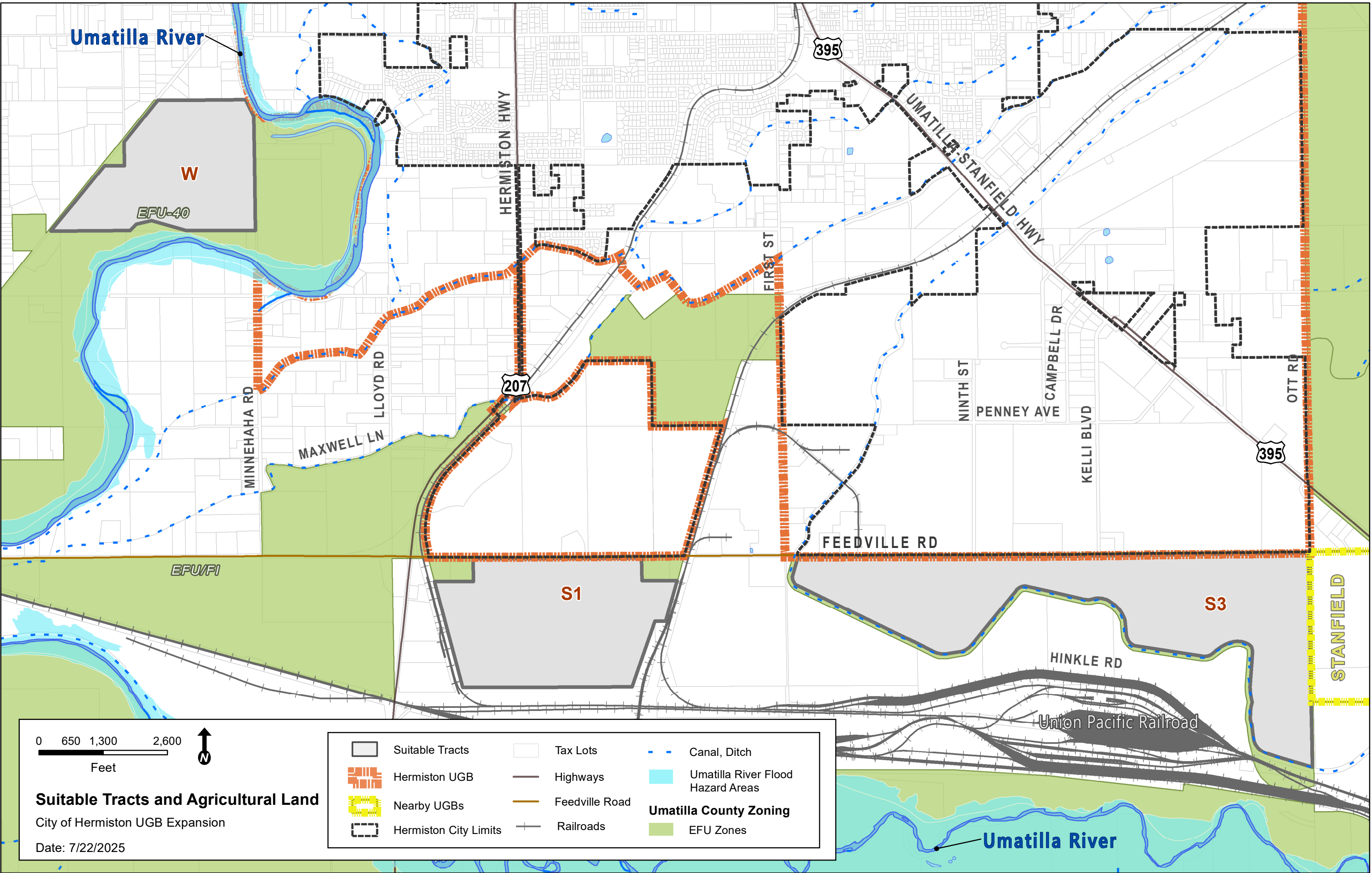
(4) Compatibility of the proposed urban uses with nearby agricultural and forest activities occurring on farm and forest land outside the UGB.

Response: The Study Area includes no forest land but has large concentrations of agricultural land. **Figure 2-4** (following page) shows the boundaries of each of the three suitable tracts in relation to adjacent EFU areas.

- **Tract W** abuts the Hermiston UGB (and the Umatilla River) for a distance of about 370 feet, and a rural residential exception area to the north and west for about 0.9 miles. However, Tract W borders large EFU areas to the east for approximately 0.7 miles and to the southwest for 0.3 miles. The Umatilla River effectively buffers Tract W from some nearby agricultural land to the south for 0.5 miles. Although it is unlikely that an HDC would seriously interfere with farming activities, expanding the UGB to include Tract W (west of the river) would increase the potential for conflict between urban development and agricultural land.
- **Tracts S1 and S3** minimize potential conflicts with agricultural activities because the south sites are separated from agricultural (EFU) land by:
 - The Hermiston UGB and two developed agricultural commercial parcels to the north;
 - The Stanfield UGB to the east;
 - An industrial exception area to the south; and
 - An agricultural business exception area to the west.

Because Tracts S1 and S3 are bordered almost entirely by urban land, industrial and agricultural business exception areas, the UPRR facilities, or the Umatilla River floodplain, developing these tracts for HDCs will have no significant impact on agricultural activities near these HDC sites.

Figure 2-4 Suitable HDC Tracts in relation to Agricultural Land



Goal 14 Location Factors Conclusion

On balance, based on the four location factors, the two southern HDC tracts are preferable to the western tract. Tracts S1 and S3 abut the Hermiston UGB for a distance of more than two miles and are separated from large swaths of productive agricultural land by industrial exception areas, the Stanfield UGB, the UPRR tracks and yard, and the Umatilla River. In contrast, Tract W is located on the west side of the Umatilla River, making it more costly and less efficient to serve, and extends into a large agricultural area.

State Agency Coordination

(8) The city must apply the boundary location in coordination with service providers and state agencies, including the Oregon Department of Transportation (ODOT) with respect to Factor 2 regarding impacts on the state transportation system, and the Oregon Department of Fish and Wildlife (ODFW) and the Department of State Lands (DSL) with respect to Factor 3 regarding environmental consequences. “Coordination” includes timely notice to agencies and service providers and consideration of any recommended evaluation methodologies.

Response: Appendix H documents coordination efforts with Umatilla County, affected neighboring cities, affected state agencies, and affected interest groups and organizations.

Public Facilities Analysis

(9) In applying Goal 14 Boundary Location Factor 2 to evaluate alternative locations under section (7), the city must compare relative costs, advantages and disadvantages of alternative UGB Expansion Areas with respect to the provision of public facilities and services needed to urbanize alternative boundary locations. For purposes of this section, the term “public facilities and services” means water, sanitary sewer, storm water management, and transportation facilities. The evaluation and comparison under Boundary Location Factor 2 must consider:

- (a) The impacts to existing water, sanitary sewer, storm water and transportation facilities that serve nearby areas already inside the UGB;*
- (b) The capacity of existing public facilities and services to serve areas already inside the UGB as well as areas proposed for addition to the UGB; and*
- (c) The need for new transportation facilities, such as highways and other roadways, interchanges, arterials and collectors, additional travel lanes, other major improvements on existing roadways and, for urban areas of 25,000 or more, the provision of public transit service.*

Response: The **Hermiston PFP (Appendix A.2)** identifies public facilities projects necessary to serve the existing UGB, consistent with OAR 660-011 Public Facilities. **Appendix 1 to the PFP describes and maps public improvements necessary to serve the UGB Expansion Area. Figure 1-3A through Figure 1-3C** above is derived from the PFP and shows how water, sanitary sewer, and transportation facilities will be provided to serve the five HDC sites efficiently. Stormwater will be managed on-site or within the transportation facilities.

Study Area Alternatives

(10) The adopted findings for UGB amendment must describe or map all of the alternative areas evaluated in the boundary location alternatives analysis.

Response: This narrative and embedded figures describe and map the alternative areas evaluated in the UGB boundary alternatives analysis. Winterbrook describes and maps six suitable HDC sites within the preliminary study area mandated by the UGB Rule.

HCP Urbanization Policies

HCP Policies 4 Orderly Urban Growth, 5 Annexation, and 6 Conversion implement Statewide Planning Goal 14 in Hermiston. Note that these policies are referenced in the county comprehensive plan and implemented by the city and county in the Joint Management Agreement (JMA). (See discussion of JMA compliance in Section 3 of this narrative.)

As noted in the HCP (p. III-B):

Each policy section contains three components.

Summary of Findings. *Summary of results of research which assess existing physical, social and economic conditions and identify the community's future development needs.*

Policies. *Statements establishing a course of action for the city which provide the basis for guiding ongoing decisions related to land use and preparation of new land use regulations.*

Implementing Actions. *The practical means of putting each policy into effect, including ordinances, maps, programs and financing mechanisms. There are two kinds of implementing actions:*

Mandatory - which are critical to the implementation of the policy indicated in the text as already having been undertaken, e.g., city "has negotiated a UPAA with Umatilla County," or must be undertaken; e.g., the city "will prepare and adopt a capital improvements plan by 1986." These actions are to be considered plan policies for the purposes of LCDC Goal 2 and ORS 197.17 (2)(a) and (b).

Desirable - i.e., not necessary for policy implementation. These are distinguished from mandatory actions above by the use of "may," e.g., "may undertake."

HCP POLICY 4: ORDERLY URBAN GROWTH

Summary of Findings

One of the primary functions of the comprehensive plan is the establishment of an urban growth boundary, the area beyond the city's corporate limits where future development is most likely to occur. To be approved by the Oregon Land Conservation and Development Commission, the city must demonstrate that its UGB contains sufficient land to accommodate development for the next 20 years and within which a full complement of urban services can be provided; at the same time, every effort must be made to exclude prime agricultural, forest and other natural resource lands. [...]

*Another goal of the comprehensive planning process is to insure that growth within the UGB occurs in a compact, efficient and timely manner. To facilitate this, **the city has adopted a growth management strategy whereby the***

UGB is divided into two categories: “urban” and “urbanizable.” The former contains areas immediately adjacent to the existing city limits where annexations in the near future are most likely to occur and where a full complement of urban service, including water, sewer and roads, can be readily extended. To assure efficient urbanization of these areas, detailed land use and public facilities planning has been undertaken. In the outlying areas designated as urbanizable, only nodes of commercial, industrial and community service uses and general areas of future residential development have been designated on the comprehensive plan map.

Detailed planning these areas will occur as they are converted to urban land, as governed by Policy 6: CONVERSION.

Response: Hermiston has prepared a detailed HDC conceptual development plan and public facilities plans for the UGB Expansion Area (**Appendices A and E**). The five HDC Sites that can be accommodated on the S1, S2, and S3 tracts are needed to meet short-term HDC needs. This application includes the public facilities plan and conceptual development plan needed to justify an Urban designation. Therefore, the city proposes to designate these tracts “Urban Industrial” with an HDC Overlay to ensure that the S1, S2, and S3 tracts are developed for their intended HDC and supporting uses. Per JMA Section F.1, the city requests that the County rezone these properties Industrial (M-2) with the new HDC Overlay.

