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December 1, 2015

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VIA EMAIL

Mayor Gary Wheeler
Medford City Council
City Hall
411 W 8th St
Medford, OR 97501

RECEIVED
DEC 02 2015
PLANNING DEPT.

Re: City of Medford ("City") Urban Growth Boundary ("UGB") Amendment – Challenge to Inadequate Supply of Residentially-Designated Lands

Dear Mayor Wheeler and Medford City Councilmembers:

This office represents Hillcrest Corporation ("Hillcrest"), the owner of approximately 246 acres of real property generally located east of Foothill Road and north of Hillcrest Road in the MD-4 urban reserve enclave surrounded by the City.

As explained below, the City's proposed UGB expansion is deficient and fails to comply with the requirements of OAR 660-024-0040(1) and (4), Statewide Planning Goal ("Goal") 2 and Goal 10, and ORS 197.296 because it does not include an adequate supply of land to serve the City's previously identified and acknowledged residential needs. As a result, the City Council should increase the proposed UGB expansion area by an additional 153 gross acres to accommodate these needs, as required by Oregon law.

I. Summary of Argument.

The City Council adopted an amended Comprehensive Plan Housing Element as a post-acknowledgment plan amendment in 2010, which was not timely appealed. Therefore, this amendment is final, effective, and acknowledged. The public notice for this amendment from the Department of Land Conservation and Development ("DLCD") in Exhibit A confirms this fact.

The City is required to exercise its "planning and zoning responsibilities" in compliance with its acknowledged comprehensive plan, including the Housing Element. ORS 197.175(1). Further, the City's comprehensive plan must serve as the factual base for subsequent planning and land use decisions under Goal 2 and related case law.

Therefore, the City is bound to adopt its UGB amendment based upon the land needs determinations set forth in the City's acknowledged Housing Element, as adjusted by efficiency measures adopted in accordance with ORS 197.796(6)(a). This is the legal requirement even if hindsight indicates that the adopted analysis in the Housing Element was flawed.¹

The City's amended Housing Element identifies a need for 996 gross acres of residentially-zoned lands during the 20-year planning period. After adjustment through adoption of efficiency measures (including converting some existing residential lands to employment purposes), the City has identified a deficit of 1,032 acres of residential lands over the planning period.

Although City staff originally recommended including 1,032 acres of residential lands in the UGB expansion area, City staff reduced its recommended expansion area by 153 acres in response to testimony from 1000 Friends of Oregon ("Friends") that the City could simply adjust the need figures because the Housing Element was not yet acknowledged. Friends' testimony misconstrues the law and thus does not provide a valid legal basis to reduce the size of the UGB expansion area in a manner that is inconsistent with the Housing Element.

In order to avoid reversible error on appeal, the City Council should revise the UGB amendment area to include an additional 153 gross acres to serve identified and acknowledged residential land needs. Further, for the reasons explained on the record, the prime location to accommodate these residential land needs is on MD-4.

II. Argument.

A. The City Council should revise the pending UGB amendment to include 153 more acres to meet the City's identified residential land needs.

The City must include enough land within its UGB to serve its needs for housing, employment, and other urban uses over the 20-year planning period. OAR 660-024-

¹ Although not addressed in detail in this letter, the same legal principle applies to the land needs assessment adopted in the Economic Element of the City's comprehensive plan. It is final and acknowledged, and the City is bound to follow this needs assessment in its UGB expansion, even if hindsight indicates that the Economic Element was flawed.

0040(1). When determining its 20-year needs for residential lands, the City must consider its population forecast and the requirements for determining housing needs and housing capacity set forth in Goal 10 and ORS 197.296. OAR 660-024-0040(4).

The City followed the requirements of Goal 10 and the methodology in ORS 197.296 for determining its housing needs and housing capacity when the City amended the Housing Element of its Comprehensive Plan in 2010. The City's adopted Housing Element states that the City has a need for a total of 996 gross acres of residentially-designated land over the 20-year planning period. See Housing Element at p. 64.

Consistent with ORS 197.296(6), the City then adopted measures to increase housing capacity within the existing City limits, the so-called efficiency measures from Phase 1 of the City's UGB review process. These measures also resulted in converting some existing residential lands to employment purposes, leading to an increase in residential land needs by 36 acres.

