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**COMPREHENSIVE
PLAN MAP AND TEXT
AMENDMENTS,
ZONING MAP
AMENDMENTS, AND
EXCEPTIONS TO GOALS
3, 11, AND 14**

To
Morrow County

For
Threemile Canyon Farms, LLC

Dated
January 27, 2025
(Revised March 12, 2025)

Project Number
2240364.00



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TABLE OF CONTENTS

I.	PROJECT SUMMARY	1
II.	INTRODUCTION	2
	Description of Request	2
	Site Description and Surrounding Land Use	3
	Proposed Amendments	6
	Digital Industry Infrastructure Perspective	8
	Generative Artificial Intelligence (AI) Drives Digital Infrastructure Needs	9
	Growth in Electric Power Demand – at Gigawatt Scale.....	10
	Hyperscale Data Center Location Factors	13
	Exascale Data Center Campus (EDCC) Location Factors	14
	Emerging/Unique Exascale Data Center Campus Required Location Factors	14
	Similar Required Location Factors for Exascale Data Center Campus Sites	15
	Similar Competitive Location Factors for Exascale Data Center Campus Sites	15
	Planning Considerations for EDCCs.....	15
III.	NARRATIVE AND COMPLIANCE.....	17
	Findings for Amendments Applicable to the Site	17
	Compliance with Criteria for Goal Exceptions	17
	Compliance with Statewide Planning Goals	36
	Compliance with Morrow County Comprehensive Plan and Land Use Regulations	42
	Findings for Amendments Applicable to the Proposed Downzone Area	67
	Compliance with Criteria for Goal Exceptions and Comp Plan Amendments	67
	Compliance with Statewide Planning Goals	68
	Compliance with Morrow County Comprehensive Plan and Land Use Regulations	74
IV.	CONCLUSION.....	95

EXHIBITS

1. Land Use Application Forms
2. Vicinity Map
3. Presentation Slides from 1-9-2025 Pre-Application Meeting
4. Conceptual EDCC Site Plan
5. Map of Proposed SAI to EFU Rezone
6. Text of Proposed Limited Use Overlay
7. Alternative Areas Analysis Report
8. Economic Impact Analysis
9. Transportation Rule Analysis (TPR)
 - A. Supplemental Traffic Memo
10. Soils Reports
 - A. Upzone Area
 - B. Downzone Area
11. Morrow County Significant Resource Inventory Map
12. Natural Resources Assessment

13. Boardman Airport Horizontal and Conical Surfaces Map
14. FEMA FIRM Panels
15. DOGAMI SLIDO Maps
16. Six-Mile Canyon Sand and Gravel Site Information
17. Service Provider Letters
 - A. Water – Port of Morrow
 - B. Power – PacifiCorp
 - C. Road Access – Port of Morrow
18. Data Center Reference Literature
 - A. *State of the Digital Infrastructure Industry 2024 Annual Report*, iMasons
 - B. *AI Power: Expanding Data Center Capacity to Meet Growing Demand*, McKinsey & Company
 - C. *Mega \$14 billion data center project proposed in metro Phoenix*, Phoenix Business Journal
 - D. *Data center boom transforms Culpepper*, InsideNoVa
 - E. *Technical Memo: Siting Criteria for Hyperscale Data Centers*, Mackenzie
 - F. *The Impacts of Data Processing in Oregon*, Business Oregon
19. Proposed Morrow County Zoning Map Amendments

I. PROJECT SUMMARY

Applicant:	Threemile Canyon Farms, LLC 75906 Threemile Road Boardman, OR 97818
Owner:	Threemile Canyon Farms, LLC
Site Address:	None
Tax Lots (portions of):	04N23E-00110 (9,017 acres) 04N24E-00121 (6,779 acres)
Site Acreage:	1,298 acres +/- ¹
Existing Zoning:	Exclusive Farm Use (EFU) – 967 acres +/- Space Age Industrial (SAI) – 331 acres +/-
Adjacent Zoning:	EFU – Exclusive Farm Use (to the east, west, and south) ALI – Airport Light Industrial (to the east) MG – General Industrial (to the north)
Overlay/Plan District:	None
Comprehensive Plan:	Agriculture (EFU area) Industrial (SAI area)
Existing Structures:	BPA transmission towers
Request:	Amend the Morrow County Comprehensive Plan and Zoning Map, and adopt reasons exceptions to Statewide Planning Goals 3, 11, and 14, to rezone 1,298 acres from EFU and SAI to General Industrial (MG); apply a Limited Use Overlay (LU) to limit the permitted industrial use to data centers with related ancillary improvements and associated infrastructure facilities.
Project Contact:	Mackenzie Att: Brian Varricchione, Land Use Planner bvarricchione@mcknze.com 1515 SE Water Avenue, Suite 100 Portland, OR 97214 503.224.9560

¹ Of the 1,298-acre total area, 34 acres along the eastern Site boundary are within a 150- wide railroad right-of-way easement, which is proposed to remain in place and available for rail service. The resulting net potential development area of 1,264 acres appears in technical reports provided by the applicant.

II. INTRODUCTION

Description of Request

Comprehensive Plan Map Amendment from Agricultural and Space Age Industrial to Industrial, and Zone Map Amendment from EFU and SAI to MG at the 1,298-acre Site, with companion CPMA/ZMA from Industrial/SAI to Agriculture/EFU at the 1,605-acre “downzone” area.

This request seeks to amend the Morrow County (County) Comprehensive Plan Map designation of Space Age Industrial (SAI) and Agriculture to Industrial, and the corresponding zone map designations of Space Age Industrial and Exclusive Farm Use to General Industrial (MG), for a contiguous area of 1,298 acres located west of the Boardman Airport (the “Site”). The proposal includes application of a Limited Use (LU) Overlay zone encompassing the Site, to limit permitted industrial uses to data centers with ancillary improvements and associated infrastructure facilities, while continuing to allow uses consistent with EFU zone regulations.

This request also includes a concurrent request to amend the County Comprehensive Plan Map designation of Industrial to Agriculture, and the corresponding map designation of Space Age Industrial to Exclusive Farm Use, for a contiguous area comprising 1,605 acres. This concurrent rezoning will enhance Goal 3 protections to existing agricultural lands, much of which is irrigated and used for crop production, by prohibiting the development of a wide range of intensive industrial uses allowed under the current SAI zoning designation.

This amendment proposal responds to a recent dramatic increase in demand for development of large campus sites for high-capacity data processing facilities, known as Exascale Data Center Campuses (EDCC). With respect to Morrow and its neighboring Counties, economic analysis has identified demand for 3,000 acres of land for EDCC use in the coming 10-year period (see Exhibit 8). With adoption of the necessary Goal exceptions, this proposal will allow Exascale Data Center Campus siting on 1,298 acres located west of the Boardman Airport and east of Sixmile Creek, which forms a logical, natural-feature boundary for urban development. Service from high-capacity electric power transmission lines can be made available to the Site from the south and, because urban water and roads are either already available to the Boardman Airport or will be constructed to serve a forthcoming data center development to the east, only short extensions will be necessary to reach and serve the Site.

As cities plan to meet land needs associated with population growth and resulting needs for housing, employment, institutional, and open space lands, placement of EDCC sites within or on the edges of existing urban areas would compel cities to “leapfrog” over them to accommodate growth. The resulting development pattern would accelerate sprawl by substantially increasing the distances between older parts of the community and newer development areas forced to locate on the opposite side of an EDCC. Such a development pattern would be detrimental to creating compact and efficient urban communities, by increasing distances for commuting and other circulation and leading to increased costs for public infrastructure construction and maintenance.

The proposed amendment avoids the urban growth leapfrogging problem by putting an appropriate land allocation for EDCC use (responding to data on industry growth and projected demand for EDCC sites within the next 10 years) at a logical perimeter for urban area expansion, where the land allocation will not become interposed between current and potential future urban areas that will benefit from adjacency/proximity.

Materials submitted with this application demonstrate that the proposed MG/LU area is not suitable for farm use and Sixmile Creek forms a natural barrier to further western expansion. The Site's transportation needs can be met by extending the existing paved Boardman Airport Lane west from its current western terminus (the east edge of the rail spur to the Portland General Electric (PGE) Carty Generating Station site), and its utility service needs can be met by a feasible combination of on-site facilities and extension of services at the Boardman Airport and a recently approved data center campus to the southwest of the Airport. The evidence shows that the proposed change will not cause a significant encroachment on productive farmland in the vicinity.

Exceptions to Statewide Planning Goals

The application of the Limited Use Overlay to the Site will implement the County's adoption of "reasons" exceptions to Statewide Planning Goals ("Goals") 3, 11, and 14. Goal 3 addresses Agricultural Lands, Goal 11 addresses Public Facilities and Services, and Goal 14 addresses Urbanization.

This narrative and attached supporting technical reports demonstrate compliance with the applicable Oregon Revised Statutes (ORS) and Administrative Rules (OAR) that apply to goal exceptions, as well as compliance with the applicable Morrow County Zoning Ordinance (MZCO) and Comprehensive Plan policies.

Site Description and Surrounding Land Use

The Site is part of a large holding owned by Threemile Canyon Farms (applicant), but historically and currently, the Site does not support agricultural use other than limited and episodic grazing. As described in detail in the Soils Report (Exhibit 10), the Site has shallow soil depth to bedrock, rock outcroppings, and other characteristics that make commercial farming operations infeasible. The Site is within the Lower Umatilla Basin Groundwater Management Area (LUBGWMA), which was established by DEQ in 1990 because of high levels of nitrate in the groundwater. Future development of the site will be required to comply with DEQ regulations, including nitrate treatment for onsite septic and industrial wastewater systems, to ensure the development does not impact drinking water safety.



Figure II-1 Aerial Image – Project Site

As shown in Figure II-2, the Site's northeastern 331 acres +/- are currently in the Space Age Industrial (SAI) Zone, with the western/southwestern remainder (967 acres +/-) in Exclusive Farm Use (EFU).

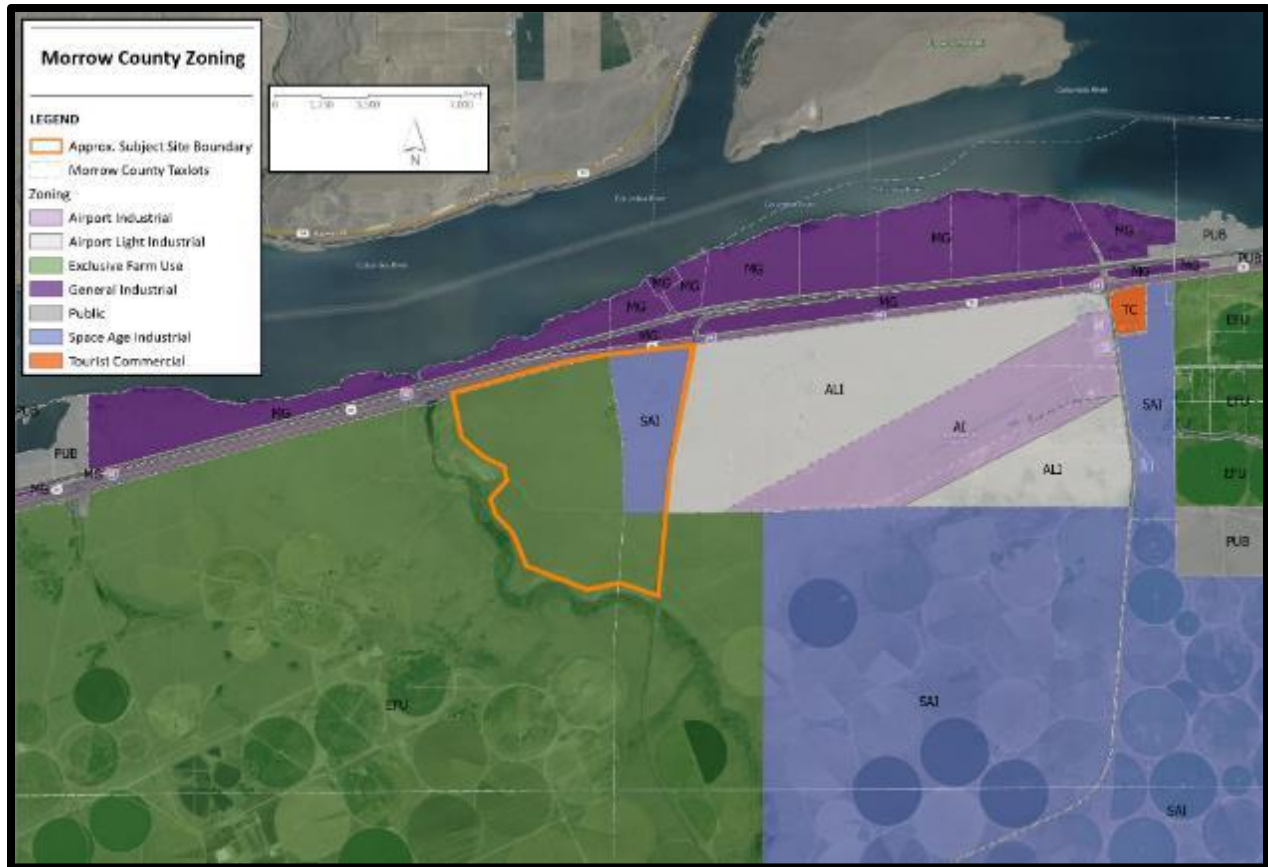


Figure II-2 Existing Zoning – Project Site and Vicinity

The Site's eastern boundary is the east edge of the rail spur that extends south to the Carty Generating Station, which is situated within a 150' wide easement within the Site and occupies approximately 34 acres. Immediately east of the SAI-zoned portion of the Site, land in the Airport Light Industrial (ALI) and Airport Industrial (AI) zones surrounds the Boardman Airport. Within these areas, a motor speedway has previously been approved and a photovoltaic solar energy generation project is currently under construction. In 2024, a hyperscale data center was approved in the far southwest corner of the ALI-zoned land (on the north side of Boardman Airport Lane and the east side of the Carty Generating Station rail spur).

South and east of those airport zones, but not contiguous with the SAI-zoned portion of the Site, there is a large area designated SAI that is used for farm operations, including center-pivot irrigation and other associated supportive infrastructure. Multiple center-pivot systems can be seen in Figure II-2 above.

Abutting the Site to the southeast, and south and west across Sixmile Creek Canyon, are additional EFU-zoned lands that are predominantly in irrigated farm use, with multiple center-pivot systems visible in Figure II-2 above.

To the north of Interstate 84, which forms the Site's north boundary, the land area between I-84 and the south bank of the Columbia River is in the General Industrial (MG) zone. Those properties, most of which have riverbank frontage, are not currently developed for industrial use.

Proposed Amendments

The proposal consists of the following specific amendment requests:

1. Amend the Zoning Map by redesignating the easterly 331 acres of the 1,298-acre Site from its current Space Age Industrial (SAI) zoning to General Industrial (MG), as depicted in Figure II-3.
2. Amend the Comprehensive Plan and Zoning Map by redesignating the remaining westerly 967 acres of the 1,298-acre Site from its current Exclusive Farm Use (EFU) zoning to MG and Comprehensive Plan designation from Agriculture to Industrial, as depicted in Figure II-3.
3. Adopt a Limited Use (LU) Overlay Zone applicable to the Site, with the following provisions:
 - A. Allowed land uses are limited to:
 - I. Data center, including related ancillary improvements and associated infrastructure facilities.
 - II. Uses and activities allowed by the EFU zone regulations (i.e., Section 3.010 of the Morrow County Zoning Ordinance and its subsections).
 - B. All development and use shall comply with standards of the Airport Safety and Compatibility (ASC) Overlay Zone (i.e., Section 3.092 of the Morrow County Zoning Ordinance and its subsections), and applicable standards of other aviation-related regulatory agencies including the Federal Aviation Administration.
4. Amend the Comprehensive Plan/Zoning Map by redesignating approximately 1,605 acres on another site south of Boardman from its current Comprehensive Plan designation of Industrial to Agriculture and zoning from SAI to EFU, as depicted in Figure II-4 (and referred to throughout this report as the “downzone area”).²
5. Adopt findings of compliance with standards for “Reasons” exceptions to Goals 3, 11, and 14 as presented in this report, to support the above zoning actions.

² Generally, the boundaries of the proposed 1,605-acre “downzone” area correspond to the rectangle formed by the south half of Morrow County Tax Map 04N 24E Section 25 (Tax Lot 120, 04N24E) together with all of 04N 24E Section 36 and 03N 24E Section 01 to the south of it.