POLICY 4: THE CITY OF HERMISTON WILL PROMOTE COMPACT URBAN DEVELOPMENT WITHIN AND ADJACENT TO EXISTING URBAN AREAS TO INSURE EFFICIENT UTILIZATION OF LAND RESOURCES AND FACILITATE ECONOMIC PROVISION OF URBAN FACILITIES AND SERVICES.

Implementing Actions

- *Has negotiated an urban growth area joint management agreement with Umatilla County with the following provisions:*
- *Delineate urban and urbanizable areas within the unincorporated portion of the UGB;*
- *For property within the urban area: County adopts city’s planning and zoning designations as follows:*

Corresponding Designations

<i>Comprehensive Plan</i>	<i>Zoning Ordinance</i>
<i>Low Density Residential (LDR)</i>	<i>R1, R2</i>
<i>Medium Density Residential (MDR)</i>	<i>R3</i>
<i>Medium Density Residential (MDR/MH)</i>	<i>R4</i>
<i>Commercial (C)</i>	<i>C1, C2</i>
<i>Industrial (I)</i>	<i>M1</i>
<i>Mixed Commercial/Industrial (C/I)</i>	<i>C2/M1 with PUD overlay</i>

<i>Hyperscale Data Center Industrial (HDC/I)</i>	<i>M2 with HDC overlay</i>
<i>Airport (A)</i>	<i>A</i>
<i>Community Service (CS)</i>	<i>All zones with CS overlay</i>
<i>Open Space</i>	<i>OS</i>

- *Property owners whose property currently is zoned for exclusive farm use may retain that status if requested in writing.*
- *City is responsible for public facilities planning particularly with regard to extension of water, sewers and roads.*

Response: The city has prepared detailed public facilities plans for the proposed UGB Expansion Area. **(Figure1-3 and Appendix A.2)**. Hermiston has prepared a detailed conceptual development plan and a public facilities plan for the entire UGB Expansion Area. HDC Sites S1, S2 and S3 are needed to meet short-term HDC needs. Therefore, the city proposes to designate these sites Urban Industrial with an HDC Overlay on the Comprehensive Plan Map to ensure that Sites S1, S2 and S3 are:

1. provided with necessary public facilities in a timely and efficient manner; and
2. developed for their intended HDC and supporting uses.

HCP POLICY 5: ANNEXATION

Summary of Findings

To facilitate its goal for compact urban growth, the city recognizes the need to undertake a carefully formulated annexation program. By requiring annexation as a condition for the extension of urban services, the city insures:

Resulting development occurs within the city's jurisdiction and in compliance with the comprehensive plan and implementing ordinances;

Property owners who benefit from city services bear a proportionate share of the costs of service extension through property taxes and service fees.

POLICY 5: THE CITY OF HERMISTON WILL UNDERTAKE AN ANNEXATION PROGRAM TO FACILITATE COMPACT URBAN GROWTH AND THE ORDERLY AND EFFICIENT PROVISION OF FACILITIES AND SERVICES.

Implementing Actions

- *Has adopted an annexation ordinance with the following provisions:*
- *Will approve annexations only upon demonstration of conformance to each of the following conditions:*
 - *Property is contained within the urban portion of the UGB;*
 - *Proposed development is consistent with applicable comprehensive plan policies and map designations;*

- *All city services can be extended readily;*
 - *Property owner(s) is willing to bear costs associated with extension of sewer, water, and roads except for major facilities -- e.g. sewer pump station or major water main -- necessary to facilitate later growth.*
 - *Proposal is consistent with all applicable state requirements including ORS Chapter 222 governing annexations and Chapter 225 governing utility extensions.*
- *Will zone property at time of annexation in a manner consistent with underlying comprehensive plan designations and zoning designations adopted by city.[...]*
 - *Will not extend water or sewer services extraterritorially except when allowed by Policy 24 for extraterritorial provision of water supply to lands zoned or designated for industrial uses, or in the case of health and/or pollution hazard resulting from septic tank or other contamination of the local water supply as declared by the Oregon Health Division, Department of Environmental Quality, Department of Water Resources, or other state agency. In the latter case, the affected property owners must bear the costs associated with the extension through the formation of a LID or other funding mechanism, and waive the right to remonstrate against future annexation at the time the property becomes adjacent to the city limits. If the affected property is located in the urbanizable portion of the UGB, the city must initiate action to convert it to urban status before it can extend services, as governed by Policy 6: CONVERSION.*

Response: The property owners have requested annexation to the city (Appendix F.2), and the city has initiated annexation review proceedings for Tracts S1 and S3, based on the approved conceptual development plan and public facilities plan for these areas. The two tracts can accommodate four suitable HDC sites and will be zoned M-2/HDC overlay to ensure that each site is developed as recommended in the HDC Conceptual Development Plan. The city is working with the property owners to extend public facilities and services to serve these areas in a timely manner, per Policy 24 and the JMA.

HCP POLICY 6: CONVERSION

Summary of Findings

To further its goal of developing an effective growth management program, the city recognizes the need to adopt policies and procedures governing the conversion of land within the unincorporated portion of the UGB from urbanizable to urban. By prohibiting the extension of water and sewer service into urbanizable areas, the city insures that development first will occur immediately adjacent to the city limits where service can be provided in a cost-efficient manner, thus avoiding leapfrog development. On the other hand, the city must have some mechanism for converting urbanizable land to an urban status as it is needed for future development and a full complement of urban services can be provided.

POLICY 6: THE CITY OF HERMISTON WILL ADOPT POLICIES AND PROCEDURES GOVERNING THE CONVERSION OF PROPERTY IN THE UNINCORPORATED PORTION OF THE UGB FROM URBANIZABLE TO URBAN.

Implementing Actions

- *Will establish major plan amendment procedures to process applications of property owners who wish to convert their properties from urbanizable to urban,⁵ including but not limited to the following:*

- *Property characterized by a health threat or pollution hazard due to the contamination of the local groundwater as identified by the Oregon Health Division, Department of Environmental Quality, Department of Water Resources or other state agency. Once converted, municipal water and sewer service may be extended without annexation subject to conditions specified in Policy 5: ANNEXATION.*
- *Proposed commercial, industrial or community service development which will result in economic benefits, e.g. creation of new jobs or increase in tax base, or which provide a needed public or quasi-public facility. After conversion to an urban status, such property must be annexed by the city prior to the extension of urban services except when such extension is allowed under Policy 24 pertaining to the extraterritorial provision of water supply to lands zoned or designated for industrial uses.*
- *Proposed residential development. As the city will not extend urban services without annexation, such property must be annexed if the property owner desires to develop to the underlying urban density.*
- *Will adopt detailed comprehensive planning designations for newly converted areas. [...]*
- *Will establish an annual administrative review to monitor the nature and impact of development within the city limits and unincorporated portion of the UGB in the previous 12 months to determine the rate at which land is being consumed to meet the city's residential, commercial, industrial and community service needs. If an insufficient supply of vacant land in any land use classification is identified, the city may initiate action to convert additional land from urbanizable to urban. In this case, the city will include a land area of at least 40 acres, to permit comprehensive land use and facilities planning.*
- *Will undertake detailed planning for remainder to urbanizable area at the time of the next major plan update in 1989, after completion of a comprehensive city/county transportation plan and state study and report of the extent and characteristics of the shallow water aquifer.*

Response: The city proposes to amend the HCP map by expanding the UGB by 810 gross acres (including rights-of-way) and re-designating the UGB Expansion Area from county rural Heavy Industrial (HI) and Exclusive Farm Use (EFU) to city **Urban Industrial/HDC**. This policy does not apply because conversion of "urbanizable" land to "urban land" is not proposed.

Nevertheless, the proposed UGB amendment and assignment of an Urban Industrial designation is consistent with the spirit of this policy. The decision to designate the UGB Expansion Area "Urban" meets the above criteria because:

- The city followed the major plan amendment procedures as specified in Policy 6;
- The designation is supported by detailed conceptual development and public facilities plans; and
- The designation is needed to carry out the city's economic development objectives as stated in the 2024 EOA; and
- The proposed UGB Expansion Area borders the existing UGB for almost three miles, can readily be provided with urban services, and is needed to provide suitable sites to accommodate the short-term need for HDCs.

Joint Management Agreement

In 2017, the city of Hermiston and Umatilla County adopted "The Hermiston Planning Area Joint Management Agreement (JMA)". The JMA implements HCP Policies 4 (Orderly Urban Growth), 5 (Annexation), and 6 (Conversion) and includes the following provisions related to joint adoption of proposed amendments to the Hermiston Comprehensive Plan, the Hermiston UGB, and the Hermiston Land Development Code as it applies to unincorporated "urban areas" within the UGB.

E. AREAS WITHIN THE UGB, OVERALL PROVISIONS

- 1. The County shall adopt by ordinance as an amendment to the County Comprehensive Plan, the city's Comprehensive Plan including the Urban Growth Boundary, Plan Map, and Plan Policies to apply to land within the UGB.*

Response: Both the city and county must adopt the proposed plan amendment package to effectuate the city's proposed HCP and UGB amendments as set forth in **Appendix A**. As documented in **Appendix H**, city and county staff have coordinated in the preparation and review of the proposed amendment package.

- 2. The County shall adopt by ordinance as an amendment to the County's Land Development Code for application within the Urban areas only:*
 - a) city land use regulations.*
 - b) city zoning designations as described in Section F. [...]*

Response: Both the city and county must adopt the proposed plan amendment package to effectuate the city's proposed HCP and UGB amendments as set forth in **Appendix A**. As documented in **Appendix H**, city and county staff have coordinated in the preparation and review of the proposed amendment package. The city proposes to designate the proposed UGB expansion area for "urban" use with an Hyperscale Data Center (HDC) overlay; therefore, the county must co-adopt the proposed HDC overlay zone in order to protect the proposed UGB expansion area for its intended HDC use.

- 10. Amendments to the Comprehensive Plan and sections of the implementing ordinances applicable to the UGA may be initiated by the city, the County or an affected person. Such amendments shall be processed by the city and will be referred to the County by the city for review and comment at least ten (10) days prior to the city Planning Commission public hearing. The city will refer back to the County for review and comment any changes proposed in such amendments at least ten (10) days prior to adoption. The amendments will be adopted by ordinance by the city prior to referral to the County for coadoption review, via the County Planning Commission.*

The County Planning Commission and Board of Commissioners will hold public hearings on all proposed amendments following receipt of city recommendations or co-adoption referrals. The County will take final action on all proposed amendments within 120 days after the application is received by the County, unless the applicant allows this time limit to be waived, or in accordance with applicable future changes in Oregon

Revised Statutes. If approved, the amendments will be co-adopted by ordinance into the County Comprehensive Plan and land use regulations, for application only within the UGB, following formal amendment by the city of its Comprehensive Plan and implementing ordinances.

Attempts to resolve differences between city and County versions of an acceptable amendment will occur prior to Board of Commissioners' adoption. Should the city and County fail to concur on amendment proposals, the Board of Commissioners' or city Council's decision may be appealed to the appropriate tribunal, following final action by the Board of Commissioners. Unless the County co-adopts amendments approved by the city, such amendments shall not apply within the UGB. Annexations related to Plan amendments shall be regulated by ORS Chapter 222.

Response: The Hermiston City Council initiated the proposed plan amendment package through the city's Planning Department. The proposed amendment package is being processed by the city. As documented in **Appendix H**, city and county staff have been coordinating for over a year prior to the submission of the proposed amendment package. The city provided formal notification to the County in conjunction with DLCD notification at least 35 days prior to the initial City Planning Commission hearing and notified the County at least 10 days prior to City Council adoption by ordinance. The city recognizes that the county must adopt the amendment package by ordinance before it can go into effect.

