

**Morrow County Board of Commissioners
Draft Findings of Fact
Rowan Percheron, LLC
AC-145-23, AC(Z)-146-22, AZM-147-23**

REQUEST: to amend the Comprehensive Plan to change the Plan and zoning designation of a 274-acre parcel from Exclusive Farm Use (EFU) to General Industrial (MG) and adopt a Limited Use Overlay (LUA) Zone to limit use to a data center. Application also includes an exception to Statewide Planning Goal 3, 11 and 14 to allow for a data center use.

APPLICANT: Rowan Percheron, LLC
1330 Post Oak Boulevard, Suite 1350
Houston, TX 77056

OWNER: Threemile Canyon Farms
75906 Threemile Road
Boardman, OR 97818

PROPERTY DESCRIPTION: [Parcel 2 of Partition Plat No. 2023-3; a 274-acre parcel described as a portion of Tax Lot 100 of Assessor’s Map 3N 24 \(project parcel or parcel\)](#)

PROPERTY LOCATION: ~~Property~~ [The project parcel](#) is located on Tower Road approximately 9 miles south of Interstate 84, west and south of the City of Boardman. Parcel is just north of the old [Portland General Electric \(PGE\) Coal Fire Plant](#).

FINDINGS OF FACT:

I

BACKGROUND INFORMATION:

The ~~274-acre~~ [project](#) parcel is vacant, non-irrigated, undeveloped land. Along the western boundary of the parcel is an existing 230-kV transmission line that runs south approximately 1.6 miles to the existing transmission infrastructure at the ~~Portland General Electric (PGE)~~ Carty natural gas generating plant. To the east of the parcel is the Boardman Conservation Area (BCA) and to the southeast is the existing Carty site. There is a parcel of land zoned General Industrial (MG) approximately 5,000 feet to the south and west and a large parcel to the north and east zoned Space Age Industrial.

A. Project Description:

Rowan Percheron, LLC (~~Applicant~~ [applicant](#)) is the contract purchaser of the 274-acre parcel. ~~Rowan Percheron Applicant~~ [Applicant](#) proposes to develop a data center campus. The ~~Project Parcel~~ [project parcel](#) is currently zoned Exclusive Farm Use (EFU). The ~~purpose of the EFU Zone is to “preserve, protect and maintain agricultural lands for farm use, consistent with~~

~~historical, existing and future needs, including economic needs, which pertain to the production of agricultural products.” MCZO 3.010~~

~~The project parcel is vacant, non-irrigated, and uncultivated. There is no history of active farming, irrigation, or grazing on the project parcel~~ ~~has not been put into productive use, dating back to the 1950s.~~ The parcel is comprised predominately of nonarable soils and the ~~applicant~~ Applicant and owner consider it to be not suitable for farm use. The property owner has been unsuccessful in putting the land into agricultural cultivation and does not believe grazing is an option. The landowner submitted an affidavit to this effect. Threemile Canyon Farm representatives also testified before the Planning Commission to this effect and provided additional reasoning for why the Project Parcel was not valuable to Threemile Canyon Farm’s operations historically or in the future.

According to the application, the project parcel is suitable for data center use given its proximity to critical infrastructure. The project parcel is located about 5,000 feet from the ~~Portland General Electric~~ PGE Carty generating plant site and adjacent to an existing 230 kV transmission line right of way (ROW). The existing 230-kV transmission line runs about 1.6 miles along the western boundary of the ~~Project Parcel~~ project parcel and Tower Road. The ~~Portland General Electric~~ PGE Carty site includes a 450-megawatt (MW), combined-cycle natural gas-fueled electric generating power plant, the Grassland Switchyard, the Carty Substation, a 500-kV transmission line and the Carty Reservoir. In total, the Carty site encompasses an approximately 4,997-acre site boundary.⁺ According to the application, the data center anticipates receiving power from Pacific Power via the existing and planned electrical infrastructure at the Carty site and via the existing transmission ROW along Tower Road.

According to the application, the parcel is suitable for a data center due to the flat topography (less than 15 percent slope) and is situated to avoid adverse environmental impacts to water availability, wetlands, habitat, and sensitive species and is not located within a floodplain.

Applicant proposes to limit development to 190 acres of the project parcel (project footprint). The application indicates that development of the data center campus will be phased according to market demand and conditions, with an estimated full build-out of the project footprint over a number of years. The Applicant anticipates full build-out to include multiple data warehouse buildings, and all associated accessory components as described below. The primary and associated components of the proposed data center constitute a “data center” within the meaning of MCZO 1.030 and are anticipated to be limited to the project footprint. ~~See “ (see Application, Figure 5 Preliminary Project Area Components” attached~~ Layout). The primary and accessory components of the proposed development may include:

- A data center campus including multiple data system warehouse buildings
- Parking areas for employees and interior access roads
- Anticipated onsite septic, stormwater, and wastewater management systems
- Fire protection system, including water storage tank(s)
- Back-up power supply systems
- Onsite substations and electrical interconnection equipment

These are the primary and accessory facility components based on the ~~applicant~~Applicant's conceptual design and represent the likely facility components of the final design, although the specific number and size of the particular facility components may vary. The ~~applicant~~Applicant maintains that such variation does not undermine the analysis to support the requested goal exceptions and zone change to allow a data center within the Project Footprint.

The ~~applicant~~Applicant has experience with data center development and plans to locate the proposed data center and accessory buildings in a manner that avoids impacts to the wetlands and floodplain within the project parcel. Additionally, the ~~Applicant will maintain~~applicant proposes a 250-foot buffer ~~(250 feet) of the project footprint~~ from the adjacent ~~conservation area~~BCA that runs along the eastern edge of the project parcel. In addition, in response to comments from the Oregon Department of Fish and Wildlife (ODFW) ahead of the June 27, 2023 planning commission hearing, Applicant proposes a 100-foot buffer from the surveyed wetlands and other riparian habitat, as on Attachment B the ERM Big Game and Wetland Tech Memo, dated July 18, 2023. In general, data centers have a relatively lower level of impact to the surrounding area than other industrial uses, due to less intensive operational traffic, noise, emissions, and viewshed impacts.

B. Surrounding Land Uses:

The surrounding land use is primarily agriculture however, to the east is the PGE natural gas plant and to the south is the site of the former PGE Coal fired plant.

C. Soil Types:

As provided in ~~the Applicant's~~soil report provided by the applicant analysis memo (Application Appendix C), land capability classifications within the project footprint are predominantly 7e (non-irrigated) for Koehler and Quincy, 6e (non-irrigated) for Royal and Taunton, and a very small percentage of 4e (non-irrigated) for Sagehill fine sandy loam. Outside of the project footprint, soils are Class 4e, 6e, and 7e soils. The predominate non-irrigated soil land capability classifications indicate severe limitations (land capability classes 6 and 7) to cultivation for most of the project footprint and moderate limitations (land capability class 4) for the remaining area of the project parcel. There were multiple comments and questions concerning Applicant's soils analysis and in response, Applicant provide the ERM Soils Tech Memo, dated July 18, 2023 and Applicant's soils scientist from ERM testified before the Planning Commission on July 25, 2023, to reiterate the findings from the prior analyses to demonstrate thy the project parcel is not productive and has no value for farm use generally.

D. Water Supply :

According to the application, the project will require potable water for employees and industrial water for processing and cooling. For industrial process water, the Applicant anticipates about 20 to 60 million gallons of annual total water use for the data center campus at the time of full buildout. Applicant ~~is evaluating~~will cycle the cooling process water an estimated 2-3 times before discharging the water as industrial wastewater to the onsite evaporation pond system. Applicant provided an water demand matrix ahead of the July 25, 2023, planning commission hearing showing the estimated total speaks of water usage on an annual basis. It also contains Applicant's assumptions for evaporation and blowdown water loss.

Applicant evaluated options for sourcing the needed water. ~~Currently, potential water supply sources for domestic and industrial water include but are not limited to,~~ including (1) a water supply agreement for use or transfer of existing water rights from nearby water rights holder(s) and (2) water supply and an infrastructure agreement with the Port of Morrow to obtain water from the Port’s proposed water treatment facility located near the Boardman Airport Industrial Park. After evaluating options, Applicant eliminated option (1) and plans to secure water from the Port of Morrow. See ~~attached~~ Port of Morrow Water Supply Memorandum of Understanding ~~{(MOU)}~~ and Port of Morrow Letter of Intent (LOI) in the record. Applicant and the POM are continuing to negotiate the proposed water delivery route and Applicant provided evidence into the record before the Planning Commission related to the proposed route within the public right of way along Tower Road.

The application describes the benefits of working with the Port of Morrow as a water supplier. “First, the Port of Morrow is currently designing additional infrastructure to serve potable industrial uses near the Boardman Airport Industrial Park and extension of these services may serve the Project Parcel. In addition, this option would help to minimize impacts to the ground and surface water conditions in the immediate vicinity of the Project Parcel, including to adjacent productive farmlands. Applicant requests the Goal 11 exception as a part of this application because the Applicant seeks ~~the flexibility to select~~ a water supply source that ~~may involve~~ involves extension of public services from the Port of Morrow. ~~(Note, While the application includes a Goal 11 exception for the plain language of Goal 11 does not reference extension of public water services “despite the plain language of the goal and the implementing administrative rules because of~~ as triggering an exception, Applicant includes a Goal 11 exception request in its application given the court of appeals’s ruling in *Foland v. Jackson County*, 239 Or App 60, 64-65 (2010) (finding that the overarching policies of Goal 11 and the history of amendments to the goal supported Land Use Board of Appeal’s [LUBA] decision that Goal 11 prohibits the extension of city water services to serve an *urban use* on rural land without a Goal 11 exception).” The county agrees with this approach. Applicant does not need a Goal 11 exception is below for sanitary or wastewater because all sanitary and wastewater will be managed on the project parcel. The Port of Morrow will not be receiving wastewater from the Project.

E. Power:

The project parcel is directly adjacent to an existing transmission line ROW that runs south along Tower Road for about 1.6 miles to the Carty site and Grassland Switchyard. The application indicates that the project will receive power from Pacific Power via a new 230-kV transmission line utilizing existing ROW along Tower Rd, and 34.5kV distribution facilities. The existing transmission line ROW is shown on Applicant’s ALTA survey (Application, Appendix A). The data center campus project will also include the installation of onsite back-up power supply systems. Applicant is in discussions with Pacific Power to provide electricity to the project parcel via existing and proposed transmission infrastructure. To date, Pacific Power anticipates using the existing transmission line right away along Tower Road to provide a Point of Interconnection at the project parcel property line along Tower Road. Pacific Power may co-locate an interconnection substation on the project parcel adjacent to Applicant’s project substation for the delivery of electrical services. This application addresses any electrical and transmission infrastructure that will be located on the project parcel. However, any

electrical and transmission infrastructure not located on the project parcel is the responsibility of the provider and the provider will be obligated to pursue all necessary approvals to locate and construct the infrastructure that serves the project. Applicant cannot commit Pacific Power to any particular service route at this point in time.

F. Wastewater:

Applicant proposes to manage all stormwater and industrial wastewater onsite with one or more onsite retention or evaporation ponds. The on-site stormwater retention pond design includes an infiltration rate of 2 inches/hour with a 6-foot pond depth and up to 2 feet of freeboard. The cooling wastewater evaporation pond will be separate from the stormwater retention pond. Specific design was not included in the application however the application indicates that the wastewater treatment systems are expected to be designed and engineered for the appropriate quantities of produced industrial waste water. Application indicates that a state NPDES 1200-Z Permit permit will not be needed, as there is no anticipated direct discharge or stormwater runoff. However, a copy of Public Notice and Findings were sent to DEQ who has regulatory authority over stormwater. Again, no Goal 11 exception is required for sanitary or wastewater because both will be managed onsite.

According to the application, for onsite black and grey water, the estimated annual volumes for a data center could range from 10,000 to 15,000 gallons per day (GPD). ~~The application indicates that the data center campus will seek to minimize stormwater runoff to the extent possible. Applicant also will construct and will be managed with~~ an onsite septic system.

~~For industrial wastewater (process and blowdown water), the applicant anticipates recycling the water using an onsite wastewater treatment system. Specific design was not included in the application however the application indicates that “once the water is no longer capable of being recycled, wastewater will be treated, managed onsite in a retention pond, or treated using other appropriate water recycling technologies. If needed, the wastewater treatment systems are expected to be designed and engineered for the appropriate quantities of produced industrial waste water.”~~

G. Transportation & Access:

Applicant provided a transportation analysis and traffic study impact analysis (Application Appendix I) (TIA) as part of the application, which concludes that no roadway improvements are necessary. The ~~traffic study~~ TIA recommended that development include a new access to Tower Road be constructed and to install a stop sign. In response to comments and questions received from the Planning Commission, Applicant also work with its consultants to prepare the Tower Road Traffic Volume Forecast that addresses anticipated construction traffic and safety along Tower Road. The Forecast proposes mitigation based on commensurate potential impacts, consistent with the prior discussions between Applicant and the Public Works Department. Finally, in response to comments raised during the July 25 Planning Commission hearing, Applicant worked with Kittelson to evaluate potential traffic associated with construction of the POM water delivery system within the Tower Road right of way. That new technical memo has been submitted into the record and responds to concerns over potential adverse impacts from the water delivery system. See additional discussion under Goal 11 exception request below.

The data center will operate 24-hours per day in shifts. On average, data center will employ at least 35 full-time equivalent employees and many additional third-party vendor employees. The jobs include data center engineering operations (managing the facility), data center operations (managing the servers in the data halls), and security operations staff.

H-MORROW COUNTY ZONING CODE STANDARDS APPLICABLE TO LEGISLATIVE DECISIONS

To approve ~~the~~Applicant's request, the county ~~will be~~is required to adopt findings to show that the request meets the necessary criteria which are presented below in **bold** print with proposed findings (responses) in regular print.

MCZO 8.040 provides the applicable approval criteria for a zone change. ~~Applicant response is in standard font below.~~

MCZO 8.040, CRITERIA. The proponent of the application or permit has the burden of proving justification for its approval. The more drastic the request or the greater the impact of the application or permit on the neighborhood, area, or county, the greater is the burden on the applicant. The following criteria shall be considered by the Planning Commission in preparing a recommendation and by the County Court in reaching their decision.

A. The local conditions have changed and would warrant a change in the zoning of the subject property(ies).

Response: The ~~Project Parcel~~project parcel has been zoned EFU since ~~Comprehensive Plan~~the MCCP and ~~Zoning Ordinance~~MCZPO acknowledgement on January 30, 1986. Applicant provides the following analysis: “The purpose of the EFU Zone is to “preserve, protect and maintain agricultural lands for farm use, consistent with historical, existing and future needs, including economic needs, which pertain to the production of agricultural products.” “Agricultural Lands” are defined as land of predominately Class I-VI soils and “other lands suitable for farm use taking into consideration soil fertility, suitability for grazing, climatic conditions, existing and future availability of water for farm irrigation purposes, existing land use patterns, technological and energy inputs required, or accepted farming practices. MCCP, Goal 3 (Agricultural Lands Element): OAR 660-033- 0020(1)(a). The Project Parcel is comprised predominately of nonarable soils, not suitable for farm use. The underlying soils are unproductive, highly erodible, and the property owner has been unsuccessful in putting the land into agricultural cultivation; it is not even productive for grazing.” Applicant provided an affidavit declaring the land is not farmable.

According to the application, “the historic and current conditions of the Project Parcel arguably disqualify the Project Parcel from being “agricultural land” under Goal 3.” This argument implies that given that the land has not been farmed and is not practicably suitable for farming, the land should not be considered “agricultural land” under Goal 3.

Applicant further notes that “future conditions of the Project Parcel, given the changing environmental conditions of the area, likely ensure that it will remain unproductive into the future with likely increased soil erodibility.”

~~If county concurs with the analysis above, county may find that conditions have changed to warrant rezoning the Project Parcel.~~ The County agrees with Applicant’s analysis and concludes that evidence in the record supports a finding of compliance with Criteria A.

B. The public services and facilities are sufficient to support a change in designation including, but not limited to, water availability relevant to both quantity and quality, waste and storm water management, other public services, and streets and roads.

Response:

Stormwater or Wastewater Services and Facilities. No public stormwater or wastewater services or facilities are proposed or needed. Applicant anticipates managing all stormwater or industrial wastewater onsite. See Section I.F above for additional details on Applicant’s proposed systems and onsite management. Criterion B is met for stormwater and wastewater.