As a result, after Phase 1 of the City's UGB review process, the City has a deficit of 1,032 acres of residential lands over the 20-year planning period.

Therefore, the City must amend its UGB to include sufficient buildable lands to accommodate an additional 1,032 acres to provide for the City's identified residential land needs through 2029, as required by ORS 197.296(6)(a) and OAR 660-024-0040(4).²

B. The pending UGB amendment fails to include sufficient lands to meet the City's 20-year residential needs because the Planning Commission eliminated 153 acres of residential lands based upon faulty legal reasoning.

City staff's original UGB amendment proposal included 1,032 acres of residential lands. See April 2, 2015 staff memo to Planning Commission in Exhibit B. However, City staff then modified its recommendation to remove 175 acres of residential lands based upon

² Although this letter focuses on the legal implications of the City's decision to adopt a UGB amendment with an inadequate supply of residential lands, there are extensive policy implications to this decision as well. For example, if the demand for residential lands exceeds the supply over the planning period, it will inflate land and housing prices and impede the City's ability to provide an adequate supply of affordable housing.

faulty legal reasoning supplied by Friends.³ *Id.* The Planning Commission adopted City staff's modified recommendation.

- 1. The City adopted its residential land needs analysis in its amended Housing Element in 2010, that analysis is final and acknowledged, and the City is bound to make its UGB amendment decision in accordance with that acknowledged analysis.**

Friends' analysis, and in turn, the analysis now recommended by the Planning Commission and City staff, is faulty because it is premised upon the City ignoring its adopted residential land needs analysis in the Housing Element on the grounds that the City's Housing Element is not yet acknowledged. But the premise of Friends' contention is wrong.

In fact, the City's Housing Element, including its residential land needs projections, is acknowledged, and the City is obligated to make its UGB amendment decision consistent with this Housing Element. The City adopted its amended Housing Element in 2010 and provided its notice of adoption to DLCDC on December 13, 2010. Neither DLCDC nor any other party filed a timely appeal of the City's decision. Therefore, the decision is final, effective, and deemed acknowledged.

Further, in accordance with ORS 197.175(1), the City must exercise "its planning and zoning responsibilities," including consideration of the proposed UGB amendment, in accordance with its acknowledged Housing Element and the land needs projected in that acknowledged Housing Element. Additionally, Goal 2 and subsequent case law discussed below requires the comprehensive plan to serve as the factual base for the City's planning decisions, including the determination of land needs for a UGB expansion.

Therefore, the City has already determined its overall residential land needs in its amended Housing Element, and under Oregon law, that determination is acknowledged and must guide the City's UGB expansion. The City may only deviate from the figures in

³ The recommendation included reducing the amendment area by 22 acres on non-controversial grounds. Hillcrest only takes issue with the removal of the remaining 153 acres.

its adopted plan if it amends the plan as provided by law. The City has not proposed a formal amendment to the Housing Element at this time.

2. The contention by Friends and DLCD that the City's Housing Element is not acknowledged and that the City may ignore or informally revise the residential land needs determination in the Housing Element is legally incorrect.

Although Friends contends that the City's Housing Element is not acknowledged based upon a January 5, 2011 letter from DLCD, Friends is mistaken. DLCD's letter contends that the City's submittal of the amended Housing Element was in the nature of a periodic review work task, and that work task was incomplete because, although it identified a need for residential lands, it did not address that need with a companion UGB amendment. There is no legal basis for DLCD's position. The Housing Element amendment was not a periodic review work task. Rather, it was an independent post-acknowledgment plan amendment ("PAPA") adopted by the City that did not have a companion UGB amendment, nor was it required to, under Oregon law. As a result, DLCD had no authority to deem the City's adoption of the amended Housing Element an incomplete work task. Instead, as explained above, the amendment was deemed acknowledged when it was adopted by the City and not timely appealed.

In fact, DLCD's letter is at odds with its own processing of the Housing Element. DLCD issued a public notice on December 20, 2010, of the City's adoption of the amended Housing Element, which established a deadline to appeal the City's decision to the Land Use Board of Appeals ("LUBA") of January 3, 2011. See DLCD public notice in Exhibit A. Further, the notice provided that "NO LUBA Notification to the jurisdiction of an appeal by the deadline, this Plan Amendment is acknowledged." *Id.* (underline in original). These statements are important for two reasons. First, they demonstrate that DLCD knew that the Housing Element would be acknowledged if not timely appealed. Second, they demonstrate that DLCD was aware that the adoption of the Housing Element was a standard PAPA, which is appealable to LUBA. (If it were a periodic review work task, it would not be subject to appeal to LUBA.) DLCD cannot simply disregard these statements in its public notice based upon an after-the-fact letter to the City.

