



Where Life is Sweet

Mayor and Members of the City Council

STAFF REPORT

For the Meeting of February 24, 2025

Title/Subject

Resolution No. 2357 initiates the Urban Growth Boundary amendment process and directs staff to prepare the necessary documents to amend the UGB to accommodate additional industrial land.

Summary and Background

The City has seen considerable data center development over the last two years locally, and regionally over the last ten years. Two recent data center developments within the city limits have absorbed approximately 250 acres of heavy industrial land, leaving the city with a deficit of industrial land to accommodate future large-scale industrial construction. Oregon's planning goals, statutes, and rules require cities to plan and maintain a 20-year supply of developable industrial and commercial land (generally referred to as "employment land"). In an effort to determine what and where potential employment land shortfalls will occur and how to best address them, the City prepared an Economic Opportunities Analysis (EOA) over the course of 2024 at the direction of the City Council. The findings of the EOA show that there is persistent and strong demand for data centers nationally and regionally. While the City's employment land overall is strong for many types of economic activity, there is a serious deficiency in large, 100-acre or larger sites that can accommodate the anticipated need for data center development. The shortage of land within the city's UGB is projected at 1,500 acres.

The City and Winterbrook Planning are working to identify potential sites which will satisfy the future need for industrial land. Sites totaling just under 900 acres have been identified and are recommended for consideration in a potential UGB amendment. Staff recommends that the city council adopt Resolution No. 2357 and formally initiate the UGB amendment process. The initial expansion is smaller than the overall need of 1,500 acres in order to avoid adding too much capacity to the UGB all at once. Since the deficit shows a 20-year need, changing economic conditions may impact or lessen that need in the future. The findings of the EOA show an unmet need and it is possible to add additional sites in the future as long as there is still a documented land deficiency.

It is important to note that a UGB amendment is not city acquisition of property and ownership does not change in this process. The political boundary of the city's urban growth boundary, which currently terminates at Feedville Road in the south, would extend to encompass additional land, making this land eligible for annexation, development, and connection to city services in the future.

A UGB amendment requires a considerable amount of research and record development. In addition to simply describing and identifying eligible land, there are a series of evidentiary documents required by the State of Oregon. Evidence relating to transportation, public facility capacity, soil analysis, alternative site analysis, and other documentation must all be prepared and public hearings held before the planning commission and city council. Passage of Resolution No. 2357 directs staff to continue the work of preparing this evidence and scheduling necessary hearings and meetings.

Tie-In to Council Goals

This action directly relates to council goal 1.1 *Examine the expansion of the Urban Growth Boundary (UGB) for commercial and industrial lands*

Fiscal Information

The city council has allocated \$250,000 in the 24/25 municipal budget for this activity.

Alternatives and Recommendation

Alternatives

The council may choose to adopt or reject Resolution No. 2357

Recommended Action/Motion

Staff recommends that the city council adopt Resolution No. 2357 and direct staff to begin the UGB amendment process.

Submitted By:

Clinton Spencer, Planning Director