Water Services and Facilities. The development will require potable water for employees and industrial water for processing and cooling. For industrial process water, ~~applicant~~ Applicant anticipates about 20 to 60 million gallons of annual total water use for the data center at the time of full buildout, depending on a variety of factors. As discussed in Section I.D, Applicant ~~is evaluating options for sourcing the needed water. Currently, potential water supply sources include, but are not limited to (1) a water supply agreement for use or transfer of existing water rights from nearby water rights holder(s) and, (2)~~ plans to enter into a water supply agreement with the Port of Morrow to obtain water from a new water infrastructure project located at the Port’s Boardman Airport Industrial Park. Initially, an onsite exempt groundwater well may provide up to 5,000 GPD of potable water for supplying the restrooms, sinks, lunchroom, Applicant and the POM are continuing to negotiate the proposed water delivery route and Applicant provided evidence into the record at the July 25 the Planning Commission hearing related to the proposed route within the public right of way along Tower Road. POM anticipates that it will be prepared to begin water delivery service in line with the project’s construction timeline. However, depending on construction timeline, Applicant is prepared to truck in potable water to be stored onsite to serve the facility operations until such time as the POM ~~facility water is available~~ completes construction of the water delivery infrastructure. Applicant anticipates securing this purchased water from the POM. Accordingly, the County finds that the public water services for the Project are available in both quantity and quality to serve the Project needs and Applicant has taken into account potential impacts to public roadways from the delivery of such water. Criterion B is met for water services and facilities.

Police/Fire/Emergency Response Services and Facilities. The ~~Project Parcel~~ project parcel is within the Boardman Rural Fire Protection District’s (RFPD) service area. A copy of the Public Notice was sent to Boardman Rural Fire Protection District. Since submitting the application, Applicant reached out to RFPD to discuss its fire and emergency response plans. A letter from BRFD is in the record. Applicant also reached out to the Morrow County Sheriff’s Department. Applicant, in coordination with the Public Works Department, is committed to continuing to coordinate with the Sheriff’s Department on traffic management for Project construction. For these reasons, Criterion B is met for emergency response services and facilities.

Transportation Services and Facilities. ~~Applicant provided a Traffic Impact Analysis that~~ The TIA in the record concluded that the proposed zone change will not result in significant impacts to the County’s transportation system and the existing roads. The TIA ~~analysis~~ calculated traffic

impacts during construction and operation. Based on the TIA and the ~~conditions~~ recommended ~~in conditions~~, the ~~TIS~~, County may find that the public transportation system is adequate to support the zone change.

~~Morrow County Public Works is evaluating the TIA and may provide additional comments~~ In addition to addressing the zone change traffic analysis, Applicant provided supplemental technical memos addressing Project construction and operation. See Section I.G for discussion of traffic and transportation memos in the record. There were public comments and testimony regarding traffic safety along Tower Road, including the multiple and different types of users. In addition, there was testimony about the potential Oregon Department of Transportation Project at the overpass that may have potential impact to routing for the Project's construction trips. This questions were subsequently addressed in Applicant's supplemental traffic reports submitted prior to and following the July 25 Planning Commission hearing. In addition, Applicant also addressed traffic related concerns associated with the construction of the POM water delivery system in the Tower Road right of way. The results of these analyses demonstrated that Applicant has implemented measures to minimize impacts and will mitigate impacts to acceptable levels. Applicant will be obligated to continue coordinating with the Public Works Department as the Project moves forward to ensure that potential adverse impacts to the transportation system, particularly Tower Road, are minimized and mitigated to acceptable levels. The County imposes a condition of approval to ensure this ongoing commitment. Accordingly, Criterion B is met for transportation services and facilities.

- 1. Amendments to the zoning ordinance or zone changes which significantly affect a transportation facility shall assure that land uses are consistent with the function, capacity, and level of service of the facility identified in the Transportation System Plan. This shall be accomplished by one of the following:**
 - a. Limiting allowed land uses to be consistent with the planned function of the transportation facility or roadway;**
 - b. Amending the Transportation System Plan to ensure that existing, improved, or new transportation facilities are adequate to support the proposed land uses consistent with the requirement of the Transportation Planning Rule; or,**
 - c. Altering land use designations, densities, or design requirements to reduce demand for automobile travel to meet needs through other modes.**

Response: As discussed under Subpart (2) below, this zone change application does not significantly affect a transportation facility, therefore Subpart (2) does not apply to this application.

2-A plan

- 2. Aplan or land use regulation amendment significantly affects a transportation facility if it:**
 - a. Changes the functional classification of an existing or planned transportation facility;**
 - b. Changes standards implementing a functional classification;**

- c. *Allows types or levels of land use that would result in levels of travel or access that are inconsistent with the functional classification of a transportation facility; or*
- d. *Would reduce the level of service of the facility below the minimal acceptable level identified in the Transportation System Plan. (MC-C-8-98)*

Response: The application concludes that the zone change application does not significantly affect a transportation facility, as demonstrated in the ~~Traffic Impact Analysis~~ TIA. Morrow County Public Works reviewed the TIA and found that the recommendations for an access permit and stop sign are acceptable however, Public Works also recommends ~~the developer~~ Applicant enter a Road Use Agreement to pay for a chip seal of the northerly ~~eight-nine~~ (89) miles of Tower Road after construction is complete (prior to issuance of an Occupancy Permit). Morrow ~~county~~ County has responsibility to maintain the northerly 8 miles of Tower Road, from the intersection of Interstate 84 south to milepost 8. From milepost 8 to the south, Portland General Electric has responsibility for road maintenance, including snow plowing and surface improvements. Under the proposed Road Use Agreement, the County will assume responsible for milepost 8 to milepost 9. Applicant ~~could consult with PGE and develop an agreement for~~ is continuing to coordinate with Portland General Electric regarding road use and maintenance on the southerly section of Tower Road.

C. *That the proposed amendment is consistent with unamended portions of the Comprehensive Plan and supports goals and policies of the Comprehensive Plan, that there is a public need for the proposal, and that the need will be best served by allowing the request. If other areas in the county are designated for a use as requested in the application, then a showing of the necessity for introducing that use into an area not now so zoned and why the owners ~~in~~ there should bear the burden, if any, of introducing that zone into their area.*

~~Response: Application included~~ **Response:** Applicant addressed consistency with the MCCP goals and policies in the application and findings of compliance are addressed in Section 5 below. The application is, or can be made through conditions, consistent with the MCCP for the reasons provided in Section 5 and incorporated here. With respect to public need, the County has a recognized need for continued economic development around particular industry sectors to reduce unemployment, offer more living wage employment opportunities, and facilitate growth of County work force. The County adopted amendments to the Economic Element in 2015 to guide land use decisions for the next 20 years and beyond. One important focus of the Economic Element Amendments is large industrial activity sector and industrial diversification of the County’s traditional agricultural economic base. The record demonstrates that this public need will be served by the data center project.

Applicant performed an alternatives analysis ~~of other locations and~~ (Application Appendix D) to justify rezoning the project parcel to allow for the data center use. The alternatives analysis concluded that “[t]he proposal serves a public need of providing safe, reliable data storage, benefitting individuals, as well as public and private entities.” The ~~Alternatives Analysis (attached) indicates~~ alternatives analysis also concludes that “another site is not reasonably available.” ~~The proposed Project Parcel is in proximity to other industrial uses and transmission infrastructure. The application concludes that they do not “anticipate offsite impacts that would burden area landowners~~ Applicant applied 8 siting criteria when evaluating potential sites: (1)

access to electrical infrastructure and power supply; (2) water supply and discharge capability; (3) suitable land characteristics; (4) ability to avoid environmentally sensitive resources and protected areas; (5) road access; (6) fiber network connectivity; (7) land use and zoning; and (8) financial feasibility.” The alternatives analysis ~~could be more specific in order to make affirmative Findings that the application complies with this standard~~ methodology is detailed in the alternatives analysis and the considered sites are presented in Table 1 of Application Appendix C. Applicant started with an overarching assessment of land in Umatilla and Morrow counties, looking at potential sites in UBGs, then sites zoned for data center use, and then non-resource lands. The assessment resulted in 6 sites for further analysis, and finally, the selection of the project parcel. The project parcel satisfies, on balance, all siting criteria except being properly zoned for data center use (siting criterion 7). Applicant addressed the project’s compatibility with adjacent land uses and consulted with the surrounding landowner who is a large agricultural operator in the vicinity. The record demonstrates that the surrounding landowner does not have concerns with compatibility. Further, the project plans to use water provided by the Port of Morrow, not from an onsite groundwater well or water transfer agreement. Additional findings regarding compatibility are found in Section III below and are incorporated here. Criterion C is met.

D. The request addresses issues concerned with public health and welfare, if any.

Response: Applicant demonstrates in the EESE Analysis (see Section III below) that the proposal will not result in significant ~~adverse impacts to nearby lands~~ environmental, economic, social or energy consequences, which the County views as capturing public health and welfare considerations. No specific health or welfare concerns were directly raised in public testimony. Some testimony touched on impacts to wetlands, big game, water supply, and traffic having potential environmental or welfare consequences although Applicant provided responsive evidence to each of these points that the demonstrate that public health and welfare has been appropriately accounted for. Applicant does not anticipate the proposed construction and operation of the data center would result in public health or welfare concerns and ~~will respond on nothing in~~ the record if to date raises any such concerns ~~are raised~~. The County is proposing a condition of approval to ensure that Applicant will obtain all required environmental permits. Accordingly, Criterion D is met.

III.III. GOALS 3, 11, AND 14 EXCEPTION REQUESTS

The Applicant proposes to develop an urban-scale industrial use on rural agricultural land that ~~may require~~ requires public services for water supply. In such circumstances, when urban-scale development and public services or facilities are proposed to be located on rural agricultural land, an applicant must demonstrate compliance with the applicable standards for goal exceptions in both OAR 660-004 and OAR 660-014.

COMPLIANCE WITH OAR 660, DIVISION 4

A. Goal Exception Process, OAR 660-004-0010

(1) *The exceptions process is not applicable to Statewide Goal 1 "Citizen Involvement" and Goal 2 "Land Use Planning." The exceptions process is generally applicable to all or part of those statewide goals that prescribe or restrict certain uses of resource land, restrict urban uses on rural land, or limit the provision of certain public facilities and services. These statewide goals include but are not limited to:*

(a) *Goal 3 "Agricultural Lands"; however, an exception to Goal 3 "Agricultural Lands" is not required for any of the farm or nonfarm uses allowed in an exclusive farm use (EFU) zone under ORS chapter 215 and OAR chapter 660, division 33, "Agricultural Lands", except as provided under OAR 660-004-0022 regarding a use authorized by a statewide planning goal that cannot comply with the approval standards for that type of use;*

* * *

(c) *Goal 11 "Public Facilities and Services" as provided in OAR 660-011-0060(9)*

(d) *Goal 14 "Urbanization" as provided for in the applicable paragraph (l)(c)(A), (B), (C) or (D) of this rule:*

* * *

(D) For an exception to Goal 14 to allow urban development on rural lands, a local government must follow the applicable requirements of OAR 660-014-0030 or 660-014-0040, in conjunction with applicable requirements of this division;

Response: Application includes goal exceptions under OAR 660-004-0010(1)(a) Agricultural Lands, (c) Public Facilities, and (d)(D) ~~urbanization. Findings below evaluate whether this application meets~~ Urbanization. The findings below support the County's conclusion that the goal exception requests can meet the applicable requirements of OAR 660-004-0020, 660-004-0022, 660-011- 0060(9), and 660-014-0040 ~~to allow the requested goal exceptions.~~

B. Planning for the Goal Exception Area, OAR 660-004-0018

(4) *"Reasons" Exceptions:*

(a) *When a local government takes an exception under the "Reasons" section of ORS 197.732(1)(c) and OAR 660-004-0020 through 660-004-0022, OAR 660-014-0040, or OAR 660-014-0090, plan and zone designations must limit the uses, density, public facilities and services, and activities to only those that are justified in the exception.*

Response: Applicant seeks reason exceptions to Goals 3, 11, and 14 to allow for urban-scale industrial use and provision of public water service on land designated and zoned agricultural.²¹

¹ While OAR 660-011-065 does not explicitly require an exception to be taken to extend water service to rural land, case law suggests that such an exception is in fact required. *See Foland v. Jackson County*, 239 Or App 60, 64-65 (2010) (finding that the overarching policies of Goal 11

The ~~Project Parcel~~project parcel is also considered “undeveloped rural land” under OAR 660-014-0040(1). To ensure that the County meets OAR 660-004-0018(4), the ~~Applicant requests~~applicant requested that the County impose a Limited Use (LU) overlay zone on the ~~Project Parcel~~project parcel to limit the industrial uses allowed in the M-G Zone to only a data center under MCZO 3.070(16). The proposed development falls within the definition of “data center” under MCZO 1.030, as discussed above ~~underin~~in Section ~~21~~21, ~~Project Description~~Background Information.

C. Goal Exception Requirements, OAR 660-004-0020

(1) *If a jurisdiction determines there are reasons consistent with OAR 660-004-0022 to use resource lands for uses not allowed by the applicable Goal or to allow public facilities or services not allowed by the applicable Goal, the justification shall be set forth in the comprehensive plan as an exception. As provided in OAR 660-004-0000(1), rules in other divisions may also apply.*

Response: ~~The Applicant requests that the County amend~~This requirement can be met by amending the MCCP to document the exceptions ~~to~~and ensure compliance with OAR 660-004-0020(1).³²

(2) *The four standards in Goal 2 Part II(c) required to be addressed when taking an exception to a goal are described in subsections (a) through (d) of this section, including general requirements applicable to each of the factors:*

Response: Goal 2, Part II(c) imposes four standards for evaluating the requested goal exceptions. The findings supporting compliance with each are presented below.

and the history of amendments to the goal supported LUBA’s decision that Goal 11 prohibits the extension of city water services to serve an *urban use* on rural land without a Goal 11 exception).

² Applicant notes that OAR 660-014-0040(4) mirrors OAR 660-004-0020(1), requiring that exceptions be captured in the MCCP.

Reasons Justify the Requested Exceptions:

(2)(a) ~~(a)~~ "Reasons justify why the state policy embodied in the applicable goals should not apply." The exception shall set forth the facts and assumptions used as the basis for determining that a state policy embodied in a goal should not apply to specific properties or situations, including the amount of land for the use being planned and why the use requires a location on resource land;

Response: OAR 660-004-0020(2)(a) provides the first of four standards for goal exception requests. It requires an applicant to (1) demonstrate reasons justifying why the applicable goal policies should not apply, (2) describe the amount of land for the use, and (3) explain why the use requires a location on resource land.

With respect to "reasons," justifying why the applicable policies of Goals 3, 11, and 14 should not apply to the ~~Project Parcel~~project parcel, the affected Goal 3 Policy would not apply as the policy preserves agricultural lands for farm use, the affected Goal 11 Policy would not apply as the

policy prohibits extension of public services to serve industrial uses on rural lands, and the affected Goal 14 Policy would not apply as the policy prohibits urban-scale uses on rural land.

OAR 660-004-0020(2)(a) does not prescribe the "reasons" that may be used to justify an exception. OAR 660-004-0022, 660-011-0060(9), and 660-014-0040 provide reasons for justifying the requested goals exceptions, although these rules do not provide an exclusive list of reasons. The language is clear that the list of reasons to justify an exception "include but are not limited to" those in rule.⁴³ Applicant demonstrates below that reasons that justify why the state policies embodied in Goals 3, 11, and 14 should not apply to the ~~Project Parcel~~project parcel.

With respect to the "amount of land for the use being planned," Applicant is requesting up to a 274-acre exception area for the ~~Project Parcel~~project parcel. However, the actual footprint of the development will be smaller than 274-acres. ~~Rather, applicant proposes at 190 acres. Applicant plans to microsite the Project data center project within the project parcel and limit the impacts to the project footprint in order to avoid impacts to drainages and wetlands and limit permanent impacts to about 190 acres. See attached "conceptual example layout."~~

~~According to the application, with~~With respect to "why the use requires a location on resource land," Applicant states that the location on agricultural land, adjacent to large tracts of agricultural land, "allows for the opportunity to manage process water onsite, alleviating the need for the extension of public sanitary services or facilities." In addition, rural resource land

³ *1000 Friends of Oregon v. Jackson County*, 292 Or App 173, 183-184 (2018) (citing *State v. Kurtz*, 350 Or 65, 75 (2011) to find that, within the context of OAR 660-004-0022, 660-011-0060, and 660-014-0040, "statutory terms such as 'including' and 'including but not limited to,' when they precede a list of statutory examples, convey an intent that an accompanying list of examples be read in a nonexclusive sense").

proposed for the ~~Project Parcel~~project parcel is adjacent to critical infrastructure (existing and planned transmission infrastructure with capacity), a siting factor that was severely constrained for other sites considered as a part of the Alternatives Analysis.~~The application claims that it is proposing “the minimal amount of land to accommodate the use” and that “no non-resource land is available.” Applicant seeks to remove approximately 274 acres from Goals 3, 11 (water supply only), and 14 protections as “this is the minimal amount of land to support the proposed data center campus.” Applicant provided the Alternatives Analysis “to support findings that justify why the Goal 3, 11, and 14 protections should not apply to the Project Parcel and locating the use on resource land is justified.” See attached Alternatives Analysis.~~alternatives analysis. The alternatives analysis identifies the siting criteria, the alternatives analysis methodology, and the geographic areas the Applicant evaluated before selecting the project parcel. Based on the above, and the findings addressing OAR 660-004-0020(2)(b) and OAR 660-014-0040(3)(a), the County believes Applicant has adequately explained why the project would be located on this particular piece of resource land.