Due to the high level of coordination that occurred before and during the joint adoption process, the city does not anticipate irresolvable differences between city and county elected officials.

F. URBAN AREA: SPECIAL PROVISIONS

- 1. The city zoning designations in the Urban areas shall be applied in accordance with the city Comprehensive Plan. [...]*

Response: The city proposes to designate the entire UGB expansion area as **Urban Industrial with an HDC overlay**. Therefore, city zoning will be applied to the proposed UGB expansion area.

- 2. The City shall refer all annexation proposals to the County Planning Department and the Public Works Department for review and comment at least ten (10) days prior to the first public hearing on the annexation. The City will allow additional County review and comment changes to be made in the annexation proposal following initial or subsequent hearings. All annexations shall be governed by ORS Chapter 222.*

Response: The city has initiated annexation of the proposed UGB Expansion Area, except for the land within Tract S2, as part of this plan and code amendment proposal.

H. CONVERSION OF LANDS FROM URBANIZABLE TO URBAN

- 1. Converted areas should include the service areas on both sides of an included county road, for ease and equitability in financing necessary road upgrading associated with urban development of the area.*
- 2. The city will prepare detailed land use and public facilities plans for each such conversion area prior to approval of and as part of the conversion plan amendment.*

3. *The city will annually review the stock of vacant land in Urban status, and will initiate conversion of Urbanizable land as needed, so as to include a 5-year inventory of adequate lands for needed housing, commercial, industrial, and community service development.*
4. *Conversion areas must be contiguous to existing urban areas or the city limits.*
5. *Conversion of property(ies) from Urbanizable status to Urban status will only be considered in conjunction with an annexation request except when initiated by the city as part of its annual review process noted in section H.4, above. The process will follow the city's plan amendment process and annexation regulations, with notice to the County per subsection F.2.*

Response: JMA Section H does not apply because there is no proposal to convert the UGB Expansion Area from "Urbanizable" to "Urban" status. The city proposes to designate the entire expansion area for Urban use in conjunction with the UGB expansion proposal because all five of the criteria listed above are met in this application.

1. The UGB Expansion Area will be served by and include Feedville Road, which serves land within the UGB to the north and the proposed UGB Expansion Area to the south.
2. The application (Appendices A, B, and C) includes a public facilities plan and conceptual development plan for the UGB expansion area.
3. The UGB Expansion Area includes five proposed HDC sites, all of which are needed to ensure an adequate short-term (five-year supply) of HDC land.
4. The proposed Urban area is contiguous to both existing Urban areas and the existing city limits.
5. This application includes a proposal to annex all private land - except for Tract S2- and public rights-of-way within the UGB Expansion Area. Feedville Road will be improved to city standards as part of the HDC site development process.

Annexation

150.01 APPLICATION PROCEDURE.

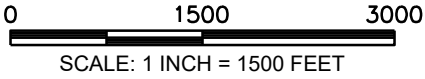
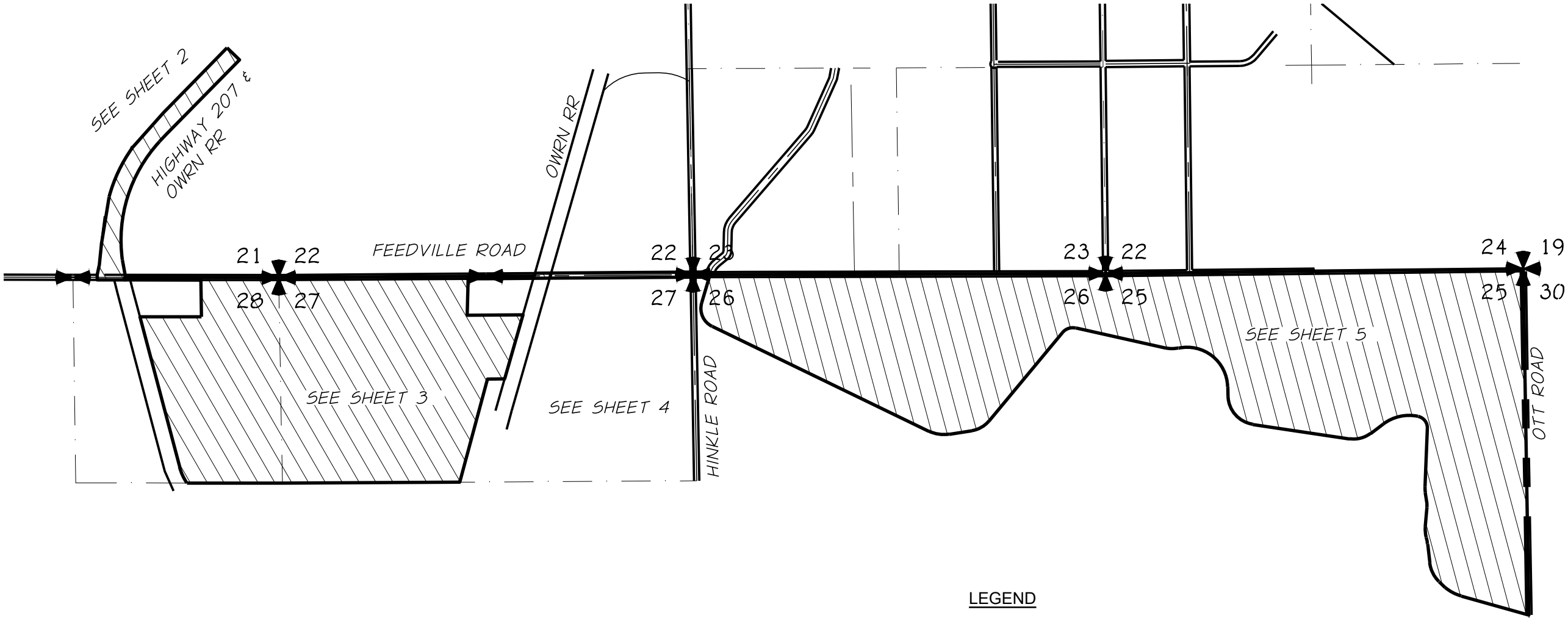
A property owner or the owner's authorized agent may initiate a request by filing an application with the City Planner using forms prescribed for this purpose. The application shall include a legal description of the property, a plot plan showing any existing improvements thereon and a narrative statement by the owner describing the proposed land use and future development for the property. The owner shall pay a fee as established by the City Council at the time the application is filed.

Response: The property owners of Tracts S1 and S3 have authorized annexation of private property included within the proposed UGB Expansion Area (see Appendix F.2). **Appendix F.3 Legal Description of Property Proposed for Annexation** details the precise location of the proposed annexation area, including private property and public rights-of-way. The annexation maps is shown in the next page.

The PFP for the UGB Expansion Area includes a map and table showing how public facilities can be provided efficiently to serve planned HDC sites within the annexation area. The conceptual development plan shows how HDC sites could be developed as required by the HDC overlay. Therefore, this standard is met.

Figure 2-5 Annexation Area Map

X:\Clients\Hermiston OR\736-170 Urban Expansion Support\Survey\Drawings\CIVIL3D\736-137-SRC-row.dwg, Sheet1, 7/31/2025 1:19 PM, rstein



REGISTERED
PROFESSIONAL
LAND SURVEYOR

PRELIMINARY

OREGON
FEBRUARY 8, 2000
RICHARD E. STEIN
49593PLS
EXPIRES: 6/30/2026

LEGEND

PROPERTY ANNEXATION

EXISTING PROPERTY LINE

EXISTING SECTION LINE

EXHIBIT "B"

CITY OF HERMISTON, OREGON

SECTIONS 21, 25, 26, 27, & 28 TOWNSHIP 4N, RANGE 28E,
WILLAMETTE MERIDIAN,
UMATILLA COUNTY, OREGON

SHEET

1

150.02 LAND USE MATTERS.

Before the City Council may act on an application for annexation, the application shall be reviewed by the Planning Commission for a recommendation as to land use matters consistent with the City Comprehensive Plan.

Response: The Planning Commission will review the proposed annexation as part of a consolidated land use application, which includes the proposed UGB expansion, designation as Urban Industrial, rezoning to M-2 with an HDC overlay, and adoption of related amendments to the HDC and LUO.

150.03 PUBLIC HEARINGS ON ANNEXATIONS.

After the City Council has received the Planning Commission's recommendation as to land use matters consistent with the City Comprehensive Plan and the City Council elects to dispense with submitting the question of the proposed annexation to the electors of the city, the City Council shall fix a day for the public hearing so the electors of the city may appear and be heard on the question of annexation.

Response: The City Council public hearing date will be determined after the Planning Commission has made a recommendation on the proposed UGB amendment package.

150.04 PUBLIC NOTICE.

In addition to any other public notice required by law, notice of the public hearing shall be published in a newspaper of general circulation once each week for two successive weeks prior to the hearing date and notices of the hearing shall be posted in four public places in the city for a like period.

Response: Public notice for the proposed plan and code amendment package has been provided as required by LUO Sections 157.225 Amendments, 157.229 Public Hearings, Notice of Publication and 157.230 Public Hearings.

150.05 CRITERIA.

After its public hearing and receipt of the recommendation from the Planning Commission, the City Council shall ensure the application meets the following criteria:

(A) The proposal is consistent with all applicable state annexation law requirements.

ORS 222.125 Annexation by consent of all owners of land and majority of electors; proclamation of annexation. *The legislative body of a city need not call or hold an election in the city or in any contiguous territory proposed to be annexed or hold the hearing otherwise required under ORS 222.120 when all of the owners of land in that territory and not less than 50 percent of the electors, if any, residing in the territory consent in writing to the annexation of the land in the territory and file a statement of their consent with the legislative body. Upon receiving written consent to annexation by owners and electors under this section, the legislative body of the city, by resolution or ordinance, may set the final boundaries of the area to be annexed by a legal description and proclaim the annexation.*

Response: As documented above, the UGB Expansion Area is contiguous with the Hermiston City Limits.

- **Appendix F.2** includes a petition signed by the owners of all private tracts within the proposed annexation area agreeing to annexation.
- **Appendix F.3** includes a legal description of the proposed annexation area.

Therefore, the proposed annexation complies with ORS 222.125.

(B) The property is contained within the urban portion of the Urban Growth Boundary (UGB) as identified in the Comprehensive Plan.

(C) The proposed zoning is consistent with the underlying Comprehensive Plan land use designations.

Response: As documented above, the private tracts proposed for annexation are part of a consolidated land use application that:

- Includes the subject privately-owned tracts within the Hermiston UGB;
- Designates these tracts Urban Industrial/HDC on the Comprehensive Plan map; and
- Rezones these tracts M-2/HDC on the Hermiston Zoning Map.

Therefore, the proposed annexation complies with Subsections (B) and (C) above.

(D) Finding of fact is developed in support or denial of the application.

Response: The City Council ordinance adopting the proposed annexation incorporates by reference Appendix A Findings of Fact for Hermiston Data Center Annexation.

(E) All city services can be extended readily and the property owner(s) is willing to bear costs associated with extensions of sewer, water and roads except for major facilities - sewer pump station or major water main - necessary to facilitate later growth.