DLCD's 2011 letter also contended that the City's work task was incomplete on the grounds that it did not include a notice of adoption of a decision to be reviewed as a

periodic review work task. But, this argument just piles onto the fiction DLCD has created: Again, the City's decision was a PAPA, not a periodic review work task. Therefore, there was no reason for the City to file a notice of adoption of a decision to be reviewed as a periodic review work task with the amended Housing Element.

The City's record for its consideration of the Housing Element reflects that DLCD was actively involved in the City's proceedings, providing several letters with comments. Thus, DLCD clearly had standing to appeal the City's decision to adopt the Housing Element and could have done so if it wanted to. However, DLCD did not do so. DLCD cannot collaterally attack that final decision now.

Friends does not cite to any legal authority to support its contention that the City can simply ignore its adopted and acknowledged residential lands needs determination because there is no such authority.

Further, the shortcomings of the DLCD/Friends' position is underscored by the fact that DLCD has already acknowledged the City's decision in Phase 1 of its UGB process (adoption of measures to increase the ability to meet residential needs within the existing UGB). See City staff memo dated May 6, 2015 ("Staff Memo"), at p. 7, footnote 12. Like the decision to adopt the Housing Element, the decision in Phase 1 has significant implications for the outcome of Phase 2 (the UGB amendment). Thus, it simply makes no sense that DLCD would have acknowledged the City's decision in Phase 1 but not acknowledged the City's decision to adopt the Housing Element.

Therefore, the City Council should deny Friends' argument and modify the Planning Commission recommendation to increase the UGB expansion area by 153 gross acres of residential lands to meet the City's 20-year needs identified in the City's acknowledged Housing Element.

3. City staff's defense of the Friends/DLCD position lacks legal merit.

With due respect, City Planning staff's attempts to defend the Friends/DLCD position on the record (set forth in the Staff Memo) also fail.

First, City staff erroneously accepted DLCD's suggestion that the Housing Element was not acknowledged: "The Department therefore did not approve the Housing Element *

* *.” Staff Memo at p. 7. For the reasons explained above, it is irrelevant whether or not DLCD formally approved the amended Housing Element because no DLCD approval was required. Further, even if DLCD did not formally approve the Housing Element, DLCD tacitly approved it by not filing a timely appeal of the City’s decision to adopt the Housing Element. The City Council should deny City staff’s position on this issue.

Second, City staff contended that the City has the authority to refine the details of the residential needs analysis at this stage. As support for this contention, City staff notes that it adjusted land needs through the efficiency measures adopted in Phase 1. City staff’s contention misses the point: The City was required to consider and adopt efficiency measures before pursuing a UGB amendment. ORS 197.296(6)(b). However, there is no statute that authorizes the City to fail to provide sufficient lands to meet its adopted 20-year residential needs, which is what will happen if the City Council adopts the Planning Commission’s recommended UGB amendment.

Third, City staff erroneously concluded that there was no “reasonable explanation why the City needs 135 acres for government uses in the residential category.” Staff Memo at p. 7. In fact, the reasonable explanation is set forth in the findings in support of the City’s adoption of the Housing Element itself:

“The Council concludes that the Housing Element identifies the residential land needs and the other urban use needs to serve those residential land needs and that the analysis in the Housing Element has been performed using the best available information and methodologies, reasonably accurate and precise.”

Findings at p. 44. Further, the City Council concluded:

“The inventory of buildable land for residential uses, projection of land demands, and supply and demand reconciliation analysis do not independently amend the UGB. Rather, they develop a sufficient basis of facts to estimate the lands needed, pursuant to Statewide Planning Goal 2, upon which action must be taken under ORS 197.296. The Council further concludes that the nature and extent of the Housing Needs Analysis provides an adequate factual base to guide a UGB location alternative analysis * * *.”

Findings at pp. 38-39 (Underline supplied.).