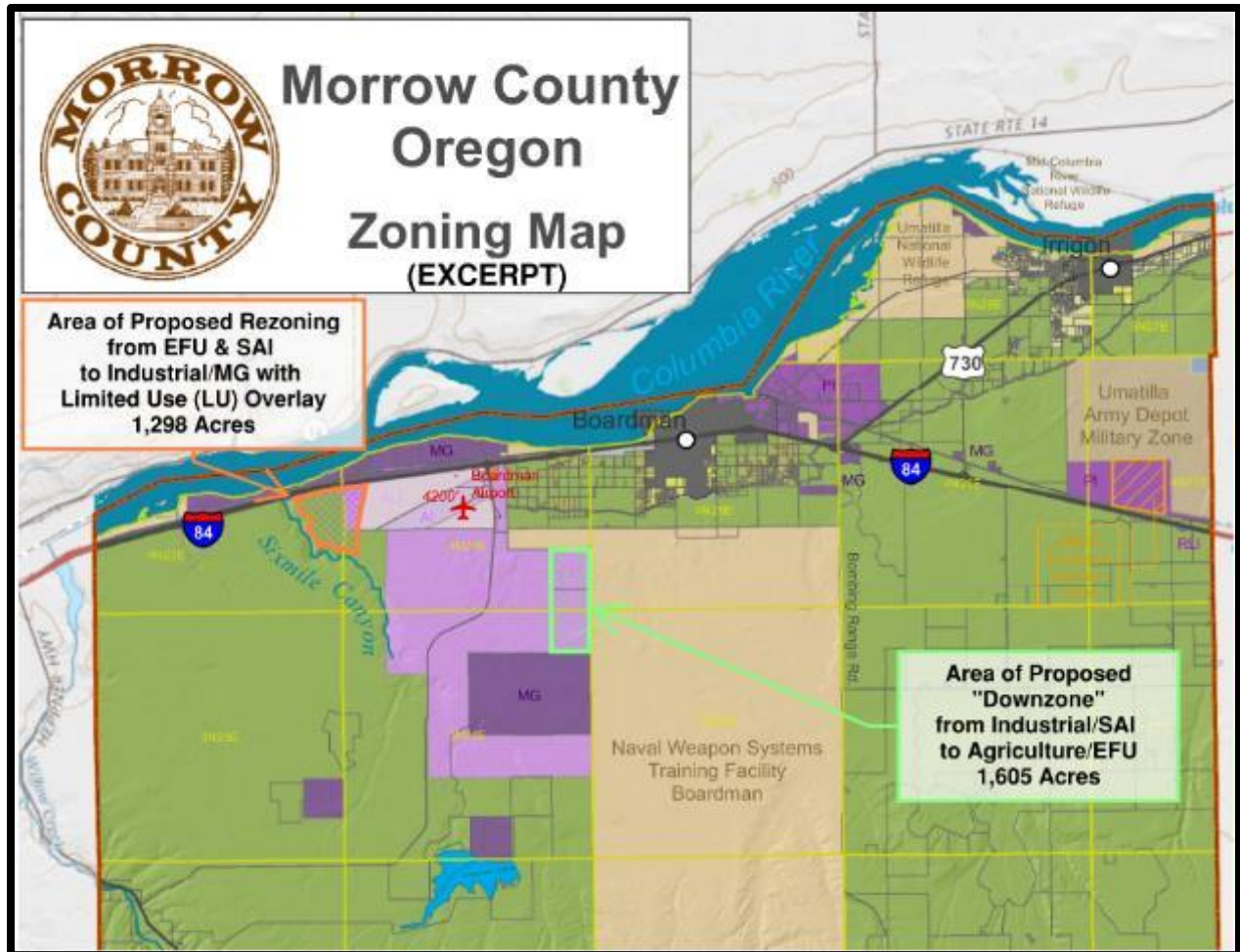


Figure II-3 Project Site and "Downzone" Area Existing and Proposed Zoning Designations on Zoning Map Base

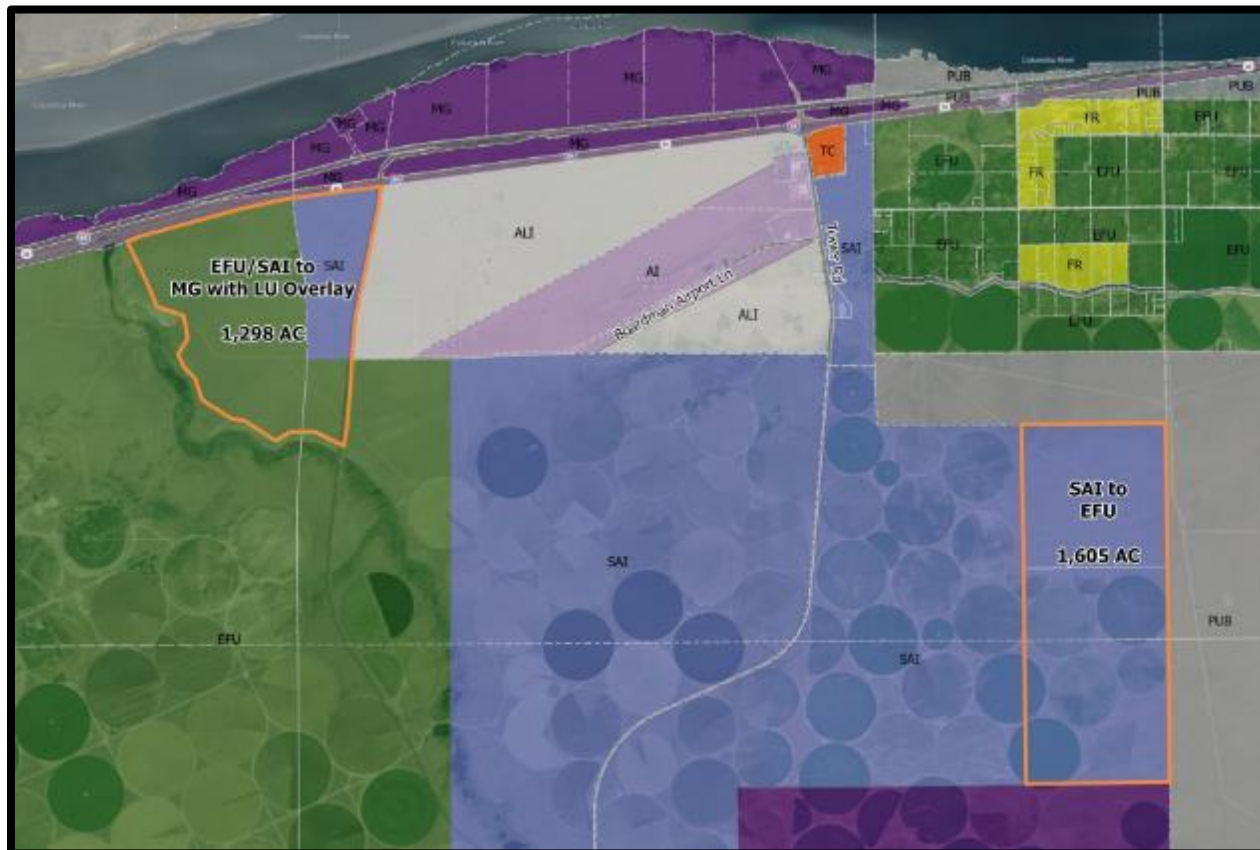


Figure II-4 Locations of Site and Proposed SAI-to-EFU “Downzoning” Designation

Digital Industry Infrastructure Perspective

As our society’s use of computerization and digital media communications has grown, it has created increasing demand not only for high-capacity connectivity (such as fiber optic and broadband internet connections to the end users), but increasingly for concentrated data center nodes capable of meeting real-time user needs associated with cloud-based computing, streaming services, and cell phone use. The Infrastructure Masons (iMasons) State of the Digital Infrastructure Industry 2024 Report (Exhibit 18.A) provides this brief historical overview:

Like other utilities such as running water and electricity, Digital Infrastructure was a curiosity long before it became a necessity. It grew organically, out of sight, out of mind and on the back of analog technology. Early websites were hosted on single servers in office closets and bedroom corners that were reached through dial-up modems. In the late 1990s and early 2000s, the dotcom bubble fueled construction of internet exchanges.

In the 2010s, businesses, governments and institutions began to shift from on-premises server rooms to leasing space in colocation data centers, building enterprise data centers, and moving their workloads to public hyperscale cloud providers. Then, boom. COVID-19 hit. The pandemic-induced lockdowns forced a shift to remote work and online school, boosted content streaming and online gaming, and spurred e-commerce for everything from food to furniture, all of which accelerated growth of Digital Infrastructure. Then, just as the Digital Infrastructure industry started to catch its breath postpandemic, generative AI exited the research lab and turbocharged growth anew.

Today, Digital Infrastructure is as important to any community as its airport, train station, waterworks, power generation, transmission lines and substations. It enables technologies that people use every day to connect, communicate, work and play. It's moved from a curiosity and nice-to-have to the enabler of the digital age. It's woven into the fabric of modern life, visible and essential. Humanity needs it and wants more. It will continue to grow. [iMasons 2024 Report, Pg. 8]

Generative Artificial Intelligence (AI) Drives Digital Infrastructure Needs

Beginning in the 2020s, Generative AI has emerged from the experimental/laboratory setting to become accessible and increasingly useful for a broad range of business, institutional, governmental, and personal applications. The emergent industry has triggered a corresponding surge in demand for large-scale computation, not only for data storage and retrieval, but perhaps more importantly, for real-time processing for Generative AI products and services in response to user requests. That exponentially increasing demand is reflected in a significant change in data center development trends that have become increasingly apparent since 2020, as noted in the iMasons 2024 Report:

In 2021, there were 7 million data center locations around the world, according to iMasons. Each of these data center locations has a unique street address and ranges in size from hyperscale data centers with more than 1 GW of power capacity to micro edge deployments on street corners that draw less than 10 kW of power. In total, they represented 105 GW of built power capacity in 2021 and an annual electricity consumption of 594 TWh. This electricity consumption represented 2.4% of global electricity draw that year, which was more than the electricity consumed in the entire United Kingdom. The Digital Infrastructure industry is forecast to double and possibly triple in size over the next 10 years with 38 GW of new capacity required for generative AI alone by 2028. Total power consumption by data centers could double by 2026 to more than 1,000 TWh, according to forecasts from the International Energy Agency.

Expansion of the data center sector in the US is expected to account for more than one third of additional demand through 2026....

Digital Infrastructure projects to meet the demand for electronic services represent major capital investments in local communities. For example, in 2022 \$3.9 billion of the \$4 billion in investment in the data center hub of Prince William County, Virginia was for data center projects, according to the Data Center Coalition (DCC), a voice for the data center industry in the United States.

Digital Infrastructure deployments also represent a meaningful increase in local jobs outside of data centers. For every direct job at a data center in the US, there are six more jobs created, according to the coalition. These jobs are in construction, electrical and mechanical engineering, security, catering, delivery and other fields. Unaccounted for are new jobs in digital services that Digital Infrastructure supports. This multiplier effect of data center jobs holds true around the world, from the established data center markets of North America and Europe to the emerging markets of Africa, Latin America and India. Data centers and the jobs they create are also a steady source of tax revenue. [iMasons 2024 Report, Pg. 9]

Prior to the emergence of AI, construction of data centers focused on available industrially zoned land with sufficient electric power service, fiber optic internet connectivity, and proximity to digital user demand (typically concentrated in urban centers) in order to reduce latency (slow response times due to longer transmission distances for two-way data communications). In the age of AI:

Recent investments, mergers and acquisitions announced by [Data Center] companies have exceeded \$100 billion for infrastructure to keep up with demand for cloud services and to train and deploy next-generation AI technologies. Ironically, even with the significant growth of cloud usage

over the last decade, some estimates show that only 20% of enterprises and governments have fully integrated public cloud into their platforms. AI-fueled growth has eclipsed forecasts from the industry's biggest participants and industry analysts. Revised forecasts suggest capacity could double in just a few years, and triple in the next 10 years.

This AI-driven shift in the industry impacts data center design, location and use. Data center campuses dedicated to large language model training, for example, have less latency constraints than data centers dedicated to cloud computing and thus have greater flexibility to locate in regions that are prioritized for abundant clean power rather than access to population centers. [iMasons 2024 Report, Pg. 10]

Growth in Electric Power Demand – at Gigawatt Scale

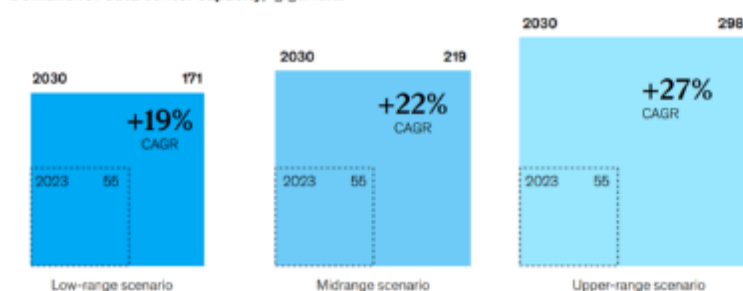
At many suitable sites, data services capacity growth has been slowed by limited availability of electric power capacity as well as the time necessary to coordinate service providers, construct high-capacity service extensions to sites, and adapt transmission networks to accommodate the added loads. Quoting from the iMasons 2024 Report:

Without power, there is no digital economy. "We need to move the data center to the power instead of moving power to the data center." — iMasons member. [iMasons 2024 Report, Pg. 14]

Similarly, the McKinsey & Company's Technology, Media & Telecommunications Practice group published AI power: Expanding data center capacity to meet growing demand in October 2024 (see Exhibit 18.B), making these observations:

Data center demand [measured by power consumption to reflect the number of servers a facility can house] has already soared in response to the role data plays in modern lives. But with the emergence of generative AI (gen AI), demand is set to rise even higher. And that is likely to presage a supply deficit.... Our analysis of current trends suggests that global demand for data center capacity could rise at an annual rate of between 19 and 22 percent from 2023 to 2030 to reach an annual demand of 171 to 219 gigawatts (GW). A less likely yet still possible scenario sees demand rising by 27 percent to reach 298 GW (Exhibit 1). [Estimates are based on an analysis of AI adoption trends; the likely mix of application-specific integrated circuits (ASICs), graphics processing units (GPUs), field-programmable gate arrays (FPGAs), and nonaccelerated central processing units (CPUs) used to run workloads; the mix between training and inference workloads; the emergence of inference optimized chips; efficiencies in model training; and the extent to which higher processing power requires higher power consumption.] This contrasts with the current demand of 60 GW, raising the potential for a significant supply deficit. To avoid a deficit, at least twice the data center capacity built since 2000 would have to be built in less than a quarter of the time.

Exhibit 1

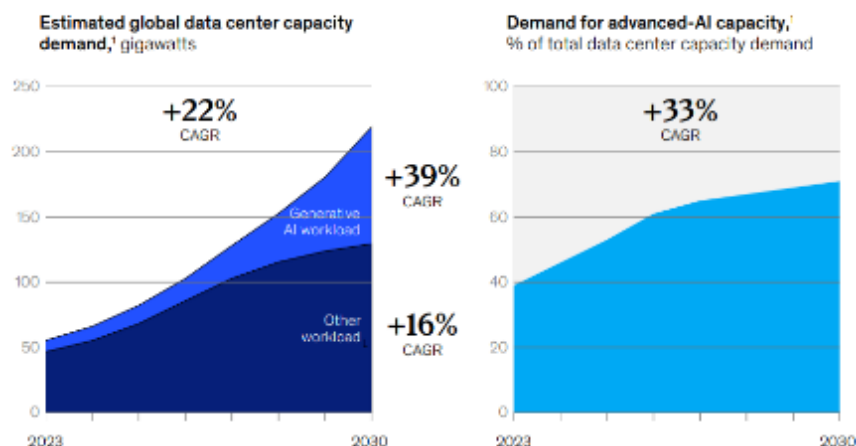
Global demand for data center capacity could more than triple by 2030.Demand for data center capacity,¹ gigawatts

¹Three scenarios showing the upper-, low-, and midrange estimates of demand, based on analysis of AI adoption trends; growth in shipments of different types of chips (application-specific integrated circuits, graphics processing units, etc.) and associated power consumption; and the typical compute, storage, and network needs of AI workloads. Demand is measured by power consumption to reflect the number of servers a facility can house.
Source: McKinsey Data Center Demand model

McKinsey & Company

Demand for AI-ready capacity is the main driver of this potential deficit—as it must provide the high computational power and power density required by AI workloads. Our analysis suggests that demand for AI-ready data center capacity will rise at an average rate of 33 percent a year between 2023 and 2030 in a midrange scenario. This means that around 70 percent of total demand for data center capacity will be for data centers equipped to host advanced-AI workloads by 2030. Gen AI, currently the fastest-growing advanced-AI use case, will account for around 40 percent of the total (Exhibit 2).

Exhibit 2

AI is the key driver of growth in demand for data center capacity.

¹Midrange scenario is based on analysis of AI adoption trends; growth in shipments of different types of chips (application-specific integrated circuits, graphics processing units, etc.) and associated power consumption; and the typical compute, storage, and network needs of AI workloads. Demand is measured by power consumption to reflect the number of servers a facility can house.
Source: McKinsey Data Center Demand model

McKinsey & Company

Examples of the emerging new class of gigawatt-capacity data center developments have been reported in recent industry publications. Mega \$14 billion data center project proposed in metro Phoenix (Phoenix Business Journal; see Exhibit 18.C) reports:

PHOENIX — A Denver developer has plans to build a \$14 billion master-planned data center complex across 1,000 acres in metro Phoenix. Between two campuses, the development will span across nearly 30 buildings totaling 5.6 million square feet, one of the largest data center projects

proposed in the Valley by acreage. The development is being spearheaded by Denver-based Tract, a new data center developer embarking on its first project in the Grand Canyon State.

The facility, called Project Range, will also be supported by three Arizona Public Service substations in the Buckeye planning area, according to recent project documents submitted to Maricopa County. The buildings will range from 149,000 square feet to 260,000 square feet each, and will be located north and south of Yuma Road between Jackrabbit Trail and Perryville Road on a county island.”

As described below and in the attached Economic Impacts Analysis, (Exhibit 8), several national examples of this type of exascale data center are being planned or built out now.

In the state of Virginia, Data center boom transforms Culpeper (InsideNoVa; see Exhibit 18.D) reports on over 13 million square feet (SF) of built or approved data center buildings on nearly 1,000 acres within Culpeper County and the Town of Culpeper, Virginia, including six built or approved data center buildings within Culpeper County and two within the Town. (One, the Culpeper Technology Campus, is partially in both the county and town.)

For the reported projects, the article “Data center boom transforms Culpeper” provides data for the year approved or constructed, megawatt electrical load/capacity, and acreage. The reported data along with plotted data from examples compiled in the Economic Impact Analysis (Exhibit 8) indicate that the scale of proposed data center projects, in terms of both megawatt load and site acreage, have trended upward substantially since 2020, including a proposal pending approval for a 426-acre, 900 MW facility (represented in the two graphs below as an anticipated 2025 approval).



Figure II-5: Summary Charts from InsideNoVa Article (prepared by Mackenzie)

The Economic Impact Analysis prepared by Johnson Economics (see Exhibit 8, pages 9-10) also lists several examples of exascale data center projects under or nearing construction in the United States:

- The Cumulus Data Center, Berwick, PA: 1,200 acres; ultimate power capacity reaching 960 megawatts.
- The Crusoe Energy Systems project at the Lancium Clean Campus in Abilene, Texas: over 1,000 acres; ultimate power capacity 1.2 gigawatts (1,200 megawatts).
- The Surry Green Energy Center, Surry, Virginia: 641 acres.
- Project Range, Phoenix, Arizona metro area: proposed 1,000 total acres across two DC campuses, with 30 buildings and over 5 million SF; the master-planned project is expected to entail an estimated \$14 billion investment.

- The Quantum Loophole project, Maryland: 2,100-acre campus, ultimate power capacity of nearly two gigawatts. The campus will be developed in phases representing up to \$30 billion of investment, including environmental mitigation and hundreds of acres of greenspace.
- The Google data center campus in Council Bluffs, Iowa: roughly 1,000 acres with estimated \$5.5 billion in investment so far, with another potential \$1 billion investment announced.

Numerous published articles, as well as a growing national list of large-campus, high-megawatt electrical capacity Exascale Data Center Campus developments, provide compelling evidence of the recent emergence of a significant inflection point: as the industry evolves to address growing demand for Generative Artificial Intelligence and other computation-based services, a previously unprecedented number of EDCC's has moved through the development permitting process to construction and operational phases. (See Exhibit 18, Data Center Reference Literature.)

More particularly with respect to recent Oregon developments in the data center arena, see the January 31, 2025 Business Oregon article, "The Impacts of Data Processing in Oregon," Exhibit 18.18.F.