Response: **Appendix E.2** includes the public facilities study for the UGB Expansion Area prepared by Anderson Perry which demonstrates that city services can be readily extended to serve the private tracts proposed for annexation. The property owners (or their successors) will be required to pay for off-site intersection improvements identified in the TIA. Based on the findings above, Subsection (E) requirements for annexation are met.

Section 3. Applicable Procedural Goals

Compliance with Applicable Procedural Goals, Related HCP Policies, LUO Review Requirements and the Annexation Requirements

Goal 1: Citizen Involvement

This subsection discusses citizen involvement and related HCP policies.

To develop a citizen involvement program that ensures the opportunity for citizens to be involved in all phases of the planning process.

Response: HCP Policy 1 implements Goal 1 requirements by ensuring the opportunity for public involvement in the review of the proposed plan amendment package.

HCP POLICY 1: CITIZEN INVOLVEMENT

Summary of Findings

City officials recognize the importance of formulating a comprehensive plan which reflects the needs, concerns and values of Hermiston residents. A major objective of the planning process is to balance successfully the rights of individual property owners with the health, safety and economic well-being of the whole community. To accomplish this, citizens must have ample opportunity to participate in planning activities.

POLICY 1: THE CITY OF HERMISTON WILL INSURE THAT CITIZENS HAVE AN ADEQUATE OPPORTUNITY TO BE INVOLVED IN ALL PHASES OF THE PLANNING PROCESS.

Implementing Actions

- *Will retain the Planning Commission as the Citizen Involvement Committee during the post-acknowledgment period.*
- *Will ensure proper legal notice for all public hearings.*
- *Will require all land use actions to be physically posted on site inviting public comment and identifying the time and date for testimony.*
- *Will utilize electronic communications such as local radio broadcasts to inform the general public of land use actions of citywide significance.*

Response: The proposed plan amendment package implements the 2024 EOA by ensuring that there is an adequate short-term supply of suitable HDC sites. The EOA provides the factual basis for the proposed plan amendment package and was acknowledged as complying with all applicable statewide planning goals, including Goal 1 Citizen Involvement.

Goal 1 is implemented by HCP Policy 1. The Hermiston Planning Commission (the designated CIC) will review the plan amendment package. Opportunities for public testimony will be ensured at public hearings before the city and county Planning Commissions, the City Council and the County Board of Commissioners.

The HCP and LUO carry Policy 1 “implementation actions” listed above. The city will follow acknowledged HCP application review requirements for the plan amendment package, including public notice, public hearing, and notice of final decision.⁷ LUO Sections 157.225 Amendments, 157.229 Public Hearings, Notice of Publication and 157.230 Public Hearings ensure compliance with Goal 1 and HCP Policy 1.

The proposed plan amendment package includes Comprehensive Plan map and text amendments, a UGB amendment, a new PFP, LUO text and amendments, and adoption of the HDC overlay as part of the LUO. Umatilla County must review and co-adopt the Comprehensive Plan text and map amendments, consistent with County public hearing requirements for legislative amendments.

Goal 1 Conclusion

The city will comply with Goal 1 by implementing acknowledged public review requirements set forth in the HCP and LUO.

Goal 2: Land Use Planning

This subsection discusses land use planning and related HCP policies.

To establish a land use planning process and policy framework as a basis for all decisions and actions related to use of land and to assure an adequate factual base for such decisions and actions.

⁷ Section 156.08 related to comprehensive plan amendments requires city and county review of the proposed plan amendment package as follows:

156.08 [COMPREHENSIVE PLAN] AMENDMENTS. *After the Planning Commission and City Council determine that proposed amendments should be considered, amendment of the Comprehensive Plan shall be based on the following procedure and requirements:*

(A) A public hearing date and notice thereof through a newspaper of general circulation in the city at least ten days prior to the hearing;

(B) Copies of proposed amendments shall be made available for review at least ten days prior to the Planning Commission hearing;

(C) After the close of the public hearing, the Planning Commission shall make findings of fact and recommend to the City Council adoption, revision or denial of the proposed amendments;

(D) Upon receipt of the Planning Commission recommendation, the City Council shall set a public hearing date and give notice thereof through a newspaper of general circulation in the city at least ten days prior to the hearing; (E) Copies of proposed amendments and the Planning Commission recommendation shall be made available for review at least ten days prior to the City Council hearing; (F) After the close of the public hearing, the City Council shall make findings of fact and adopt, adopt with changes or deny the proposed amendments. Adoption is contingent upon: (1) City adoption is final in the case of amendment to the plan map for the area within the city limits; (2) County adoption in the case of amendment to plan policies or the plan map for the urban growth area; or (3) County adoption and LCDC approval in the case of amendment to plan goals or urban growth boundary location.

(G) Copies of the plan amendments adopted by the city shall be sent to Umatilla County and the LCDC.

Response: The HCP, especially Policies 2 Planning Process and 3 Intergovernmental Coordination, establishes the city's land use planning process and policy framework.

All land use plans shall include identification of issues and problems, inventories and other factual information for each applicable statewide planning goal, evaluation of alternative courses of action and ultimate policy choices, taking into consideration social, economic, energy and environmental needs. The required information shall be contained in the plan document or in supporting documents. The plans, supporting documents and implementation ordinances shall be filed in a public office or other place easily accessible to the public. The plans shall be the basis for specific implementation measures. These measures shall be consistent with and adequate to carry out the plans. Each plan and related implementation measure shall be coordinated with the plans of affected governmental units.

Response: The acknowledged Hermiston EOA provides the factual basis for the proposed plan amendment package. The EOA considered alternatives for projecting employment land needs and included ultimate policy choices regarding the number and characteristics of suitable sites needed to accommodate anticipated HDCs during the 20-year planning period. The EOA is available for public review on the city's webpage and at the city planning office.

To support the proposed UGB expansion and HCP and LUO map designations (implementation actions), the city also considered the 2025 PFP, the 2025 TIA for the UGB Expansion Area, and amendments to the LUO (the HDC overlay) and HCP (policy to protect HDC sites for their intended use).

All land-use plans and implementation ordinances shall be adopted by the governing body after public hearing and shall be reviewed and, as needed, revised on a periodic cycle to take into account changing public policies and circumstances, in accord with a schedule set forth in the plan. Opportunities shall be provided for review and comment by citizens and affected governmental units during preparation, review and revision of plans and implementation ordinances.

Response: The proposed plan amendment package will be adopted by both the city and the County following public hearings. As documented in **Appendix H**, the city has coordinated with County and relevant State agencies during the preparation and review of the proposed plan amendment package.

The acknowledged HCP includes the following policies related to Goal 2 requirements.

HCP POLICY 2: PLANNING PROCESS

Summary of Findings

The purpose of statewide planning Goal 2 is to establish a rational planning process and policy framework governing all future decisions and actions related to the use of land and to insure an adequate factual base for such activities.

POLICY 2: THE CITY OF HERMISTON WILL MONITOR AND UPDATE PERIODICALLY ITS COMPREHENSIVE PLAN AND IMPLEMENTING ORDINANCES TO RESPOND TO CHANGING CONDITIONS.

Implementing Actions

- *Will undertake an annual administrative review to: 1) assess the cumulative impacts of all planning and development activities in the past 12 months; and 2) determine if there is sufficient land within the “urban” portion of the UGB to accommodate short- term growth. For more information, see Policy 4: ORDERLY URBAN GROWTH.*
- *Will establish requirements and procedures in the ordinance adopting plan for reviewing text and map amendments between major plan updates.*
- *Will undertake a major update of the comprehensive plan, including modifications of the urban growth boundary, every six years so that at any given time the city is planning 20 years into the future.*

Response: The proposed plan amendment package is a “major update to the comprehensive plan” and implements the EOA adopted in September 2024. Review and adoption of the proposed legislative plan amendment package is governed by HMC Section 156.08 Amendments (quoted in footnote 1 above), which establishes requirements for reviewing text and map amendments.

The EOA determined that there is insufficient land within the existing UGB to accommodate HDC site requirements, and that nine HDC sites of 100 acres or more are needed to meet this need outside the UGB. The city determined that five suitable sites are needed to meet short-term HDC needs. The proposed UGB expansion area includes these five needed sites. The city proposes to designate these sites Urban Industrial with an HCA overlay.

157.226 [ZONING TEXT AND MAP] AMENDMENTS.

(A) Authorization to initiate amendments. An amendment to the text or the zoning map of this chapter may be initiated by the City Council, by the Planning Commission or by application of a property owner or his authorized agent. The Planning Commission shall, within 40 days after a public hearing in accordance with procedures set forth in 157.229, recommend to the City Council approval, disapproval or modification of the proposed amendment.

(B) Types of amendments. An amendment to this chapter may be either: (1) Amendment to the text. Legislative revision. (2) Amendment to the map. Legislative revision or quasi-judicial change.

(C) Legislative revisions. Proposed amendments to this chapter shall be deemed legislative revisions if: (1) The proposed amendment involves the text of this chapter; and/or (2) The proposed amendment involves the map, when such an amendment would have widespread and significant impact beyond the immediate area of the proposed amendment.

(E) Approval criteria. (1) The following criteria must be followed in deciding upon a quasi-judicial proceeding: (a) The burden in all land use proceedings is upon the applicant, whether a zone change, conditional use or variance is the subject of the hearing; (b) The requested zone change or conditional use must be justified by proof that:

- 1. The change is in conformance with the Comprehensive Plan and also the goals and policies of the plan;*

Response: The 2024 EOA is part of the HCP; the proposed plan amendment package is designed to implement EOA provisions related to the short-term need for suitable sites to accommodate HDCs. Sections 1-4 of this narrative provide findings demonstrating conformance with applicable HCP policies and procedures.

2. The showing of public need for the rezoning and whether that public need is best served by changing the zoning classification on that property under consideration;

Response: In this case, public need has been determined through the adoption of the 2024 EOA. In the UGB Expansion Area, rezoning land from Umatilla County EFU and HI to City M2/HDC is needed to accommodate planned development consistent with the EOA and the HDC Conceptual Development Plan. The rezoning is also necessary to ensure that land added to the UGB to accommodate HDC development is reserved for that purpose.

3. The public need is best served by changing the classification of the subject site in question as compared with other available property.

Response: As documented in **Section 1**, the city conducted a detailed alternatives analysis to meet Goal 14 Rule requirements. This analysis determined that the southern Tracts best meet the short-term need for suitable HDC sites because (a) the proposed UGB Expansion Area abuts the existing UGB for almost three miles, includes industrial exception areas or relatively low-quality agricultural land, and is buffered from large swaths of farmland the UPRR railroad yard and tracks, industrial exception areas, the Stanfield UGB, and the Umatilla River.

4. The potential impact upon the area resulting from the change has been considered.

Response: As documented in **Sections 1 and 3** of this narrative, the city carefully considered potential impacts on nearby agricultural land, urban land, and rural residential and industrial properties.

- Proposed HDC uses will be designated Industrial (M-2) with an HDC overlay, which ensures that the UGB Expansion Area will be developed for proposed HDC and supporting uses.
- The UGB Expansion Area is bordered by rural industrial land, which allows industrial uses that are compatible with proposed HDC uses, while providing an effective buffer from nearby agricultural and rural residential areas.
- The HDC overlay includes a 200-foot buffer requirement to ensure that potential impacts from HDC uses on nearby residential lands are minimized.
- The PFP (Appendix A) demonstrates that adequate public facilities will be made available to serve the proposed UGB Expansion Area without jeopardizing the city's ability to serve land within the existing UGB.
- The TIA (Appendix D) demonstrates that there will be no significant impacts on State, County, and city roads that serve the proposed UGB Expansion Area.