While new or different information might be available now, the City cannot simply ignore the data, findings, and conclusions adopted within the City's acknowledged Housing Element, which must serve as the factual base for the City's decision under Goal 2. See *D.S. Parklane Development, Inc. v. Metro*, 165 Or App 1, 994 P2d 1205 (2000) (remanding Metro decision designating urban reserve areas because Metro relied upon a draft report not incorporated within Metro's functional plan as a basis for its decision, in violation of Goal 2). In *Parklane*, the Court of Appeals held that Goal 2 required Metro to rely upon its adopted plan when conducting its land needs assessment:

"Under Goal 2, the computation of need must be based upon the functional plan and/or Metro's other applicable planning documents. Metro may, of course, amend those documents in the manner prescribed by law, if it chooses, but it cannot simply subordinate them to an informal study * * *."

D.S. Parklane Development, Inc., 165 Or App at 22 (Underline supplied.). In a later case, the Court of Appeals held that the City of Dundee could not rely upon a buildable lands inventory not incorporated within its comprehensive plan when considering a comprehensive plan amendment, even though the unadopted inventory provided more current (and presumably more accurate) data than the version incorporated within the City's plan. *1000 Friends of Oregon v. City of Dundee*, 203 Or App 207, 124 P3d 1249 (2005). For the same reasons expressed in *Parklane*, the Court reasoned that the City's action violated Goal 2. The Court explained its decision as follows:

"[This] is not a matter of mere abstract concern. Rather, it goes to the heart of the practical application of the land use laws: The comprehensive plan is the fundamental document that governs land use planning. Citizens must be able to rely on the fact that the acknowledged comprehensive plan and information in that plan will serve as the basis for land use decisions, rather than running the risk of being 'sandbagged' by government's reliance on new data."

City of Dundee, 203 Or App at 216 (Underline supplied.). *Parklane* and *City of Dundee* are directly applicable to this case. The City has an adopted residential needs analysis,

which is incorporated in its acknowledged Housing Element. Therefore, to be consistent with Goal 2, the City must make its decision regarding the UGB expansion in accordance with the Housing Element analysis, notwithstanding that the City now believes that there is different or more reliable data available from other sources. Therefore, the City Council should deny City staff's contention to the contrary.

Fourth, City staff admitted in the Staff Memo that accepting Friends' recommendation could leave the City with an inadequate supply of residential lands. To remedy this, City staff suggested retaining the ability to shift "a few dozen acres" into residential lands in the final expansion proposal. Staff Memo at p. 8.

The source of City staff's concern—and legitimately so—is that government uses are still allowed in all City residential zoning districts. See Medford Land Development Code 10.314. The City does not propose to prohibit or further limit these uses in residential zoning districts as part of the UGB amendment. As a result, these uses may still develop in residential districts within the UGB amendment area. If this occurs—and the City has cut its supply of residential lands by 135 acres—the true casualty will be that the City will not have sufficient lands for the City's identified housing needs over the planning period. This will be a *de facto* violation of Goal 10 and OAR 660-024-0040(1) and (4). The City can avoid this outcome by adding back in 135 acres for government uses, as the City determined that it needed in its acknowledged Housing Element.

Finally, the record for this matter underscores the importance in providing a sufficient amount of residential lands in the UGB expansion area. For example, although the City's adopted Housing Element concluded that the City will only have a need for 20 acres of residential lands for schools over the 20-year planning period, the record reflects that the owner of MD-2 has already entered an Amended Gift Pledge Agreement to grant 20 acres of residentially-designated land to Medford School District 549C for a school site. See UGB Amendment Exhibit IIIII. This gift consumes the City's entire allocation of residential lands for schools for the entire remainder of the planning period. To the extent any other schools develop on residential lands in the planning period, it will exceed the City's forecast. In fact, the adopted Long-Range Facilities Plan for Medford School District 549C identifies a need for at least one new elementary school and one new middle school over the planning period. See Long-Range Facilities Plan at pp. 16-17 in Exhibit C. According to this plan, the standard size for an elementary school site is

10 acres, and the standard size for a middle school site is 20 acres, meaning Medford School District 549C anticipates needing at least 30 acres for new schools during the planning period. *Id.* This figure alone exceeds the City's assumed need, even before considering any needs for the Phoenix-Talent School District, which draws students from the area on the southeast side of the City (including substantial areas included in the UGB expansion area).