Hyperscale Data Center Location Factors

With respect to "hyperscale" data centers, Mackenzie produced a report dated July 9, 2024, to support the City of Hermiston Economic Opportunities Analysis (Technical Memo: Siting Criteria for Hyperscale Data Centers), see Exhibit 18.E). That report observes that "Hermiston's proximity to the Columbia River and major electrical transmission lines makes the area desirable for hyperscale data center campuses. The following sections of this report primarily focus on the siting criteria for the hyperscale category of data center facilities, based on information derived from trade organizations, literature, an end user, and Mackenzie engineering staff." The following list summarizes site criteria from that report:

- **Site and building characteristics:** 100 acres or larger with minimum dimensions to accommodate about 1,000-foot-long data center buildings, associated parking and circulation, utilities, supportive infrastructure, and buffers. Site topography of less than 5%.
- **Location:** Within 30 miles of interstate highway or freight route and reasonable distant from residential and other overnight accommodation facilities due to noises produced by cooling equipment and backup generators.
- **Utilities:**
 - Electricity – 60-240 megawatts (MW) capacity with close proximity to substation and redundancy including emergency backup system for uninterrupted operation.
 - Telecommunications – Fiber Optic "Major Communications" and "Route Diversity" connections.
 - Water Service – high pressure supply with flow capacity of at least 1,000 gallons per day per acre (GPD/Ac.).
 - Sanitary sewer (if used for wastewater or cooling water) – discharge flow capacity 500-1000 GPD/Ac, with the clarification that water and sewer requirements are highly variable based on cooling methods and water reclamation practices and should be reviewed on a case-by-case basis for specific development requirements.
- **Site Security:** Gated access, security lighting, and security systems to ensure data remains secure and systems stay online.
- **Natural Hazards:** Due to need to be in continuous operation, sites must have minimal seismic, flood, or other natural hazard risk exposure.

Similar site criteria have been acknowledged by LUBA in part. In 2019-2020, the Port of Morrow sought to rezone an 89.6-acre site in Morrow County from agricultural land to industrial in connection with a sale

of property for hyperscale data center use. Specifically, the Port of Morrow filed an application for a reasons exception to Goals 3, 11, and 14 to change the property's comprehensive plan/zoning designation from EFU to Port Industrial (PI) with an LU Overlay in order to develop an industrial use on the property. The Port later identified that the industrial use would be a data center. The Board of Commissioners approved the application, and 1000 Friends of Oregon appealed.

LUBA held that the locational advantage analysis for hyperscale data centers can consider criteria such as site size requirements, proximity to transmission lines, and ability to discharge water and that it was not necessary to analyze specific criteria in alternative areas, where alternative areas were not rejected based on those specific criteria.³

Exascale Data Center Campus (EDCC) Location Factors

Exascale Data Center Campuses, while similar to hyperscale data centers, have a distinct set of siting criteria. The advent of Generative AI forms a *strategic inflection point*⁴ with significant ramifications for land use policy. In planning sites for facilities capable of providing the computational power to meet emerging AI industry needs, public planning considerations—such as provision of utility services and minimizing or mitigating off-site visual, acoustic, traffic and other impacts—necessarily intersect with critically important industry economic factors such as scale and ability to consistently achieve operating efficiencies.

Particularly for exascale facilities to support Generative AI applications and services, those planning factors combine to form a need (and opportunities) for substantially larger campus sites (i.e., Exascale Data Center Campuses) with a different set of fundamental characteristics than hyperscale data centers:

Emerging/Unique Exascale Data Center Campus Required Location Factors

- **Site Area:** Campus area exceeding 1,000 acres, to accommodate multiple buildings, power substations, and to concentrate various accessory/supporting facilities and functions for efficiency.
- **Electricity:** Proximity to and the ability to extend electric transmission lines with one Gigawatt (GW, equal to 1,000 MW) or greater service capacity at the site, with on-site substation(s) and redundancy including large-scale uninterruptible emergency backup systems for continuous operation. This is a roughly 4 times to 16 times the electric power requirements assumed in the Hermiston EOA Technical Memo for Hyperscale Data Centers on approximately 100+ acre sites.
- **Telecommunications:** Fiber Optic “Major Communications” and “Route Diversity” connections with higher capacities corresponding to the higher volume of data traffic.
- **Water Service:** High pressure supply with flow capacity of at least 50-200 Gallons per Megawatt Hour (MWh); while the ratio of water supply to MWh capacity is similar, the substantially larger scale of operations requires facilities capable of accommodating the correspondingly larger total service demand.

³ 1000 Friends vs. Morrow County, 81 Or LUBA 508 (2020)

⁴ The term, popularized in the 1990s by former CEO of Intel Corporation Andy Grove, refers to a major change in the competitive environment that requires a fundamental change in business strategy. Response outcomes (success or failure) depend on strategic decisions made by executive teams.

- **Wastewater (equipment cooling):** Discharge flow capacity 500-1,000 GPD/Ac.; while the ratio of water discharge to MWh capacity is similar to hyperscale data centers, the substantially larger scale of operations requires facilities capable of handling a correspondingly larger total discharge.
- **Note:** Water supply and wastewater disposal system requirements are highly variable based on cooling methods and water reclamation practices and should be reviewed on a case-by-case basis for specific development requirements.

Similar Required Location Factors for Exascale Data Center Campus Sites

EDCCs have some similar required locational requirements as hyperscale data centers:

- **Environmental Quality:** Site not subject to surrounding area environmental quality issues (e.g., sources of vibration, air quality impacts, or other factors).
- **Site Security:** Gated access, security lighting, and security systems to ensure data remains secure and systems stay online.

Similar Competitive Location Factors for Exascale Data Center Campus Sites

EDCCs have some similar competitive location factors as hyperscale data centers:

- **Site Slope:** less than 5%.
- **Transportation:** within 30 miles of Interstate or Freight Route.
- **Natural Gas:** minimum 4" service line.
- **Natural Hazards:** Outside Environmental Hazard Areas (FEMA Floodplain, landslide/soil liquefaction, etc.).
- **Environmental/Resource Permitting:** Not subject to Environmental or Resource permitting (hazardous materials cleanup, wetlands/stream impacts, Endangered Species Act Threatened/Protected species, etc.).
- **Site Separation:** Isolation or buffering from sensitive land uses including but not limited to residential (e.g., to mitigate potential noise/air quality impacts of occasional diesel backup generator operation and other activities).

Planning Considerations for EDCCs

When these factors are considered together, not only the feasibility but also the preferability of planning one or more sites at suitable location(s) represent sound land use policy for Morrow County and is consistent with adopted County land use policies as reflected in Morrow County's Comprehensive Plan, Economic Element at pages 11-13:

- Locating an Exascale Data Center Campus (EDCC) containing 1,298 acres in proximity to high-capacity power transmission lines will significantly minimize the required extension of new power transmission lines. By contrast, achieving comparable computation capacity at multiple distributed smaller sites would require extending high-capacity power transmission lines in one or more new corridors to provide the necessary electric service. In addition to being costly to construct, multiple extensions are more complex to plan, permit, and integrate into the electric service delivery system, and would have a significantly more extensive visual impact on the surrounding community.
- Locating an EDCC far from residential areas and other sensitive receptor sites reduces potential for undesirable potential off-site impacts. Most such effects are sporadic and temporary, associated primarily with occasional operation of backup electric power generation systems that

produce equipment noise and exhaust, such as from diesel generators. By contrast, multiple distributed sites under similar conditions (i.e., switching to backup power during a regional power outage) would cause such impacts at multiple locations, over a more dispersed and generally larger area, and potentially affecting a larger number of residents. Importantly, in either scenario, air quality, noise and other impacts would be subject to all applicable state and local compliance regulations; the point is that while any such impacts would be relatively minor and legally permitted, they would be perceived differently by residents of the area due to relative proximity—and concentrating such impacts at a location distant from population concentrations is preferable.

- Water service for an EDCC can be achieved by the extension of existing urban services on ALL-zoned lands to the east of the Site, to provide a water system extension designed to handle flows to the fully-developed facility under full operation. Stormwater management can be handled by ponds. By contrast, serving multiple distributed sites would likely require extension and/or upgrading of existing public water and storm drain system infrastructure at multiple locations within the community, which would be more costly to construct, cause more construction impacts on the community, and would have higher associated ongoing operation and maintenance costs.
- Although the traffic associated with data center operations tends to be quite low, the concentration afforded by an EDCC enables technical support staff to perform maintenance, repairs, upgrades and other services entirely within the site. By contrast, distributed sites would require multiple trips on the public roads to accomplish the same tasks and functions, further impacting traffic operations at various locations. In addition to the added vehicular trips, the associated transit times for staff to access multiple sites would slow response times and produce comparative inefficiencies.

III. NARRATIVE AND COMPLIANCE

The following narrative describes compliance with the standards of the Oregon Revised Statutes (ORS), Oregon Administrative Rules (OAR), Morrow County Comprehensive Plan, and Morrow County Zoning Ordinance (MCZO) which apply to the proposed Comprehensive Plan and Zoning Map Amendments and application of the Limited Use Overlay to the Site. The subsequent Section provides findings of compliance for the proposed companion Plan Map Amendment/Zone Change of the 1,605-acre “downzoning” area from Industrial/Space Age Industrial (SAI) to Agriculture/Exclusive Farm Use (EFU).

Findings for Amendments Applicable to the Site

Compliance with Criteria for Goal Exceptions

Because the proposal involves rezoning rural resource lands for industrial use, exceptions from the applicable Statewide Planning Goals are required. There are three types of goal exceptions: (1) for land already physically developed; (2) for land irrevocably committed to uses not allowed by the applicable goal; and (3) when there are sufficient reasons to not apply the goal (ORS 197.732). This proposal requests the County to adopt findings under criterion (3), so-called “Reasons” exceptions for the Site.

ORS 197.732(2)(c) sets forth the requirements for a local government to adopt a reasons exception:

- (A) *Reasons justify why the state policy embodied in the applicable goals should not apply;*
- (B) *Areas that do not require a new exception cannot reasonably accommodate the use;*
- (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; and*
- (D) *The proposed uses are compatible with other adjacent uses or will be so rendered through measures designed to reduce adverse impacts.*

To rezone SAI and EFU land to permit data centers supported by ancillary improvements and associated infrastructure facilities, this narrative addresses “Reasons” exceptions to Goal 3 (preserving agricultural land for farm use); Goal 11 (prohibiting extension of urban sewer to serve industrial uses on rural lands); and Goal 14 (directing urban uses to be located inside urban growth boundaries) for the entire Site.⁵ In addition to state laws and regulations, this narrative addresses applicable Morrow County Comprehensive Plan policies, implementing code criteria relating to planned zone map amendments, and the MCZO requirement to enact a Limited Use Overlay to implement the rules governing a “Reasons” exception to statewide planning goals.

OAR 660, Division 4 – Interpretation of Goal 2 Exception Process

660-004-0018 – Planning and Zoning for Exception Areas

(4) “Reasons” Exceptions:

⁵ Although the SAI-zoned portion of the Site may not require new goal exceptions to accommodate new or additional allowed industrial uses on a qualifying site (see ORS 197.713), the lack of clear interpretative guidance or case law on the issue requires the applicant to treat the entire Site as whole and seeks goal exceptions for both the EFU and SAI zoned portions.

- (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, 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: This application seeks “reasons” exceptions to Statewide Planning Goals 3, 11, and 14 to rezone the subject site from EFU and SAI to MG to accommodate data centers with ancillary improvements and associated infrastructure facilities. As explained below, OAR 660, Division 4 standards and criteria are met for the requested exceptions to Goal 3. With respect to Goals 11 and 14, OAR 660-014-0040(2) supplies the criteria for a reasons exception involving new urban development on undeveloped rural lands (per *VinCEP v. Yamhill Cnty.*, 215 Or. App. 414, 422-23, 171 P.3d 368, 372 (2007)). Morrow County’s Limited Use Overlay Zone (LU) will be applied to the Site to limit the uses of the site which require a Goal 11 or Goal 14 exception to only those that are justified in the exception (i.e., data centers and associated infrastructure) and farm uses (which do not require an exception), as set forth in MCZO 3.110. This standard is met.

660-004-0020 – Goal 2, Part II(c), Exception Requirements

- (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.*

Response: This narrative defines the reasons which justify the proposed goal exceptions in the following response.⁶ The text of the comprehensive plan will be amended to incorporate the justification for the proposed exceptions to Goals 3, 11, and 14. This standard is met.

- (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:*

- (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: The applicant is requesting goal exceptions to allow exascale data center development on lands currently zoned EFU and SAI. Data centers are considered an urban-scale industrial use and require the extension of public facilities and services (water) to the site, as well as transportation facilities. As such, the applicant seeks an exception to policies in Goal 3 (Agricultural Land) and Goal 11 (Public Facilities and Services).

As set forth below, these reasons justify the allowance of Exascale Data Center Campus development on this Site, which are based on the essential siting characteristics defined in the introductory sections of this report:

1. Proximity to and ability to extend existing, high-capacity electrical transmission lines.
2. Proximity to existing and/or forthcoming water infrastructure near Boardman Airport (Port of Morrow).

⁶ Note that the criteria in OAR 660-004-0022(1) are not applicable to the establishment of new urban development on undeveloped rural lands; the application, instead, is subject to OAR 660-014-0040 for purposes of an exception to Goals 11 and 14. And OAR 660-004-0020 applies for purpose of an exception to Goal 3.

3. Proximity to existing and/or forthcoming long-haul fiber-optic routes (multiple major internet service providers).
4. Proximity to an interstate highway (I-84).

As described in the attached Economic Impact Analysis, Exhibit 8, development of an Exascale Data Center Campus at the proposed exceptions Site would benefit Morrow County's economy, including generating significant ongoing property tax revenue streams to the local school district and other agencies, and causing minimal or no loss of productive resource lands. The Site's 1,298 acres represent only a small part – about 1.5% – of the applicant's combined land holdings, which exceed 85,000 acres in Morrow County, over 40,000 of which are irrigated and under active farm use. Approximately 967 acres of the site are zoned EFU; the remaining 331 acres are zoned SAI, and are therefore already available for some types of industrial development (however, the SAI zone does not allow data centers).

The exceptions Site is isolated by natural and physical barriers (Sixmile Canyon, BPA transmission lines, PGE rail spur extending south to the Carty Generating Station). As described in greater detail in the attached Soils Report, Exhibit 10, the site is underlain by shallow basalt flows and contains a complex of rock outcrops, subtle mounds, and concave intermound areas, which severely limit the site's potential for crop production. The Soils Report supports the conclusion that the site does not contain soils that are considered "high value farmland" and has little potential for crop production. Based on these factors, the property owner has not and does not intend to use the site for productive agricultural uses. Furthermore, while this proposal involves rezoning 967 acres from EFU to MG, it also involves rezoning a greater area of land (1,605 acres) currently zoned SAI to EFU (see map, Exhibit 5). Approximately 775 acres of the downzone area is improved with center-pivot irrigation equipment and is actively used for crop production, approximately 680 acres has a third party stewardship agreement, and the remaining 150 acres consists of areas between cultivated fields, along the east perimeter and access road. Therefore, the proposed goal exceptions would not result in a loss of productive resource land.

- (b) *"Areas that do not require a new exception cannot reasonably accommodate the use". 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: Exhibit 7 contains a series of maps and narrative which identify the Goal exceptions site and potential alternative areas which do not require a new goal exception. The map series illustrates and describes the process used to evaluate the feasibility of possible alternative areas based on essential siting criteria for Exascale Data Center Campuses. This standard 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:*

Response: In determining whether alternative sites can "reasonably accommodate" the proposal under OAR 660, Division 4, the applicant must evaluate the alternative sites

within (i) existing exception areas, (ii) irrevocably committed resource lands, and (iii) urban growth boundaries.⁷

Thus, this standard is a holistic examination of whether, considering all essential site characteristics and economic factors, other sites could “reasonably accommodate” the proposed use. It considers all relevant circumstances and has been interpreted to mean that the alternative sites must be able to support the proposed use without requiring significant changes or additional discretionary approvals. For instance, in *Columbia Riverkeeper v. Columbia County*, 70 Or LUBA 171 (2014), the Oregon Land Use Board of Appeals (LUBA) emphasized that the alternatives analysis must consider whether the proposed use can be accommodated without requiring a new exception. Similarly, in *1000 Friends vs. Morrow County*, 81 Or LUBA 508 (2020), LUBA held that it was permissible to exclude sites that require an exception. Further, alternative sites that are already developed or committed to development may be excluded. When an applicant identifies significant cost or timing barriers to developing on sites that are otherwise under contract for purchase/sale, contain wetlands, or that require assemblages, those can constitute “economic factors” sufficient to eliminate alternative sites. See *1000 Friends vs. Morrow County*, 81 Or LUBA 508 (2020).

The analysis below demonstrates that this standard is met, considering economic factors and essential site characteristics for an EDCC. The Site is justified for this specific proposed use and there are no alternative sites in the vicinity that can “reasonably accommodate” the proposed use.

- (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?*

Response: Existing exception areas that would not require a new goal exception are very limited in the vicinity⁸ of the Site. OAR 660-004-0018(4)(a) states that when an exception is taken to a statewide planning goal for a particular reason to meet a specific need, the uses allowed must be limited to uses that were justified in the exception. In other words, adding a new use to prior exception land that was not identified for the current proposed use requires a new goal exception.

⁷ An applicant may identify essential siting criteria to narrow the field of alternatives. *VinCEP v. Yamhill County*, 55 Or LUBA 433 (2007), *affirmed in part, reversed and remanded in part*, 215 Or App 414, 171 P3d 368 (2007). Alternative sites that do not meet the proposal’s essential site criteria can be eliminated. See, e.g., *Devin Oil Co. Inc. v. Morrow County*, 62 Or. LUBA 247, *affirmed* 241 Or App 351, 250 P3d 38 (2010), *rev. den.*, 350 Or 408, 256 P3d 121 (2011) (fact that two identified sites limited large truck access was alone sufficient to conclude that these alternative sites could not reasonably accommodate the proposed travel center); see also *Columbia Riverkeeper v. Columbia County*, 78 Or LUBA 547 (2018) (“*Riverkeeper II*”), *aff’d* 297 Or App 628, 443 P3d 1184, *rev den.*, 365 Or 721 (2019) (in assessing whether there were other sites that did not require an exception that could reasonably accommodate the use, it was permissible to limit consideration to other deepwater port sites in Oregon). In addition, the rule specifies that “economic factors may be considered” in evaluating whether alternative sites are ones that could reasonably accommodate a particular use. OAR 660-004-0020(2)(b); see also *Columbia Riverkeeper v. Columbia Cnty.*, 297 Or. App. 628, 443 P.3d 1184 (2019) (because coastal ports were not “economically comparable” to Port Westward given their distance, “no need to conduct further analysis” on those sites).

⁸ The Alternative Areas Analysis (Exhibit 7) study area encompasses northern Morrow, Gilliam, and Umatilla counties.