HCP POLICY 3: INTERGOVERNMENTAL COORDINATION

Summary of Findings

The city recognizes that several local, state and federal jurisdictions and agencies have an interest in planning activities in the immediate Hermiston area. These include Umatilla County; the Oregon Departments of Environmental Quality, Agriculture, Transportation, Water Resources, and Health Division; and the U.S. Bureau of Reclamation (the parent agency of the Hermiston Irrigation District) and Soil Conservation Service. To insure effective planning, the city will coordinate activities with local, state and federal agencies with regard to local decisions of mutual concern.

POLICY 3: THE CITY OF HERMISTON WILL FACILITATE INTERGOVERNMENTAL COORDINATION SO THAT DECISIONS AFFECTING LOCAL, STATE AND FEDERAL PLANNING AND DEVELOPMENT ACTIONS IN THE HERMISTON AREA ARE RENDERED IN AN EFFICIENT AND CONSISTENT MANNER.

Implementing Actions

Has negotiated an urban growth area joint management agreement with Umatilla County governing joint land use, public facilities and transportation planning within the unincorporated portion of the UGB and the area of mutual concern. For the specific content of the agreement, see Policy 4: ORDERLY URBAN GROWTH

Will coordinate activities with the county and Oregon Departments of Water Resources, Environmental Quality and Health Division to delineate, monitor and protect the shallow and deep groundwater aquifers in the immediate Hermiston area. For specific information, see Policy 8: SURFACE AND GROUNDWATER RESOURCES, and Policy 13: WATER QUALITY.

Has prepared a list of all local, state and federal agencies and private interests, e.g. private utilities, which have an interest and/or are affected by local planning decisions. As part of the public hearing process, will notify appropriate agencies/interests.

Response: Appendix H documents the city's extensive coordination efforts with affected governmental agencies and private interest groups.

2. THE CITY OF HERMISTON WILL MONITOR AND UPDATE PERIODICALLY ITS COMPREHENSIVE PLAN AND IMPLEMENTING ORDINANCES TO RESPOND TO CHANGING CONDITIONS.

Implementing Actions

- *Will establish requirements and procedures in the ordinance adopting plan for reviewing text and map amendments between major plan updates.*
- *Will undertake a major update of the comprehensive plan, including modifications of the urban growth boundary, every six years so that at any given time the city is planning 20 years into the future.*

Response: The proposed major plan amendment package includes a UGB expansion proposal in response to the 2024 EOA and follows procedures laid out in **LUO 157.226** Amendments and **HMC 158.208** HCP Amendments (**Appendix A**).

LUO 157.226 AMENDMENTS.

- (A) Authorization to initiate amendments. An amendment to the text or the zoning map of this chapter may be initiated by the City Council, by the Planning Commission or by application of a property owner or his authorized agent. The Planning Commission shall, within 40 days after a public hearing in accordance with procedures set forth in 157.229, recommend to the city Council approval, disapproval or modification of the proposed amendment.*
- (B) Types of amendments. An amendment to this chapter may be either:*
 - (1) Amendment to the text. Legislative revision.*
 - (2) Amendment to the map. Legislative revision or quasi-judicial change.*
- (C) Legislative revisions. Proposed amendments to this chapter shall be deemed legislative revisions if:*
 - (1) The proposed amendment involves the text of this chapter; and/or*
 - (2) The proposed amendment involves the map, when such an amendment would have widespread and significant impact beyond the immediate area of the proposed amendment.*

Response: The proposed amendment package was initiated by the City Council (Resolution 2357) and includes text amendments to the HCP and LUO. The proposed amendment package is legislative in nature because it involves (a) changes to the Comprehensive Plan and LUO text and map, (b) amendments to the TSP, (c) adoption of the Hermiston PFP; (d) considered alternative for the area 1 to 1.5 miles from the existing UGB; involves all or portions of nine tax lots within three tracts under common ownership, and (e) has a widespread and significant impact beyond the immediate area of the proposed amendment package.

Goal 2 Conclusion

Based on the findings above, the city and county will comply with Goal 2 and related HCP policies. As noted in **Section 2** of this narrative, the proposal also complies with relevant provisions of the JMA.

Section 4. Compliance with Applicable Substantive Goals

Compliance with Applicable Substantive Goals, Related Administrative Rules and HCP Policies. Statewide Planning Goals 6, 9, 11, 12 and 13 and related HCP policies apply to the proposed plan amendment package. (Note: Goal 14 compliance is addressed in Section 2 of this narrative.)

Goal 6: Air, Water and Land Resources Quality

This subsection discusses air, water, and land resources quality and related HCP policies.

To maintain and improve the quality of the air, water and land resources of the state.

All waste and process discharges from future development, when combined with such discharges from existing developments shall not threaten to violate, or violate applicable state or federal environmental quality statutes, rules and standards.

Response: The acknowledged HCP includes Policies 11 Air Quality, 12 Noise, 13 Water Quality to implement Goal 6. These policies are considered below.

HCP POLICY 11: AIR QUALITY

Summary of Findings

According to the Oregon Department of Environmental Quality, there are no major point sources of air pollution in the Hermiston UGB. Furthermore, western Umatilla County currently is in attainment for all regulated air pollutants. City officials recognize the importance of promoting continued air quality in the area.

POLICY 11: THE CITY OF HERMISTON WILL COMPLY WITH STATE AND FEDERAL STANDARDS TO PROMOTE CONTINUED AIR QUALITY.

Implementing Actions

- *Has required in the zoning code that all property owners adhere to applicable federal and state air quality standards as part of the development process.*
- *May undertake cooperative programs – e.g. an educational campaign to encourage local residents to use efficient wood stoves – with DEQ.*
- *Will undertake transportation improvements to reduce congestion and encourage residents to utilize alternative forms of transportation; for more information see Policy 30: INTEGRATED TRANSPORTATION SYSTEM, and Policy 32: ALTERNATIVE TRANSPORTATION.*

Response: This policy commits the city to meeting state and federal air quality standards. City and county zoning provisions require compliance with DEQ air quality standards. Future development within the UGB Expansion Area will be subject to city and county zoning. Therefore, this policy is met.

HCP POLICY 12: NOISE

Summary of Findings

The most significant sources of noise in the Hermiston UGB are the airport and automotive traffic on major thoroughfares including Highways 395 and 207, which bisect the community. Other noise generators immediately outside the UGB, including Interstate-84 and the Hinkle Railyards to the south and the Sage and Sand Racetrack and Umatilla Speedway to the north, are distant enough not to have serious impacts. To protect public health and promote livability, city officials recognize the importance of reducing noise levels particularly in the vicinity of homes, schools, hospitals and other sensitive uses.

POLICY 12: THE CITY OF HERMISTON WILL COMPLY WITH STATE NOISE STANDARDS TO MINIMIZE NOISE IMPACTS ON RESIDENTIAL AND OTHER SENSITIVE USES.

Implementing Actions

- *Has adopted the Hermiston Airport Conceptual Plan Update (January 1981) by reference as part of this plan. Require that all housing constructed within the projected year 2000 55 Ldn contour be required to meet the following performance standard: sufficient insulation in ceilings and walls to reduce maximum interior noise level to 40 Ldn.*
- *Has required in the zoning code future development activities which generate significant noise to adhere to all noise regulations of the State of Oregon.*
- *May encourage planting of trees along all thoroughfares as a noise buffer.*

Response: This policy commits the city to meeting state noise standards. City zoning provisions require compliance with DEQ air quality standards. Future development within the UGB Expansion Area will be subject to city and county zoning.

The proposed UGB Expansion Area is located adjacent to existing industrial areas south of Feedville Road and thereby minimizes potential noise impacts on existing residential development. HCP site requirements provide for a 200-foot buffer to further minimize potential impacts on residential areas.

For the above reasons, this policy is met.

HCP POLICY 13: WATER QUALITY

Summary of Findings

Low stream flows, turbidity, and elevated coliform counts have impaired the quality of the Umatilla River in the vicinity of Hermiston. These problems are traced to agricultural and animal husbandry practices upstream.

As noted in the discussion of Policy 8: SURFACE AND GROUNDWATER RESOURCES, city and state officials are increasingly concerned about shallow groundwater contamination in some unincorporated portions of the UGB due to septic tank failure, particularly regarding older systems which do not meet current DEQ requirements. The most serious potential problems exist in the north and northeast because groundwater flows from these areas in a wester/southwesterly direction toward the city's shallow water well and Minnehaha Springs, a new municipal source. In the south, several industries also rely upon on-site disposal of large quantities of potentially polluting

wastewater. The widespread introduction of dissolved chemical pollutants including leachate from organic and inorganic fertilizers, household detergents and other domestic wastes, and gasoline and diesel fuel from underground service station tanks into the groundwater can affect the palatability of water and cause serious health problems.

Some septic tank failures have been reported; for example, the city now treats septic wastes pumped on a regular basis from failing systems in an apartment complex and mobile home park. Widespread contamination of wells, often the only indication of septic failure, is not evident yet in the Hermiston area; however, the Oregon Health Division only test wells of restaurants and those service three or more families. In response to concerns of other property owners, the city now tests wells outside the city limits upon request.

Groundwater pollution will not only affect adversely existing wells but threatens the city's future water supplies. As noted earlier, the water table within the deepwater basalt aquifer, upon which the city currently depends for most of its water, is dropping. Even with the proposed well recharging program, the city cannot continue to depend on this source in the long-term due either to insufficient supplies or pumping limits imposed by the state. For this reason, the shallow aquifer, which is the most promising secondary source, must be protected.

POLICY 13: THE CITY OF HERMISTON WILL PROTECT WATER QUALITY IN COOPERATION WITH OTHER GOVERNMENTAL AGENCIES.

Implementing Actions

- Has formally requested that Oregon Department of Water Resources to define the extent of the shallow water aquifer and identify and map those areas where potential hazards are greatest.
- Will undertake capital improvements planning to insure the availability of water and sewer services in areas immediately adjacent to the city limits and/or to existing users in areas containing a potential or existing pollution threat. Extraterritorial extension of sewer and water will be governed by Policy 5: ANNEXATION.
- County has adopted a future urban (FU-10) zone, with a minimum density of one dwelling unit per ten acres, in those portions of the urbanizable area not already zoned for farm use. This will reduce the density of future rural residential development, allowing greater densities only when sewer and water services are available. For more information see Policy 4: ORDERLY URBAN GROWTH.
- Has placed areas within the city limits identified by the state as having substantial pollution risk in a special development hazard (DH) overlay zone, which is based on soil type (see Figure 12). The DH designation can be refined further once additional information regarding the characteristics, e.g., flow patterns, water level contours -- of the shallow water aquifer are defined by the State Department of Water Resources or other agency. Prohibit outdoor storage of bulk chemicals and underground storage of gasoline and diesel fuels in these areas. Impose additional conditions on development as needed to reduce pollution hazards based on recommendations of DEQ and DWR. For further discussion, see Policy 14: NATURAL HAZARDS AND DEVELOPMENT LIMITATIONS below.
- May encourage the Oregon Health Division to continue monitoring water quality in wells under its jurisdiction. Continue to test wells for residents in the UGB upon request, while monitoring stringently water quality in city wells. Report all cases of well contamination to DEQ and Health Division.