While it is possible that needed schools will develop on non-residential lands, it seems more likely that they will develop on residential lands for two reasons. First, residential lands are, on average, less expensive than non-residential lands. As a result, all else being equal, there will be lower acquisition costs for a residentially-designated site. Second, schools are inherently dependent upon residences to generate students. As a result, schools are typically located close to residences and thus quite often on adjacent residentially-designated sites.

Consistent with its arguments above, Hillcrest does not believe that the City has the authority to modify the residential lands analysis in the Housing Element to increase the amount of land needed for schools as part of the ongoing UGB amendment proceedings. Rather, Hillcrest raises this issue to emphasize that the City is likely to experience more demand for residential lands for schools than anticipated by the Housing Element over the planning period. This issue will become even more pronounced if the City artificially and illegally reduces the supply of residential lands in the UGB amendment area, as currently recommended by City staff and the Planning Commission.

III. Conclusion.

The City Council should revise the pending UGB amendment to include an additional 153 gross acres to serve the City's previously identified and acknowledged residential land needs. If the City fails to do so, the City's decision will be subject to reversal and remand. Further, for the reasons explained on the record, the prime location to accommodate these residential land needs is on MD-4.

Medford City Council
December 1, 2015
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Thank you for your consideration of the points in this letter.

Very truly yours,



Steven L. Pfeiffer



Seth J. King

SLP:crl

Enclosures

cc: Jim Huber (via email) (w/encls.)
Lori Cooper (via email) (w/encls.)
Client (via email) (w/encls.)



Oregon

Theodore R. Kulongoski, Governor

Department of Land Conservation and Development

635 Capitol Street, Suite 150

Salem, OR 97301-2540

(503) 373-0050

Fax (503) 378-5518

www.lcd.state.or.us



NOTICE OF ADOPTED AMENDMENT

12/20/2010

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

FROM: Plan Amendment Program Specialist

SUBJECT: City of Medford Plan Amendment
DLCD File Number 008-09

The Department of Land Conservation and Development (DLCD) received the attached notice of adoption. Due to the size of amended material submitted, a complete copy has not been attached. A Copy of the adopted plan amendment is available for review at the DLCD office in Salem and the local government office.

Appeal Procedures*

DLCD ACKNOWLEDGMENT or DEADLINE TO APPEAL: Monday, January 03, 2011

This amendment was submitted to DLCD for review prior to adoption pursuant to ORS 197.830(2)(b) only persons who participated in the local government proceedings leading to adoption of the amendment are eligible to appeal this decision to the Land Use Board of Appeals (LUBA).

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

*NOTE: The Acknowledgment or Appeal Deadline is based upon the date the decision was mailed by local government. A decision may have been mailed to you on a different date than it was mailed to DLCD. As a result, your appeal deadline may be earlier than the above date specified. NO LUBA Notification to the jurisdiction of an appeal by the deadline, this Plan Amendment is acknowledged.

Cc: Praline McCormack, City of Medford
Gloria Gardiner, DLCD Urban Planning Specialist

Gloria Gardiner, DLCD Urban Planning Specialist
Angela Lazarean, DLCD Urban Planner
Ed Moore, DLCD Regional Representative

<paa> Y/l

EXHIBIT A



FORM 2

DLCD

Notice of Adoption

In person electronic mailed

DATE
S
T
A
M
P

DEPT OF
DEC 18 2010
LAND CONSERVATION
AND DEVELOPMENT

For Office Use Only

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

Jurisdiction: **City of Medford**

Local file number: **CP-08-055**

Date of Adoption: **December 2, 2010**

Date Mailed: **December 9, 2010**

Was a Notice of Proposed Amendment (Form 1) mailed to DLCD? Yes No Date: **06/25/10**

Comprehensive Plan Text Amendment

Comprehensive Plan Map Amendment

Land Use Regulation Amendment

Zoning Map Amendment

New Land Use Regulation

Other:

Summarize the adopted amendment. Do not use technical terms. Do not write "See Attached".

Amend the Comprehensive Plan to adopt a revised Housing Element, including Housing Needs Analysis, for the planning period 2009 to 2029.

Does the Adoption differ from proposal? **No, no explanation is necessary**

Plan Map Changed from: **n/a**

to: **n/a**

Zone Map Changed from: **n/a**

to: **n/a**

Location: **City-wide**

Acres Involved:

Specify Density: Previous:

New:

Applicable statewide planning goals:

<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>															
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Was an Exception Adopted? YES NO

Did DLCD receive a Notice of Proposed Amendment...