The following sections provide three reasons that the County accepts as justifying the requested goal exceptions. Together with the above, Applicant satisfies OAR 660-004-0020(2)(a).

Reason 1: Rural Industrial Development (OAR 660-004-0022(3)(c))

(3) Rural Industrial Development: For the siting of industrial development on resource land outside an urban growth boundary, appropriate reasons and facts may include, but are not limited to, the following:

(a) The use is significantly dependent upon a unique resource located on agricultural or forest land. Examples of such resources and resource sites include geothermal wells, mineral or aggregate deposits, water reservoirs, natural features, or river or ocean ports;

(b) The use cannot be located inside an urban growth boundary due to impacts that are hazardous or incompatible in densely populated areas; or

(c) The use would have a significant comparative advantage due to its location (e.g., near existing industrial activity, an energy facility, or products available from other rural activities), which would benefit the county economy and cause only minimal loss of productive resource lands. Reasons for such a decision should include a discussion of the lost resource productivity and values in relation to the county's gain from the industrial use, and the specific transportation and resource advantages that support the decision.

The proposed development is industrial-scale in nature and would be located on resource land outside of an Urban Growth Boundary (UGB). According to the ~~applicant~~Applicant, the data center campus ~~is appropriate at this location~~has significant comparative advantages located on the project parcel based on the following:

- Proximity to Transmission and Capacity. The ~~Project Parcel~~project parcel is directly adjacent to an existing transmission line ROW that runs south along Tower Road for about 1.6 miles to the Carty site and Grassland Switchyard. ~~The~~ Applicant understands the Carty site to be in close proximity to existing and planned Pacific Power transmission

infrastructure and capacity. The ~~Project will~~existing and planned critical electrical infrastructure and transmission located at the Carty site gives the project a significant comparative advantage by reducing the length of new transmission lines and takes advantage of existing right of way to serve the Point of Interconnection. The project plans to receive power from Pacific Power, who anticipates providing service via a

new 230-kV transmission line utilizing existing ROW along Tower Rd and capacity in the area.

- Proximity to Industrial Activity and Energy Facility. The ~~Project Parcel~~project parcel is almost adjacent to the existing Carty site that is zoned for industrial use and historically operated as a power generation facility with supporting transmission infrastructure. The ~~Project Parcel~~project parcel is effectively co-locating next to an existing industrial operation and its associated power infrastructure. This location, with proximity to existing industrial operations avoids and minimizes impacts to surrounding lands and offers the project a significant comparative advantage because it is readily compatible with adjacent uses.
- Availability of Suitable Land for Onsite Stormwater and Wastewater Management. The ~~Project Parcel~~project parcel is of sufficient size, topography, and soil composition to accommodate onsite stormwater and wastewater management, thereby minimizing the need for offsite land application or extension of public sanitary services.
 1. ~~The applicants Alternatives Analysis concludes that the “Project Parcel met all of the Applicant’s siting criteria with the exception of Siting Criteria 7, Land Use and Zoning.”~~

Urban-Scale Facility Supports Economic Activity (OAR 660-014-0040(2))

~~A reason to support the Goal 14 exception includes, but is not limited to, findings that an “urban population and urban levels of facilities and services are necessary to support an economic activity that is dependent upon an adjacent or nearby natural resource.” The project parcel is near industrial/utility use as well as farmland. The application indicates the “proposed development supports the ongoing agricultural production of the adjacent farming operation (Threemile Canyon Farms) by putting the Project Parcel to higher, better use and providing revenue to support the ongoing farming operation.” This standard does not require the development foster economies of the farmland rather, that the use is dependent upon nearby natural resource. While arguably a data center may be compatible with farmland the application does not conclude how the specific location is “dependent upon adjacent or nearby natural resources.” Further, the application does not describe how the development is dependent upon an urban location. The nearest urban area is the city of Boardman, located approximately 10 miles to the north. Overall, the County finds that the project parcel is locationally dependent on the availability of existing and planned transmission infrastructure, and it has a significant comparative advantage than other sites because it is vacant, has no productive agricultural value, and is suitable for onsite stormwater and wastewater management. The alternatives analysis (Application Appendix D) supports a conclusion that the project parcel satisfies all of Applicant’s siting criteria except Siting Criteria 7, Land Use and Zoning and no other site evaluated has the same comparative advantage as the project parcel. For these reasons, the County finds that Applicant has sufficiently justified a “reason” for the~~

requested Goal 3, 11, and 14 exceptions and the exceptions are warranted under OAR 660-004-0022(3)(c).

~~Based on the above, it is not clear the application has adequately justified compliance with this standard.~~

Reason 2: Other Reasons (OAR 660-004-0022(1)): Minimal Impact to Productive Agriculture

~~The application claims~~Applicant maintains that the ~~“proposed development project~~ and removal of the ~~Project Parcel~~project parcel from Goal 3, 11, and 14 protections will have no impact to productive agriculture~~” based primarily on the fact that because~~ the parcel is comprised predominately of Class 7, a nonarable soil ~~and~~, has not been irrigated, and has no history of any agricultural productivity. The parcel has not been grazed or farmed due to poor soil conditions and topography. ~~The applicant concludes that “[r]emoving~~soil analysis memo (Application Appendix D) and the landowner affidavit (Application Appendix B) in the record support these conclusions. There were multiple comments and questions concerning Applicant’s soils analysis and in response, Applicant provide the ERM Soils Tech Memo, dated July 18, 2023 and Applicant’s soils scientist from ERM testified before the Planning Commission on July 25, 2023, to reiterate the findings from the prior analyses to demonstrate thy the project parcel is not productive and has no value for farm use generally. Threemile Canyon Farm representatives also testified before the Planning Commission to this effect and provided additional reasoning for why the Project Parcel was not valuable to Threemile Canyon Farm’s operations historically or in the future.

On this basis, the County agrees with Applicant that removing the project parcel from the agricultural land supply will not diminish any potential agricultural economic benefit because historically, no benefits have been derived from the ~~area of the Project Parcel~~project parcel. Further, as discussed more fully under OAR 660-004-0020(2)(d) and incorporated here, the proposed use of the project parcel can be compatible with the surrounding ongoing agricultural operations.”

The County agrees with the Applicant that the request results in minimal impacts to agricultural land that is a sufficient justification to warrant the requested goal exceptions. Applicant requests ~~county approve the Goal 3 exception here and requests county utilize,~~ and the County agrees, that the reason provided under OAR 660-004-0022(1) not only justifies a reason for the Goal 3 exception ~~Findings to support the,~~ the reason also supports the requested Goal 14 exception to allow urban scale use of rural resource land. Applicant correctly points out that “reasons for a Goal 14 exception are not limited to only those set forth in OAR 660-014-0040(2). OAR 660-014-0040(2) specifically provides that “[r]easons that can justify why the policies in Goals 3, 4, 11, and 14 should not apply *can include, but are not limited to * * **.” Further, ~~applicant~~Applicant concludes that “a reason that supports a Goal 3 exception may also support a Goal 14 exception.” Staff concurs that reasons that support the Goal 3 exception may in part support a Goal 14 exception notwithstanding the application complies with other Goal 14 exception requirements.

Reason 3: Other Reasons (OAR 660-004-0022(1)): Comparative Economic Benefit

The ~~applicant~~Applicant claims the parcel “is unused because it has no economic value for agricultural operations.” Goal 3 does not require that resource land be highly productive. In fact, Goal 3 protects lands that have moderate to low economic value. The reality that the Goal 3

exception would likely bring higher revenues than a marginally productive farm use **however that** is not by itself, sufficient to justify compliance with this reasons standard. There must be greater comparative economic benefit for the community to warrant an exception. The Applicant did submit ~~an~~ a third-party analysis of the economic impacts (Application Appendix G) of data center projects in the area and of local market wages and employment characteristics. A summary of the economic impact analysis is below:

- On average, data center projects in the greater Oregon region have brought between \$500 million to \$800 million in initial investment to the Oregon economy, with subsequent expansions bringing total investment figures to over \$1.8 billion to \$2 billion. This project is assumed to bring investment figures commensurate with these projects.
- Over the course of data center expansions, similar projects of similar anticipated size have grown to support construction employment in the thousands, and over 200 full-time permanent positions.
- During operation, the Project may offer a minimum of 35 full-time jobs with direct employment opportunities with estimated average wages of \$75,000 per employee, well above the median annual earnings of Morrow County residents with full employment (\$44,500).

The record has letters of support from the likes of City of Heppner, City of Boardman, the Greater Eastern Oregon Development Corporation, Blue Mountain Community College, Senator Hansell, and Boardman Chamber of Commerce, all of whom support the economic contribution of data center development for the region.

Applicant correctly points out that the data center development “furthers the goals and policies MCCP Goal 9, Economic Element. The Economic Element provides the foundation for the economic situation in Morrow County. The County adopted amendments to the Economic Element in 2015 to guide land use decisions for the next 20 years and beyond. One important focus of the Economic Element Amendments is large industrial activity sector and industrial diversification of the County’s traditional agricultural economic base. Applicant’s proposal directly contributes to industrial diversification and adds to the large industry activity sector, helping further the County’s Economic Element Goals and Policies, specifically Goals 2-4.

Goal 2: To expand job opportunities and reduce unemployment, reduce out-migration of youth and accommodate the growth of the County work force.

Policy 2A: To maximize utilization of local work force as job opportunities increase.

*Policy 2B: To increase the income levels of County residents by * * * encouraging the location of industries in the County which will hire local residents.*

Response: The project appears to support SWPGMCCP Economic Element, Goal 2 and ~~MCCP~~ Policy 2A and Policy 2B by providing increased job opportunities during construction and operation.” The application claims the new data center jobs will increase “wages well above the median annual earnings of County residents.” Applicant provided an economic impact analysis (Application Appendix G) that supports Applicant’s economic impact findings. The analysis relied on IMPLAN (IMPact for PLANning) economic multiplier model. See Application

Appendix G, p 5. Although, ~~applicant~~Applicant did not submit an separate demographic and labor study ~~that supports that conclusion the data provided does show,~~ the economic impact analysis provides data that shows the jobs will exceed the average wage in Morrow County. During construction, ~~applicant~~Applicant estimates there will be 200 FTE at a wage “well above median earnings of a county resident, and for operation, a minimum of 35 FTE at about \$75,000 per FTE is anticipated (well above the \$44,500 median annual earnings of a full-time employed County resident).” This finding supports MCCP Policy 2B.

Goal 3: To diversify local businesses, industries and commercial activities and to promote the economic growth and stability of the County.

Policy 3A: To encourage local producers to new markets for local products and to seek out new products that are in demand in the market place and that can be produced locally.

Response: The ~~Project~~project promotes continued growth in the cloud storage and energy sectors in ~~Morrow~~the County, as well as the construction and technology industries, including supporting service providers. Application appears to support MCCP Goal 3 above. ~~However, it is not clear how applications supports~~ The project does not directly further Policy 3A, however, the economic benefits from the project are anticipated to indirectly benefit local producers and likely encourage continued growth of the local market.

Goal 4: To encourage the development of compatible land uses throughout the County and to protect areas suitable for industrial development from encroachment of incompatible land uses.

Policy 4A: To limit uses on or near sites zoned for specific industrial and commercial uses to those which are compatible with industrial and commercial development.

Response: ~~Application claims they “selected the Project Parcel given its significant comparative advantages of being~~ The project parcel is located next to the Carty site and existing and planned transmission infrastructure ~~to serve,~~ which gives the ~~Project~~project a significant comparative advantage to other considered sites. This co-locating of industrial uses minimizes the need for transmission line extensions or new high voltage transmission lines across agricultural land.²² Given this and the proximity to infrastructure, ~~application~~the project appears to foster MCCP Goal 4 and Policy 4A.

No Alternative Site Can Reasonably Accommodate the Project:

OAR ~~660-004-0020~~660-004-0020(2)(b) and OAR 660-014-0040(3)(a) require ~~Applicant~~applicant to demonstrate that ~~new~~other areas, not requiring an exception, cannot reasonably accommodate the use and that the use cannot be accommodated through an expansive of UGB or intensification of development in an existing rural community. ~~Applicant provided an Alternatives Analysis. See attached.~~

~~The~~This standard can be met by a “broad review of similar types of areas rather than a review of specific alternative sites. [...] Site specific comparisons are not required [...] unless another party to the local proceeding describes specific sites that can more reasonably accommodate the proposed use.” OAR 660-004-0020(2)(b)(C). This requires evaluation of alternative sites within

existing exception areas, irrevocably committed resource lands, and urban growth boundaries. *Columbia Riverkeeper v. Columbia County*, 70 Or LUBA 171, 178-179 (2014). Additionally, the alternatives analysis for Goal 14 exception provides that “Goal 2, Part II(c)(1) and (c)(2) are met by showing that the proposed urban development cannot be reasonably accommodated in or through expansion of existing urban growth boundaries or by intensification of development in existing rural communities.” OAR 660-014-0040(3)(a). ~~Application provides that the Applicant provided~~ proposed findings under OAR 660-004-0020(2)(b) to demonstrate that Applicant also satisfies OAR 660-014-0030(3)(a).~~” Application also notes that to “~~ as the rule language and requirements almost mirror each other. The County agrees with this approach. To the extent that stand alone the rule language varies, additional findings are required for the Goal 14, Applicant incorporates by reference the analysis and findings under OAR 660-004-0020(2)(b) as findings for OAR 660-014-0040(3)(a).~~”~~

~~(b)~~ exception are presented in Section III.D below.

OAR 660-004-0020(2)(b) “Areas that do not require a new exception cannot reasonably accommodate the use^u”. The exception must meet the following requirements:

(A) *The exception shall indicate on a map or otherwise describe the location of possible alternative areas considered for the use that do not require a new exception. The area for which the exception is taken shall be identified;*

Response: Applicant submitted ~~a map of possible alternative~~ maps showing the location of areas considered in the ~~Alternatives Analysis~~ alternatives analysis, including areas that do not require a new exception. See Application Appendix D, Figures 6a, 6b, and 6c. See also Amended Supplemental Tech Memo, Figures 1a, 1b, 2b, 2c. Applicant also provided a map showing the site of the requested exception area. See Application Appendix D, Figure 6f. This requirement is met.

(B) *To show why the particular site is justified, it is necessary to discuss why other areas that do not require a new exception cannot reasonably accommodate the proposed use. Economic factors may be considered along with other relevant factors in determining that the use cannot reasonably be accommodated in other areas. Under this test the following questions shall be addressed:*

(i) *Can the proposed use be reasonably accommodated on nonresource land that would not require an exception, including increasing the density of uses on nonresource land? If not, why not?*

(ii) *Can the proposed use be reasonably accommodated on resource land that is already irrevocably committed to nonresource uses not allowed by the applicable Goal, including resource land in existing unincorporated communities, or by increasing the density of uses on committed lands? If not, why not?*

(iii) *Can the proposed use be reasonably accommodated inside an urban growth boundary? If not, why not?*

(iv) *Can the proposed use be reasonably accommodated without the provision of a proposed public facility or service? If not, why not?*

(C) *The “alternative areas” standard in paragraph B may be met by a broad review of similar types of areas rather than a review of specific alternative sites. Initially, a local government adopting an exception need assess only whether those similar types of areas in the vicinity could not reasonably accommodate the proposed use. Site specific comparisons are not required of a local government taking an exception unless another party to the local proceeding describes specific sites that can more reasonably accommodate the proposed use. A detailed evaluation of specific alternative sites is thus not required unless such sites are specifically described, with facts to support the assertion that the sites are more reasonable, by another party during the local exceptions proceeding.*

Response: Applicant identified eight siting criteria for selecting a data center project location and noted that no ~~singed~~single criteria was determinative. ~~Applicant~~ The criteria reflect factors, including economic, for determining that the proposed data center campus cannot be reasonably accommodated in other areas, and include (1) access to electrical infrastructure and power supply; (2) water supply and discharge capability; (3) suitable land characteristics; (4) ability to avoid environmentally sensitive resources and protected areas; (5) road access; (6) fiber network connectivity; (7) land use and zoning; and (8) financial feasibility. Together, these 8 siting criteria, determined, on balance, whether a site was a “reasonable” alternative.