Response: Policy 13 commits the city to working with ODWR to address water pollution problems caused primarily by agricultural practices and rural residential development that relies on on-site

septic systems. **Appendix E.2** provides detailed information regarding how the city wastewater system will be extended to serve the entire UGB Expansion Area.

By converting existing agricultural land to urban use, agricultural impacts on the shallow aquifer will be reduced. Moreover, required on-site stormwater collection and detention systems will mitigate potential impacts from surface water runoff. Finally, Columbia River water used to cool HDC operations will be re-cooled and released into the aquifer to replenish groundwater supply and improve water quality.

Goal 6 Conclusion

For reasons stated above, the proposed plan amendment package complies with Goal 6 and related HCP policies and will have a positive impact on water quality.

Goal 9: Economic Development

This subsection discusses economy of the State, the Goal 9 Rule, the 2024 EOA, and related HCP policies.

To provide dequate opportunities throughout the state for a variety of economic activities vital to the health, welfare, and prosperity of Oregon’s citizens.

Response: LCDC acknowledged the Hermiston 2024 EOA as complying with Goal 9 and the Goal 9 Rule (OAR 660-009) in December of 2024. This document identifies employment opportunities and the site characteristics required for targeted types of employment to operate.

HCP POLICY 18: GENERAL INDUSTRIAL DEVELOPMENT

Summary of Findings

In addition to the traditional importance of agriculture, Hermiston has grown in importance as a regional center for other industries and commercial services. Currently, Transportation and Warehousing is the second largest sector of employment in the Hermiston, trailing the population-driven Education & Health sector services by only a slight margin.

Hermiston is ideally located at the confluence of two major interstates, and within a reasonable (distribution) drive-time from major population centers in the Northwest, Northern California, British Columbia, and the Western Mountain States. The city is also home to the Union Pacific Railroad switching station and features Columbia River access. The warehousing and distribution sectors are likely to grow in prominence as Hermiston grows.

Manufacturing, both food related and other, remain important components of the local economy, as does energy-related employment in the surrounding area. Hermiston’s prospects for continued economic development are strong.

POLICY 18. THE CITY OF HERMISTON WILL FACILITATE INDUSTRIAL DEVELOPMENT AS A MEANS OF CREATING NEW JOBS AND FOSTERING THE ECONOMIC WELL BEING OF THE COMMUNITY. IN SUPPORT OF THIS GOAL, THE CITY OF HERMISTON ADOPTS THE FOLLOWING POLICIES:

- A) *The city will maintain an adequate supply of designated industrial land to meet anticipated demand, including large developable parcels;*
- B) *Provide an appropriate level of urban services, including water, sewer, roads, and police and fire protection in a timely and efficient manner;*
- C) *Identify and recruit new types of industry as a means of diversifying the economic base, and building existing industry clusters.*

Implementing Actions

- *Has designated and zoned sufficient vacant buildable land for industrial activity to meet projected 20-year demand. In determining the location of future industrial development, the following has been considered: availability of large acreages, sufficient transportation access, adequate level of urban services and facilities, and segregation from residential and other sensitive uses.*
- *Will undertake capital improvements planning in areas designated for industrial development to insure the availability of a full complement of urban services, including water, sewer, roads, and fire and police protection.*
- *May undertake a formal economic development program including:*
 - *Identification and targeting of specific new industries which are likely to locate in the rural areas of the state;*
 - *Preparation of promotional materials including brochures and advertisements for insertion in business magazines with statewide and national distribution;*
 - *Exploration of innovative financial mechanisms including the establishment of a public economic development commission or private development corporation, utilization of economic development revenue bonds, etc.*

POLICY 20: THE CITY OF HERMISTON SUPPORTS ECONOMIC DEVELOPMENT AND JOB GROWTH WHICH WILL DIVERSIFY AND STRENGTHEN THE MIX OF ECONOMIC ACTIVITY IN THE LOCAL MARKETPLACE AND PROVIDE EMPLOYMENT OPPORTUNITIES FOR LOCAL RESIDENTS:

- A) *The city will continually strive to strengthen the community's industry, business, financial, medical, tourism and retail activities and to capitalize on its comparative advantages in the local and regional marketplace.*
- B) *The city will seek to retain and support the expansion of existing businesses in Hermiston.*

Implementing Actions

- *Identify opportunities and incentives to encourage value-adding, family-wage business to expand or locate in the community.*
- *Support the retention and attraction of firms with high wage rates relative to all industries, or within their industry classification.*
- *Identify opportunities and incentives to encourage industry related to the area's competitive advantages.*

Response: The 2024 EOA implements Goal 9 Economic Development and HCP Policies 18 and 20 by providing suitable sites for a targeted industrial use – hyperscale data centers. As discussed in

detail in **Sections 1 and 2** of this narrative, the proposed plan and code amendment package is specifically designed to implement the 2024 EOA. Therefore, the proposed plan amendment package complies with Goal 9 and Policies 18 and 20.

Goal 11: Public Facilities and Services

This subsection discusses public facilities and services, the Goal 11 Rule, the PFP and related HCP policies.

To plan and develop a timely, orderly and efficient arrangement of public facilities and services to serve as a framework for urban and rural development.

Response: Goal 11 is implemented by the Goal 11 Rule (OAR 660-0011). The Goal 11 Rule requires that cities prepare public facilities plans. Amendments to Policies The proposed plan amendment package (**Appendix 1**) includes the Hermiston PFP prepared for the area within the UGB and the proposed UGB Expansion Area.

HCP POLICY 23: PROVISION OF PUBLIC SERVICES AND FACILITIES

Summary of Findings

Together with the transportation network and private utility and communication systems, public services and facilities provide the community's "urban glue"; efficient and timely provision of these are an important adjunct to urban development. A full complement of services and facilities is needed to provide adequately for the density and intensity of land uses envisioned in the city and developing portions of the UGB.

POLICY 23. THE CITY OF HERMISTON WILL PLAN FOR THE TIMELY AND EFFICIENT PROVISION OF A FULL COMPLEMENT OF URBAN SERVICES AND FACILITIES IN ALL DEVELOPED AND DEVELOPING AREAS WITHIN THE COMMUNITY. TIMELY MEANS A POINT WITHIN THE 20-YEAR TIMEFRAME WHEN THE CITY DEEMS DEVELOPMENT APPROPRIATE FOR A GIVEN PROPERTY BASED ON FACTORS INCLUDING BUT NOT LIMITED TO THE NEED FOR ADDITIONAL URBAN DEVELOPMENT WITHIN THE URBAN GROWTH BOUNDARY AND THE EXTENT OF UNDEVELOPED OR UNDERDEVELOPED LAND BETWEEN THE EXISTING DEVELOPMENT AND THE SUBJECT PROPERTY.

Implementing Actions

- *Will prepare and adopt by 1986 a six-year capital improvements plan (CIP) which includes a list of projects to be funded through the coming fiscal year as well as those recommended for consideration during the subsequent six years. Review annually all previously unfunded projects plus new projects, and extend the CIP for an additional year.*
- *Has created a community service overlay zone in the zoning ordinance and apply designation to facilities which have a community governmental, educational, recreational, historical or social service function, including but not limited to schools, hospitals, major recreational facilities, governmental buildings, historic buildings and private utility installations and communications facilities. In addition to enforcing the requirements of the underlying zone, the planning commission will be required to consider the community value of such facilities when reviewing land use actions which affect these uses directly or adjacent properties.*

Response: As documented in **Section 2** and **Appendix E.2**, the proposed UGB Expansion Area will be provided with municipal sewer and water services, at the property owners' expense, following inclusion within the Hermiston UGB and annexation to the city.

HCP POLICY 24: WATER, SEWER AND STORM DRAINAGE

Summary of Findings

The city of Hermiston has had the foresight to build significant excess capacity into its water and sewer systems, which will facilitate the rapid population growth projected for the community. For example, the existing sewage treatment plant and major interceptors have the capacity to accommodate 30,000 residents, the anticipated population by the turn of the century. This year, in addition to handling city sewage, the plant will treat 400,000 gallons of septic waste, resulting either from system failure or routine maintenance, for property owners in a large unincorporated area surrounding the city. By increasing the plant's capacity and extending major sewer lines, the city's system has an ultimate capacity of 56,400 people. The area of mutual concern, the area beyond the UGB where future growth is most likely to occur, reflects this ultimate service area.

With the completion of two new shallow water wells, one of which is scheduled for construction at Mennehaha Springs, the city has sufficient water supply and storage in place to accommodate its projected 20-year growth. However, as indicated by the declining water level in its three deep wells, the deepwater aquifer may not be a dependable longterm source. The city must work with other governmental agencies to prevent contamination of the shallow aquifer which has been identified as a potentially serious problem. This will be best accomplished by limiting the density of future rural development until sewers are available. In addition, the city will explore utilization of its other potential source, the Columbia River.

The city has no formal storm drainage system, but relies on drywells which discharge into drainage ditches. Because of the relatively low annual precipitation and sandy soils, disposal of storm runoff is not a serious concern.

HCP POLICY 24: THE CITY OF HERMISTON WILL EXTEND PUBLIC WATER AND SEWER TO ALL DEVELOPING AREAS WITHIN THE UGB; THE CITY MAY EXTEND PUBLIC WATER TO INDUSTRIAL LANDS EXCEPT IN AREAS OUTSIDE THE UGB; ANNEXATION WILL BE A CONDITION OF SUCH EXTENSIONS EXCEPT WHEN A HEALTH HAZARD OR POLLUTION THREAT EXISTS AND EXCEPT FOR WATER PROVISIONS TO INDUSTRIAL LANDS.

Implementing Actions

- *Will utilize the CIP to determine the timing and priority of all water and sewer improvements; finance extensions through LIDs except for major facilities, such as pumping stations or water storage tanks, necessary for the functioning of the entire system or to accommodate additional growth; these improvements will be the responsibility of the city.*
- *Will minimize the city's reliance on the deepwater aquifer by drilling future wells in the shallow water aquifer, working with Umatilla County and other governmental agencies to prevent further contamination of the latter; for more information, see Policy 8: SURFACE AND GROUNDWATER RESOURCES, and Policy 13: WATER QUALITY.*

- *Will extend water and sewer only to areas within the UGB and only after annexation, unless documented health threat or pollution hazard exists. For more information, see Policy 5: ANNEXATION.*
- *Will extend public water supply only to:*
 - (1) *Non-industrial lands if such property is within the UGB and only after annexation, unless documented health threat or pollution hazard exists.*
 - (2) *Industrial lands within the UGB. Annexation of such property shall only be required if the property can be annexed at the time of water provision. If annexation is not feasible, the city may require execution of an annexation agreement as a precondition to the provision of municipal water.*
 - (3) *Rural or urban industrial lands outside the UGB if such lands are within an area the subject of acknowledged exceptions to applicable statewide planning goals and if the following findings are made:*
 - a. *Provision of municipal water service will not impair the city's long-term ability to service land within the city limits or UGB;*
 - b. *The proposed extension of municipal water service will not serve intervening lands, i.e., property between the UGB and the exception area;*
 - c. *Extension of municipal water service will not be a basis for any future determination of commitment of intervening rural lands to non-rural uses.*
- *May continue to require on-site storm drainage in all new developments.*
- *Water and sewer line extensions shall be timely based on the application of Policy 23.*

Response: For reasons stated above, the proposed HCP amendment package complies with Goal 11 and related HCP policies. As documented in **Section 2** and **Appendix E.2**, the proposed UGB Expansion Area will be provided with municipal sewer and water services, at the property owners' expense, following inclusion within the Hermiston UGB and annexation to the city. Water needed to cool HDC operations will be pumped from the Columbia River, and returned to the aquifer, thus minimizing impacts on the city's deepwater drinking supply.