Initially, as described above, data centers are generally a newer type of development that began in the 2010s. Thus, many of the prior exception lands, which were adopted long before 2010, would not have contemplated “data centers” as a permitted use, nor would the reasons that supported those exceptions have covered such a use. Therefore, “data centers” would necessarily be considered a new permitted use and require a new goal exception.

Indeed, the Space Age Industrial zone near the Site does not permit data centers, and it is not possible to rely on the purpose or reasoning used to justify the previous goal exception for the Space Age Industrial zone. That purpose was to allow for antennae and space vehicle testing, including the development of transatmospheric planes and remote pilotless vehicles and electronics, laser and microwave research. As further background, in 1986, Morrow County, at the request of Boeing, rezoned EFU land to MG and simultaneously adopted a special Limited Use overlay zone applying to that land, limiting permitted uses to “antenna test range, or for electronics, aerospace, aircraft or space vehicle research and/or development.” In 1987, Morrow County adopted the new SAI zone (including an associated goal exception) for approximately 14,000 acres of previously zoned EFU land—the basis for this exception was the same as the initial exception which led to the Limited Use overlay. Review of the specific justification offered by the County in support of the 1986 “Reasons” exception indicates that the need was limited to research and development efforts relating to space vehicles. This is consistent also with testimony from Boeing officials in the hearings in support of adopting the SAI zone. Thus, “data center” use would be a new use in the SAI zone and require a new goal exception.

General Industrial-zoned areas outside urban growth boundaries (UGBs) are likewise excluded if they do not permit data centers, because permitting data centers in such zones would necessarily require additional discretionary approvals (including a goal exception), making these sites categorically unavailable for immediate development. As noted above, courts and LUBA have held that sites requiring a goal exception may be excluded from consideration. There are several General Industrial blocks of land due south of the Site in Morrow County; however, it appears from the 1986 ordinance⁹ establishing this exception area that data centers were not contemplated as permitted uses. The 1986 ordinance approved an upzone from EFU to MG to allow “antennae test range uses” for 3,800 acres. Similarly, in unincorporated Gilliam County, there are no zones that currently permit data centers. Therefore, these areas were excluded because the process for establishing data centers as a permitted use is uncertain and would likely involve a new goal exception, significant delays, legal challenges, and increased costs, thereby undermining any argument that these sites could “reasonably accommodate” data center use.

The Umatilla Army Depot site, which is partially in Morrow County and partially in Umatilla County, is also not a reasonably available alternative site because it is the subject of litigation, which seeks to prohibit the owner from selling the site.

⁹ Ordinance No. MC-C-4-86, <https://www.co.morrow.or.us/sites/default/files/fileattachments/planning/page/16596/mc-c-4-86.pdf>

In particular, the Columbia Development Authority (CDA) voted on March 26, 2024 to approve the transfer of real property formerly the site of the Umatilla Army Chemical Depot to the Port of Morrow and the Port of Umatilla (collectively, the “Ports”). The CDA vote would transfer 1,900 acres of industrial property and 634 acres of exclusive farm use property to the Port of Morrow, 2,535 industrial acres to the Port of Umatilla, and 4,019 acres to Confederated Tribes of the Umatilla Indian Reservation (CTUIR) for wildlife habitat. Following that vote, Umatilla County filed an action in the Circuit Court of the County of Umatilla (Case No. 24CV31777), which includes a motion for preliminary injunction to enjoin the CDA (and Morrow County and the Ports) from taking any further action to convey any portion of the property to the Ports (i.e., the industrially-zoned portions). The motion was initially scheduled for hearing in October 2023, but the hearing has been rescheduled to January 2025. At the January hearing, however, the judge recused himself, the hearing was vacated, and the case has not yet been reassigned nor the hearing rescheduled. This litigation introduces significant legal uncertainty, the outcome of which is uncertain in substance and timing. Thus, the Site cannot “reasonably accommodate” data center development, while it remains the subject of active litigation which seeks to prohibit sale of industrial property.

North of the Site, on the opposite (north) side of Interstate 84, there are multiple parcels of land in the Morrow County General Industrial (MG) zone; this area is referred to as Area MC-1 in the Exhibit 7, Alternative Areas Analysis. A small amount of the MC-1 area is located in a strip between the Interstate and the railroad right-of-way, but most of it is situated north of the railroad corridor, having its north boundary formed by the Columbia River. The ownership pattern consists of several large parcels owned by the Port of Morrow, separated by intervening large parcels owned by the applicant, Threemile Canyon Farms, LLC. Threemile Canyon Farms has provided a letter indicating that its properties within this sub-area are not available for purchase or lease, for any purpose (see Appendix C in Exhibit 7). Because it is not possible to assemble a contiguous parcel with sufficient area for an exascale data center campus (1,000 acres or more) without including some of the Threemile Canyon Farms parcels, the MC-1 Area cannot reasonably accommodate exascale data center campus use.

- (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?*

Response: Resource land within 10 miles of existing high-capacity electrical transmission lines was investigated as part of the Alternative Areas Analysis (Exhibit 7). As established in the introduction to this report, proximity to existing power supply infrastructure is an essential siting requirement for Exascale Data Center Campuses, so areas that exceed this distance requirement were not considered as potential reasonable alternatives for such development. Within the areas that were investigated, no resource land that is already irrevocably committed to nonresource uses was identified; therefore, the proposed use cannot be reasonably accommodated on such land.

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

Response: Possible alternative areas for Exascale Data Center Campus development within UGBs are identified in the attached Alternative Areas Analysis (Exhibit 7). The study area for the analysis includes the following UGB areas:

1. City of Arlington
2. City of Boardman
3. City of Lone
4. City of Irrigon
5. City of Umatilla
6. City of Hermiston
7. City of Stanfield
8. City of Echo

The analysis identifies which zones allow data center uses and contains maps of all land in those zones. This land was then evaluated to determine whether there were sites that met the essential siting criteria for an Exascale Data Center Campus. The analysis concludes that no reasonable alternative areas are available because of constraints such as existing development, entitled development, insufficient contiguous development area, or distance from existing high-capacity transmission lines. Therefore, the proposed data centers use cannot be reasonably accommodated within an urban growth boundary.

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

Response: The essential siting characteristics for Exascale Data Center Campuses are described in the introductory sections to this narrative. Based on the essential siting characteristics, the provision of public facilities and services is necessary for the following reasons:

1. Proximity to existing high-capacity electrical transmission lines (<10 miles). This is required because the equipment used in an Exascale Data Center Campus generates demand for 250 megawatts to one gigawatt or more and requires one or more dedicated substations. Distribution lines would not provide adequate power supply. Possible alternative areas greater than 10 miles from existing high-capacity transmission line would not be reasonable based on the time, cost, and regulatory restrictions (such as Energy Facility Siting Council review) associated with extending new infrastructure to the site. The applicant has obtained a Service Provider Letter from the Pacific Power to provide the required electrical supply to the proposed exceptions site (Exhibit 17.B). Service provider letters stating that “they have the capacity to provide service to the property is substantial evidence upon which a reasonable person would rely to conclude that the property can be served.” See *1000 Friends vs. Morrow County*, 81 Or LUBA 508 (2020).
2. Water supply of approximately 1,000 gallons/day per developed acre of land. This is required to cool the equipment used in an exascale data center campus. Groundwater resources within the study area of possible

alternative sites may be restricted and/or may not provide adequate water supply, so the proposal would very likely require public water infrastructure. The applicant will obtain a Service Provider Letter from the Port of Morrow to provide the required water supply to the proposed exceptions site (Exhibit 17.A). Service provider letters stating that “they have the capacity to provide service to the property is substantial evidence upon which a reasonable person would rely to conclude that the property can be served.” See *1000 Friends vs. Morrow County*, 81 Or LUBA 508 (2020).

3. Sewage Disposal Facilities. This is required to provide for employee restroom facilities. Sewage disposal services will be provided by on-site septic disposal systems, which are subject to review and approval of Water Pollution Control Facilities (WPCF) permits issued by the Oregon Department of Environmental Quality pursuant to ORS 468B.050. WPCF permits issued by ODEQ have limits and conditions that are intended to be protective of ground and surface waters, as well as the environment and public health including potential nitrate treatment requirements. It is anticipated that such on-site facilities may be replaced via connection to sanitary sewer service if and when such off-site services are made available to the site. The Site is within the Lower Umatilla Basin Groundwater Management Area, designated by DEQ in 1990 because of high levels of nitrate in the groundwater. Compliance with DEQ regulations, including treating wastewater for nitrate removal, ensures the proposal will not have negative impacts on groundwater quality.
4. Industrial Wastewater Disposal. This is required to accommodate the discharge of cooling water. Approximately 15,000,000 gallons of industrial wastewater (IWW) will be generated from each data center’s non-contact cooling process annually, which would be treated onsite via conveyance in subsurface pipes to onsite lined IWW evaporation ponds, sized and located to store and fully evaporate the non-contact cooling water, until such time infrastructure for treatment and disposal of IWW is extended to the Site by the Port of Morrow. There would be no anticipated discharges from the IWW ponds on the Site, and the ponds would be subject to a 2501 Water Pollution Control Facility General Permit issued by the Oregon Department of Environmental Quality.
5. Proximity to an interstate highway (<30 miles) and access to public roads. This is required to provide reasonable access for freight traffic, employees, and service providers. The subject site is isolated from any nearby population centers, so a reasonable travel distance to an interstate highway and access to public roads connecting to the site are required.

Based on the factors described above, the proposed use cannot be reasonably accommodated without the provision of the listed public facilities and services. This standard is met.

- (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: The attached Alternative Areas Analysis (Exhibit 7) evaluates possible alternative areas for Exascale Data Center Campus development within Morrow County, Gilliam County, and Umatilla County.¹⁰ The first step of this analysis was to identify which nonresource zones in the study area allow data center uses.¹¹ Then, land in those zones was evaluated against the essential siting criteria for Exascale Data Center Campus development. Areas not within 10 miles of existing high-capacity electrical transmission lines were eliminated first, followed by areas without adequate developable land due to existing or entitled development, or lot size (including consideration of possible lot aggregations). Remaining areas were further investigated to determine the presence of flood and geologic hazards, slopes, sensitive natural resources, and lot shape and configuration, to evaluate the feasibility of developing an Exascale Data Center Campus with multiple 200,000-250,000 SF buildings.

This Alternative Areas Analysis offers a technical evaluation of the Alternative Areas evaluated in support of the proposed comprehensive plan map amendments, zoning map amendments and exceptions to Goals 3 and 14. This evaluation demonstrates that other sites that do not require a new exception cannot reasonably accommodate the proposed uses, as required by administrative rule. Therefore, none of the Alternative Areas would preclude the Site from its proposed Goal 3 and 14 Exceptions.

Based on the process outlined in this response, the Alternative Areas Analysis report and maps satisfy the applicant's requirements under the "alternative areas" standard in OAR 660-004-0020(2)(b)(B).

- (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*

¹⁰ The geographic extents of the Alternative Areas Analysis are based on an interpretation made by the Oregon Court of Appeals: "The use of the word 'vicinity' suggests that a local government may, consistent with the rule, limit its consideration of alternative sites to those that are near the proposed exceptions area." *Columbia Riverkeeper v. Columbia County*, 297 Or. App. 628, 443 P.3d 1184 (2019).

¹¹ Other zones were not included because new goal exceptions would be required.

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;

Response: The “ESEE standard only require[s] the county to complete a detailed ESEE evaluation of specific alternative sites if the sites were ‘described with facts to support the assertion that the sites have significantly fewer adverse impacts during the local exceptions proceeding.’”¹² A local government may choose the preferred alternative as long as the environmental, social, economic and energy consequences are not “significantly more adverse” than would typically result from using other resource lands for the proposed use. A local government is not required to choose the alternative that is “least disruptive to resource land.”¹³

The proposed goal exceptions Site is appropriate for Exascale Data Center Campus development and would result in significantly fewer adverse environmental, economic, social and energy (ESEE) impacts compared with other areas requiring new exceptions.¹⁴ A comparison of these impacts is described below. When comparing impacts to alternative areas, it is important to consider the ESEE benefits of placing data centers on a single large site as opposed to multiple dispersed sites, i.e., an Exascale Data Center Campus is a more efficient use of land, is more efficient to construct, provides opportunities for operational efficiencies due to the associated economies of scale, and isolates possible negative off-site impacts to just one area. The Site benefits from close proximity to existing high-capacity electrical transmission lines (e.g., there are existing transmission lines to the south of the property near the Carty Reservoir and planned lines to the Site’s eastern boundary), as well as water supply and existing transportation facilities near the Boardman Airport and an approved data center development to the east, which means impacts associated with extending services to the site would be minimal in comparison to other areas.

Environmental

Environmental impacts to the subject site are not significant because there are no inventoried Goal 5 resources or natural resource protection overlay zones. Data center development may require wetland removal/fill permit and mitigation; however, the state policies applicable to this process ensure that possible adverse impacts will be minimized. Similarly, state and/or federal permits will be required for air quality to accommodate diesel backup generators, and erosion and stormwater control associated with site preparation and construction.

Economic

Economic impacts are addressed in greater detail in the Economic Impacts Analysis (see Exhibit 8). Impacts associated with Exascale Data Center Campus development on the subject site are very positive compared with other areas that would require new exceptions. The subject site is predominantly zoned for farm use but is not irrigated and has minimal potential for crop production because of its soil type, topography, rock outcrops, and shallow bedrock (see Soils

¹² *1000 Friends vs. Morrow County*, 81 Or LUBA 508 (quoting OAR 660-004-0020(2)(c))

¹³ *1000 Friends of Oregon v. Yamhill County*, 52 Or LUBA 418 (2006).

¹⁴ Other areas within the bounds of the Alternative Areas Analysis requiring new exceptions generally fall into two categories: (1) Irrigated agricultural land; (2) Industrial land in zoning districts that do not allow data center uses.

Report, Exhibit 10). Other agricultural land in the vicinity is generally irrigated and actively used for crop production or is developed with large-scale dairy operations. This is also true of land in industrial zones that do not permit data center uses, such as the SAI zone. Therefore, development of an Exascale Data Center Campus in these other areas would have significant negative impacts on the agricultural economy of the region.

Social

Social impacts associated with Exascale Data Center Campus development are generally greater the closer a site is to population centers and residential uses. Examples include visual impacts, noise, and traffic. The subject site is isolated from any potentially incompatible uses (such as residential), situated more than five miles from population centers, so there are no adverse social impacts anticipated.

Energy

Energy impacts associated with Exascale Data Center Campus development on the Site are less significant than the impacts of the same development on other land requiring new exceptions. The amount of energy required is the same regardless of location; however, the proposed exceptions site is proximate to existing transmission lines to the south, near the Carty reservoir, and adjoining planned lines immediately to the east. Close proximity to such lines is an essential siting requirement. Alternative areas that would require the development of new transmission lines would have significantly greater impacts. Additionally, as the site is adjacent to Interstate 84 (I-84) and near the interchange at Tower Road, so energy needs associated with transportation to and from the site are lower than sites requiring greater travel distances from the I-84.

Based on these reasons, no resource land was identified that would be better suited for Exascale Data Center Campus development, and the EESE consequences of the use at the chosen Site are not significantly more adverse than would typically result from the same proposal being located in other areas requiring a goal exception.

- (d) *“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” is not intended as an absolute term meaning no interference or adverse impacts of any type with adjacent uses.*

Response: The Site is not proximate to many adjacent uses given natural buffers separating the Site via a canyon to the west and south, a rail spur to the east, and a highway to the north. The airport runway to the east of the rail spur is not within 5,000 feet of the Site. And the other abutting adjacent uses are a vineyard and another data center also to east of the rail spur, agricultural fields to the west and south of the canyon, and vacant industrial lands to the north of I-84. As described below, none of these are particularly sensitive to any of the potential impacts generated by an EDCC, and any potential impacts associated with EDCC development will be addressed through compliance with applicable regulatory standards relating to air emissions, lighting and glare, water, and airport compatibility, as described more fully below.

Development associated with an EDCC may include generation of noise and exhaust from the occasional use of diesel backup generators during power outages, but the use of such generators

will typically be infrequent, temporary, and of limited duration (e.g., to maintain uninterrupted computation services until transmission-line power service is restored). Installation and operation of the diesel generating equipment will be subject to Oregon Department of Environmental Quality (DEQ) review, to ensure that its use will comply with DEQ air quality permitting regulations. Other adverse impacts could include glare from security lighting; however, this will be mitigated by providing fully shielded directional fixtures that comply with County performance standards. Onsite sewage disposal and industrial wastewater systems will not pose adverse impacts due to DEQ review and approval for compliance with DEQ wastewater regulations (including required treatment for nitrates)

Future development of the Site for data center use will result in a traffic increase over the existing (undeveloped) condition; however, as explained in the attached transportation analysis (Exhibit 9), trip generation by data center use of the whole Site is expected to be lower than that of other currently allowed industrial uses within the SAI-zoned subarea zoning. As a result, no greater adverse impacts to transportation facilities accessed from the Site are anticipated that would affect such facilities as I-84 or associated interchanges or Tower Road.

Adjacent land uses include the Boardman Airport to the east, but the Site is >8,500 feet from the end of the runway at all points and is outside of the runway protection zone and the approach surface. All future development of the Site will be required to comply with FAA and ODAV regulations. Another adjacent use to the east is an approximately 320-acre vineyard which is separated by this Site by the PGE rail spur. The vineyard is owned and operated by the applicant and is served by an independent irrigation system, which does not depend upon surface water flows. Consequently, the applicant does not anticipate any adverse impacts from the proposed EDCC development on water supply or delivery to the vineyard. Regarding potential air emission impacts on vineyard production, mitigation would be provided through compliance with DEQ permitting requirements. The applicant also owns irrigated agricultural fields to the south and west, but this land is separated from the Site by Sixmile Canyon which forms a natural buffer from any potential adverse impacts. Finally, to the north are vacant industrially zoned lands, but those are separated from the Site by I-84.

Therefore, data center use will be compatible with adjacent uses through compliance with applicable requirements governing airports, water, and air, as well as the natural and physical features bounding the site. It is also worth noting that in this area of the state, industrial uses have long coexisted with large-scale agricultural enterprises. Data center use is similar to other industrial development in the area to the extent it generates low volumes of vehicular traffic, and all activities are contained within buildings, causing minimal off-site impacts. Importantly, the farm operator adjacent to the Site is the applicant for this proposal; the applicant has identified the Site as a part of their large ownership that (a) is not suitable for commercial farming operations, which they conduct on most of their lands, and (b) can support data center operations without adversely affecting agricultural productivity or operations on surrounding properties, including their own holdings.

Based on the above facts and findings, the potential adverse impacts of the proposed data center use will not significantly affect surrounding land uses and is therefore “compatible,” as defined above. This standard is met.