1. Access to Electrical Infrastructure and Power Availability. The proposed data center requires considerable electrical power and power reliability. Key siting considerations related to power delivery include:
 - a. Proximity to existing infrastructure to minimize impacts and reduce project costs. Only lands directly adjacent or with clear access (e.g., via a transmission easement) to an existing electrical infrastructure (e.g., substation or high-voltage transmission line) were assessed as reasonable alternatives.
 - b. A viable site required electrical infrastructure (i.e., transmission lines and a substation) with available load capacity of at least 200 megawatts (MW).
 - c. Power needed to be available and delivered at high voltages (138 kilovolt [kV] or higher) due to the power use of the proposed data center and electrical pricing.
 - d. Power needed to be available and delivered to a site within 24–36 months of the initial load interconnection application.
 - e. System upgrades to provide the requested power load needed to be economically feasible for the Project.

This criterion was chosen because the lack of adequate power or transmission capacity in close proximity to a site may result in the need for prohibitively expensive improvements that would take too long a lead time to develop and construct to serve a single property.

2. Water Supply and Discharge. The proposed data center requires water supply and sufficient land to manage industrial wastewater onsite or have access to a municipal

sanitary system. Applicant considered sites that could be served by private infrastructure, as well as municipal infrastructure. Key siting considerations related to water supply and discharge include:

- a. Either location within the service territory of a municipal utility with sufficient capacity to service the needs of the Project or the potential for financially feasible upgrades to service the Project.
- b. Alternatively, feasibility for private onsite wells and wastewater treatment facilities to be permitted and constructed.

This criterion was used to help choosing a site with minimum impact on water resources and infrastructure of the region.

3. Land Characteristics. The proposed data center requires a particular parcel size and topography. Key siting considerations related to land include:
 - a. A site with a minimum of 200 contiguous acres (about 0.5 to 1.0 acre per MW is required in order to accommodate the proposed Project's infrastructure).
 - b. A vacant undeveloped site.
 - c. Sites could include more than one parcel as long as contiguous.
 - d. Topography needed to be less than 15 percent slope to minimize grading.

This criterion was used to help choosing a site that could reasonably accommodate the proposed use while minimizing the impact on existing uses and create a reasonable footprint for the proposed use.

4. Environmentally Sensitive Resources and Protected Areas. Applicant seeks to avoid sensitive biological, water, and cultural resources, as well as areas that are potentially contaminated or under legal protection or conservation. Key siting considerations related to environmentally sensitive resources and protected areas include:
 - a. A site must have approximately 200 acres that are unconstrained by sensitive resources. Avoiding sensitive reasons minimizes adverse environmental impacts and streamlines permitting.
 - b. A site must be permissible within 1 year or less to meet the Applicant's commercial operation date.
 - c. Contaminated sites with potential remediation liabilities may be viable in some circumstances, but are generally less desirable for Project siting.

This criterion was used to pick a site for the proposed use that would be respectful of the environment and natural and cultural resources and minimize any impact on those resources.

5. Road Access. Applicant requires that a site be located within 100 feet or less of public right-of-way access to allow for direct or near direct access to the site and avoid construction of new access roads. This criterion was use to minimize impact on neighboring communities.
6. Fiber Network Connectivity. The proposed data center requires reasonable access to multiple long-haul fiber lines with available capacity to service the data center's communication needs. Key siting considerations for fiber network connectivity include:

- a. Fiber network with an available capacity must be available regionally.
- b. Fiber network connectivity to the site must be feasible via easements.
- c. Fiber network providers must be willing and able to meet the Project’s needs within 12 months of the service request.

This criterion was used to choose a site that would not require substantial construction and disturbance of land around the project area.

- 7. Land Use and Zoning. Applicant requires that the proposed data center be located on land zoned for data center use, as a permitted or conditional use or that there be a viable pathway for rezoning a site. This criterion was used to focus as an initial step on zones allowing the proposed used, while acknowledging that sites requiring a conditional use permit or rezoning may be a better fit due to the consideration of other criteria.
- 8. Financial Feasibility. While not determinative, Applicant requires that costs for land, energy, water, fiber easements, grading, and environmental mitigation be aligned with the financial feasibility goals for the Project.

Applicant applied these 8 siting criteria when evaluating sites within Umatilla and Morrow Counties between 2020 and early 2021. The process involved many months of interactions and inquiries with local utilities, landowners, and other stakeholders to assess viability against the siting criteria. Table 1 of Application Appendix D summarizes the alternatives analysis, detailing the sites considered, the zoning and jurisdiction of each, the distance to the UGB and the criteria assessment. Table 1 is incorporated here by reference as findings to support why the proposed data center campus location (the exception area) is justified and alternatives sites have been adequately considered and properly disregarded.

Following the June 27 Planning Commission hearing, Applicant prepared a technical memorandum to supplement the original Alternatives Analysis in response to comments and questions raised at the 27 hearing (“Supplemental Tech Memo). Following the July 25 Planning Commission hearing, Applicant also submitted a Response to Comments on Applicant’s Alternatives Analysis from Planning Commission Hearing (the “Amended Supplemental Tech Memo”) that provides additional information regarding the thorough analysis of alternative sites that were considered. The Amended Supplemental Tech Memo is also incorporated here by reference, along with its Table 1 included below. Together, the Alternative Analysis, the Supplemental Tech Memo, and the Amended Supplemental Tech Memo constitute the full alternative analysis prepared by the Applicant.

Table 1: Alternatives Analysis Discussion- Overarching Assessment

<u>Alternatives Sites Considered</u>	<u>Distance from Selected Site (miles)</u>	<u>Jurisdiction</u>	<u>Zoning</u>	<u>Within or Distance to UGB</u>	<u>Conclusion*</u>
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August 7, 2023 – Applicant Version

<u>Overarching Assessment: Umatilla County UGBs</u>	<u>25-30</u>	<u>Umatilla County</u>	<u>Various</u>	<u>Within</u>	<u>Criteria 1, 3, and 6 not met</u>
<u>Discussion: Applicant evaluated the sites included in the Umatilla County UGBs and found in its Overarching Assessment that the available sites failed to provide adequate power (Siting Criterion 1), vacant or suitable land condition (Siting Criterion 3), and fiber network availability (Siting Criterion 6). Hermiston and Hinkle UGBs are already saturated with developments within and in surrounding potentially compatible surrounding parcels (Siting Criterion 3). The Stanfield UGB area lacks critical electrical capacity necessary to serve the Project (Siting Criterion 1). The Pendleton UGB, although less saturated is located too far away to be commercially viable fiber network (Siting Criterion 6).</u>					
<u>Overarching Assessment: Umatilla County RLIZ, LRLIZ, HI Zones</u>	<u>25</u>	<u>Umatilla County</u>	<u>RLIZ, LRLIZ, HI</u>	<u>0-1 miles</u>	<u>Criteria 3 not met</u>
<u>Discussion: As shown in Figures 2a-2b, attached, there are limited areas that fall within the zones that allow data centers to be permitted outright as all of these zoned areas are already occupied with existing infrastructure or development (Siting Criteria 3 and 7). In addition, other areas where a data center use would potentially be compatible were also analyzed and Applicant found that some sites were already developed or committed (Siting Criterion 3) and/or presented environmental constraints, including wetlands and floodplains (Siting Criterion 4).</u>					
<u>Overarching Assessment: Umatilla County Non- resource Lands</u>	<u>20+</u>	<u>Umatilla County</u>	<u>Various</u>	<u>Various</u>	<u>Criteria 1 and 3 not met</u>
<u>Discussion: Areas outside of the Hermiston, Hinkle, and Stanfield UGBs and permitted zones not requiring a goal exception were analyzed and deemed not to have available electrical infrastructure (Siting Criterion 1) or meet the landowner and land requirements (Siting Criterion 3 and 4). Particularly, environmental constraints such as sensitive biological, water, cultural resources or areas protected for conservation or potentially contaminated present a myriad of issues for Applicant, making sustainable development of those sites unachievable.</u>					
<u>Overarching Assessment: Morrow County UGBs</u>	<u>12 -20+</u>	<u>Morrow County</u>	<u>Various</u>	<u>Within</u>	<u>Criteria 1 and 3 not met</u>
<u>Discussion: As shown on Figure 1a, Morrow County UGBs to the north within Boardman and Irrigon, Oregon, are already occupied with development (Siting Criterion 3). The UGBs to the south, see attached Figure 2b, lone, Lexington and Heppner do not meet requirements related to available transmission capacity (Siting Criterion 1) and topography (Siting Criterion 3). Additionally, adjacent land uses would not be compatible with a data center as areas along existing transmission line routes are not appropriately zoned and some appear to be in active agriculture use.</u>					
<u>Overarching Assessment: Morrow County MG, PI, ALI Zones</u>	<u>0.27 - 20</u>	<u>Morrow County</u>	<u>MG, PI, ALI</u>	<u>0 – 20 miles</u>	<u>Criteria 3 not met</u>
<u>Discussion: As shown on Figure 1a, attached, no undeveloped, vacant land available that meets the size requirements of Siting Criterion 3 was available for the Project. Existing MG, PI and ALI zones are all either occupied by existing development, planned for future development by the landowner, not available for sale or lease to the Applicant, or do not contain the amount of buildable land required (Siting Criterion 3).</u>					
<u>Overarching Assessment: Morrow County Non- resource Lands</u>	<u>5+</u>	<u>Morrow County</u>	<u>Various</u>	<u>Various</u>	<u>Criteria 1 and 3 not met</u>
<u>Discussion: Areas outside of the UGBs and permitted zones but not requiring a Goal 3 exception were analyzed and deemed not to have available electrical infrastructure (Siting Criterion 1) or meet the</u>					

landowner and land requirements (Siting Criterion 3). Adjacent sites with zoning that could be compatible with the data center use, such as SAI zones, appear to be in active or historical agriculture production and irrigated (Siting Criterion 7).

In performing the alternatives analysis, Applicant first evaluated the possibility of siting the data center campus on non-resource lands within the Urban Growth Boundaries (UGBs) of Umatilla and Morrow Counties. Applicant then evaluated the possibility of siting the project outside the UBG, but within zones where a data center may be allowed, specifically Rural Light Industrial Zone (RLIZ), Limited Rural Light Industrial Zone (LRLIZ), and Heavy Industrial (HI) for Umatilla County and General Industrial (MG), Port Industrial Zone (PI) and Airport Light Industrial Zone (ALI) for Morrow County. Based on this review, no reasonable alternative sites were identified in either the UGB areas or zones allowing a data center.

For sites within the UGBs, Morrow County has 5 adopted UGBs: Boardman, Irrigon, Ione, Lexington, and Heppner. Reviewing those UGBs in accordance with the siting criteria, Applicant found that UGBs to the north within Boardman and Irrigon were already occupied and committed to other uses (siting criterion 3), while the Ione, Lexington, and Heppner UGBs did not meet siting criteria requirements related to available transmission capacity (siting criterion 1), fiber network (siting criterion 6), topography (siting criterion 3), and environmentally sensitive resources and protected areas (siting criterion 4).

For sites within zones where a data center may be allowed outside of UGBs, Applicant found that all of the land that could have otherwise met certain siting criteria were already occupied with existing infrastructure and development (siting criteria 3 and 7). In addition other areas where a data center use could have been compatible presented insurmountable environmental constraints, including wetlands and floodplains (siting criterion 4). Finally, no undeveloped, vacant land meeting the size requirements for the project was available in the existing MG, PI, and ALI zones (siting criterion 3). Applicant’s analysis of those sites is detailed and summarized in Appendix D and in the Amended Supplemental Tech Memo.

In summary, the identified sites within the UGBs, in proximity to the UGBs, or in zones allowing a data center did not meet the siting criteria with the main constraints being lands already developed with another use, availability of existing transmission infrastructure and capacity, topography, and land availability (e.g., willing landowner). Table 1 and the Amended Supplemental Tech Memo detail the analysis of the siting criteria, describes why these sites failed to satisfy the siting criteria, and therefore, were not reasonable alternatives.

Applicant next assessed other non-resource lands in Umatilla and Morrow Counties that may have required a zone change, but would not require a goal exception. As described further in Table 1 and in Applicant’s Amended Supplemental Tech Memo, Applicant found that those sites were not reasonable alternatives because they did not have available electrical infrastructure (siting criterion 1) and did not meet land requirements (siting criterion 3).

Lastly, Applicant evaluated Exclusive Farm Use (EFU)-zoned sites against the siting criteria that would require a goal exception. Of these sites, the main constraints were land characteristics, sensitive resources, and financial feasibility, with the exception of the project parcel that met all siting criteria except for being zoned to allow a data center and requiring an exception.

While no one to date has identified sites with enough specificity to require the Applicant to undertake a more detailed evaluation of specific alternative sites, the planning commission did broadly ask Applicant about the Space Age Industrial (SAI) zone and the Umatilla U.S. Army Depot site (the “Depot Site”) during planning commission hearings discussing the application.

With regard to the SAI zone, Applicant addressed this area in its Amended Supplemental Tech Memo and correctly pointed out that the zone did not authorize the siting of data centers (siting criterion 7). In addition, over 9,000 acres of the of the SAI zone is currently used and considered as highly productive agricultural land with active pivot irrigation and unavailable (siting criterion 3). While some areas zoned SAI are not in pivot irrigation, those areas are included in the Boardman Conservation Area and may not be developed due to environmental constraints (siting criterion 4). Lands adjacent to the SAI zone and not in pivot are zoned EFU and constrained by the Boardman Conservation Area and similarly not developable for a data center due to environmental constraints (siting criterion 4). In summary, Applicant carefully evaluated the feasibility of developing a data center within the SAI zone in response to the planning commission questions and correctly found that lands within that zone were not a reasonable alternative to develop the proposed use.

With regard to the Depot Site, Applicant considered land within the Depot Site but concluded that this site was not a reasonable alternative because it lacked the required power capacity (siting criterion 1), required development characteristics (siting criterion 3), or involved environmental sensitive areas (siting criterion 4). In addition, Umatilla County only allows data centers in specific areas of the Depot Site (subareas 2 and 3), restricting potential available sites, and Applicant would not have been able to develop its project within those subareas due to timing and contractual constraints associated with the project, as well as the financial burden of securing financing and insuring a previously contaminated site (siting criteria 4 and 8). Those findings are summarized in Applicant’s Amended Supplemental Tech Memo.

The County agrees that Applicant carefully evaluated all the required land types as a part of the ~~Alternatives Analysis~~alternatives analysis before identifying the ~~Project Parcel. See attached Alternatives Analysis to support findings under~~project parcel. The County also finds that the presented alternatives analysis, supplemented by the Amended Supplemental Tech Memo, demonstrates that other areas in the vicinity cannot reasonably accommodate the proposed data center campus and OAR 660-004-0020(2)(b)(B) and (C). While no one to date has identified other sites with specific that would require the Applicant to undertake a more detailed evaluation of specific alternative sites, Applicant did provide additional analysis regarding the large SAI zone and the Depot Site in response to comments from the Planning Commission, which also demonstrated that those areas cannot reasonably accommodate the proposed data center campus. This requirement is met.

Environmental, Economic, Social and Energy Consequences (“ESEE Analysis”):

An ESEE Analysis required for a goal exception. OAR 660-004-0020(2)(c) (e.g., Goal 2, Part II(c)(4)) provides the general ESEE ~~Analysis~~analysis for goal exceptions. ~~OAR 660-014-0040(3~~

~~(2)(c) provides additional considerations for an ESEE Analysis when taking an exception to Goal 14. Below is the applicable Goal 14 ESEE standards.(c) “The long-term~~

environmental, economic, social and energy consequences resulting from the use at the proposed site with measures designed to reduce adverse impacts are not significantly more adverse than would typically result from the same proposal being located in areas requiring a goal exception other than the proposed site.”

The exception shall describe: the characteristics of each alternative area considered by the jurisdiction in which an exception might be taken, the typical advantages and disadvantages of using the area for a use not allowed by the Goal, and the typical positive and negative consequences resulting from the use at the proposed site with measures designed to reduce adverse impacts. A detailed evaluation of specific alternative sites is not required unless such sites are specifically described with facts to support the assertion that the sites have significantly fewer adverse impacts during the local exceptions proceeding.