45-days prior to first evidentiary hearing?

Yes No

If no, do the statewide planning goals apply?

Yes No

If no, did Emergency Circumstances require immediate adoption?

Yes No

DLCD file No. _____

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

Department of Land Conservation and Development, Oregon Housing & Community Services, Jackson County, City of Central Point, City of Phoenix

Local Contact: **Praline McCormack, Planner II** Phone: **(541) 774-2380** Extension:

Address: **200 S. Ivy Street** Fax Number: **541-774-2564**

City: **Medford** Zip: **97501** E-mail Address: **praline.mccormack@cityofmedford.org**



Planning Department

Working with the community to shape a vibrant and exceptional city

MEMORANDUM

SUBJECT UGB AMENDMENT Project—for April 6, 2015 Study Session
FILE NO. CP-14-114
TO Planning Commission
FROM Joe Slaughter, Planner IV, Comprehensive Planning
DATE April 2, 2015

The Planning Commission considered City File number CP-14-114 (UGBA Phase 2: ESA Boundary Amendment) at its March 12, 2015 meeting. The Planning Commission heard a presentation of the staff report and opened the public hearing. More than 40 people testified in response to this item.

The Commission closed the hearing after 4 ½ hours of testimony but kept the record open for the next 14 days. Anyone wishing to submit written comment to the Planning Commission was welcome to do so up until the March 26 deadline.

At the end of the meeting, the Planning Commission voted to meet with staff at a special study session, to be held April 6, 2015, to further discuss the proposal prior to making a recommendation to City Council.

Staff has compiled all of the written testimony submitted at the hearing and all of the written testimony submitted after the hearing through March 26, 2015.

Staff has also created a table to help track challenges to the land need figures, a table showing acreage figures for each of the urban reserve subareas, a table and a map to help track the requests for inclusion that were received at the hearing, and drafted a memo to better explain how transportation was scored based on a memo from Kittelson and Associates.

At the April 6 study session, staff from Planning, Public Works, Water Commission, and Parks Department will be available to answer questions for the Commission. Staff will be looking for direction on materials to prepare for the Commission to help them make a recommendation to the City Council.

ATTACHMENTS

- Exhibit A: Table of challenges to land need
- Exhibit B: Table and map of inclusion requests
- Exhibit C: Table showing acreage figures for each of the urban reserve subareas
- Exhibit D: Transportation scoring memo
- Exhibit E: Testimony submitted at the March 12 hearing
- Exhibit F: Testimony submitted after the March 12 hearing

Exhibit A: Table of challenges to land need

Challenges

OSU	Unbuildable to Developable	22 acres
1000 Friends	Golf course and schools	18 acres
1000 Friends	Double count public administration	135 acres
Total		175 acres

If all challenges are upheld the numbers would be adjusted as follows:

	<u>Number of Acres</u>	
Total Expansion Proposal	3,948	3,773
Developed or Unbuildable Land	402	380
Prescott Park and Chrissy Park	1,877	
Land for Future Development (Residential + Employment)	1,669	1,516
<i>Residential Land Amount</i>	1,032	879
Low-Density Residential (UR)	885	778
Medium-Density Residential (UM)	27	17
High-Density Residential (UH)	120	84
<i>Employment Land Amount</i>	637	
Service Commercial (SC)	222	
Commercial (CM)	318	
General Industrial (GI)	90	
Heavy Industrial (HI)	7	

2. Phase II: 5-10 years

Within the 10 year projections, there will be a need to increase capacity for an additional 968 elementary students, see Table 6.1. The middle schools will be reaching the capacity limit while the High schools should still have adequate capacity with only minor adjustments to accommodate specific program needs. The following options are available to address future capacity needs over the next 5-10 years:

OPTION 1: To keep the K-6 configuration, capacity will need to be added at the elementary level. Add one new elementary school. This will increase capacity by 500-600 students. This option would be practical if modular units from Phase I were to remain at school sites.

OPTION 2: Add two new elementary schools. This will increase capacity by 1,000-1,200 students and meet future growth projections.