Goal 12: Transportation

This subsection discusses transportation, the TPR, the 2024 TSP Update, and related HCP policies.
To provide and encourage a safe, convenient and economic transportation system.

660-012-0060

Plan and Land Use Regulation Amendments

- (1) *If an amendment to a functional plan, an acknowledged comprehensive plan, or a land use regulation (including a zoning map) would significantly affect an existing or planned transportation facility, then the local government must put in place measures as provided in section (2) of this rule [...]*
- (2) *If a local government determines that there would be a significant effect, then the local government must ensure that allowed land uses are consistent with the performance standards of the facility measured or projected at the end of the planning period identified in the adopted TSP through one or a combination of the remedies listed in subsections (a) through (e) below [...]* (a) *Adopting measures that demonstrate*

allowed land uses are consistent with the performance standards of the transportation facility.

Response: These findings rely on the TIA prepared by Kittelson & Associates, which demonstrates that the proposed plan and code amendment package complies with Goal 12 as implemented by the TPR and the Hermiston TSP. As documented by Kittelson & Associates in **Appendix D** (Executive Summary, pp. 3-5):

“Fundamentally, the purpose of the TPR analysis is to determine what additional transportation infrastructure, if any, is required to support the urbanization and subsequent development potential associated with the UGB expansion.

The UGB Amendment Transportation Analysis focuses on the future year 2045 horizon year (in alignment with the expected planning year to be used in the upcoming Hermiston TSP update) and assumes:

- 1) Reasonable future land development along the Feedville Road corridor for those undeveloped and outright zoned parcels that exist within Hermiston's current UGB or an industrial zoned area by Umatilla County, and that are likely to develop over the next 20 years.*
- 2) Under the existing land use scenario (no UGB expansion), all sites (except for the site herein referred to as S2) were assumed to experience no development or redevelopment considering their rural land use designation. Site S2 has an existing Umatilla County industrial zoning designation that currently allows for industrial development. Given this designation and a City of Hermiston expectation that it will redevelop on its own at some point in the next twenty years, the S2 parcel was assumed to experience some level of future industrial development.*
- 3) Under the UGB expansion scenario, development of the three UGB expansion sites, assuming hyper-scale data centers.*

[...]

Under the proposed UGB expansion scenario, planned Hyperscale Data Center (HDC) overlay zoning will limit future urbanization to large-scale data center campuses. Based on conversations with the project team, this could result in up to 3,800,000 square feet of cumulative data center buildings spread over the three UGB expansion tracts. Therefore, 2045 traffic conditions includes all the growth from the 2045 existing land use scenario plus estimated site-generated trips from the individual data center campuses.

Accounting for this growth, Table A provides a summary of the detailed intersection operations for all key study intersections. As shown, the following intersections and corridors are forecast to experience operational deficiencies:

- o The stop-controlled westbound approach at the OR 207/Feedville Road intersection is forecast to operate increasingly over capacity when compared to the existing land use scenario operations.*
- o The all-way stop-controlled Feedville Road/Hermiston-Hinkle Road intersection is forecast to operate at LOS E conditions.*

- While the stop-controlled northbound and southbound approaches at the Feedville Road/Kelli Boulevard intersection will still have capacity, it is forecast to operate at LOS E conditions.
- The stop-controlled eastbound approach to the US 395/Feedville Road intersection is forecast to operate increasingly over capacity when compared to the existing land use scenario operations. T mobility target.

INTERSECTION/ROADWAY MITIGATIONS

The UGB amendment analysis identified operational deficiencies at OR 207/Feedville Road, Feedville Road/Kelli Boulevard, US 395/Feedville Road, and US 395/Kelli Boulevard intersections as well as the Feedville Road corridor itself. To address the noted deficiencies, mitigation scenarios were investigated as summarized in Table B. As shown in the table:

- The capacity limitations of the OR 207/Feedville Road intersection can be mitigated with traffic control and travel lane/geometric improvements. Since there are no identified mitigation plans, the City of Hermiston and Umatilla County will need to amend their respective TSPs to include a long-term mitigation project for this intersection.
- The Feedville Road/Hermiston-Hinkle Road intersection can be mitigated with urban upgrades and widening that would include separate left and through/right-turn lanes on all intersection approaches.
- The Feedville Road/Kelli Boulevard intersection can be mitigated with urban upgrades and widening that would include separate left and through right-turn lanes on all intersection approaches.
- The US 395/Feedville Road and US 395/Kelli Boulevard intersections can be improved with turning movement restrictions and indirect U-turn accommodations that are currently being investigated by ODOT. The City of Hermiston and Umatilla County will need to amend their respective TSPs to include such a long-term mitigation project for these intersections.
- Corridor improvements would be needed to bring Feedville Road up to urban design standards.

POLICY 34: TRANSPORTATION SYSTEM PLAN

Summary of Findings

The Hermiston Transportation System Plan (TSP) is adopted by reference as the Transportation Element of the Hermiston Comprehensive Plan. The TSP will guide transportation planning within Hermiston's urban growth boundary (UGB). The City will base its transportation policies, actions and investments on the adopted TSP.

POLICY 33: THE CITY OF HERMISTON WILL COMPLY WITH THE REQUIREMENTS OF THE TRANSPORTATION PLANNING RULE WITH THE ADOPTION OF THE TRANSPORTATION SYSTEM PLAN AND RELATED AMENDMENTS TO IMPLEMENTING ORDINANCES.

NOTICE AND COORDINATION. THE CITY OF HERMISTON WILL NOTIFY AND COORDINATE WITH ALL APPROPRIATE LOCAL, STATE AND FEDERAL AGENCIES AND TRANSPORTATION INTEREST GROUPS WHEN A LAND USE APPLICATION IS SUBMITTED AND POTENTIALLY IMPACTS A

TRANSPORTATION FACILITY. NOTIFICATION WILL HELP IDENTIFY AGENCY STANDARDS AND PROVIDE AN OPPORTUNITY FOR AGENCY INPUT TO THE LOCAL LAND USE DECISION PROCESS.

PROTECTION OF TRANSPORTATION FACILITIES. THE FUNCTION OF EXISTING AND PLANNED ROADWAYS WILL BE PROTECTED THROUGH THE APPLICATION OF APPROPRIATE ACCESS MANAGEMENT MEASURES AS IDENTIFIED IN THE ADOPTED TSP. THESE MEASURES WILL BE COORDINATED WITH ODOT ACCESS MANAGEMENT STANDARDS.

CONFORMANCE TO ADOPTED TSP. ALL PLAN MAP AMENDMENTS AND ZONE CHANGES SHALL CONFORM TO THE ADOPTED TSP. PROPOSED AMENDMENTS SHALL NOT SUBSTANTIALLY IMPACT THE FUNCTIONAL CLASSIFICATION OR OPERATION OF TRANSPORTATION FACILITIES. TO ENSURE PROPER REVIEW AND MITIGATION, A TRAFFIC IMPACT STUDY MAY BE REQUIRED FOR PROPOSALS THAT MAY IMPACT TRANSPORTATION FACILITIES.

CONNECTED STREET NETWORK. THE CITY WILL SUPPORT AND DEVELOP A CONNECTED NETWORK OF STREETS, ACCESSWAYS AND OTHER IMPROVEMENTS, INCLUDING BIKEWAYS, SIDEWALKS, AND SAFE STREET CROSSINGS, TO PROMOTE SAFE AND CONVENIENT BICYCLE AND PEDESTRIAN CIRCULATION WITHIN THE COMMUNITY.

IMPLEMENTING ACTIONS

- *Has adopted by reference the Hermiston Transportation System Plan as part of the comprehensive plan. Implement its recommendations by means of the capital improvement plan.*
- *Has modified the zoning and subdivision ordinances to comply with the Transportation Planning Rule and implement the Transportation System Plan.*
- *Has adopted a Street Classifications Map and Street Standards as part of the TSP. The Map and Standards provide the conceptual framework of future streets. Final street alignments will be refined through the development review process.*
- *Has adopted a Bikeway Plan and a Pedestrian Plan as elements of the TSP. Standards for the design of bikeways, sidewalks and accessways are established in the TSP and implemented through the Zoning and Subdivision Ordinances.*

LUO 156.09 TRANSPORTATION SYSTEM PLAN.

- (A) *The City Transportation System Plan (TSP) is adopted by reference as the Transportation Element of the City Comprehensive Plan. The TSP will guide transportation planning within the city's urban growth boundary (UGB). The city will base its transportation policies, actions, and investments on the adopted TSP.*
- (B) *(1) Compliance with Planning Rule. The city will comply with the requirements of the Transportation Planning Rule with the adoption of the Transportation System Plan and related amendments to implementing ordinances. (2) Notice and coordination. The city will notify and coordinate with all appropriate local, state, and federal agencies and transportation interest groups when a land use application is submitted and potentially impacts a transportation facility. Notification will help identify agency standards and provide an opportunity for agency input to the local land use decision process. (3) Protection of transportation facilities. The function of existing and planned roadways will be protected through the application of appropriate access management measures as identified in the adopted TSP. These measures will be coordinated with ODOT access management standards. (4) Conformance to adopted TSP. All plan map and zone changes shall conform to the adopted TSP. Proposed amendments shall not substantial impact the*

functional classification or operation of transportation facilities. To ensure proper review and mitigation, a traffic impact study may be required for proposals that may impact transportation facilities. (5) Connected street network. The city will support and develop a connected network of streets, accessways, and other improvements, including bikeways, sidewalks, and safe street crossings, to promote safe and convenient bicycle and pedestrian circulation within the community.

Response: Appendix D includes the TIA prepared by Kittelson & Associates. The Assessment was prepared in coordination with the city, Umatilla County, and ODOT and demonstrates compliance with the Transportation Planning Rule (TPR) and the Hermiston TSP. The Umatilla County TSP classifies Feedville Road as a Major Collector Street. The Hermiston TSP design standards for a major collector street include a 60' right-of-way, sidewalks and bicycle lanes. **Appendix D** also includes recommendations for future TSP amendments to ensure compliance with the TPR (pp. 2 and 24):

"It should be noted that the City of Hermiston is just beginning the process of updating its Transportation System Plan (TSP). The results of the UGB expansion and sub-area plan will be incorporated into the larger TSP update at the appropriate time. [...] As a key study corridor, Feedville Road is a rural unimproved Major Collector roadway. Corridor improvements would be needed to bring the roadway up to urban design standards given the levels of projected traffic growth."