OAR 660, Division 12 – Transportation Planning

660-012-0060 – Plan and Land Use Regulation Amendments

- (1) *If an amendment to a functional plan, an acknowledged comprehensive plan, or a land use regulation (including a zoning map) would significantly affect an existing or planned transportation facility, then the local government must put in place measures as provided in section (2) of this rule, unless the amendment is allowed under section (3), (9) or (10) of this rule. A plan or land use regulation amendment significantly affects a transportation facility if it would:*
- (a) *Change the functional classification of an existing or planned transportation facility (exclusive of correction of map errors in an adopted plan);*
 - (b) *Change standards implementing a functional classification system; or*
 - (c) *Result in any of the effects listed in paragraphs (A) through (C) of this subsection based on projected conditions measured at the end of the planning period identified in the adopted TSP. As part of evaluating projected conditions, the amount of traffic projected to be generated within the area of the amendment may be reduced if the amendment includes an enforceable, ongoing requirement that would demonstrably limit traffic generation, including, but not limited to, transportation demand management. This reduction may diminish or completely eliminate the significant effect of the amendment.*
 - (A) *Types or levels of travel or access that are inconsistent with the functional classification of an existing or planned transportation facility;*
 - (B) *Degrade the performance of an existing or planned transportation facility such that it would not meet the performance standards identified in the TSP or comprehensive plan; or*
 - (C) *Degrade the performance of an existing or planned transportation facility that is otherwise projected to not meet the performance standards identified in the TSP or comprehensive plan.*

Response: The applicant has provided a report by David Evans and Associates (DEA) (Exhibit 9) and a Supplemental Traffic Memo (Exhibit 9.A) addressing Statewide Planning Goal 12 and compliance with the Transportation Planning Rule (TPR). Exhibits 9 and 9.A. provide detailed responses to subparagraphs (a), (b), and (c) of this Rule. To summarize, the proposal will not significantly affect any transportation facility by either: (1) changing any TSP roadway functional classification or roadway configuration; (2) changing the standards that implement the functional classification system; or (3) degrading the performance of an existing or planned facility beyond the projected performance of such facilities at the end of the planning period identified in the adopted TSP. Although the report does indicate that one ramp terminal and two intersections are anticipated to fail in year 2044 under current EFU/SAI zoning (see Table 10 in Exhibit 9), the analysis also demonstrates that only two of these failures will occur under the proposed rezoning and that these two intersection failures will be less severe and will occur later in the planning period under the proposed zoning than under the current zoning. Because the proposed zone change is projected to generate fewer trips than allowable under the existing zoning for the subject site, the proposed zone change does not constitute a “significant effect” on the local transportation system. The report further observes that the projected intersection failures can be easily mitigated with traffic signalization when future traffic volumes reach a level that warrants it. Morrow County will have opportunities to impose conditions of approval in required Site Development Review procedures prior to development occurring under the proposed zoning change, with mitigation measures correctly aligned with the impacts of the actual development proposal(s).

In response to a February 27, 2025 memo provided by Lancaster Mobley, the applicant’s traffic engineer prepared a Supplemental Traffic Memo (Exhibit 9.A.) specifically addressing Boardman Airport Lane for purposes of addressing compliance with OAR 660-012-0060. The Lancaster Mobley memo concludes that there is a “significant affect” because Boardman Airport Lane is not currently identified in the County’s

TSP and, therefore, an amendment to the TSP is required to formally designate a functional classification to Boardman Airport Lane to ensure that adequate infrastructure is planned and constructed; however, as explained in the Supplemental Traffic Memo (Exhibit 9.A), Boardman Airport Lane was constructed by the Port of Morrow in a manner that meets roadway design and traffic volume standards under the County's TSP for Arterial II's. The roadway is both operational today and expected to continue to operate adequately as constructed. Therefore, the Supplemental Traffic Memo concludes the proposal will have no significant effect on this road, as defined by OAR 660-012-0060, because:

- (1) it does not change a TSP roadway functional classification, because the subsequently constructed Boardman Airport Lane is not identified in the County's currently adopted 2012 TSP and, thus, carries no classification;
- (2) it does not change the standards that implement a functional classification system, because Boardman Airport Lane is consistent with roadway design requirements for the County's Rural Arterial II classification and no changes are required to that classification to provide adequate capacity for the proposed rezoning through the planning horizon;
- (3) it does not result in types or levels of travel or access that are inconsistent with the functional classification of an existing or planned transportation facility, measured at the end of the planning period, because the projected traffic levels on Boardman Airport Lane are consistent with the functional classification for a Rural Arterial II, as presented in the TSP; and
- (4) it does not degrade the performance of an existing or planned facility beyond the projected performance of such facilities at the end of the planning period, because the trips associated with the rezone are within the capacity of the existing Boardman Airport Lane facility and will remain so throughout the planning period.

This rezone proposal also does not impact the Future Connectivity section of Morrow County's TSP (Page 4-7), nor will it exacerbate existing connectivity issues between north and south Morrow County, because the traffic generated by future data center development will not necessitate or result in north-south traffic movements beyond the Tower Road/Boardman Airport Lane travel route identified in the TPR Report. Specifically, the TPR Report confirms that the primary route to and from the site is via I-84 and Tower Road/Boardman Airport Lane, with minimal to no trips travelling south on Tower Road. Consequently, the proposed rezone will not increase or otherwise affect the identified pre-existing need for a second north-south connection, historically referred to as the Lone-Boardman Road.

Based on the evidence provided by the applicant, the proposed Comprehensive Plan Map/Zoning designation changes will not "significantly affect" an existing or future transportation facility.

- (5) *The presence of a transportation facility or improvement shall not be a basis for an exception to allow residential, commercial, institutional or industrial development on rural lands under this division or OAR 660-004-0022 (Reasons Necessary to Justify an Exception Under Goal 2, Part II(c)) and 660-004-0028 (Exception Requirements for Land Irrevocably Committed to Other Uses).*

Response: This provision is not applicable because the applicant has provided substantial evidence in the record of reasons to support the requested Goal exceptions, independent of the fact that the existing Boardman Airport Lane, located on exception land in the ALI Zone, has already been improved west from Tower Road to the east edge of the rail spur that extends south to the Carty Generating Station.

660-012-0065 – Transportation Improvements on Rural Lands

- (1) *This rule identifies transportation facilities, services and improvements which may be permitted on rural lands consistent with Goals 3, 4, 11, and 14 without a goal exception.*

Response: Existing improved transportation facilities – more particularly Boardman Airport Lane and Tower Road – will provide access to the Site. See Exhibit 17.C (Port of Morrow Road Access Letter). Both

those facilities are within approved/acknowledged urban exception lands. Following approval of the proposed Comprehensive Plan Map/Zoning designation change, the short extension of Boardman Airport Lane to serve the Site (i.e., crossing the Carty Generating Station railroad spur) will also be within the Goal exception area and this will be urban land. Therefore, the proposal does not involve future transportation improvements on rural lands, and OAR 660-012-0065 is not applicable.

660-012-0070 – Exceptions for Transportation Improvements on Rural Land

(1) *Transportation facilities and improvements which do not meet the requirements of OAR 660-012-0065 (Transportation Improvements on Rural Lands) require an exception to be sited on rural lands.*

(a) *A local government approving a proposed exception shall adopt as part of its comprehensive plan findings of fact and a statement of reasons that demonstrate that the standards in this rule have been met. A local government denying a proposed exception shall adopt findings of fact and a statement of reasons explaining why the standards in this rule have not been met. However, findings and reasons denying a proposed exception need not be incorporated into the local comprehensive plan.*

(b) *The facts and reasons relied upon to approve or deny a proposed exception shall be supported by substantial evidence in the record of the local exceptions proceeding.*

Response: As in the response to OAR 660-012-0065 above, existing improved transportation facilities in approved/acknowledged exception areas – more particularly Boardman Airport Lane and Tower Road – will provide access to the Site. See Exhibit 17.C (Port of Morrow Road Access Letter). Following approval of the proposed Comprehensive Plan Map/Zoning designation change, the short extension of Boardman Airport Lane necessary to serve the Site (i.e., crossing the Carty Generating Station railroad spur) will also be within the Goal exception area and thus will be converted from rural to urban land. It is well established that OAR 660-012-0070 does not require an exception for future transportation improvements when, as in this instance, the land is no longer rural land due to the prior approval of exceptions to Goals 11 and 14 and the concurrent application of urban zoning. *Deumling, et al v. City of Salem*, 76 OR LUBA 99 (2017); *1000 Friends, et al. v. Curry County*, 301 Or 447, 498-501 (1986). Therefore, the proposal does not involve transportation improvements on rural lands, and OAR 660-012-0070 is not applicable.

OAR 660, Division 14 – Application of the Statewide Planning Goals to Newly Incorporated Cities, Annexation, and Urban Development on Rural Lands¹⁵

660-014-0040 – Establishment of New Urban Development on Undeveloped Rural Lands

(1) *As used in this rule, “undeveloped rural land” includes all land outside of acknowledged urban growth boundaries except for rural areas committed to urban development. This definition*

¹⁵ With respect to Goal 14, OAR 660-014-0040(2) supplies the criteria for a reasons exception, not OAR 660-004-0022. *VinCEP v. Yamhill Cnty.*, 215 Or. App. 414, 422-23, 171 P.3d 368, 372 (2007). As the Court of Appeals explained,

“The plain reading of [OAR 660-004-0000(1)] is that OAR chapter 660, division 4, rules apply to an exception except to the extent that a more particular rule applies to that exception under OAR chapter 660, division 12 or division 14. OAR 660-014-0040(2) specifically sets out the criterion for the reasons justification standard for a Goal 14 exception to allow urban development on rural land. For that type of Goal 14 exception, OAR 660-004-0000(1) excuses the need to apply the more generic reasons justification standard that exists under OAR 660-004-0022(1).”

includes all resource and nonresource lands outside of urban growth boundaries. It also includes those lands subject to built and committed exceptions to Goals 3 or 4 but not developed at urban density or committed to urban level development.

Response: The proposed exceptions Site in unincorporated Morrow County is split-zoned EFU and SAI, and it is located outside of any UGB. Therefore, the SAI zoned area is urban rather than rural land, and only the EFU-zoned portion of the Site falls within the definition of “undeveloped rural land.” And as noted above, out of abundance of caution and pursuant to direction at the pre-application conference, the applicant will address Goal 14 criteria for the entire site, even though it is split-zoned and the SAI portion already allows for urban uses.

- (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: OAR 660-014-0040(2) sets out a non-exclusive example of a reason that is sufficient to justify urban development on rural land (i.e., that “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”). *Joseph Schaefer v. Marion County*, 2022 WL 3567227, at *12–13 (“OAR 660-014-0040(2) does not limit the bases for a reasons exception to uses that are dependent on a natural resource. OAR 660-014-0040(2) expressly provides a non-exclusive basis for a reasons exception.”); however, other reasons may also justify establishment of new urban development on undeveloped rural lands.

As discussed above, there are myriad reasons why this Site is suitable for this scale of urban development and why alternative sites are not suitable. Reasons justifying exceptions from policies in Goals 3, 11, and 14 are detailed in the response to OAR 660-004-0020(2)(a). The response identifies the essential siting criteria for developing an Exascale Data Center Campus, which includes but is not limited to characteristics such as close proximity to existing high-capacity electrical transmission lines; access to adequate water supply, wastewater disposal capacity, telecommunications and fiber-optic routes; and adequate site size and configuration to accommodate multiple 200,000+ SF buildings and associated vehicle access, circulation, and parking. Other possible alternative areas were evaluated to determine whether they could reasonably accommodate these needs. As demonstrated in the attached Alternative Areas Analysis (Exhibit 7), no reasonable alternative areas were identified. Therefore, this application provides the County with substantial evidence to support the justifications necessary for the requested goal exceptions. This standard is met.

- (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;*

Id. Thus, reasons exception under Goal 14 “must be analyzed under OAR 66-014-0040(2) and not under OAR 660-004-0022(1).” *Id.* “Similarly, OAR 660-014-0040(3) provides particular criteria for the lack of alternatives, consequences, and compatibility factors for an ‘urban development’ Goal 14 exception, excusing the need to apply OAR 660-004-0020 standards that apply to other types of exceptions.” *Id.*

Although the analysis under Division 14 must be done separately, there is obvious overlap with criteria in Division 4, and the applicant may rely on the same proof and findings to the extent they speak to criteria in both Divisions.

Response: The attached Alternative Areas Analysis (Exhibit 7) demonstrates that the proposed exascale data center campus development cannot be reasonably accommodated within an existing UGB. In addition, an exascale data center cannot be reasonably accommodated through the expansion of an existing urban growth boundary due to several factors. First, the unique infrastructure requirements of an exascale data center, such as proximity to high-capacity electrical transmission lines, are not typically available within or near existing UGBs. These large-scale data center facilities require a substantial and uninterruptible power supply, which necessitates direct access to the high-capacity transmission lines. Expanding a UGB to include areas with such infrastructure would be impractical and costly.

Second, the scale of land required for an exascale data center campus, generally requiring 1,000 acres or more, is not readily available within or adjacent to existing UGBs. Land areas closer to urban areas are generally characterized by higher land values and fragmented ownership, making it challenging and economically infeasible to assemble large, flat, vacant contiguous parcels of land for such development.

Third, the environmental and social impacts of situating an exascale data center near urban areas pose significant challenges. These facilities can generate noise and emissions from backup diesel generators which could adversely affect nearby residential communities. The facilities also often are sited with industrial wastewater cooling ponds, electrical substations and other energy facilities (e.g., solar or wind facilities), security fencing and other infrastructure, which may generate impacts typically associated with uses outside of UGBs. A related factor is that siting exascale data centers within or on the perimeter of existing urbanized areas poses a complicating challenge for planning future growth of efficient, compact communities. Exascale Data Center Campus development involves a very high amount of capital infrastructure investment, and so can be expected to persist for a long service life; for planning purposes, they should be considered irrevocably committed to such use. As cities plan to meet land needs associated with population growth and resulting needs for housing, employment, institutional and open space lands, the large size of EDC campus sites within or on the edges of existing urban areas would compel cities to “leapfrog” over them in order to accommodate growth. For example, each side of a square 1,000-acre area would be 1.25 miles long, interrupting a contiguous expansion pattern for other urban uses in both dimensions. The resulting development pattern would accelerate sprawl by substantially increasing the distances between older parts of the community and newer development areas forced to locate on the opposite side of an intervening EDC campus. Such a development pattern would be very detrimental from the standpoint of trying to create compact and efficient urban communities, by increasing distances for commuting and other circulation, as well as for construction and maintenance of utility services.

By contrast, siting an exascale data center away from a UGB, and in particular at the Site, enables it to be proximate to necessary large-scale utility infrastructure, to minimize any potential impacts on urban communities, and generally to present a more viable and efficient location to meet a documented demand for this large-scale industrial use. This 1,298-acre area west of the Boardman Airport is adjacent to the east bank of Sixmile Creek, which forms a logical, natural-feature boundary for urban expansion west of the City of Boardman. Service from existing high-capacity electric power transmission lines can be made available to the site and, because urban-level water and transportation services are (or will be) available to the Airport area, including an adjacent forthcoming data center campus at the western terminus of the improved Boardman Airport Lane, only short extensions are necessary to reach and serve the Site.

Significantly in the context of meeting land needs that operate at a regional scale, for any of the cities in the area to justify expanding its UGB for exascale data center campus development, the Goal 9 process would require an Economic Opportunities Analysis (EOA) justifying a UGB expansion of 1,000+ acres for a single land use to meet that city’s population growth forecast and associated land needs. Such a land area being brought into a UGB expressly for EDCC use would need to be made ineligible for other industrial uses. And a consolidated site of sufficient size, along with the other required site characteristics, would

have to be identified contiguous to the existing UGB. Absent an identified user, such a large-acreage site could remain in the UGB indefinitely as surplus industrial land. For these reasons, the established UGB expansion process requires a level of certainty that makes it less supportable under these specific implementing regulations addressing UGB expansions as an alternative to reliance upon the Goal 2 exception process to accommodate compliance with meeting all of the EDCC siting criteria required for exascale data center campus development.

Particularly in the context of this proposal, the “reasons exception” process is preferable for several reasons:

- (1) The necessary designation change is a voluntary proposal submitted by the owner of the property as applicant.
- (2) The proposed designation change (MG with Limited Use Overlay) only allows for the specific urban use – data center – that is the basis for the “reasons” exception.
- (3) The proposed designation change contributes significantly to the need to allocate land on a regional basis, responding to a documented recent dramatic increase in land demand for a novel industrial activity.
- (4) The proposal will continue to allow EFU uses on the property unless and until data center development becomes economically feasible. Even if such use ultimately is not realized, the protections inherent in the land use approval process will require a new exception before any other urban use or development can occur.

(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:

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

Response: The proposed Site includes 1,298 acres, which is appropriate and necessary for the development of an exascale data center campus, based on the size of comparable examples cited in the Introduction section of this report and the accompanying Economic Impact Analysis (Exhibit 8). The size of the Site is necessary to accommodate multiple large buildings, power substations, supporting infrastructure, and landscape features, ensuring construction and operational efficiency and minimizing off-site impacts.

(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: The proposed Site is not limited by air, water, energy or land resources. The applicant has obtained service provider letters indicating the availability of necessary power and water. The Site’s proximity to existing high-capacity transmission lines and other infrastructure to the east near the Boardman Airport and an approved data center development minimizes that the need for extensive new infrastructure, thereby reducing potential adverse effects on surrounding resources.

(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 urban development at the proposed site detracts from the ability of existing cities and service districts to provide services; and*
- (B) *Whether the potential for continued resource management of land at present levels surrounding and nearby the site proposed for urban development is assured.*

Response: The applicant has obtained service provider letters for power and water. See Exhibit 17. These letters indicate that the necessary services are available for an Exascale Data Center Campus. In addition, the data center development is anticipated to rely upon on-site services for sanitary sewer and industrial wastewater disposal until such time sewer infrastructure (including a new treatment facility) can be designed and constructed by the Port of Morrow. Such new infrastructure would be planned and sized to accommodate the proposed data center development(s) on this Site and, therefore, would not detract from the ability of Boardman to provide such services (refer to SPL exhibits). Finally, as described more fully below, provision of services will be addressed in detail during the County's Site Plan Review approval, prior to any development of the Site.

Possible adverse impacts on surrounding resource lands are described under the response to OAR 660-004-0020(2)(d), above. The proposed exceptions site is adjacent to a large-scale commercial agriculture operation to the west and south, but potential adverse impacts will be mitigated by the natural and physical features bounding the site, and compliance with state regulations related to air quality and wastewater disposal. Notably, the operator of that farm is the applicant for this proposal, which further indicates the farm operator is not concerned with its ability to manage and operate the farm.