OPTION 3: To shift to a K-5 and 6-8 configuration, capacity would only need to be added at the secondary level to meet the 10 year growth projection. Add a new middle school and shift the 6 grade class from the elementary to middle schools. The 6th grade class size is projected to be 1,107 in 10 years, see Table 5.2. Also in 10 years the projected 7th and 8th grade class sizes together is projected to be 2,268, see Table 5.2. A new middle school would need to be built to accommodate 1,100 students to meet the projected growth needs in 10 years.

- a. New middle school construction, cost approximately \$78,860,000 See Appendix D.
- b. Renovate MSDEC to accommodate a middle school, cost approximately \$55,500,000 See Appendix D.

OPTION 4: Additional modular units could be added at the elementary and secondary levels to manage the increased capacity demands.

3. Phase III: 10-20 years

To meet the projected capacity demands for 20 years, elementary and secondary school capacity will need to be added. If no modular units or grade level adjustments are made, the elementary space needs will exceed capacity by 1,904 students and the secondary space needs will exceed capacity by 501 students. The following options are available to address future capacity needs over the next 20 years:

OPTION 1: If the K-6 configuration remained, three to four Elementary schools would need to be added. This would increase the elementary capacity by 1,500 to 2,400 students. Secondary sites could have capacity increased with building additions or modular units to accommodate student growth.

OPTION 2: With a K-5 configuration, one elementary, and three modular units would provide the needed capacity for the next 20 years. With a 6-8 and 9-12 configuration for secondary schools would require a third middle school and expansions at both high schools to accommodate an increased need for 1,734 6-12 students in 20 years.

OPTION 3: To shift to a K-5 configuration, two new elementary schools and no modular units would accommodate the 20 year growth in elementary students. With a 6-8 and 9-12 configuration for secondary schools would require a third middle school and expansions at both high schools to accommodate an increased need for 1,734 6-12 students in 20 years.

C. Future School Site Options

MD-2 Property: The District has a Letter of Intent for a land donation of 20 acres located within an adopted Urban Reserve Area near Coker Butte Road and Springbrook Road, see Figure 2. The property is located in the city's urban reserve and is likely to be adopted into the Urban Growth Boundary in the near future. The location of this property meets the District's requirements for future school sites identified in Table 6.2. This property is large enough to fit either a future elementary or middle school.

The District desires to cooperate with the City and landowner to bring the property into the urban growth boundary to provide additional capacity to meet further growth needs. An amendment to the existing urban growth boundary must be mutually reviewed and approved by the City and County and acknowledged by the State. The procedure would include a comprehensive plan amendment and zone change so that the site will be appropriately zoned.

Property Purchase: The District should also consider purchasing land to meet the need for future school sites. The cost for a 10 acre plot to meet the standard for an elementary school within the existing Urban Growth Boundary would range between \$500,000 and \$1,000,000. The cost for a 20 acre lot to meet the recommended middle school standard within the Urban Growth Boundary would range between \$1,000,000 and \$2,000,000. Property located in the Urban Growth Boundary to meet future land needs is becoming more difficult to locate. Property located in the Urban Reserve Area to meet future land needs could be purchased at a lower cost but will still need to be incorporated into the Urban Growth Boundary.

The City has designated a future elementary school site on the Southeast Area Plan Map in a planned residential area to the east of North Phoenix Road and north of East Barnett Road. Although the site has not been acquired by the District, the Southeast Plan provides for notification to and coordination with the District through a required Planned Unit Development review process as the area is built out.

Hull Road Property: The owners of property on Hull Road have pledged to gift to the District a 20 acre school site on the southwest quarter of their property. The initial agreement to work through a process to potentially accept the gift expired in 2012. The Hull Road property is located outside of the Urban Growth Boundary and, as such, is currently viewed as a potential long-range option for a school site for the District. A new agreement between the property owner and the District must be established if the Hull Road property is to be considered for a future school site. In addition, before the property could be utilized as a school site it would need to be included within the City of Medford's Urban Growth Boundary.

D. Evaluating Potential School Sites

Upon determining that there is a need for new facilities, a review of potential sites must consider many factors including health and safety, location, accessibility, environment, physical characteristics (soil and topography), acquisition and development costs (including utilities), and coordination with the local comprehensive plans. The criteria outlined in Table 6.2 below are designed to select sites that provide for both a safe and supportive environment for the instructional program and the learning process.