Appendix H documents Kittelson & Associates' coordination efforts with ODOT regarding the preparation of the TIA and TPR compliance analysis. The TIA addresses access management requirements per the TSP. Where streets and intersections will be substantially affected by the proposed UGB expansion (and related plan and zoning changes),

Appendix D, Appendix E.2, Figure 1-1A, and Figure 1-1B show the proposed locations of private streets serving the UGB Expansion Area in relation to the existing public street system and documents improvements needed to comply with the TPR and the Hermiston TSP. Regarding access management, the TIA (**Appendix D**, p. 23 footnote) notes the following:

- *Data center trips to/from the S1 UGB expansion area were assumed to access Feedville Road via a new site driveway that would be located opposite a future site driveway serving the assumed Southwest Hermiston Urban Renewal Area residential development.*
- *Data center trips to/from the S2 UGB expansion area were assumed to access Hermiston-Hinkle Road via a single site driveway.*
- *Data center trips to/from the S3 UGB expansion area were assumed via two separate site driveways along Feedville Road. One driveway was assumed to align opposite the 9th Street intersection and one driveway was assumed to align opposite the Kelli Boulevard intersection.*

Goal 12 Conclusion

Based on the findings and recommendations of the TIA as discussed above, the proposed plan amendment package complies with Goal 12 (Transportation), as implemented by the TPR and the Hermiston TSP.

Goal 13: Energy Conservation

This subsection discusses energy conservation and related HCP policies.

To conserve energy

Response: Goal 13 is recognized as a planning tool but does not include substantive requirements for reviewing post-acknowledgment plan amendments.⁸ Unlike most statewide planning goals, Goal 13 does not have a corresponding administrative rule. However, the Hermiston EOA (p. 20) recognizes the critical importance of regional energy sources to support planned HDC growth:

"Hermiston and Umatilla County have ready access to ample green energy from regional dams on the Columbia River watershed, including the McNary Dam directly to the North. The area also has ample water resources to meet the needs of agriculture and water-dependent industry. This combination has made Umatilla and Morrow Counties attractive to the data center industry over the past decade as they need dependable sources of both."

The EOA (pp. 2 and 3) responds to Goal 9 Rule 9 by recognizing access to energy infrastructure as a required site characteristic:

"Hermiston's proximity to the Columbia River and major electrical transmission lines makes the area desirable for hyperscale data center campuses, as evidenced by several recent developments by Amazon Web Services (AWS) in Morrow and Umatilla Counties...The availability of sufficient, affordable, and dependable electricity and water supply are critical factors driving site selection for data center development. Due to the need for data centers to stay in continuous operation, low natural hazard and security risks are also critical. There is also preference for milder climates, which reduces cooling demand and in turn, electricity, and water consumption."

The EOA Appendix 1 (p. 4) underscores the importance of electrical energy supply to support HCA demand:

"Data centers have a very high demand for electricity to power and cool equipment. Cooling the equipment accounts for approximately 40% of total energy consumption. The minimum power requirement per building is 60 megawatts (MW), so a prototypical four-building campus would require a minimum supply of 240 MW. This level of demand requires a dedicated substation, typically 5-10 acres in size. Redundancy is required to ensure data centers can operate without interruption. According to the U.S. Department of Energy (DOE), data centers collectively account for about 2% of total U.S. electricity use. 5 Backup generators, typically diesel-powered, are also required."

Although HDCs consume copious amounts of electricity, the proposed plan amendment package will have some positive energy consequences for two reasons: first, by increasing regional energy reliability and second, by improving the delivery of renewable energy resources.

⁸ According to the Oregon Land Use Board of Appeals: "Goal 13 'is directed at the development of local energy policies and implementing provisions, and does not state requirements with respect to other land use provisions, even if those provisions have incidental impacts on energy use and conservation.'" See *Setniker v. Oregon Department of Transportation*, 66 Or LUBA 54, 71 (2012), *aff'd w/o op.*, 253 Or.App. 607 (2012), citing *Barnard Perkins Corp. v. City of Rivergrove*, 34 Or LUBA 660, 684-85 (1998).

⁹ OAR 660-009-005(1) "Site Characteristics 'means the attributes of a site necessary for a particular industrial or other employment use to operate. **Site characteristics include**, but are not limited to, a minimum acreage or site configuration including shape and topography, visibility, specific types or levels of public facilities, services or **energy infrastructure**, or proximity to a particular transportation or freight facility such as rail, marine ports and airports, multimodal freight or transshipment facilities, and major transportation routes

1. HDC development will increase regional energy reliability by serving as a major hub supported by a multi-state transmission facility. Idaho Power's Boardman to Hemmingway transmission line will provide a new 500 kilovolt energy resource near Hermiston. Idaho Power describes the need for this transmission line as follows:¹⁰

"[T]he B2H Project would serve as a crucial high-capacity connection between two key points in the existing bulk electric system. The bulk electric system can be thought of as a network of "hubs" and "spokes" in which substations serve as central "hubs" that send and receive electricity along distribution lines or "spokes." For this system to work reliably, there must be a network of high-capacity transmission lines connecting major "hubs." These high-capacity transmission lines are often the only way to transport electricity from where it is generated to where it is needed to serve load. Idaho Power's proposed B2H Project would serve as a crucial high-capacity "backbone" connecting the load served by Idaho Power's Hemingway Substation to electricity available in the Boardman, Oregon, vicinity, and vice versa, depending on the time of year."

Locating HDCs near this line provides an opportunity to construct facilities that would require comparatively shorter distribution line connections, avoiding energy loss from longer distribution or transmission feeder lines necessary to serve such facilities in other areas.

2. This new transmission line will increase the amount of renewable energy that can be placed on the grid¹¹:

"[W]ind-and solar-resource development has accelerated in recent years. The B2H Project would help to reliably interconnect these often remote renewable resources and efficiently deliver power to local load centers. The B2H Project would help facilitate access to new market tools such as energy imbalance markets, which could help reduce power supply costs for customers and integrate intermittent resources such as wind and solar."

Because of the proximity of the Boardman to Hemingway Transmission Line, the UGB expansion area will be able to be served with the expanding portfolio of wind and solar projects that will be connected to this line.

For the above reasons, the proposed UGB expansion is consistent with Goal 13.

¹⁰ Idaho Power, Boardman to Hemmingway Transmission Line Project EFSC Site Certificate Application, Exhibit B1, pg. 1-2 (2010), available at <https://www.oregon.gov/energy/facilities-safety/facilities/Facilities%20library/2018-09-28-B2H-ASC-Exhibit-B-Attachment-B-1-to-B-4.pdf>.

¹¹ Record of Decision for the Boardman to Hemingway Transmission Line Project, 82 FR 54409, DOI-BLM-ORWA-V000-2012-0016-EIS at 12 (2017), Bureau of Land Management. https://eplanning.blm.gov/public_projects/nepa/68150/125243/152690/20171117_Record_Of_Decision.pdf.

HCP POLICY 15: ENERGY CONSERVATION

There are no indigenous non-renewable energy sources in the immediate Hermiston area. However, the city is located near two major energy generators: McNary Dam, one of 11 federally-owned dams on the Columbia River located at nearby Umatilla, and the PGE coal-fired electrical generating plant at Boardman. City officials recognize the importance of conserving finite energy resources both in public and private sectors.

POLICY 15: THE CITY OF HERMISTON WILL ENCOURAGE THE CONSERVATION OF ENERGY RESOURCES WHEREVER POSSIBLE THROUGH CAREFUL LAND USE PLANNING, COMMUNITY EDUCATION AND ADOPTION OF CONSERVATION-ORIENTED POLICIES.

Implementing Actions

- *Has adopted planned unit developments provisions which encourage the use of energy-efficient siting, design and construction techniques including clustered development, southern exposure, shared wall construction and adequate insulation.*
- *Will make energy conservation and waste reduction a regular practice in purchasing, operating and maintaining its buildings, vehicles, equipment and facilities and, where possible, will utilize renewable resources.*
- *Will encourage residents and businesses to practice energy conservation and utilize renewable sources of energy. To this end, the city will coordinate its education activities with local private utilities, state and federal agencies and other organizations.*
- *Will revise all land development standards by the next plan update to provide and protect solar access, establish criteria for approval of energy facilities, remove obstacles to energy-efficient design and require energy-efficient development when ownership is to be transferred to the city upon completion.*
- *May encourage establishment of facilities to recycle newspaper, glass, cans, lubricating oil and other reusable materials. For more information, see Policy 24: SOLID WASTE.*
- *Has encouraged development of small neighborhood stores within walking distance of residences, and construct additional bicycle and pedestrian facilities to reduce dependence on the automobile. For more information, see Policy 19: COMMERCIAL DEVELOPMENT, and Policy 32: ALTERNATIVE TRANSPORTATION.*

Response: The city's Policy 15 and implementing actions do not directly relate to urbanization or urban growth boundary expansions, so are not applicable to the proposed UGB expansion. The expansion will not reduce the city's ability to accomplish the stated implementing actions because none of those implementing actions concern HCP or industrial development.

Goal 13 Conclusion

For reasons stated above, the proposed plan amendment package complies with Goal 13 and related HCP Policies.

Conclusion

This narrative and supporting appendices demonstrate that the proposed UGB amendment, including related city and county plan and code amendments, complies with applicable statewide planning goals as well as city and county land use standards. **Appendix A** includes the complete set of Hermiston Comprehensive Plan and Land Utilization Code map and text amendments. Notably, the City has prepared a Public Facilities Plan for the entire Hermiston UGB consistent with the Public Facilities Rule; the PFP dovetails with the detailed Public Facilities Plan for the UGB Expansion Area.

To become effective, these amendments must be co-adopted by Umatilla County and acknowledged by the Land Conservation and Development Commission. **Appendix B** includes the Conceptual HDC Development Plan. **Appendix C** includes the complete set of GIS maps prepared by Winterbrook Planning.

The findings supporting adoption of the plan and code amendment package are organized as follows:

- **Section 1** describes the purpose of the proposed plan amendment package, proposed plan designations and zoning for the proposed UGB Expansion Area and identifies applicable state and local review criteria. Section 1 also explains the local policy basis for the proposed amendment package, and the foundational role of the 2024 Hermiston EOA in demonstrating the need for UGB expansion.
- **Section 2** systematically responds to the demanding requirements of the UGB Amendment Rule (OAR 660-024).
 - Section 2 references the acknowledged Hermiston EOA in demonstrating the need for 11 suitable sites to meet the operational requirements of HDCs (hyperscale data centers). After identifying two HDC sites within the UGB that are now under construction, Section 2 also demonstrates the absence of vacant, suitable HDC sites within the existing UGB.
 - Section 2 carefully examines the potential for land within the one-mile study area to meet identified HDC site needs, based on statutory and rule priorities. Section 2 determines that five suitable sites exist adjacent to the southern portion of the UGB, in an area surrounded by the UGB, rural industrial exception areas, or small developed agricultural commercial uses.
 - Finally, Section 2 demonstrates compliance with applicable Hermiston Comprehensive Plan policies related to urban growth management and annexation.
- **Section 3** demonstrates compliance with Statewide Planning Goal 1 (Citizen Involvement) and Goal 2 (Land Use Planning) as well as local procedural policies and requirements. **Appendix H** documents the city's coordination efforts with relevant state agencies, Umatilla County, adjacent cities, and interest groups.
- **Section 4** demonstrates compliance with applicable statewide planning goals (Goals 6, 9, 11, 12, and 13) and rules, and related Hermiston Comprehensive Plan policies. Section 4 findings are supported by **Appendix D** (Transportation Impact Analysis) and **Appendix E.2** (Public Facilities Plan for the UGB Expansion Areas), and **Appendix I** (Additional Background Information).