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

Response: The appropriate level of public facilities and services needed for an Exascale Data Center Campus is defined in the introductory sections of this narrative and in responses to OAR 660-004-0020. These include power and water supply, vehicle access, and telecommunication facilities including fiber-optic internet service. These services exist in the vicinity and the applicant has obtained service provider letters from the Port of Morrow and Pacific Power to demonstrate these providers are able to provide the required service levels, which ensures their provision in a timely and efficient manner. See Exhibit 17.

In addition, any end user will be required to demonstrate adequate provision of facilities as part of Site Plan Review, which is the land use approval required prior to development. In particular, the Morrow County Zoning Ordinance will require the end user to demonstrate that "electrical services ... are adequate for the proposed use" prior to receiving site plan approval under MCZO 5.020.E.4. Further, any end user will need to demonstrate that "water is or will be available to the site at a quantity and quality adequate for the proposed use" prior to receiving site plan approval under MCZO 5.020.E.2. Pursuant to robust site plan review criteria relating to water, "[n]ew developments that rely on a non-exempt groundwater source must (1) provide an estimated annual water usage, and (2) identify the necessary OWRD authorizations required to serve the estimated water need. All other developments that do not rely on groundwater as a source of water may satisfy this review criteria by submitting a letter, notice, or memorandum of understanding from the service provider evidencing a commitment to serve the site, which shall indicate the source of water (e.g., surface water, existing water right, etc.) and a targeted delivery for water to the site." MCZO 5.020.E.2.

As noted above, data center development of this scale on the Site will initially rely on on-site industrial septic and industrial wastewater evaporation ponds until such time infrastructure and disposal is extended to the Site by the Port of Morrow. Evaluation of the precise mechanism for disposal and treatment of wastewater will also be a requirement of site plan review, pursuant to MZCO 5.020.E.3, which requires that demonstration that “[a]dequate sewage disposal and wastewater management can be provided for the proposed use as determined by the service provider or by demonstrating compliance with applicable review authority standards, as set forth below. For new developments that will rely on third-party service providers for sewer and/or wastewater disposal, the applicant may satisfy this criterion by submitting a letter, notice, or memorandum of understanding from the service provider evidencing a commitment to serve the site. For new developments that will rely on on-site septic and/or industrial wastewater and/or non-contact cooling water disposal and/or treatment, the applicant may satisfy this criterion by identifying the necessary ODEQ permits, as required by the state regulations, to be obtained prior to commencement of the proposed use or certificate of occupancy being granted.”

- (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: This proposal involves the establishment of new urban development on undeveloped rural land. The reasons that are used to justify the necessary goal exceptions will be adopted into the Morrow County Comprehensive Plan. Consistency with existing Comprehensive Plan and MCZO policies is demonstrated in the following sections of this narrative. No expansion of the nearby Boardman UGB is being proposed. This standard is met.

- (4) *Counties are not required to justify an exception to Goal 14 in order to authorize industrial development, and accessory uses subordinate to the industrial development, in buildings of any size and type, in exception areas that were planned and zoned for industrial use on January 1, 2004, subject to the territorial limits and other requirements of ORS 197.713 (Industrial development on industrial lands outside urban growth boundaries) and 197.714 (Cooperation of county and city concerning industrial development).*

Response: The exceptions site includes 331 acres of land in the SAI zone, which allows for industrial use of the site and was implemented prior to January 1, 2004. Based upon the lack of clarity regarding whether ORS 197.713 allows for the subsequent addition of new industrial uses in such areas without a new exception, the applicant is seeking new exceptions because the SAI zone is limited to uses addressed in the earlier exception which do not include data center development.

Compliance with Statewide Planning Goals

Goal 1 (Citizen Involvement)

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

Response: Morrow County’s acknowledged comprehensive plan and land use regulations specify public involvement procedures required for plan amendments. The procedures include notice to the public, Oregon State Agencies including the Departments of Land Conservation and Development (DLCD) and Transportation (ODOT), Confederated Tribes of the Umatilla Indian Reservation (CTUIR) and other interested parties, and public hearings before the Morrow County Planning Commission and Morrow County Board of Commissioners. By following the County’s established public involvement procedures, Goal 1 is met.

Goal 2 (Land Use Planning)

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

Response: The factual evidence and analysis findings presented in this application package – in particular, the responses provided above to implementing regulations in OAR 660-004 and OAR 660-014-0040 – demonstrate that the proposed zoning redesignation package complies with “reasons” exception criteria. In addition to demonstrating that the proposed Site to be rezoned to allow data center use is superior and preferable to alternative potential areas within a sizable vicinity, the request incorporates equivalent-area conversions of land between resource and industrial zones, such that no net loss of productive agricultural land will occur. The proposal therefore maintains consistency with policies in the comprehensive plan, satisfying Goal 2 requirements.

In preparing to submit this request, the applicant’s team has coordinated with staff of affected local governments (cities and counties), CTUIR, and utility service providers to identify issues of concern and address them in the analysis and recommendations, and to obtain data to support the analysis.

Goal 3 (Agricultural Lands)

Goal: To preserve and maintain agricultural lands.

Response: Goal 3 requires Morrow County to protect agricultural lands for farm uses through appropriate zoning. To allow nonfarm uses on EFU-zoned land requires the County to go through the Exceptions process, including adoption of findings to demonstrate compliance with exceptions criteria.

As noted above for Goal 2, this application package includes evidence and detailed responses to “reasons” exception standards in OAR 660-004 to demonstrate that the proposed zoning redesignation package complies. Significantly, the request also proposes conversion of over 1,600 acres from SAI to EFU, ensuring that no net loss of productive agricultural land will occur. For these reasons, Goal 3 is satisfied.

Goal 4 (Forest Lands)

Goal: To conserve forest lands by maintaining the forest land base and to protect the state’s forest economy by making possible economically efficient forest practices that assure the continuous growing and harvesting of forest tree species as the leading use on forest land consistent with sound management of soil, air, water, and fish and wildlife resources and to provide for recreational opportunities and agriculture.

Response: The proposal does not affect lands that are designated for forest uses. Goal 4 does not apply.

Goal 5 (Open Spaces, Scenic and Historic Areas and Natural Resources)

Goal: To protect natural resources and conserve scenic and historic areas and open spaces.

Response: The County Comprehensive Plan has not identified any significant natural, scenic, historic or open space areas within or near the Site. See the attached Significant Resource Inventory Map (Exhibit 11, and Natural Resources Report by Parametrix, Exhibit 12. Per the analysis in the Natural Resources Assessment, there are no significant Goal 5 resources that would be affected by this proposal to amend land use designations. An Archaeological and Cultural Resources Assessment has also been completed by Parametrix and shared with the Confederated Tribes of the Umatilla Indian Reservation (CTUIR) for review, comment, and coordination. Following receipt of final comments from CTUIR, the applicant will supplement the record with the final Archaeological and Cultural Resources Assessment.

Within the applicant's property but outside and west of the Site (the proposed exception area), on the east bank of Sixmile Creek, the Oregon Department of Geology and Mineral Industries (DOGAMI) issued permit #25-0006 to Three Mile Canyon Farms for the "Six-Mile Pit." (See Exhibit 16; the permit location is labeled "25006" on the Significant Resource Overlay Map.) The permit allows extraction of screened sand and gravel from a 12-acre area that the County has not designated as "Goal 5 Significant." The applicant intends to retain the facility's current EFU zoning, maintain its active status under the permit, and provide for vehicular access to it in any future development plans for the Site. All relevant areas are under common ownership (i.e., owned by Three Mile Canyon Farms, LLC). This proposed approach will allow extraction under the existing DOGAMI permit to continue until the permit is terminated.

The Significant Resource Overlay Map also includes a dot within the Site identified as "25008." DOGAMI permit #25-0008, issued to Portland General Electric Company, is listed by DOGAMI as a "Riprap Quarry" site for extraction of "rock." Its permit is listed as "Closed" in the DOGAMI Permit Data spreadsheet¹⁶ (updated January 6, 2021), and there is no corresponding line item in the County's "Inventory of Natural Resources/Aggregate and Mineral Resources" table, included in Exhibit 16. As in the case of DOGAMI permit #25-0006, the facility is not identified as a significant Goal 5 resource, so this request will have no effect on significant Goal 5 resources. Moreover, because the permit's status is closed, no further extraction activity is expected at this permit location. Post-extraction reclamation for a different use will be consistent with the Goal 5 process as it applies to mineral/aggregate resource sites.

Based on the facts and findings above, the proposal complies with Goal 5.

Goal 6 (Air, Water and Land Resources Quality)

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

Response: The State of Oregon has adopted statutes and administrative rules to protect air, water and land resources from environmental impacts of development and land use activities. In the site development and construction permitting processes that will follow this amendment proposal, all future development and use of the Site will be required to comply with permitting requirements for air quality management, stormwater management (i.e., the Oregon Department of Environmental Quality 1200-C process), wetland fill/removal (i.e., the Joint Removal/Fill Permit process administered by the US Army Corps of Engineers and Oregon Department of State Lands), wastewater discharge, and other such permitting. See also MZCO 5.020 (site plan review). Since all proposed development will be contingent on the receipt of any such required state and federal permits, compliance with Goal 6 is assured.

Regarding noise as an environmental impact issue, the Site is located west of the Boardman Airport and distant from any noise-sensitive receiver sites or uses, such as residential development. Based on the Site's large distance from noise-sensitive sites, and the occasional background noise levels associated with aircraft take-off and landing activities at the Airport, there is no reason to anticipate any exceedance of applicable noise control standards arising from future development under the proposed land designation/zoning amendment.

Goal 7 (Areas Subject to Natural Disasters and Hazards)

Goal: To protect people and property from natural hazards.

Response: The subject site does not contain mapped flood or geologic hazards (see FEMA FIRM Panels, Exhibit 14, and DOGAMI SLIDO Maps, Exhibit 15). The proposed amendment will have no effect on Morrow County's compliance with Goal 7.

¹⁶ https://www.oregon.gov/dogami/mlrr/spreadsheets/Mining_db.xlsx

Goal 8 (Recreational Needs)

Goal: To satisfy the recreational needs of the citizens of the state and visitors and, where appropriate, to provide for the siting of necessary recreational facilities including destination resorts.

Response: The proposal does not affect recreational facilities or land needed to meet Morrow County's recreational needs. Goal 8 does not apply.

Goal 9 (Economic Development)

Goal: To provide adequate opportunities throughout the state for a variety of economic activities vital to the health, welfare, and prosperity of Oregon's citizens.

Response: The applicant has provided an economic analysis by Johnson Economics (Exhibit 8), which identifies demand for an estimated 3,000 acres (or more) of land in the vicinity in the next ten years, to meet the rapidly growing demand for data center services. Johnson Economics observes that the availability of sufficient, reliable electric power and other critical location factors make the Morrow County segment of the Columbia River corridor region attractive for such uses — including at the exascale-level — and the report also notes that the highly competitive, time-critical nature of that industry makes it imperative for jurisdictions to ensure that their regulatory environments and inventories of eligible and available land combine to offer feasible development opportunities that align with industry drivers. In addition to the direct economic benefits attributable to having Exascale Data Center Campuses locate in Morrow County, their presence is expected to induce beneficial secondary economic effects on the local economy. Adopting the proposed land designation amendments is a fundamental first step in ensuring that Morrow County will enjoy the health, welfare and prosperity benefits of this emerging economic development trend.

Goal 10 (Housing)

Goal: To provide for the housing needs of citizens of the state.

Response: The proposal does not affect the provision of housing. The proposed amendments have no effect on Morrow County's compliance with Goal 10.

Goal 11 (Public Facilities and Services)

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

Response: A Goal 11 exception to establish or extend public facilities to serve proposed development is evaluated under the criteria in Division 4, and in particular OAR 660-004-0020(2)(b)-(d), and as appropriate OAR 660-014-0040 for purposes of siting urban development on undeveloped rural lands. See *Friends of Marion County, v. Marion County*, 59 Or LUBA 323 (2009) ("there is no need to articulate a different reason to justify the exception to Goal 11 than is used to justify the Goal 14 exception or, stated differently, the reasons sufficient to justify the Goal 14 exception are also sufficient to justify the Goal 11 exception for purposes of OAR 660-004-0022"); *Doherty, v. Morrow County*, 44 Or LUBA 141 (2003) ("OAR 660-014-0040(2) and (3) effectively become the relevant criteria for a statewide planning goal exception to Goal 14, and to Goals 11 and 3 if such additional exceptions are necessary, to allow urban uses and urban public facilities on rural agricultural lands"); and *DLCD v. Umatilla County*, 39 Or LUBA 715 (2001) (if "the proposed exception is intended to allow *urban* development, then OAR 660-004-0022(1) directs the county to OAR 660-014-0040"). "If reasons are identified under OAR 660-014-0040(2) that justify exceptions to Goal 14, and Goals 3 and 11 as well, then there is no need to provide additional reasons to justify reasons exceptions to Goals 3 and 11 under OAR 660-004-0022(1) or (2)." *Doherty*, 44 Or LUBA at 177.

Here, the “proposed use” is to be served by the facilities is data center, which is an urban industrial use. Therefore, OAR 660-014-0040 provides the relevant criteria. And as explained above, the reasons that justify the requested exception to Goal 14 suffice to demonstrate a need for an exception to Goal 11, and the responses to applicable criteria in Division 14 are incorporated by reference here. In particular, the exascale data center campus requires proximity to high-capacity electrical transmission lines and other infrastructure, which makes the Site unique due to its location near the Boardman Airport but on the opposite side of the airport from the urban area of the City of Boardman, thus minimizing potential for off-site impacts on residential communities and other populated areas. The large, contiguous area of 1,298 acres allows for efficient layout of multiple data center buildings, power substations, and supporting infrastructure to ensure operational efficiency and scalability. The Site’s proximity to I-84 also facilitates convenient access for construction, maintenance, and operational personnel.

Therefore, the proposed use has special features and qualities that necessitate its location on the proposed Site as explained by the unique siting criteria for exascale data centers, and pursuant to the Division 4 and Division 14 alternatives analysis, which demonstrate that no reasonable alternatives that could reasonably accommodate the proposed use exist.

Further, a portion of the Site is already zoned for more dense industrial uses (i.e., space age-related research and development facilities). The Limited Use Overlay will restrict the potential uses of the Site to data centers and related infrastructure, which involve a relatively small number of employees, thus eliminating the potential that the proposal will increase density (and, in particular, residential density). Finally, the Site is proximate to existing urban water systems serving the Boardman Airport and adjacent lands zoned ALI, which will minimize the need to extend significant water infrastructure to the site. At the time of this application, a construction project is under way to install a water service line along the full length of Boardman Airport Lane west of Tower Road, which is intended to serve an adjacent approved data center facility to the east of the Site. The Site will rely on that water infrastructure and require only a short extension across the rail spur to connect.

Thus, the findings presented above support the County’s decision to adopt an exception to Goal 11 in order to address the documented demand for land for exascale data center development. Goal 11’s intent to prevent the proliferation of urban uses in rural areas caused by the availability of urban-level services extended beyond UGBs is largely not implicated due to the fact that the Limited Use Overlay restricts industrial uses to data centers, and the Boardman Airport area (which will include the development for a recently approved data center campus) directly to the east already allows for extension of urban-scale services.

Goal 12 (Transportation)

Goal: To provide and encourage a safe, convenient and economic transportation system.

Response: A Goal 12 exception is not required because the land use activity to be allowed by the proposed zoning (data center) will not require extension of transportation facilities on resource lands. Instead, there is an existing roadway, Boardman Airport Lane, that currently terminates on the eastern border of the proposed Site and will serve the Site. Additionally, an EDCC at the Site will not attract additional background vehicle trips on Boardman Airport Lane or other roads within the area, beyond such trips associated with worst-case development allowed under the current zoning designation, which ensures no significant effect on an existing or planned transportation facility serving the site pursuant to OAR 660-012-0060. In Exhibit 9, the applicant has provided a report that addresses the requirements of the Transportation Planning Rule (OAR 660-012) (TPR Analysis); its findings, conclusions and

recommendations have been incorporated into the recommended findings in this report.¹⁷ The TPR Report concludes that an exception to Goal 12 is not required because no proposed urban transportation improvements will occur on rural lands. The analysis finds the vehicular traffic generated by data center operations at the Site will have a less significant impact compared with the vehicular traffic generated under the existing zone designation assuming a research and development use. For these reasons, based on the TPR Analysis, Goal 12 is met.

Goal 13 (Energy Conservation)

Goal: To conserve energy.

Response: The Site's location – close to existing electric power transmission lines – makes it highly efficient and cost-effective to meet the power needs of Exascale Data Center Campus operations. Additionally, EDCC's yield operational efficiency benefits because the concentration of operations on a single campus facilitates consolidation of inventories and performance of maintenance/repair/upgrade activities with a minimum of off-site travel and associated effects such as fuel consumption, traffic, increased vehicle miles traveled (VMT), and operational delays. This proposal to redesignate the Site to allow Exascale Data Center Campus use responds to society's accelerating computing needs – and associated demand for large tracts of land – in a way that provides for efficient construction and operations of sufficient and suitably located facilities. For those reasons, the proposal is consistent with Goal 13.

Goal 14 (Urbanization)

Goal: To provide for an orderly and efficient transition from rural to urban land use, to accommodate urban population and urban employment inside urban growth boundaries, to ensure efficient use of land, and to provide for livable communities.

Response: Reasons for seeking an exception to Goal 14 are addressed above in response to OAR 660, Division 14 standards. This criterion is met.

Goal 15 (Willamette River Greenway)

Goal: To protect, conserve, enhance and maintain the natural, scenic, historical, agricultural, economic and recreational qualities of lands along the Willamette River as the Willamette River Greenway.

Response: The subject site is not located near the Willamette River Greenway. Goal 15 does not apply.

Goal 16 (Estuarine Resources)

Goal: To recognize and protect the unique environmental, economic and social values of each estuary and associated wetlands; and

To protect, maintain, where appropriate develop, and where appropriate restore the long-term environmental, economic, and social values, diversity and benefits of Oregon's estuaries.

Response: The subject site is not located near estuarine resources. Goal 16 does not apply.

¹⁷ Of the 1,298-acre total area, 34 acres along the eastern Site boundary are within a 150- wide railroad right-of-way easement, which is proposed to remain in place and available for rail service. Within the SAI-zoned portion of the Site, 22 of the 331 acres of the Site are within the railroad easement. As a result, net potential development areas (total of 1,264 acres, of which 309 are in the SAI zone) acres appear in the TPR Analysis in Exhibit 9.