The exception shall include the reasons why the consequences of the use at the chosen site are not significantly more adverse than would typically result from the same proposal being located in areas requiring a goal exception other than the proposed site. Such reasons shall include but are not limited to a description of: the facts used to determine which resource land is least productive, the ability to sustain resource uses near the proposed use, and the long-term economic impact on the general area caused by irreversible removal of the land from the resource base. Other possible impacts to be addressed include the effects of the proposed use on the water table, on the costs of improving roads and on the costs to special service districts;

~~Applicant provided the following analysis to show how the proposed parcel meets ESEE requirements. NOTE: Appendix referenced below (B, G, K, H, L, M, N and Figure 4) are part of the record and available upon request.~~

Environmental. Applicant ~~has~~ evaluated agricultural productivity, water availability, wetlands, habitat, and sensitive species for the ~~Project Parcel~~project parcel to demonstrate that the proposed data center will not have an adverse ~~environmenta~~environmental impact. The ~~Project Parcel~~project parcel meets the Applicant’s siting criteria, including avoiding environmentally sensitive resources and protected areas, having a topography of less than 15 percent, and being underutilized, vacant, and/or undeveloped land. Moreover, the ~~Project Parcel~~project parcel anticipates avoiding the adjacent floodplain, existing jurisdictional water features by at least 80 feet, and incorporate a 250-foot BCA buffer.

Applicant has characterized the vegetation onsite and performed a preliminary site survey for sensitive habitat and species. See Application Appendix K (Threatened and Endangered Species Habitat Assessment) and Application Appendix H (~~WGS~~Washington Ground Squirrel Protocol Survey Results). The ~~Project Parcel~~project parcel contains no ~~WGS~~AKSWashington Ground Squirrels. Applicant’s consultant also concluded that the ~~Project Parcel~~project parcel does not hold a high potential to support Laurence’s milkvetch. No other sensitive species or habitat was identified. Applicant also performed a wetland delineation, had a site visit with the Oregon Department of State Lands (DSL), and filed the wetland delineation with DSL for concurrence. See Application Appendix L (Wetland Delineation Report and DSL Concurrence). Applicant will avoid wetlands, drainages, and development within the Federal Emergency Management Agency (FEMA) floodplain. See Application Figure 4 (Project Area and Key Site Features).

In addition, ~~Applicant has evaluated~~ applicant performed a desktop study of potential cultural resource impacts for the ~~Project Parcel~~ project parcel and engaged in consultation with the Oregon SHPO and the Confederated Tribes of the Umatilla Indian Reservation. There are no known cultural resources onsite and Applicant will implement an inadvertent discovery plan during construction. See Application Appendix M (Cultural Resources Desktop Report) and Application Appendix N (Tribal Email Correspondence).

In response to comments received from the planning commission, Applicant supplemented the record with a Big Game and Wetland Habitat Technical Memo from ERM. The memo supplemented the earlier environmental surveys and expanded Applicant’s analysis of habitat quality and quality for big game. See ERM Big Game and Wetland Habitat Tech Memo, dated July 18, 2023. Applicant also conducted a site visit with ODFW on July 24, 2023 to discuss the habitat and potential impacts. ODFW has expressed no further concern and Applicant imposed a 100-foot buffer from the surveyed wetlands and other riparian habitat, as shown on Attachment B of the ERM Big Game and Wetland Habitat Tech Memo.

Applicant seeks to minimize adverse impacts from construction and operational activities. Applicant will conduct all construction and operational activities such that they comply with local and state permitting requirements. Applicant ~~discusses the anticipated state-level permits~~ anticipates pursuing an NPDES 1200-C permit from Oregon Department of Environmental Quality (DEQ), a DEQ onsite septic permit, a DWT basic air contaminant discharge permit, and any other local or state permit that may be required for construction and operation ~~in Section 4, which is incorporated herein by reference~~ of the data center campus. For these reasons, the County ~~may conclude~~ concludes that the proposed data center will not result in negative environmental impacts.

Economic. The ~~Project Parcel~~ project parcel has no history of agricultural productivity or any other viable productive use. See Application Appendix B (Landowner Affidavit). Removing the ~~Project Parcel~~ project parcel from the agricultural land supply will have no economic ramifications on area agricultural operators or land supply. The County received comments from 1000 Friends and DLCD that seemed to question this conclusion but neither provided any evidence into the record that undermines Applicant’s evidence provided to date. Further, the proposed data center will result in economic benefits to the local community, provide family-wage jobs, and continue to support the County’s economic development goals. See Application Appendix G (Economic Analysis Summary Memo); see ~~Section 6~~ also the findings under OAR 660-004-0020(2)(b) and OAR 660-014-0040(3)(a) above ~~for Reasons Analysis~~. Applicant will be responsible for sourcing any water supply and is anticipating managing industrial wastewater onsite. There should be no increase in burden on any public service provider. Accordingly, the County ~~may find~~ finds that the proposed data center will not result in negative economic impacts.

Social. The ~~Project~~ proposed data center campus will provide increased local job opportunities for area ~~residences~~ residents, during construction and operation. It will also provide social benefits in the form of taxes for the County’s social programs. There was some concern that potential traffic safety impacts may raise a social consequence, however, the additional evidence provided in the record, coupled with the proposed conditions of approval resolve this potential concern. In addition, Applicant has evaluated potential cultural resource impacts for the ~~Project Parcel~~ project parcel and engaged in consultation with the Oregon SHPO and the Confederated

Tribes of the Umatilla Indian Reservation. There are no known cultural resources onsite and Applicant will implement an inadvertent discovery plan during construction. See Application Appendices M and N. ~~Applicant maintains~~ On this basis, the County concludes that the proposed data center will not result in negative social impacts.

Energy. The proposed data center requires high-voltage transmission service and proximity to existing and planned transmission infrastructure with capacity to serve the ~~Project~~ project parcel. The ~~Project Parcel~~ project parcel is ideal given its proximity to existing and planned transmission infrastructure at the Carty site and the advantage of an existing transmission ROW running from the Carty site to the ~~Project Parcel~~ project parcel, along Tower Road. Applicant is in conversations with Pacific Power to provide the required power infrastructure and supply for the ~~Project~~ data center campus in accordance with Oregon Public Utility Commission-approved rules and regulations and tariffs. ~~Applicant requests that~~ the County ~~find~~ finds that the proposed data center will not result in negative energy impacts.

~~Response: Based on the above analysis, county may find the application complies with this standard.~~ Based on the above EESE analysis, the County finds the long-term EESE consequences of the proposed data center campus on the project parcel will reduce adverse impacts and will not result in significantly more adverse impacts than would typically result from the same proposal being located in areas requiring a goal exception.

The Project is Compatible with Adjacent Uses:

~~(d)(2)(“)~~ *"The proposed uses are compatible with other adjacent uses or will be so rendered through measures designed to reduce adverse impacts." The exception shall describe how the proposed use will be rendered compatible with adjacent land uses. The exception shall demonstrate that the proposed use is situated in such a manner as to be compatible with surrounding natural resources and resource management or production practices.* "Compatible practice". "Compati"le is not intended as an absolute term meaning no interference or adverse impacts of any type with adjacent uses.

Response: To the north and west, adjacent land is in center pivot irrigation and is farmed. Land to the east is uncultivated and located within the conservation area. To the south is the Carty site. The ~~Project~~ project does not appear to have significant adverse impacts on the environment or existing public services or facilities. Temporary impacts from construction may involve dust and increased traffic, but these impacts will be managed with dust control, traffic management, and other measures to ensure compatibility with adjacent uses during construction. Applicant seeks the ~~flexibility~~ ability to use public water supply to avoid having to use groundwater. ~~If groundwater is the source, the project may have~~ Therefore, no impacts to groundwater ~~and therefore farming in or agricultural irrigation are anticipated.~~ Further, the region.

~~The onsite or offsite~~ management of stormwater and process wastewater is not anticipated to create incompatibilities, as it is already a common practice in the County and subject DEQ regulation. Threemile Canyon Farms is the surrounding property owner and views the proposed data center as compatible with its existing operations. ~~With the exception of a possible reliance on groundwater, county may conclude~~ There were some comments on the record that there may be other uses in the vicinity of the project that may be negatively impacted, although none appeared to raise concerns on the record themselves. Therefore, based on the evidence in the

record, the County concludes that the proposed data center use will be compatible with the adjacent uses.

D. Compliance with OAR 660-011-0065

As discussed in the application, Goal 11, nor the implementing regulations, expressly on their face require Applicant to take a goal exception to extend public water service to the project parcel. However, the court of appeals ruled in *Foland v. Jackson County*, 239 Or App 60, 64-65 (2010), that Goal 11 prohibits the extension of city water services to serve an urban use on rural lands without a Goal 11 exception. Applicant provided reasons to justify the Goal 11 exception under OAR 660-004 and OAR 660-014, and the County agrees that the presented reasons justify the requested Goal 11 exception. *Foland* made clear that the same factors that justify a Goal 14 exception may be the same factors that justify the Goal 11 exception. 239 Or App at 72.

(2) *Consistent with Goal 11, local land use regulations applicable to lands that are outside urban growth boundaries and unincorporated community boundaries shall not:*

(a) *Allow an increase in a base density in a residential zone due to the availability of service from a water system;*

(b) *Allow a higher density for residential development served by a water system than would be authorized without such service; or*

(c) *Allow an increase in the allowable density of residential development due to the presence, establishment, or extension of a water system.*

Response: The project involves a non-residential, urban-scale use on rural land. The provisions of OAR 660-011-0065 do not apply to the project and the requested Goal 11 exception is justified for the reasons presented in Section III.C and E. Applicant is not requesting to extent public sanitary services outside of the UBG and the POM will not be receiving any wastewater returns from the project; all stormwater and wastewater will be managed onsite. Only municipal water will be extended outside of the UBG to serve the project parcel. With respect to the Goal 11 exception, Applicant provided supplemental transportation analysis to address potential adverse impacts from construction of the water delivery system from the POM Boardman Airport Industrial Park to the project parcel along Tower Road right of way. The County maintains that Applicant has adequately addressed the Goal 11 exception requirements for this request. Any future construction of the water delivery system along the proposed route will be required to obtain the necessary approvals from the County for a water distribution line, like a right of way permit.

E. Compliance with OAR 660-014-0040

Applicant requests goal exception for “rural agricultural land” or “undeveloped rural land” as used within the meaning of OAR 660-014-0040. County may justify the requested Goal 14 exception based on reasons set forth under OAR 660-004 and OAR 660-014-0040. OAR 660-014-0040 contains similar requirements to OAR 660-004 for granting a goal exception.

There are certain sections, however, where the language varies slightly. To the extent the language in OAR 660-014-0040 corresponds and mirrors the language in OAR 660-004, the County opts to rely on the findings under OAR 660-004 rather than making duplicate findings under OAR 660-014-0040. However, to the extent the requirements different between OAR 660-004 and OAR 660-014-0040, the County makes findings below, supported by Applicant’s July 18, 2023 Supplemental Analysis for Goal 14 Exception Request (“Goal 14 Supplemental Analysis”). The following sections provide findings under OAR 660-014-0040 to detail how the County evaluates Applicant’s requested Goal 14 exception, finds reasons to justify it, and supplements the findings under Section III.C above.

Reasons Justify the Exception

(2) *A county can justify an exception to Goal 14 to allow establishment of new urban development on undeveloped rural land. Reasons that can justify why the policies in Goals 3, 4, 11 and 14 should not apply can include but are not limited to findings that an urban population and urban levels of facilities and services are necessary to support an economic activity that is dependent upon an adjacent or nearby natural resource.*

Response: The OAR 660-014-0004(2) does not prescribe the “reasons” that may be used to justify a Goal 14 exception. While the rule provides a reason that may justify a Goal 14 exception, plain language of the rule makes clear that other reasons may be the basis for a Goal 14 exception. The language is clear that the reasons to justify an exception “include but are not limited to” those in rule.⁴ The County makes findings under OAR 660-014-004(2) with respect to the requested Goal 14 exception but relies more heavily on the reasons presented under OAR 660-004-0020 and -0022 to justify the requested exceptions, including the Goal 14 exception request because the reasons identified by the ~~applicant~~ Applicant to justify the Goal 3 exception also support the extension of public water service to the ~~Project Parcel~~ project parcel from the Port of Morrow Airport Industrial Park and the requested Goal ~~14~~ 14 exception. The development would have significant economic benefits and will bring higher economic value to a parcel of farmland compared to farming on the parcel. The economic benefits are dependent on having access to existing and planned transmission infrastructure with capacity. The application does show how economic benefits are dependent upon having a large parcel with relatively flat topography and well-drained soil types that will accommodate the onsite stormwater and wastewater management. However, the application does not specifically show how the ~~specific location~~ urban-level data center campus and the related economic activity from the development is “dependent upon an adjacent or nearby natural resource.” Since the application was submitted, Applicant provided additional information related to this question. The proposed use is a necessary supplement to other critical infrastructure in Morrow County and the surrounding area and is located in close proximity to this critical infrastructure such as the Carty site, an existing 230 kV transmission line right-of-way, and the existing electric infrastructure. See Goal 14 Supplemental Analysis, at 1. The proposed use will help meet the

⁴ 1000 Friends of Oregon v. Jackson County, 292 Or App 173, 183-184 (2018) (citing State v. Kurtz, 350 Or 65, 75 (2011) to find that, within the context of OAR 660-004-0022, 660-011-0060, and 660-014-0040, “statutory terms such as ‘including’ and ‘including but not limited to,’” when they precede a list of statutory examples, convey an intent that an accompanying list of examples be read in a nonexclusive sense”).

rising data center and cloud storage demand needs across all sectors. *Id.* A data center is akin to a resource management use as it houses, hosts, and provides security for data that others use for economic activity. This resource management economic activity is dependent on power service and capacity adjacent to the project parcel. *Id.* at 2.

Applicant maintains that the project parcel, and the proposed urban-level development of the parcel, is dependent on a consistent, quality water supply that the Port of Morrow can provide from a nearby natural resource, the Columbia River. In addition, the project parcel is located in an area with a relatively mild climate (air and water), which is an important factor for proper data center operational functions. While these may not be the strongest arguments, they do fall within the reason enumerated in OAR 660-014-0040(2) and coupled with Applicant's other reasons above, justify the requested Goal 14 exception.

UGB Sites Cannot Reasonably Accommodate the Project

- (3) *To approve an exception under section (2) of this rule, a county must also show:*
- (a) *That Goal 2, Part II (c)(1) and (c)(2) are met by showing that the proposed urban development cannot be reasonably accommodated in or through expansion of existing urban growth boundaries or by intensification of development in existing rural communities;*

Response: ~~The applicant~~ Applicant evaluated alternative sites, including potential sites located within and adjacent to existing UGBs of Umatilla and Morrow Counties, as well as sites already zoned for data centers. The ~~Alternatives Analysis concludes~~ alternatives analysis (Application Appendix D), along with the Supplemental Tech Memo and the Amended Supplemental Tech Memo, conclude that sites within existing UGBs or rurally zoned industrial areas cannot reasonably accommodate the ~~Project~~ project, even with further intensification of development on those lands, as shown in response to the standards of OAR 660-004. Applicant applied 8 siting criteria as a part of the Alternatives Analysis and the Project Parcel met 7/8 criteria. Sites that could not accommodate Project and meet the siting criteria were deemed not reasonable sites because they would unreasonably disturb land not related to the proposed use, disturb natural resources, or require significant infrastructure investment to serve a single use. Those sites did not have the required power or transmission infrastructure, did not meet the required acreage requirement, and would have resulted in unreasonable impact to natural resources. There is evidence in the record to support these findings, as illustrated by the email from the City of Hermiston in the record.

County ~~may find~~ finds the application complies with this standard.

EESE Analysis

~~(3) — To approve an exception under section (2) of this rule, a county must also show:~~

~~(b) That Goal 2, Part II (c)(3) is met by showing that the long term environmental, economic, social and energy consequences resulting from urban development at the proposed site with measures designed to reduce adverse impacts~~

~~are not significantly more adverse than would typically result from the same proposal being located on other undeveloped rural lands, considering:~~

~~Response: Application incorporated by reference the EESE Analysis above to support findings under OAR 660-014-0030(3)(b).~~

The Project is Compatible with Adjacent Uses:

(3) To approve an exception under section (2) of this rule, a county must also show:

* * *

(c) That Goal 2, Part II (c)(4) is met by showing that the proposed urban uses are compatible with adjacent uses or will be so rendered through measures designed to reduce adverse impacts considering:

(A) Whether the amount of land included within the boundaries of the proposed urban development is appropriate, and

(B) Whether urban development is limited by the air, water, energy and land resources at or available to the proposed site, and whether urban development at the proposed site will adversely affect the air, water, energy and land resources of the surrounding area.

~~Response: Application referenced a Compatibility Analysis to show that the~~ The amount of land included in the exception area is appropriate in order that the development will and gives Applicant flexibility to avoid impacts to sensitive environmental resources and impose a 250-foot buffer to avoid impacts to drainages, wetlands, and the floodplain. The project parcel appears to be of sufficient size to manage stormwater and wastewater onsite through evaporation and retention ponds. Applicant indicated they have studied the potential environmental impacts and demonstrates, based on available information, the development “should not, with appropriate minimization and mitigation measures achieved through appropriate permitting, result in adverse impacts to air, water, energy, and land resources of the surrounding area.” Additionally, to verify application complies with this standard, ~~applicant~~ Applicant will be obligated to obtain all local, state, and federal environmental permits prior to construction and operation.