Goal 17 (Coastal Shorelands)

Goal: To conserve, protect, where appropriate, develop and where appropriate restore the resources and benefits of all coastal shorelands, recognizing their value for protection and maintenance of water quality, fish and wildlife habitat, water dependent uses, economic resources and recreation and aesthetics. The management of these shoreland areas shall be compatible with the characteristics of the adjacent coastal waters; and

To reduce the hazard to human life and property, and the adverse effects upon water quality and fish and wildlife habitat, resulting from the use and enjoyment of Oregon's coastal shorelands.

Response: The subject site is not located near coastal shoreland areas. Goal 17 does not apply.

Goal 18 (Beaches and Dunes)

Goal: To conserve, protect, where appropriate develop, and where appropriate restore the resources and benefits of coastal beach and dune areas; and

To reduce the hazard to human life and property from natural or man-induced actions associated with these areas.

Response: The subject site is not located near beach and dune areas. Goal 18 does not apply.

Goal 19 (Ocean Resources)

Goal: To conserve marine resources and ecological functions for the purpose of providing long-term ecological, economic, and social value and benefits to future generations.

Response: The subject site is not located near the ocean. Goal 19 does not apply.

Compliance with Morrow County Comprehensive Plan and Land Use Regulations

Morrow County Comprehensive Plan

In this section, the applicant has identified and excerpted Comprehensive Plan Goals and Policies that may be affected by the proposed change, followed by response statements.

Citizen Involvement [detailed provisions omitted for brevity]

Response: This proposal does not propose to amend any Citizen Involvement goals or policies. The County will comply with Citizen Involvement goals and policies in the acknowledged Comprehensive Plan by processing the application in accordance with the procedures in Article 8 of the Morrow County Zoning Ordinance.

General Land Use Element

General Land Use – Future

- Farm: In order to protect the agricultural element of the County's economic base, productive farm lands should be protected from encroachment by non-agricultural uses. Farm land in Morrow County is best managed in large units....

Response: The Soils Report provided by the applicant's soils consultant (Exhibit 10) demonstrates that the proposed 1,298-acre area for redesignation/rezoning to MG (from EFU and SAI) does not have soil characteristics suitable for farming. The proposal also includes removing more than 1,600 acres of land from the SAI designation and returning it to EFU resource zoning. Of those

1,605 acres, approximately 775 acres are irrigated, productive farmland with Class 4 soils. See Exhibit 10.b (Downzone Area Soils Report). Because the proposed MG area is not suitable for farming, its transportation needs can be met by extending Boardman Airport Lane west of the rail spur, and its utility service needs can be met by a feasible combination of on-site facilities and extension of services already at or near the Boardman Airport, the change will not cause a significant encroachment on productive farmland in the vicinity. Moreover, the SAI-to-EFU conversion will not only ensure that there is no reduction in EFU-zoned acreage in Morrow County; it will elevate the quality of the County's EFU-designated resource land because the farm productivity on 775 acres of the downzone site is superior and the total area (1,605 acres +/-) of the land to be converted to EFU is higher. As a final note, the proposed Limited Use Overlay zoning of the Site will continue to allow the land uses permitted in EFU, so the Site can still potentially be used for such activities in the event data center development does not occur promptly.

- Industrial: An objective of the Plan is to accommodate industry without encroaching on residential or agricultural development. Additionally, industry is to be protected from encroachment by noncompatible uses.

The industrial land designated in the Plan and on the land map reflects the needs of industry for (a) access to highway, rail, and water transportation; (b) access to electric power and natural gas; (c) extensive, level building sites; and (d) room for expansion.

The following general policies shall be followed in guiding future industrial development:

1. *Industrial uses should not encroach on residential or agricultural uses. For example, cattle feed lots, which are incompatible with most other uses, should be surrounded by sufficient open space to provide a protective buffer.*

Response: The Economic Analysis provided by the applicant's economics consultant (Exhibit 8) examines recent data center industry projects and development trends, and concludes that the region will experience a demand for approximately 3,000 acres of land for exascale data centers in the next ten years. To address this growing need for Exascale Data Center Campus development, it is appropriate to identify locations of suitable size that have access to sufficient electrical power and can be served by public utilities, but which will neither consume tracts of buildable land intended to meet other employment/economic development needs or impact existing or planned residential communities. The proposed area for MG designation does not contain suitable soil conditions to support commercial agriculture (see soils report in Exhibit 10), its western/southwestern boundary is along a natural feature the forms a buffer (the Sixmile Creek canyon), and it is more than a mile from an urban residential area. For these reasons, allowing data center use at the Site will have minimal impact on farming operations in the surrounding area and will not encroach on residential or agricultural uses. This policy is met.

2. *Interim uses in areas designated for industrial use should be limited to those that will not deter later industrial development.*

Response: This provision is not applicable because no interim use of the land is proposed prior to industrial development for data center use under MG with Limited Use Overlay zoning.

3. *When conflicts between different uses arise, consideration should be given to the general good of the economy and to the need for basic industry that will create new, continuing local employment.*

Response: The Economic Analysis provided by the applicant's economics consultant (Exhibit 8) provides details about direct, indirect and induced impacts of the proposed designation change.

The report concludes that project construction and operations will produce a nearly \$10 billion regional impact after one year of operations, and the project will add over \$14 billion to the local and regional economy after ten years of operation. This long-term, extended benefit makes exascale data centers a valuable addition to the local economy and employment opportunities. The proposed location for zoning changes to allow Exascale Data Center Campus use (i.e., west of the Boardman Airport), is specifically selected to avoid creating conflicts between uses. The proposal is consistent with this policy.

- Significant Resource Overlay Zone: The purpose of the Significant Resource Overlay Zone is to identify areas and sites in Morrow County identified as Significant Goal 5 Resources and designated: '3A' to preserve the site; and '3C' to limit conflicting uses. Such sites are subject to the applicable plan policies of the comprehensive plan and Section 3.200 'Significant Resource Overlay Zone' or Section 3.300 'Historic Building and Sites' of the Morrow County Zoning Ordinance.

Response: The proposed area for Industrial/MG zone designation contains no significant resources designated by Morrow County through the Goal 5 process. Goal 5 resources will not be affected by this proposal.

- Limited Use Overlay Zone: The purpose of the Limited Use Overlay Zone is to limit the list of permitted uses and activities allowed in the underlying zone to only those uses and activities which are justified in the Comprehensive plan 'reasons' exception statement under ORS 197.732(1)(c) and OAR 660-04-018(3). When the Limited Use Overlay is applied, the uses permitted in the underlying zone shall be limited to those and activities specifically referenced in the adopting ordinance applying the Limited Use Overlay Zone. Reasonable conditions may also be imposed by the Limited Use Overlay Zone when necessary to carry out the provisions of the plan and zoning ordinance.

- Space Age Industrial Zone: The proposed Space Age Industrial designation is intended to recognize those areas devoted to or most suitable for space age technology research and development. Uses of land inconsistent with those purposes with these purposes [SIC] will not be authorized.

Response: The eastern part of the Site – containing about 331 of the 1,298-acre area – is currently designated Space Age Industrial (SAI). Like the western EFU remainder, it is proposed for redesignation as General Industrial (MG) with the Limited Use Overlay discussed above. Also, a larger (approximately 1,605 acres) SAI-zoned area, much of which is currently in farm use, is proposed for redesignation as EFU, to ensure that no net loss of EFU-zoned land occurs. With these changes, the Morrow County inventory of SAI-zoned land will remain at approximately 11,564 acres.¹⁸ The relatively minor change will not compromise Morrow County's ability to realize the intended development potential of the SAI land use designation.

Objectives and Policies

...

3. *To continue efforts to identify lands suitable for development and areas where development should be restricted.*

¹⁸ Acreage figures are approximate, reported based on Geographic Information Systems (GIS) data provided by Morrow County. Total area in SAI zoning is 13,500 acres +/-, before proposed reductions of 331 and 1,605 acres by rezoning to MG/LU Overlay and EFU, respectively.

Response: The evidence provided by the applicant – in particular the Soils Report (Exhibit 10) – explains why the 1,298-acre Site is not suitable for farm use, and Morrow County has identified no significant natural, historic or cultural resources at the Site. The Site’s location, west of the Boardman Airport, is removed from developed areas of the City of Boardman to the east, and the Site is already traversed by high-capacity power transmission lines and adjacent to another forthcoming data center campus. The applicant has also provided evidence of an economic need for 3,000 acres of land to support exascale data center development in the region in a ten-year period. Those combined factors support the conclusion that the proposed Site is suitable for development for data center use.

The Site to be redesignated General Industrial (MG) does not include the Sixmile Creek canyon or a small, DOGAMI-permitted gravel extraction site on the east bank of Sixmile Creek, which is not inventoried as a significant resource. The proposed redesignation will not conflict with County protections as they apply to lands where development should be restricted. For the above reasons, the proposal is consistent with this objective/policy.

4. *To continually monitor the land requirements and locations for projected economic development and population growth.*

Response: In Exhibit 8, the applicant has provided evidence of an economic need for 3,000 acres of land to support exascale data center development in the vicinity in a ten-year period. This data contributes to, and effectively improves the timeliness of, the County’s ability to respond effectively to changing economic development conditions and opportunities as they arise. The proposal furthers this policy.

5. *To determine the public facilities and services required by the County to accommodate existing unmet public needs and expected needs resulting from population growth.*

Response: In preparing this request, the applicant has communicated with staff of Morrow County and the Port of Morrow regarding capacity requirements and timing of improvements capable of providing services to the Site. Needed transportation system improvement is limited to extending Boardman Airport Lane west from its existing terminus (on the east side of the rail spur to the Carty Generating Station site) into the Site. Water service can be provided by the Port of Morrow, based on the service provider letter in Exhibit 17.A. As described above, wastewater can be handled onsite by one or more treatment systems and septic discharge drain fields, or can be discharged to a public sanitary sewer system if and when it may be extended to serve the Site. Stormwater management can be achieved onsite by a collection system, one or more treatment facilities consistent with applicable Morrow County standards, and one or more ponds that can be designed to manage infiltration and/or release water to Sixmile Creek. All such facilities will be required to comply with applicable Morrow County development and permitting requirements through the development approval and permit issuance process.

9. *Plan/Zone Map Requirements:*

- a. *To insure consistency between the Comprehensive Plan Map and Zoning Map, a single plan/zone map shall be adopted with the zone designations and described in B, below. All plan and zone changes shall be in compliance with all applicable Statewide Planning Goals, County plan policies and procedures.*

Response: This proposal is to amend the adopted Plan/Zone Map. This report and its supporting evidence demonstrate compliance of the proposed plan/zone change with the Statewide Goals and County plan policies and procedures. This requirement is satisfied.

Agricultural Lands Element

Introduction

“Agricultural Lands” as set forth within the context of Statewide Planning Goal No. 3 are defined as land of predominately Class I, II, III, IV, V, and VI soils as identified in the Soil Capability Classification System of the United States Soil Conservation Service, and other lands which are 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. Lands in other classes which are necessary to permit farm practices to be undertaken on adjacent or nearby lands, shall be included as agricultural land in any event.

Within the same context, “Farm Use” is defined in reference as set forth in ORS 215.203 and includes the non-farm uses authorized by ORS 215.283.

Morrow County agriculture contributes about \$72 million in annual income to the County and supports local food processing, transportation, trade, and service employment and payrolls. The County's agricultural sector has consistently ranked among the top ten Oregon counties in total agricultural productivity. As agriculturalists enter new crop markets and as continued irrigation and technological advancements are developed, the sector's importance to the County and state will be ensured.

Problems facing County agriculture include formation of water allocation policies between local, state, and inter-state interests, shortages in affordable labor supplies, increased costs of supplies, electricity, equipment, and transportation, development of new markets for County products and in some areas, increased land use pressures among competing interests (i.e., industrial, commercial, recreational, and agricultural). Proper planning, policy formulation, education, and coordination efforts may alleviate some of these problems in the future.

Agricultural Lands Exceptions

Objectives

1. *To maintain a viable agricultural base, preserve agricultural lands for agriculture, and to protect agriculture as a commercial enterprise.*

Response: The proposal includes redesignation of more productive farmland from its current SAI zoning to EFU, which will replace the Site area proposed for EFU/SAI to MG redesignation. This exchange will ultimately remove 967 acres of non-productive, non-farmable land from EFU and replace it with 1,605 acres of EFU-zoned land, 775 acres of which is irrigated and actively farmed. This action contributes positively to meeting this objective.

2. *To conserve natural resources constituting important physical, social, aesthetic and economic assets through the development and adoption of realistic land use and development policies intended to achieve an economic-environmental balance, minimize public costs, and maximize energy conservation.*

Response: Evidence and recommended findings in this report demonstrate that the proposed redesignations are consistent with land use and development policies. The Site contains no significant natural resources, and its geology and soils characteristics will not support farming. The needs of Exascale Data Center Campus development and use make the Site particularly suitable for data center use, which will contribute to the County economy while preserving other industrial-zoned lands for employment uses as intended by previous economic development and planning efforts. Public costs, which may include capital expenditures as well as ongoing operations and maintenance expenditures, will be minimized by siting data center development where access to high-capacity electric transmission lines is feasible and proximate. The Port of Morrow has plans to extend utility services to serve the Airport property, next-door to the east of the Site; this proposal will add another rate-paying user to absorb those costs and fund

service operations. Those factors similarly contribute to maximizing energy conservation, along with enabling future data center operator(s) to realize operational economies of scale by consolidating facilities on a large campus rather than on distributed sites (which would necessitate multiple trips on public roads by data center staff vehicles, to perform operational, maintenance, repair and other tasks). The proposal is consistent with this objective.

3. *To minimize and actually prevent conflict between farm and non-farm uses and resultant increased economical costs to the agricultural sector.*

Response: Data center operations at the Site will not constrain agricultural practices, including movements of agricultural vehicles/implements, in the surrounding area. Relative to the size of the campus area, human occupancy is low, and all operations are indoors. Transportation access requires only the extension of the existing paved segment of Boardman Airport Lane to the west, across the railroad spur that extends south to the Carty Generating Station, into the Site. The proposal includes converting a larger area (1,605 acres +/-) of SAI-zoned land, much of which is now in farm use, to EFU. And the applicant — the primary farm user in the vicinity — has not identified a conflict between the proposed exascale data center use and its existing or planned farm uses. The proposal furthers the goal of preventing farm/non-farm conflicts, as intended by this objective.

4. *To provide maximum opportunity for optimum management and operational practices, and provide adequately efficient supportive resources and services.*

Response: As discussed above for Objective 3, the proposed land designation changes will improve the overall quality and farm productivity of land in the County's EFU inventory by replacing the Site's non-farmable land with more than 1,600 acres of mostly irrigated, productive farmland that is now designated SAI. The resulting improved alignment between zoning designation and productive agricultural capacity contributes to this objective by preserving better-quality farmland in EFU for long-term use in accordance with optimum agricultural management and operational practices.

Agricultural Policies

1. *It shall be the policy of Morrow County, Oregon, to preserve agricultural lands, to protect agriculture as its main economic enterprise, to balance economic and environmental considerations, to limit non-compatible nonagricultural development, and to maintain a high level of livability in the County.*

Response: The Board of Commissioners included the following finding in its 2018 approval of the Goal 3 exception for OE Solar 1, LLC, familiarly known as the HARP Solar Generation Facility:

Another interpretation of Economic Element Goal 4 would be that allowing this activity on land zoned for Exclusive Farm Use protects land zoned Port or General Industrial from uses that consume large amounts of acreage, but do not either create jobs or significant tax base. Placing the proposed solar photovoltaic energy generation facility on land zoned for Exclusive Farm Use preserved industrial land for higher density and impact uses.

The reasoning is similarly applicable in this case where economic data indicates a novel, and very recent trend: growth in demand for 3,000 acres of land for development of Exascale Data Center Campuses in a ten-year period. Exascale Data Center Campuses are a new type of land use previously unanticipated by economic development planning and land use allocations to date. As a result, relying on existing inventories of industrially zoned exception lands to meet the novel demand would have the perverse effect of absorbing land (i.e., removing it from the available inventories to meet employment needs associated with growth planning in the first place). In that scenario, in the future it will become necessary

to urbanize more land to satisfy growth needs, leapfrogging over and around the zoned industrial lands absorbed by data center development.

In the present case, enabling the Site to accommodate an Exascale Data Center Campus on non-farmable land located west of the Boardman Airport will protect productive agricultural lands from expansion pressure. This occurs because allocating non-farmable land to meet the novel demand for exascale data center use preserves existing industrial land allocations to meet employment needs already associated with the population growth forecasting/planning process. For the above reasons, the proposed designation change is consistent with this policy.

17. *The County, Port, regional and state agencies should work with private citizens to secure utilization of the Navy's north Morrow tract, so that when market conditions permit, the land may be developed for more intensive agriculture, or other compatible and/or complementary uses including industrial and energy purposes.*

Response: The applicant understands the “Navy’s north Morrow tract” to refer to the large, generally rectangular area labeled “Naval Weapon Systems Training Facility Boardman” on the Morrow County Comprehensive Plan Map. The Site of the proposed redesignation/zone change is approximately four miles west-northwest of that tract.

This policy anticipates that the “north Morrow tract” will be converted to private sector tenancy and use, possibly to include private ownership, at a future time. Unless and until such time, the land in that tract is not available for data center development or other private use.

The proposed redesignation of the Site to allow exascale data center use will have no significant effect on the ability of the County to convene parties and engage with the federal government regarding redeployment of the “Navy’s north Morrow tract” for locally preferred activities. The proposal is consistent with this policy.

Forest Lands Element

Response: No Forest Lands are affected by this proposal. This Element is not applicable.

Natural & Cultural Resources Element

Response: As directed by Statewide Planning Goal 5 and its implementing statutes and administrative rules, Morrow County has inventoried resources; has analyzed Environmental, Social, Economic, and Energy (ESEE) consequences of conservation/protection versus allowing development impacts; and has adopted designations of significant Goal 5 resources. Such significant resource designations include land resources (soils, minerals, vegetation, and water resources); air resources; air, water, and land quality; fish and wildlife; fisheries; wildlife; scientific and cultural resources; and historical resources.

The proposed redesignation Site (from the SAI/EFU zone to MG with Limited Use Overlay restricting use to data centers) does not contain any significant Goal 5 resources; therefore, the proposed amendment will have no effect on Goal 5 compliance.

Natural Hazards Element

1. *Flood risk will be managed by limiting or regulating development in areas identified by the Federal Emergency Management Agency Flood Insurance Rate Maps or in areas identified by the County to be at risk to life or property due to flooding. County regulations will be compliant with National Flood Insurance Program requirements for development in flood prone areas*
2. *County land use regulations will assure proposed developments will receive a review of potential natural hazards and that sufficient authority exists to modify or deny applications where such*

hazards exist. Such provisions shall, at a minimum, require specific information clearly determining the degree of hazard present from applicants who seek approval to develop residential, commercial, or industrial uses within known areas of natural disasters and hazards.