County may find the application complies with this criteria.

Appropriate Level of Public Water Services:

(3) To approve an exception under section (2) of this rule, a county must also show:

* * *

(d) That an appropriate level of public facilities and services are likely to be provided in a timely and efficient manner; and

~~Response: Application identifies two sources of water, a transfer of irrigation water rights or use of a municipal (Port) water supply. Applicant provided evidence that it is in discussions with the Port of Morrow to provide water from a proposed Water Treatment plant. Based on the above, county may find application complies with this standard.~~ Applicant has entered into an MOU and an LOI with the Port of Morrow for the Port to supply water to the project parcel from its water

project located at the Airport Industrial Park. The MOU and LOI evidence that the water supply may be provided in a timely and efficient way. Applicant is currently working with Port of Morrow to finalize the water delivery agreement and is highly confident that water will be available by the time the proposed use is ready for operations. As contingency, Applicant will be ready and able to truck water as required until the site is connected to the Port of Morrow’s facilities. In addition, all wastewater from the site will be processed on-site through a system of evaporation ponds and will not otherwise require service from a public utility. Based on the above, the County finds that the application complies with this standard.

Coordination of New Urban Development on Rural Land:

(3) *To approve an exception under section (2) of this rule, a county must also show:*

* * *

(e) *That establishment of an urban growth boundary for a newly incorporated city or establishment of new urban development on undeveloped rural land is coordinated with comprehensive plans of affected jurisdictions and consistent with plans that control the area proposed for new urban development.*

Response: The County is the affected jurisdiction where the new urban development would take place on rural land. The County is undertaking a coordinated comprehensive plan amendment for the establishment of new urban development (data center campus) on rural land (Project Parcel). These findings address the project’s compatibility with the County’s applicable MCCP goals and policies along with SWPGs. Accordingly, this standard is met.

IV. RESPONSE TO MCZO 3.110 LIMITED USE (LU) OVERLAY

The goal exception rules in OAR chapter 660, Division 004, require that the uses permitted by a goal exception are limited to only those evaluated under the goal exception request. The purpose of the LU overlay zone is to ensure that the uses allowed under a goal exception are limited to only those analyzed and justified in the exception request. Therefore, ~~applicant~~Applicant requests that the county impose an LU overlay zone limiting the use of the parcel to those uses allowed either under MCZO 3.010 (EFU) and a data center under MCZO 3.070(16). Applicant proposes the additional provisions for the LU overlay zone:

- The data center construction is subject to ministerial site plan review under MCZO 4.165
- The data center must obtain all necessary local, state, and federal permits and approvals.
- The data center must report findings of cultural, archaeological or historical artifacts if uncovered. Reports shall be made to the Oregon State Historic Preservation Office (SHPO) and the Cultural Resources Protection Program (CRPP) of the Confederated Tribes of the Umatilla Indian Reservation (CTUIR).
- The data center must use drought tolerant landscaping and to the extent practicable, native plants to meet any landscape requirements; no long-term irrigation shall be allowed
- The data center perimeter does not require screening, as no adverse impacts to visual resources have been identified (as supported by EESE analysis)

[The County agrees with these provisions for the proposed LU overlay zone and find that the provisions meet the intent of the LU overlay zone.](#)

V. CONSISTENCY WITH MORROW COUNTY COMPREHENSIVE PLAN GOALS AND POLICIES

The MCCP goals and policies identified below are most relevant and applicable to this application.

Goal 1 (Citizen Involvement)

The Citizen Involvement Goal develops and implements a citizen involvement program that ensures the opportunity for citizens to be involved in all phases of the planning process. Citizen Involvement Policy 3 encourages people to attend and participate in Morrow County Planning Commission and [Board of County Court Commissioner](#) meetings and hearings. The goal and policy are satisfied through the opportunities afforded to the public to participate at public hearings before the Planning Commission and Board of Commissioners on the proposed amendments, as provided for by state law and the county's Zoning Ordinance. Additionally, [the Applicant](#) hosted a public meeting on November 3, 2022, to hear comments and obtain feedback on the proposed [Project Parcel project parcel and the proposed development](#).

Goal 2 (General Land Use)

General Land Use Policy 9 requires that all plan and zone changes comply with all applicable state-wide planning goals and County policies and procedures. This policy can be satisfied upon approval of the Findings and analysis of compliance with the state-wide goals and applicable County zoning provisions that are contained in this application.

Goal 3 (Agricultural Lands Element)

Applicant is seeking a Goal 3 exception. Nonetheless, [applicant Applicant](#) did address the project's consistency with the MCCP's Goal 3 policies to the extent the [Project Parcel project parcel](#) furthers the County's policies.

Agricultural Land Objective 3 seeks to minimize and prevent conflict between farm and nonfarm uses. The proposed development appears to be consistent with this policy because, as demonstrated by over decades of ongoing use, the existing industrial operations (Carty site) and existing agricultural operations (Threemile Canyon Farms) are compatible.

Agriculture Policy 2 permits development outside of UGBs only where conflicts with productive agricultural areas are minimal and where the development complies with the Comprehensive Plan. Conflicts between [the proposed data centers center campus](#) and agricultural uses appear to be minimal. Industrial development nearby appears to be compatible and is a good comparison for determining the proposed data [centers center](#) would also be compatible with farming.

Agriculture Policy 6 provides that the County to consider the needs of the farming community in evaluating future development projects in other sectors of the economy. This policy appears to be partially satisfied because the land proposed for conversion from agriculture to industrial is not productive and the lease or sale of the land could be reinvested in farming. However, where increased traffic on Tower Road may interfere with farming, particularly during harvest season, the proposed development may have some negative impact to farming. [This can be addressed by](#)

coordinating with the area farming operations, specifically Threemile Canyon Farms, during harvest season when construction is occurring. The County proposes a condition of approval to require Applicant to coordinate with the surrounding farming operator to minimize potential traffic impacts during harvest and construction.

Goals 5 and 6 (Natural & Cultural Resources Elements)

The Natural Resources Element of the plan provides a general overview of all natural resources common to the County. In general, natural resources are considered vital to the County's historical and future development and are recognized as a primary base for the County's economy.

In the context of this application and amendments, Natural Resource General Policy M states that the County should establish policies for the analysis of zone changes effect on air, water, and land quality. The County has not promulgated such a policy and relies instead on individual, site specific and project specific circumstances and conditions. Application claims that this policy is met because the development “will have a limited impact on air quality, water, and land quality.” ~~However, see analysis below regarding compliance with Goal 5 and 6. The project does appear to have~~

The parcel is located within the Lower Umatilla Basin Groundwater Management Area (LUBGWMA) an area designated based on drinking water levels that exceed the 10pp/m federal drinking water standard. The subject parcel is just north of the Ella Butte Classified Groundwater Management Area. A Critical Groundwater Area designation is a “Significant Goal 5 Resource” that would require mitigation. The attached map includes both the LUBGWMA and the GWA areas in county. The subject parcel is not located in a “Critical Groundwater Area.”⁵

Initially, when Applicant was considering groundwater as an option for the project’s water supply, staff had a concern over the project potentially having an impact on water quantity where groundwater supplies in the basin are limited. Although Since the development is required to meet all federal, state, and local permitting requirements for air and water impacts, compliance with Oregon Water Resources Department rules and regulations may not supplant findings to show compliance with a local standard or comprehensive plan policy such as here submission of the application, Applicant has worked with the Port of Morrow to secure an LOI for the supply of potable water to the project parcel thereby avoiding use of groundwater for the project’s water needs. Given this project modification, the County finds that the application is consistent with Policy M.

Land Resource Policy A “[c]ounty shall conserve land resources in the manner most supportive of the county’s economic base” and Land Resource Policy B, “[c]ounty shall recognize the predominant need for the maximum preservation of land for agricultural and forestry uses” apply to this exception and rezone application. The Applicant did not address this policy in their application but did conclude that the subject parcel “should be considered non-productive” and has no value for agricultural use. Water Resources Policy F discusses the need to evaluate the quality and quantity of groundwater prior to approving projects or developments that would

⁵https://www.co.morrow.or.us/sites/default/files/fileattachments/planning/page/15301/cgwa_area_2021.pdf

impact those resources. Water quality and quantity is regulated by the Oregon Department of Water Resources (OWRD) and water quality is regulated by the Oregon Department of Environmental Quality. While development- related approvals will be obtained, ~~county may~~the County could require the ~~applicant~~Applicant to show further analysis to evaluate the impacts to water supply. However, given that Applicant has refined its water supply sourcing, the County does not believe further analysis is necessary and Water Resource Policy 5 has been adequately addressed.

Goal 9 (Economic Element)

A number of economic goals and policies apply to this proposed plan amendment. Most of these goals and policies are aspirational or directory to the County, rather than mandatory to an ~~applicant~~Applicant.

Economic Goal 1 provides direction to Morrow County relating to economical housing facilities and affordability to meet housing needs. While not directly relevant, the impact of construction workers and housing needs is important to consider.

Economic Goal 2 and its various economic policies directs Morrow County to reduce unemployment, as well as promote various factors to decrease outmigration of the County's youth through growth of the County's workforce. The application meets this goal with this plan amendment request as it seeks to optimize the County's industrial zoning to attract development and jobs in an emerging field and technology (data center).

Economic Goals 2 and 3 seek to diversify local business, industry, and commercial activity. ~~It~~hisWhile this plan amendment application cannot ensure diversification of job opportunities, locating industrial zoning in an area where a natural industrial corridor is organically happening, due to the current land base and land use and zoning designations, could lead to diversification of new and existing job opportunities in the County. This plan amendment application appears to foster diversification of job opportunities.

Economic Goal 4 encourages compatible land uses throughout Morrow County. The proposed amendments further these goals by providing new industrial development opportunities on land that is only marginally suitable for farming and because of its location between and adjacent to existing industrial uses, such as the Carty site and several commercial dairy operations. There is established compatibility between agriculture and industrial uses.

Economic Goal 5 seeks to minimize noise levels and heavy traffic volumes, as well as other undesirable effects of heavy commercial and industrial developments. This plan amendment meets the goal of minimizing noise as the remote location would be a fair distance away from residences. The increased traffic volumes could prove problematic based on the already high traffic volumes and overall condition of Tower Road and the congestion at the Interstate 84 and Tower Road intersection. This can be addressed and mitigated with a Road Maintenance Agreement between Applicant and the County. The County proposes a condition of approval to require Applicant to enter into a Road Use Agreement with the County prior to construction.

Economic Goal 6 seeks to maintain a balance between economic and environmental activities. The proposed parcel to be rezoned for industrial use is located in an area with other industrial zoning and uses and will not negatively impact adjacent agricultural or industrial uses. As stated

throughout ~~this document~~ these Findings, the ~~subject~~ project parcel has never been farmed. The proposed development ~~mayis not anticipated to~~ have an impact on water supply, ~~an important environmental consideration as noted above in discussion about impacts to Goal 5 resources because Applicant will source water from the Port of Morrow.~~ The parcel contains limited habitat for threatened or endangered species, contains one wetland and one stream, both of which will be avoided, and no known cultural resources. The proposed rezone to industrial zoning appears to have only minimal impact to environment ~~except for water supply.~~

Economic Goal 7 requires the ~~county~~ County ensure adequate water supplies to meet all needs associated with economic development. Applicant is coordinating with the Port of Morrow to ensure adequate water supply for the Project, avoiding use of a high-volume groundwater well and potential impacts to surrounding water users. ~~However, where~~ Therefore, the County does not see any impacts to water supply ~~is not certain, specific Findings to show compliance with theand~~ Economic Goal 7 ~~cannot yet be written. That is, additional detail is warranted in order to make conclusive findings with this Goal~~ has been addressed.

Goal 11 (Public Facilities and Services Element)

Applicant is seeking a Goal 11 exception. Nonetheless, ~~applicant~~ Applicant addressed the application's consistency with the MCCP's Goal 11 policies to demonstrate how the project furthers other Goal 11 policies.

General Policy D requires that the provision of public facilities and services to rural areas being changed to urban use shall be based on (1) the least time required to provide the service, (2) the most reliable service, (3) lowest financial cost, and (4) adequate levels of service that satisfy long range needs. General Policy E calls for the coordinated development of all necessary urban facilities and services appropriate to an urban area. The ~~application seeks the flexibility~~ Applicant is requesting an Goal 11 exception to extend public water services to avoid using limited groundwater. Applicant ~~doesis~~ not ~~seek~~ seeking the extension of public sanitation services at this time. The Port MOU ~~helps~~ and LOI demonstrate that such public water services may be provided. The development will utilize fire and law enforcement services, however ~~applicant~~ Applicant does not expect that to be burdensome as the data center would be developed with a state-of-the-art fire suppression system and security systems, limiting the need and potential need for response by the county. The County Sheriff's office did review the application relative to potential impacts to law enforcement and emergency response and did note that response time to calls on or off Tower Road can be slow if Tower Road is blocked. ~~Further~~ The County recommends further consultation with the County Sheriff's ~~Offie and~~ Office may be warranted to discuss emergency services ~~may be warranted and to ensure such coordination happens, the County will impose a condition requiring further coordination prior to construction.~~

General Policy F calls for the siting of utility lines and facilities on or adjacent to existing public or private ROW or through generally unproductive lands to avoid dividing existing farm units. ~~Application~~ The application indicates that a transmission line ROW already exists to the west, along Tower Road. ~~However, no evidence to this effect was noted~~ Evidence of this is presented on the record in Application Appendix A that includes the Applicant's ALTA survey for the project parcel (Application, Appendix A). Tower Road ROW varies in width between 60 feet and 150 feet. An application for a new transmission line would be required prior to development, unless ~~applicant~~ Applicant can provide evidence that there is capacity to serve the property with the existing transmission line or through an upgrade to the transmission line within the existing ROW.

General Policy G requires that public facilities and services not exceed the carrying capacity of the air, land, and water resources. ~~Application~~The application notes that “through compliance with DEQ air quality regulations for industries, high air quality standards can be maintained and the County agrees. Similarly, water quality can be maintained through the permitting process and the water supply will be from a publicly available source through the Goal 11 exception. Finally, the land is both suitable for the ~~Project~~proposed use and is proposed to be developed in an environmentally friendly and responsible manner with respect to slopes, soils, water resources, and wildlife.”~~As noted above, compliance with a state agency permit is not, as a stand-alone matter, sufficient to demonstrate compliance~~ The application is consistent with a Plan~~General~~ Policy.~~Additional findings or details may be warranted here~~ G.

General Policy K is an aspirational policy that establishes a goal of achieving a maximum balance of public costs versus benefits and revenues in the provision of public facilities and services. This policy may be satisfied because the development does not propose requesting or requiring the provision of additional county services and the project will provide economic benefits such as new employment, payroll, spending with vendors on construction and operations, and new tax revenue.

Utilities Policy F calls for coordination of development with utilities providing electrical, natural gas, cable television, and telephone services. The ~~Project~~project will coordinate with and use local services available to serve the data center.

Water and Sewer Policy A provides that when development occurs in unincorporated areas, minimum state sanitation and health requirements are required. The proposed development will require permits for subsurface sewage disposal system, and waste water permitting.

Solid Waste Policies A and B can be met by a new industrial development using the same processes for which solid waste management occurs elsewhere in the ~~county~~County, which is typically with a contract for solid waste services or direct hauling of waste to Finley Buttes Landfill.

Goal 12 (Transportation Element)

While most of the ~~county~~County's Goal 12 objectives are general in nature and directly towards the County, four – Objectives 2, 5, 14, and 15 – apply more directly to this application. This application complies with the objectives for the following reasons:

- This application may be consistent with Objective #2, as the proposed land use amendment can be accommodated by the existing transportation infrastructure network, a single county roadway connecting the land to Interstate 84. However, as noted elsewhere, the conditions and traffic volume on Tower Road may warrant additional ~~analysis and/or~~ mitigation. This concern can be addressed and mitigated with an Road Maintenance Agreement between Applicant and the County. The County proposes a condition of approval to require Applicant to enter into a Road Use Agreement with the County prior to construction.
- This application may be consistent with Objective #5, as the proposed land use amendment will have some impact to the existing county's roadway system. This development as a stand-alone matter will not necessarily result in a reclassification of Tower Road. Where some impacts to the roadway will occur ~~county may~~, the County will require a Road Use Agreement.~~This was recommended by county Public Works Director and proposes a~~ condition of approval to this effect as mentioned above.

- This application is generally consistent with Objective #14, however the proposed land development will have some impact to Tower Road. One remedy for this impact is to require a Road Use Agreement to repair Tower Road and ~~or~~ agree to fund a chip seal of the northerly eight (8) miles of Tower Road. The County will impose a condition of approval requiring the County and Applicant to negotiate a Road Use Agreement prior to construction.
- This application is consistent with Objective #15, as the proposed land use amendment will not require nor will it prevent expansion of the County's transportation system.

Applicable Transportation Policies 1, 2, 4, 5, 6, 7, 9, 10, and 11 are summarized below.

- The overall transportation network is capable of accommodating the overall transportation-related demands on the multi-modal network (Policy 1).
- No modifications or updates are needed to the Morrow County Transportation System Plan (Policy 2).
- No changes are required to the roadway functional classification system (Policy 4).
- No changes to the standards that implement the management and maintenance of the system (Policy 5).
- Traffic impacts may require ~~ROW modification and/or roadway facility upgrades~~ maintenance and repairs (Policy 6). ~~The application may demonstrate compliance with this standard with~~ County will impose a condition of approval requiring the County and Applicant to negotiate a Road Use Agreement where ~~applicant~~ Applicant agrees to pay costs to ~~improve a portion~~ chip seal the first 9 miles of Tower Road ~~and also agrees to help PGE maintain the southerly portion of Tower Road~~ following construction of the facility.
- Traffic generation will be compatible with the function of the applicable roadway network (Policy 7).
 - ~~Traffic generation may not meet carrying capacity of roadway (Policy 11).~~
 - ~~Traffic impacts may impact roadway function or require modifications to roadway classifications (Policies 9 and 10).~~ The classification of Tower Road is appropriate to accommodate the limited movement of the data center employees and personnel. After construction, the Project estimates only 252 (138 weekday a.m., 114 weekday p.m.) peak hour trips, which represent a nominal increase in traffic along Tower Road. Construction traffic along Tower impacts will be mitigated through the Road Use Agreement.

Goal 13 (Energy Conservation Element)

Energy Conservation Policies 1 and 14 are applicable to this application. As with many other MCCP policies identified, these policies are directory or aspirational in nature, rather than mandatory to an ~~applicant~~ Applicant. While they are not standards upon which approval or denial is based, they are nevertheless addressed herein.

Energy Conservation Policy 1 encourages the use of renewable and/or efficient energy systems, design, siting, and construction materials in all new development in the County. The data center campus operations are anticipated to be supported with 100% renewable energy, with procurement structure and approach to be finalized prior to operations.

Energy Conservation Policy 14 encourages the County to combine increasing density gradients along high-capacity transportation corridors to achieve greater energy efficiency. This proposal is

consistent with this policy by consolidating lands for industrial development in an area bordering a minor collector, Tower Road, which should encourage greater utilization of appropriate industrial infrastructure by industry in the County.

Goal 14 (Urbanization Element)

Applicant is seeking a Goal 14 exception to allow for the siting flexibility to build an urban-level facility and extend public water service to the ~~Project Parcel~~ project parcel to avoid using limited groundwater resources.

VI COMPLIANCE WITH APPLICABLE STATEWIDE PLANNING GOALS.

~~The County will be required to adopt~~ makes findings ~~to show that the request complies with~~ under its own Comprehensive Plan and also make findings under applicable Statewide Planning Goals (SWPG). ~~This application includes an exception to three Statewide Planning Goals, 3, 11 and 14. The goals are presented below in bold print with responses in regular print.~~

Statewide Planning Goal 1: Citizen Involvement

Goal 1 requires a citizen involvement program that is widespread, allows two-way communication, allows for citizen involvement through all planning phases and is understandable, responsive and funded.

Generally, Goal 1 is satisfied when a county complies with public notice and hearing requirements in the Oregon Statutes and in the local Comprehensive Plan and Land Use Code. The County's Zoning Ordinance is consistent with State law with regards to notification requirements. Pursuant to Section 9 of Morrow County Zoning Ordinance at least one public hearing before the Planning Commission and Board of Commissioners is required. Legal notice in a newspaper of general circulation is required. The County has met these requirements and notified DLCDC 35 days prior to the first evidentiary hearing.

Statewide Planning Goal 2: General Land Use

~~General Land Use Policy 9 requires that all plan and zone changes comply with all applicable state-wide planning goals and County policies and procedures. This policy~~ Goal 2, Part I, requires that actions related to land use be consistent with acknowledged Comprehensive Plans of cities and counties. The proposed amendments' consistency with applicable provisions in the MCCP is demonstrated in this document.

Goal 2, Part I, also requires coordination with affected governments and agencies, evaluation of alternatives, and an adequate factual base. In preparing the application, Applicant consulted with agencies and stakeholders, as discussed in Section 4 of the Application. In part, Applicant consulted with the Morrow County Planning Department, planning director, and contacted representatives of the United State Navy (Bombing Range Rep.) and Oregon Department of Transportation (ODOT) for feedback on the proposed Project and conceptual layout. See Application Appendix I (Navy Correspondence). The goal exceptions, together with the supporting documents and evidence submitted in support of the exceptions, provide an adequate

factual base to support the proposed plan and land use regulation amendments required to adopt these exceptions. For these reasons, Goal 2, Part I is met.

Goal 2, Part II, sets out the standards for goal exceptions. Goal 2, Part II, is implemented through OAR 660, Division 4, and referenced administrative rules. Goal 2, Part II, is satisfied for the reasons set out in the goal exceptions analysis of compliance with the state-wide goals and applicable County zoning provisions that are contained included in this application.

Statewide Planning Goal 3: Farmland

~~Applicant is seeking a Goal 3 exception. Applicant provided the following analysis to show consistency with MCCP's Goal 3 policies.~~

~~“Agricultural Land Objective 3 seeks to minimize and prevent conflict between farm and nonfarm uses. The Project is consistent with this policy because, as demonstrated by over decades of ongoing use, the existing industrial operations (Carty site) and existing agricultural operations (Threemile Canyon Farms) are compatible.~~

~~Agricultural Land Policy 1 is an aspirational policy that seeks to balance economic and environmental considerations, limit incompatible non-agricultural development, and maintain a high level of livability in the county. While not a mandatory review criterion, this policy is met because this application will not impact or remove productive agricultural land from existence and because industrial uses are not incompatible with adjoining or adjacent agricultural uses.~~

~~Agriculture Policy 2 permits development outside of UGBs only where conflicts with productive agricultural areas are minimal and where the development complies with the Comprehensive Plan. As described above, conflicts between industrial and agricultural uses are minimal. Industrial development in the proposed location is consistent with the Comprehensive Plan, as reflected by the existence of several approved MG and (SAI zoning and land use designations immediately adjacent to the proposed Project Parcel.~~

~~Agriculture Policy 6 provides for the County to consider the needs of the farming community in evaluating future development projects in other sectors of the economy. This policy is satisfied because the land proposed for conversion from agriculture to industrial is not productive and the lease or sale of the land to the Applicant (and associated payments) may allow for the expansion of agricultural activities on productive irrigated lands by the landowner, thereby benefitting the agricultural community.~~

~~Agriculture Policy 10 states that the County should support energy generating projects offering to release water from their reservoirs for irrigation purposes and provide Morrow County farmers with surface water. The Project will likely not be able to provide industrial wastewater to farmers due to the high salinity levels.”~~Goal 3 requires counties to preserve and maintain agricultural lands for farm use. Goal 3 does not allow nonfarm uses like industrial development on EFU zoned land unless a local government adopts findings justifying an exception to Goal 3. The project parcel is unique in that it is designated as agriculture and zoned EFU, but all available evidence suggests that it has never been farmed, irrigated, or grazed. For these reasons it should be considered “non-productive farmland” and should not be afforded the protections applicable to “agricultural lands.” The redesignation and rezoning of land from Agricultural (EFU) to Industrial (MG) is consistent with the purpose and intent of Goal 3 for the protection

of farmland because no productive farmland will be impacted by the proposed Project. Therefore, the re-designation and rezoning is appropriate given the project parcel-specific conditions and the project parcel's proximity to existing industrial development and transmission.

~~Statewide Planning Goal 5: **Cultural, Natural Resources, Scenic and Historic Resources** Areas, and **Statewide Planning Goal 6: Air, Land & Water Quality** (Note: Morrow County Comprehensive Plan has these goals combined into a single chapter.)~~

~~Morrow County Comprehensive Plan Goal 5 Natural Resources Element provides an overview and inventory of all natural resources of “significance” in the county. In general, natural resources are considered vital to the county's historical and future development and are recognized as a primary base for the county's economy.~~

~~The parcel is located within the Lower Umatilla Basin Groundwater Management Area (LUBGWMA) an area designated based on drinking water levels that exceed the 10pp/m federal drinking water standard. The subject parcel is just north of the Ella Butte Classified Groundwater Management Area. A Critical Groundwater Area designation is a “Significant Goal 5 Resource” that would require mitigation. The attached map includes both the LUBGWMA and the GWA areas in county. The subject parcel is not locted in a “Critical Groundwater Area.”~~

~~https://www.co.morrow.or.us/sites/default/files/fileattachments/planning/page/15301/cgwa_area_2021.pdf~~

~~**General Policy M** (page 27 of 31 (10-1-13) states that county should “establish a policy of analysis of requests for zone changes, use permits and the like to determine their affect on air, water and land quality.” County has not promulgated such a policy and relies instead on individual, site specific and project specific circumstances and conditions. The applicant concludes that this policy is met because the project will have a limited impact on air quality, water, and land quality. Given that the applicant has provided only tentative solutions for water supply county may not yet conclude that the project will have no negative impacts to water supply, particularly where the region has demonstrated declines in water supply and the property is in proximity to Critical Groundwater Areas and Limited Groundwater Management Area.~~

~~However, as noted in the application, the development will be required to meet all federal, state, and local permitting requirements for air and water impacts, which will include a guaranteed water supply and water right adequate to serve the data center.~~

~~**Land Resource Policy A** “[c]ounty shall conserve land resources in the manner most supportive of the county’s economic base” and Land Resource Policy B, “[c]ounty shall recognize the predominant need for the maximum preservation of land for agricultural and forestry uses” apply to this exception and rezone application. Applicant did not address these Policy in their application but did conclude that the subject parcel “should be considered non-productive.”~~

~~**Water Resources Policy F** “[w]here information is available, county shall take into consideration the quality and quantity of groundwater resources, prior to approving projects or developments that would impact those resources.” Application notes that water quality and quantity of water and groundwater is regulated primarily by the Oregon Department of Water~~

~~Resources (OWRD) and Oregon Department of Environmental Quality (DEQ) and that “all project-related approvals will be obtained, should this application be approved.” Deferring to a state agency regulatory function may not substitute for demonstrating compliance with a Plan Policy. Additional information from the applicant is warranted to show that the project meets the intent of this policy.~~

~~Although OWRD has responsibility to regulate water use, OWRD does not actively plan for future water supply. Securing a water right as a stand-alone matter is not sufficient to demonstrate that the project will not have a negative impact on water supply or comply with Water Policy F as noted above. It is well documented that the region has multiple declining water aquifers. Should the project be able to secure water from Port of Morrow, and provide Findings to show compliance with Water Policy F, county may be able to make reasonable Findings that the rezone and plan amendment and new development will have minimal negative impacts to water supply.~~

~~In terms of water quality, data centers do not appear to have negative water quality impacts. Rather, the data centers produce wastewater that is relatively clean but for higher than normal salinity content. Saline can be diluted and put to beneficial farm use.~~

~~The application includes documentation that the parcel is sited and designed to minimize impacts to the natural environment and appears to create minimal, if any negative impacts to soils, wildlife, geology, and water quality. However, additional and specific evidence relative to water is warranted.~~ Open Space

Goal 5 addresses the preservation of natural resources, scenic and historic areas, and open spaces. In the context of the application’s proposed amendments, the Applicant reviewed Morrow County’s existing inventories for wetlands, wildlife habitat, and cultural resources and areas, as well as conducting its own due diligence for project parcel resource inventories.

Desktop and field verified wetlands delineations for the Project took place on October 14, 2021 and March 31, 2022, and were submitted to Oregon DSL. The results, included in the Wetland Delineation Report and DSL Concurrence, attached as Application Appendix L, indicate one wetland and one intermittent stream located within the project parcel, as shown on Application Figure 4, both are avoided by the project footprint.

According to the US Fish and Wildlife Service (USFWS) Information for Planning and Consultation (IPaC) online report, there are no federally protected, Endangered Species Act (ESA)-listed threatened or endangered species documented as occurring on or in the immediate vicinity of the Project Parcel and no designated critical habitats mapped within the parcel. See Application Appendix K (Threatened and Endangered Species Habitat Assessment). According to ODFW, state-listed threatened, endangered, and/or candidate wildlife species with the potential to occur in the Project Parcel include the WGS (*Urocitellus washingtoni*), which is listed as a state-endangered species. According to the USFWS, the WGS are found in the Columbia plateau of both Washington and Oregon. Their preferred habitat consists of sagebrush and bunchgrasses. They nest and burrow in sandy or silt-loam textured soils that are conducive for their burrow structures. Applicant conducted presence/absence protocol surveys for the WGS in March to May 2023. No active WGS colonies were identified. See Application Appendix H (WGS Protocol Survey Results). However, should active WGS colonies be identified, Applicant will address presence accordingly through avoidance, mitigation, and/or take permits in coordination with ODFW.

Based on the Applicant's review of publicly available records, no known cultural resources have been documented within or adjacent to the project parcel. However, the project parcel has not been previously surveyed for cultural resources. No report has been submitted to SHPO. Despite the undeveloped nature of the project parcel, a low potential for buried archaeological sites exists. Although the project parcel and immediate vicinity have not been previously surveyed for cultural resources, Oregon SHPO records indicate a low archaeological site density on parcels of land that have been previously surveyed within approximately one mile of the Project Parcel. See Application Appendix M (Cultural Resources Desktop Report).

Goal 6 (Air, Water, and Land Resources Quality) addresses the quality of air, water, and land resources. In the context of Comprehensive Plan Amendments, a local government complies with Goal 6 by explaining why it is reasonable to expect that the proposed uses authorized by the plan amendment will be able to satisfy applicable federal and state environmental standards, including air and water quality standards. The project will require air and wastewater permits from the Oregon DEQ and must meet applicable state and federal permitting requirements prior to construction and operation.

The uses authorized by the requested plan amendments should not create noise that differs from the types of energy facility- and farm-related noise already in the area. The project would contribute to ambient noise levels with similar equipment such as, generators, cooling towers, and transformers. The location of these industrial uses in very close proximity to each other is appropriate and are not anticipated to a significant adverse impact noise sensitive receptors . Notably, there are no “Noise Sensitive Properties” or “Quiet Areas” pursuant to OAR 340-035-0015, in the vicinity of the project parcel.

Statewide Planning Goal 9 Economy

~~A number of economic goals and policies apply to this proposed plan amendment. Most of these goals and policies are aspirational rather than mandatory to an applicant.~~

~~**Economic Goal 1** provides direction to Morrow County relating to economical housing facilities and affordability to meet housing needs and is not directly germane to this plan amendment request, as this plan amendment is relating to industrial development.~~

~~**Economic Goal 2** and its various economic policies directs Morrow County to reduce unemployment and decrease outmigration of the county's youth through growth of the county's workforce. This plan amendment request seeks to create new industrial zoning to attract development and jobs in an emerging field and technology (data center). Although data centers are allowed in other types of zoning, the availability of suitable land meeting the needs of data centers is now more limited. With this new development county may attract similar emerging and higher salary type jobs to a new area within Morrow County.~~

~~**Economic Goals 2 and 3** seek to diversify local business, industry, and commercial activity. While this plan amendment application cannot ensure diversification of job opportunities, as stated under Goal 2 above, locating industrial zoning in an area where a natural industrial~~

~~corridor is organically happening, due to the current land base and land use and zoning designations, could lead to diversification of new and existing job opportunities in the County.~~

~~**Economic Goal 4** encourages compatible land uses throughout Morrow County. The amendments further these goals by providing new industrial development opportunities on land that is not high value farmland and may be more suitable for industrial development because of its location between and adjacent to existing industrial uses, such as the Carty site and several commercial dairy operations. There is established compatibility between agriculture and industrial uses.~~

~~**Economic Goal 5** seeks to minimize noise levels and heavy traffic volumes, as well as other undesirable effects of heavy commercial and industrial developments. This plan amendment may meet this goal as it proposes to use an existing county roadway that is already accustomed to higher traffic volumes and noises associated with the operation of commercial dairy and other farming uses, as well as traffic for the generation station. However, as noted by the Public Works Director, the high traffic volume creates safety concerns and excess congestion which may require mitigation. The noise and traffic attributable to the Project Parcel would produce a nominal impact to the area.~~

~~**Economic Goal 6** seeks to maintain a balance between economic and environmental activities. The Project Parcel proposed to be rezoned for industrial use is located in an area with other industrial zoning and uses and will not impact adjacent agricultural or industrial uses. As stated throughout this document, the Project Parcel has never been farmed or used for productive agricultural activities. Additionally, the proposed Project Parcel will have limited impact on the natural environment, as the parcel contains limited habitat for threatened or endangered species, contains one wetland and one stream, both of which will be avoided, and ~~no known cultural resources~~. Based on this, the proposed industrial zoning appears to be in a good location to accommodate industrial activity with minimal impact to the environment and farming.~~

~~**Economic Goal 7** requires the County ensure adequate water supplies to meet all needs associated with economic development. Applicant is coordinating with the Port of Morrow to ensure adequate water supply for the Project, avoiding use of a high volume groundwater well and potential impacts to surrounding water users. — See comments above under Water Resources Policy. In summary, until applicant can provide further documentation, county cannot consider Findings to demonstrate compliance.~~

Goal 9 requires local governments to provide adequate opportunities throughout the state for a variety of economic activities vital to the health, welfare, and prosperity of Oregon's citizens to adopt comprehensive plans and policies. Goal 9 is a directive to the County to ensure that the local plans address economic development opportunities, land supply for industrial and commercial uses, and address economic projections among other things. As discussed above, the project promotes and furthers the County's Goal 9 policies

Statewide Planning Goal 11 Public Facilities and Services

~~Applicant is seeking a Goal 11 exception. Nonetheless, Applicant addresses the Project's consistency with the MCCP's Goal 11 policies to the extent the Project furthers the County's policies.~~

~~General Policy D requires that the provision of public facilities and services to rural areas being changed to urban use shall be based on (1) the least time required to provide the service, (2) the most reliable service, (3) lowest financial cost, and (4) adequate levels of service that satisfy long range needs. General Policy E calls for the coordinated development of all necessary urban facilities and services appropriate to an urban area. The Project seeks the flexibility to extend public water services to avoid using limited groundwater. Applicant does not seek the extension of public sanitation services. The Port MOU may provide reliable water service to the development and at little to no cost to the county. According to the application, the Project “utilization of fire and police services is not expected to place a burden on existing county capacity, as the data center would be developed with a state of the art fire suppression system and security systems, limiting the need and potential need for response by the county.” A copy of the Public Notice was provided to Morrow County Sheriff’s Office for review. The Sheriff’s Office noted that when accidents occur, access can be very limited. Given that Tower Road is the only major ingress and egress to Interstate 84, alternative safety routes may be a consideration.~~

~~Safety and evacuation routes could be addressed in the traffic study.~~

~~**General Policy F** calls for the siting of utility lines and facilities on or adjacent to existing public or private ROW or through generally unproductive lands to avoid dividing existing farm units. The application indicates that “a transmission line ROW necessary for the extension of service to the project already exists to the west, along Tower Road.” However, application did not include evidence that existing line will be used for the proposed development or if there is adequate ROW to provide a second transmission line.~~

~~**General Policy G** requires that public facilities and services not exceed the carrying capacity of the air, land, and water resources. The application claims that “[t]hrough compliance with DEQ air quality regulations for industries, high air quality standards can be maintained. Similarly, water quality can be maintained through the permitting process. The land appears to be suitable for the proposed development to transpire in an environmentally friendly and responsible manner with respect to slopes, soils, and wildlife.” Where this is a summary statement and not actual proof, application would be enhanced with a more detailed and secure source of water supply.~~

~~**General Policy K** is an aspirational policy that establishes a goal of achieving a maximum balance of public costs versus benefits and revenues in the provision of public facilities and services. This policy may be satisfied because the project does not propose requesting or requiring the provision of additional county services but does provide economic benefits. The impacts include new employment, payroll, spending with vendors on construction and operations, and new tax revenue.~~

~~**Utilities Policy F** calls for coordination of development with utilities providing electrical, natural gas, cable television, and telephone services. The development will coordinate with and use local services available to serve the data center. Project is located within the Pacific Power Service Territory. Application indicates the developer is in consultation with Pacific Power to provide service.~~

~~**Water and Sewer Policy A** provides that when development occurs in unincorporated areas, minimum state sanitation and health requirements be met, including an approved subsurface~~

~~sewage disposal system. The proposed development will require a source of drinking water and onsite sewer system. The parcel includes ample space for the installation and maintenance of a septic system to serve the project. Drinking water supply is not clarified in the application. **Solid Waste Policies A and B** can be met by a new industrial development using the same processes for which solid waste management occurs elsewhere in the county by signing up for garbage collection service and hauling larger types of waste to Finley Buttes Landfill.~~Goal 11 requires local governments to plan and develop a timely, orderly, and efficient arrangement of public facilities and services. The goal provides that urban and rural development "be guided and supported by types and levels of services appropriate for, but limited to, the needs and requirements of the urban, urbanizable, and rural areas to be served." The Public Facilities Planning Rule, OAR 660, Division 11, implements Goal 11. Applicant seeks an exception to Goal 11 to allow the possible extension of water service from the Port of Morrow to the project parcel. No extension of public sewer services or facilities are proposed.

Statewide Planning Goal 12: Transportation

~~Application appears to comply with Goal 1 Coordination/Process as coordination has taken place as part of the application review process.~~

~~**Goal 2 Policy 2.5 Require new development to identify transportation impacts and provide appropriate mitigation.** Applicant provided a traffic impact analysis. Based on review of the Public Works Director, a Road Use Agreement and/or mitigation may be warranted.~~

~~**Goal 2 Policy 2.6 Require new development to dedicate right-of-way for transportation system improvements where appropriate. Establish procedures for the dedication of right-of-way necessary for the transportation system.** New right of way was not recommended in the TIA.~~

~~**Goal 3 Economic Development Enhance economic development through transportation improvements. Policy 3.1 Support transportation system improvements that contribute to economic development opportunities.** Although the TIA did not recommend improvements except for a new driveway and a stop sign, increased traffic volume on Tower Road is generating mobility and safety constraints. Emergency response can be limited if an accident occurs on Tower Road. A Road Use Agreement or traffic or other mitigation may be warranted in order to demonstrate compliance with this standard.~~Goal 12 requires local governments to "provide and encourage a safe, convenient and economic transportation system." Goal 12 is implemented through the Transportation Planning Rule, OAR 660, Division 12. Goal 12 requires, among other things, that the County's Transportation Plan facilitate the flow of goods and services, so as to strengthen the local and regional economy. The Project supports this goal and will produce substantial economic benefits, see Application Appendix G for an analysis of economic impacts. Other requirements include the encouragement of multi-modal transportation, avoidance, and minimization of reliance on one mode of transportation, and consideration of the transportation disadvantages and justification for the project's compliance and requests are set out in the goal exceptions analysis included in this application.

~~**Goal 5 Roadway System Provide and maintain a safe, efficient roadway system to provide mobility throughout the county.** County provides maintenance on Tower Road~~

Objective #5 requires that the existing roadway will not be significantly impacted or require reclassification of the system. Tower Road, a county, two-lane roadway is the only public roadway that connects the property to Interstate 84 to the north. That roadway has a high volume of traffic, especially during farm harvest season. There is no other ingress and egress suitable for emergency purposes. Tower Road will have a measurable impact and may require mitigation.

County Public Works is reviewing the traffic analysis. County may refer the traffic analysis to engineer of record for further review to better quantify the impact and to determine whether the new development will result in a new classification. County may also consider a Road Use Agreement or other mitigation to offset commensurate impacts to the roadway.

The application may or may not comply with this objective. A condition of approval requiring a Road Use Agreement may be a suitable tool to mitigate impacts.

- ~~The application claims that the application is consistent with Objective #14, “as the proposed land use amendment will not impact the existing overall roadway network in a way that would require modification or further coordination with other agency infrastructure.” However, based on the above, traffic impacts may warrant further analysis.~~
- ~~This application does appear to be consistent with Objective #15, as the proposed land use amendment will not require nor will it prevent expansion of the County’s transportation system. The applicable Transportation Policies are Policies 1, 2, 4, 5, 6, 7, 9, 10, and 11. The application concludes that “the proposed land use amendment is consistent with each of these policies.”~~
- ~~Policy 1 The overall transportation network is capable of adequately accommodating the overall transportation-related demands on the multi-modal network.~~ Public Works review is pending, however, generally, Tower Road is a well-maintained access to the proposed site as well as other numerous farm and industrial uses.
- ~~Policy 2 No modifications or updates are needed to the Morrow County Transportation System Plan (Policy 2).~~ OR 660-012-0060 provides that where a plan amendment would significantly affect an existing or planned transportation facility, measures must be taken to assure that the allowed land uses are consistent with the identified function, capacity, and performance standards of the facility. The Applicant completed a Traffic Impact Analysis (TIA) in July 2022. The TIA provides guidance on traffic impacts and mitigation measures (if applicable) associated with Project-related impacts, see Application Appendix I.

The following project-specific results, as identified in the TIA, address criteria outlined in the Transportation Planning Rule:

- ~~Policy 4 No~~ The proposed MG Zone will not require or result in any changes ~~are required~~ to the roadway functional classification system ~~(Policy 4)~~ of any transportation facility in the vicinity of the Project Parcel.
- ~~No~~ The proposed MG Zone will not require changes to the standards that implement the ~~management and maintenance of the~~ functional classification system ~~(Policy 5).~~
 7. ~~No traffic impacts that would require ROW modification and roadway facility upgrades (Policy 6).~~

- ~~All forecast traffic generation will be compatible with the function and carrying capacity of the applicable roadway network (Policies 7 and 11). The increased volume and truck traffic will generate impacts to Tower Road that may warrant mitigation.~~
 - ~~No traffic impacts that would impact roadway function or require modifications to roadway classifications (Policies 9 and 10). The classification of Tower Road is particularly appropriate to accommodate the limited movement of the data center employees and personnel. After construction, the Project estimates 252 (138 weekday a.m., 114 weekday p.m.) peak hour trips, which represent a nominal increase in traffic along Tower Road. Nonetheless, construction and post construction traffic will impact Tower Road and industrial and farming operation in the area and may warrant mitigation as noted above. The proposed MG Zone would result in future traffic volumes that remain consistent with the functional classifications of the roadways in the study area.~~
- The proposed MG Zone would not degrade operations of the study intersections below adopted performance targets.

Based on the results of the TIA, the proposed project and MG zone change are not expected to result in a significant effect on the surrounding transportation network or require offsite mitigation.

Statewide Planning Goal 13 Energy Conservation

~~Energy Conservation Policies 1 and 14 are applicable to this application. As with many other MCCP policies identified, these policies are directory or aspirational in nature, rather than mandatory to an applicant. While they are not standards upon which approval or denial is based, they are nevertheless addressed herein.~~

~~Energy Conservation Policy 1 encourages the use of renewable and/or efficient energy systems, design, siting, and construction materials in all new development in the county. According to the application, “[T]he data center campus operations are anticipated to be supported with 100% renewable energy, with procurement structure and approach to be finalized prior to operations.” Documentation was not included to support the desire to rely on 100% renewable energy 365 days per year.~~

~~Energy Conservation Policy 14 encourages the county to combine increasing density gradients along high capacity transportation corridors to achieve greater energy efficiency. The application concludes that this development “is consistent with this policy by consolidating lands for industrial development in an area bordering a minor collector, Tower Road.” However, county believes that where Tower Road is the only north-south collector provided access to the industrial area, it may require mitigation to guarantee quality and capacity to serve additional density such as the proposed industrial development. Goal 13 directs cities and counties to manage and control land and uses developed on the land to maximize the conservation of all forms of energy, based on sound economic principles. The proposed amendments will help conserve energy by consolidating and co-locating the proposed industrial use area near an existing industrial use (the Carty site) and existing transmission infrastructure, thereby reducing the amount of automobile and truck trips required to serve and maintain the area.~~

Statewide Planning Goal 14 Urbanization

~~Applicant is seeking an exception to Goal 14 in order to allow for the siting of a large scale industrial development. Application requires an exception to Goal 14 where the size of the buildings and scope of development is a high density or urban scale. The application includes an exception to Goal 14. See also attached OAR 660-014-0040 Establishment of New Urban Development on Undeveloped Rural Lands.~~ Goal 14 requires counties and cities to estimate future growth and needs for land and then plan and zone enough land to meet those needs. Specific to this application, Goal 14 prohibits urban uses on rural lands and in order to locate urban uses on rural lands, local governments either must expand their UGBs to include the subject property or take a Goal 14 exception. Applicant seeks a Goal 14 exception to allow the industrial use of the Project Parcel.

VII AGENCIES NOTIFIED: Dawn HERT, Hilary Foote, Department of Land Conservation and Development; Teresa Penninger, Oregon Department of Transportation; Department of Environmental Quality, Bend Region Office and Eastern Region Office, Pendleton, , Air Quality Specialist; Mike Gorman, Morrow County Assessor; Eric Imes, Morrow County Public Works; Ione Rural Fire Protection District; Boardman Rural Fire Protection District, Kimberly Peacher, Community Planning & Liaison Officer, US NAS Whidbey Island, Jessica Salgado, Jurisdiction Coordinator, DS, State Historic Preservation Office; Teara Farrow, Director, CTUIR Cultural Resources Protection Program. Chris Kowitz and Greg Silbernagel, OWRD, Lisa Mittelsdorf and Mark Patton, Port of Morrow, City of Boardman, Glenn McIntire, Building Official, Kevin Payne, Morrow SWCD, Paul Gray, Morrow County Emergency Management.

VIII ATTACHMENTS:

~~Conceptual Example Layout, Partition Plat Map, Zoning Map~~

~~Vicinity Map and adjacent landowners~~

~~Soils Map~~

~~Critical Groundwater and Groundwater Management Area Map~~

~~Soils Analysis by David Weymann, P.E., ERM International~~

~~Alternatives Analysis by ERM International~~

See exhibit list.

~~Wetland Delineation approval, Peter Ryan SPWS, Department of State~~

~~Lands Transportation Planning Rule Analysis by Kittelson & Associates~~

~~MOA with Port of Morrow~~

~~Geotech report by Kristopher Hauck, P.E., Terracon~~

~~OAR 660-014-0040 Establishment of New Urban Developed on Undeveloped Rural Lands~~

~~Letters of support from City of Heppner and Boardman Chamber of Commerce~~

IX HEARING DATES:

North Morrow Government Building

Planning Commission

June 27, 2023

North Morrow Government Center

215 NE Main Street

Irrigon, OR 97844

HEARING ~~MAY BE~~ CONTINUED TO JULY 25, 2023

Board of Commissioners
August 16, 2023
North Morrow Government Center
215 NE Main Street
Irrigon, OR 97844

X RECOMMENDATION OF THE MORROW COUNTY PLANNING COMMISSION:

~~Options for~~ The Planning Commission voted to recommend that the Board of County Commissioners consider approving the project subject to conditions of approval.

Options for the Board of consideration.

1. Accept the Findings ~~[as amended]~~ and ~~recommend Board of Commissioners~~ vote to approve the application subject to conditions.
2. Vote to ~~recommend Board of Commissioners not~~ revise the Findings and vote to approve ~~based on the~~ application ~~and~~ based on the revised Findings as presented and subject to conditions.

Conditions of Approval

~~Applicant anticipates, based on the preliminary Project design, that~~ The County imposes the following conditions as conditions of approval:

1. Prior to construction, Applicant shall enter into a Road Use Agreement with the Morrow County Public Works department to fund \$267,000 to pay for chip seal on the first nine (9) miles of Tower Road.
2. Prior to construction, Applicant shall provide notice to Threemile Canyon Farm, the area farming operator, of its construction traffic schedule and coordinate with Threemile Canyon Farm to minimize any potential impacts to farm traffic during harvest.
3. Applicant shall obtain all local, state-level and federal permits ~~may be required for~~ and approvals for the data center campus construction and operation including but not limited to:
 - a. ~~■~~ Oregon Department of Environmental Quality (DEQ), National Pollutant Discharge Elimination System (NPDES) 1200-C Permit
 - b. ~~■~~ DEQ, Onsite Septic Permit

c. ■ DEQ, Basic Air Contaminant Discharge Permit (ACDP)

■ ~~DSL, Removal/Fill Permit (if doing wetland enhancement, which is not anticipated~~

~~□ Identify alternative or secondary access to and from data center location.~~

■ ~~Sign and record a Road Use Agreement with Morrow County Public Works~~ The project will require delivery of electricity and water from third-party providers. The County requires that any third-party infrastructure development receive all necessary local, state, and federal permits and approvals and that such approvals are not a part of this application.

MORROW COUNTY BOARD OF COMMISSIONERS

David Sykes, Chair

Jeff Wenholz, Commissioner

Roy Drago, Commissioner

Document comparison by Workshare Compare on Monday, August 7, 2023
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Description	Rowan Percheron_August 16 Draft Supplemental Findings_Rowan CLEAN
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