Response: The Site does not contain areas within a Federal Emergency Management Agency (FEMA) flood hazard boundary, nor does it contain any of the other seven high-risk-factor natural hazard areas identified by this element of the Morrow County Comprehensive Plan (i.e., drought, earthquake, landslide, volcano, wildfire, windstorm, and winter storm). Morrow County has adopted land use and development permitting regulations that are sufficient to ensure the safety of future development within the Site, as required by Natural Hazard Policy #2, recited above. The proposal complies with the Natural Hazards Element.

Recreation Element

Response: The Site does not contain areas identified by Morrow County as necessary or particularly suitable for recreational use. The proposal will have no effect on recreational resources or implementation of the Morrow County Parks Master Plan.

Economic Element

Problems and Opportunities / Industrial Diversification: In the 1980 Comprehensive Plan concern was outlined that the opportunity for growth and development should become more diversified. While that has taken time diversification away from just an agricultural economic base has been happening. More energy generation projects have been sited in Morrow County and the use of personal computing and other devices has created the need for electronic data storage, or data centers. Two new developments at the Port of Morrow are driven from the need to create cleaner fuels and do less harm to the environment. While diversification has been taking place, it should continue as new opportunities emerge.

Problems and Opportunities / Industrial Sites and Port Planning: A concern raised in the 1980 Comprehensive Plan was about the need to assure adequate industrial land into the future and a request that the Port of Morrow complete a master plan. Over the intervening years the Port of Morrow has acquired additional land at the Tower Road interchange, both south and north of Interstate 84; acquired the Kinzua Mill Site just north of Heppner; and will soon have available to them 1,800 acres of industrially zoned land on the former Umatilla Army Depot. All of these locations, along with expansion of the East Beach Industrial Area, assures an adequate supply of industrial land for the current planning time frame. Planning and infrastructure work will need to continue to ensure that these industrial sites have adequate transportation, energy and utility investment. Floodplain concerns will also need to be addressed at the Kinzua Mill Site north of Heppner to facilitate development opportunities.

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.

Policy 4B: To utilize appropriate mechanisms in implementing regulations to ensure that any development adjacent to or in the vicinity of the Boardman Airport is a compatible use and will not impede future growth of the airport.

Response: With respect Morrow County's zoning for the Boardman Airport area, the code allows data centers in the Airport Light Industrial (ALI) zone; however, approved development projects within those land areas (i.e., solar power generation, hyperscale data center) make it infeasible to site an exascale data center within the remaining buildable area within those zones. The proposed Site for redesignation to

allow data center use is adjacent to and west of the Boardman Airport (i.e., the ALI-zoned land area), making it a logical and compatible location for additional data center activity. Data center use will be compatible with the Boardman Airport and industrial development in the vicinity because it typically does not require multi-story buildings, its vehicle trip generation is low, and the form of its site development is industrial in character; further, the eastern boundary of the Site is approximately 9,000 or more feet from the end of the runway, which provides for safe vertical clearances (addressed in greater detail under MCZO Section 3.092). The proposal is consistent with this Goal and those Policies.

Housing Element

Response: The proposed land use designation change has no effect on any land area designated for residential use. The Housing Element is not affected by it.

Public Facilities and Services Element

Findings

10. Utilities

C. Electrical power substations can create negative environmental impacts on nearby property. Careful site planning and physical design can minimize adverse environmental effects.

1. General Policies

A. Planning and implementation of public facilities and service programs necessary for the public health, safety and welfare shall guide and support development at levels of service appropriate for, but not limited to, the needs of the development to be served.

B. Public facilities and services for urban areas shall be provided at levels appropriate to support optimum development (maximum density).

Response: In Exhibit 17, the applicant has provided correspondence from service providers indicating that levels of power and water service appropriate to support EDCC development can feasibly be provided to the area in which Goals exceptions are proposed (i.e., the Site). Providing excess capacity to serve additional development is not warranted in this circumstance because the Site encompasses all of the potential industrial development area located between the ALI-zoned Airport area and the eastern top-of-bank of the Sixmile Creek canyon to the west, which forms a natural boundary constraining contiguous development west of the City of Boardman. Therefore, the proposal is consistent with these policies.

C. Public facilities and services for rural areas shall be provided at levels appropriate for rural use.

Response: This proposal includes service provision only to the area subject to the Goal exceptions requested by this application. No rural areas outside the Goal exceptions area will become eligible for public facilities and services as a result of approving this request. This policy is met.

D. Providing public facilities and services to rural areas being changed to urban use shall be based upon: 1) the least time required to provide the service; 2) most reliable service; 3) lowest financial cost; and 4) adequate levels of service that satisfy long range needs.

E. A public facility or service shall not be provided in an urbanizable area unless there is provision for the coordinated development of all the other urban facilities and services appropriate to that area.

F. All utility lines and facilities shall be located on or adjacent to existing public or private right-of-way or through generally unproductive lands to avoid dividing existing farm units.

G. Public facilities and services shall not be allowed beyond a level that development supported by such services exceeds the carrying capacity of the air, land and water resources; therefore, public facilities and services shall be the principal framework for gaging density levels and types of urban and rural land developments.

Response: In Exhibit 17, the applicant has provided correspondence from service providers indicating that levels of water and power service appropriate to support EDCC development can feasibly be provided. These policies provide guidance to service providers regarding how to plan and implement such service provision following adoption of the proposed Plan Map/Zoning amendments and exception findings. Consistent with these policies, the applicant/owner and any future prospective developer(s) will be required to coordinate with all needed service providers regarding specifics of design, construction, and operation of such utility services. The proposal is consistent with these policies.

H. Public facilities and services shall be appropriate to support an adequate housing market in areas undergoing development or redevelopment.

Response: This proposal has no effect on this policy because it affects no land areas designated in the Comprehensive Plan for residential development.

I. All utility companies and irrigation companies affected by any and all land partitionings and subdivisions shall be notified and requested to make recommendations regarding compliance with long range development plans and specific utility easements.

Response: Notwithstanding that this policy refers specifically to “land partitionings and subdivisions,” the applicant has coordinated with service providers in the preparation of this request. Correspondences indicating feasibility of service provision are attached in Exhibit 17. The proposal is consistent with the intent of this policy (albeit not in the context of a land partition or subdivision).

J. Methods for achieving desired types and levels of public facilities and services shall include without being limited to the following: 1) tax incentives and dis-incentives; 2) land use controls and ordinances; 3) multiple-use and joint development practices; 4) fee and less-than-fee acquisition techniques; 5) enforcement of local health and safety codes; and 6) a systems development charge as deemed appropriate and necessary.

K. The primary goal shall be to achieve a maximum balance of public costs vs. benefits/revenues in the provision of public facilities and services.

L. Equitable approaches and methods of financing shall be a basic goal.

Response: Refer to response above for policies D through G. Consistent with these policies, the applicant/owner and any future prospective developer(s) will be required to coordinate with all needed service providers regarding specifics of design, construction and operation of such utility services, as well as funding mechanisms and rate structures to be utilized within that process. The proposal is consistent with these policies.

M. Morrow County should utilize development review processes to ascertain the impact of large projects on County and community services and should demand the sponsor to participate in meeting associated expenses.

Response: This Plan Map Amendment/Zone Change request is submitted by the property owner, not by a developer with specific development plans for the Site. As a result, there is no development review application at this time. A future prospective developer will be required to submit proposed development plans for review and approval through the County's development review process. See MZCO 5.020 (setting forth criteria for site plan review and approval). Moreover, prior to commencing construction, the developer(s) will have to obtain land use approval(s), submit detailed construction plans for review, and demonstrate compliance with resulting conditions of the land use approval(s). That is, County review/approval procedures for development pursuant to this proposed Plan Map Amendment/Zone Change will ensure compliance with this policy.

N. The County recognizes the need to provide adequate community facilities to serve area residents and shall support city efforts to obtain funding for construction and improvement of necessary public facilities.

Response: Refer to responses above for policies D through G and J through L. Consistent with these policies, the applicant/owner and any future prospective developer(s) will be required to coordinate with all needed service providers regarding how services to development(s) within the Site will integrate with existing and planned service provision for the cities and exception areas in the area. The proposal is consistent with the intent of this policy.

2. Schools

A. Morrow County will work with the school district and sponsors of future large scale developments to ensure adequate school facilities for present and potential residents.

Response: Growth in residential development (i.e., increase in the number of households) in a community or region is a principal metric for projecting population growth and planning for school facilities. The proposed designation change will not affect the residential buildable land inventory in Morrow County or its cities. The proposed redesignation will have no effect on this policy.

3. Law Enforcement

A. Law enforcement, police protection and justice facilities should be provided in adequate proportion to the growth rate.

B. The County should evaluate alternatives for providing jail, or at a minimum, short term holding facilities and should investigate various methods of funding.

4. General Services

A. The County recognizes the importance of community services for attracting new businesses and residents to the area and will encourage development of the service sector where it is feasible.

B. Morrow County should cooperate with Wheeler and Gilliam Counties to obtain adequate health care for the area.

Response: The proposed redesignation is a specific response to a recently emerging land development trend in the region, in particular, a sudden and dramatic increase in demand for large tracts of land (1,000 acres or more) for development and use as exascale data center campuses (EDCCs). Irrespective of scale, data center developments to date have not been associated with unusual levels of police activity or need for community services; however, the property tax revenues they provide to local jurisdictions contribute significantly to funding needed police, emergency and other public services. Payrolls for data center employees also fund local disposable income, supporting local private sector commerce and economic vitality; these effects are discussed in more detail in the Economic Impact Analysis (Exhibit 8). The proposed redesignation will contribute positively to achieving these policies.

5. Utilities

- A. *Programs should be continued to develop additional sources of electric and other power sources to assure adequate service to the County area and its projected growth.*
- B. *Power substations should be centrally located to the service area as much as possible to assure economic service and facilitate energy conservation.*
- C. *Power substations should be planned and designed in a manner which will minimize negative environmental impacts on nearby properties and the public as a whole.*
- D. *Weatherization and other energy saving programs should be continued and supported by the power companies.*
- E. *Underground utilities should be encouraged in all new developments where aesthetically and economically feasible.*
- F. *Consideration of all new development shall be coordinated with. serving utilities relative to needed service locations and specifications, and easements and right-of-ways thereof. Included in such coordinated reviews shall be those utilities providing electrical, natural gas, cable television, and telephone services.*

Response: Refer to responses above to 1. General Policies, in particular sub-paragraphs A, B, D through G, I, J through L, M, and N. The applicant has already engaged in communications with service providers to set the stage for such coordinated planning, as documented by correspondence in Exhibit 17. This proposal therefore contributes to utility service provision planning and implementation consistent with this policy. In addition, power substations serving the data center development will be centrally located. It is anticipated that the main substation will be located near the Carty Reservoir and that transmission lines will run north/south to connect to on-site substations that can serve multiple buildings.

6. Water & Sewer

- A. *The County's basic policy on water and sewerage shall be to encourage intensive development to locate within existing cities whenever possible. Cities are organized to provide water and sewerage service. When development does occur in unincorporated areas, such as recreation developments, minimum State sanitation and health requirements must be met by the private interests involved, including an individual lot-by-lot approval for subsurface sewage disposal or approved alternatives.*

Response: The applicant has provided an inventory and analysis of alternative potential areas for EDCC development and operation within a large area surrounding the proposed Site. (See Exhibit 7) Its study area extends along the Columbia River corridor both west and east of the Site to include portions of Gilliam, Morrow and Umatilla Counties, respectively, and the UGBs of included cities, i.e., Arlington, Boardman, Lone, Irrigon, Umatilla, Hermiston, Stanfield, and Echo (from west to east). The analysis finds that appropriately zoned areas within those cities' UGBs are not available to meet the 3,000-acre projected need within a 10-year period (See Economic Impact Analysis, Exhibit 8), for reasons such as being already developed and irrevocably committed to other uses, or being insufficient in dimensions or total contiguous area. The Site is suitable for EDCC use because urban water utility services already extend to the Boardman Airport area, adjacent to the east of the Site, and it is feasible to meet minimum State sanitation and health requirements through onsite industrial septic facilities until such time infrastructure for treatment and disposal may be extended to the Site by the Port of Morrow. For these reasons, the proposal complies with this policy.

7. Solid Waste

- A. *Solid waste disposal shall be accomplished in conformance with City and County solid waste management plans and applicable regulations.*
- B. *No solid wastes shall be disposed of in the County without prior approval by the County. No such approval shall be granted until all environmental and economical considerations*

have been satisfied and the protection of the County, its residents and its economy assured.

C. Recycling shall be encouraged.

Response: Refer to responses above to 1. *General Policies*, in particular sub-paragraphs A, B, D through G, I, J through L, M, and N, and the response to 5. *Utilities*. The area of the Site makes it feasible to achieve solid waste disposal for the anticipated scale of EDCC development in conformance with County solid waste management regulations entirely within the Site, potentially on a permanent basis if necessary, or temporarily until a sanitary sewer service connection is extended to the Site. Before construction plans for any phase of development are issued, proposed plans will need to include details of the solid waste disposal system for review and approval by the County, pursuant to regulations implementing subparagraph B. Therefore, the proposed amendments are consistent with this policy.

8. Fire Protection

A. Fire protection shall be considered a common problem by the cities. County and fire protection districts.

B. All new subdivision design shall take into consideration the need for both an ingress and egress route for emergency vehicles and evacuation traffic.

C. All road and street names shall be clearly designated, as shall building addresses. Subdivisions shall be encouraged to install development layout signs at main entrances.

Response: Similar to the utility services coordination process discussed above, development project planning for the Site (following approval of this request) will necessarily include satisfying regulatory requirements of affected fire protection district(s) and other service provider(s). This policy will be satisfied through implementation of the County's development review and construction permitting regulations. The proposal is consistent with this policy.

Transportation Element

Water Transportation

The Port of Morrow, located in Boardman, operates an industrial park and power sources and three barge terminals for general, wood chip and grain shipments. Experience at the Port of Umatilla indicates that water transportation is a relatively inexpensive way of transporting certain bulk items, particularly with containerized cargo methods. Location of the Port of Morrow near the Hinkle railroad switchyard gives the Port the potential to become a center for an inexpensive way of shipping east coast or midwest goods to west coast centers.

The Columbia/Snake River system above Portland carries a significant amount of barge traffic (about 10 million tons per year). This relatively cheap form of transportation is an important part of the County's economy. Moving commodities by barge is a substantial component of the transportation network of the County. Deep-water barge docking facilities are an essential part of the system. There are three dock sites in Morrow County that are for the most part naturally occurring because the main channel of the Columbia River cuts close to the Oregon shoreline. These three sites are:

1. The Port of Morrow;

2. The Boeing Riverfront property (west two miles from the Tower Road Interchange); and

3. The Patterson Ferry Road site (one-quarter mile on each side of the road).

Extensive dredging is not required for the current use or future development of these sites; only occasional minor dredging is necessary to maintain specific facilities. Morrow County has placed these sites in a

special resource category and has adopted a plan policy to ensure their protection (Policy 27: Transportation Element).¹⁹ The uniqueness of the dock sites is supported by the U.S. Army Corps of Engineers' John Day Lock and Dam Master Plan (July 1970). The Master Plan notes that 99% of the riverfront along the John Day pool has been designated for recreation, fish and wildlife resource purposes.

The Morrow County sites are the only barge dock sites in the upper end of the John Day pool. There are two other waterfront sites but both would require extensive dredging to develop as barge dock facilities (City of Umatilla, Port of Kennewick at Plymouth). In the lower half of the John Day pool, there are only three grain terminal barge dock facilities (Biggs, Arlington and Roosevelt WA). However, these sites are single purpose uses and are limited to current grain handling activities.

A recent study indicates that a potential for tripling the amount of cargo carried by barge exist [SIC] in the river system. These sites are among those identified to handle this increase by continuing to provide the low-cost energy efficient transportation alternative that barges provide for agricultural producers, processors and manufacturers in the region (Source: Columbia/Snake River Port Study, 1980).

Findings

4. *In addition to agriculturally-oriented firms already located at the Port of Morrow's industrial area, the Port has great potential for industrial and commercial development, and has identified an area with river frontage, as a future industrial park Site.*
5. *Barriers to the fullest development of this potential include inadequate access to the planned industrial zone, the constricted traffic pattern across the freeway in Boardman and into the Port property, the lack of dock facilities and of an airport, and the poor telephone service.*

Objectives

2. *To insure that all transportation systems within the County, to the fullest extent possible, be planned to utilize existing facilities and rights-of-ways provided that such is consistent with the environmental energy, land use, economic and social policies of the plan.*
5. *To classify streets and roads in accordance with function served or design function, and to insure compatible land uses adjacent thereto.*
9. *To include in all transportation plans considerations [SIC] of all appropriate transportation modes and to consider as a major determinant the carrying capacity of the air, land and water resources of the area, and more specifically, the affects [SIC] on agriculture and forestry base resources.*
28. *The County recognizes the importance of deep-water docking facilities to the economy and designates these sites as a deep-water transportation resource. The primary use of these sites will be for docking barges, cargo handling and support activities.*

Response: The applicant has provided a TPR Analysis (Exhibit 9) and a supplemental memorandum further discussing compliance with OAR 660012-0060 and consistency with Morrow County's TSP. Exhibit 9 notes that proposed uses of the Site will be limited to (1) data centers and associated support facilities, and (2) farm uses allowed in the EFU zone. The TPR Analysis concludes that vehicle trip generation by the proposed uses at the Site will result in fewer vehicle trips than are reasonably expected under the

¹⁹ The referenced policy appears as number 28 at the time of this application submittal; it is quoted and a response is provided below.

currently allowed reasonable worst-case scenario for allowed development within the 331 acres of the Site that is currently in the Space Age Industrial (SAI) zone. As a result, there is no significant effect on existing or planned facilities, as defined under OAR 660-012-0060.

Specifically with respect to the Water Transportation element and Objective 28, the Site is not located along the Columbia River and therefore cannot be used for river-oriented or river-dependent use. For that reason, with respect to Objective 28, the Site is preferred for data center use over properties with Columbia River frontage in the MG Zone (identified in Exhibit 8 as Analysis Area MC-1) because only those riverfront sites are potentially capable of uses consistent with the Water Transportation element of the Comprehensive Plan and Objective 28.

Energy Conservation Element

Policies

1. *To encourage renewable and/or efficient energy systems, design, siting and construction materials in all new development and improvements in the County.*
2. *To conserve energy and develop and use renewable energy resources.*
3. *Encourage development of solar and wind resources.*
4. *To revise development regulations to encourage that the orientation of streets and buildings allow for utilization of solar energy and require landscaping to reduce summer cooling needs.*
5. *To regulate any object from casting a shadow on an existing solar collecting unit.*
6. *To encourage high density residential development in close and/or convenient proximity to high employment areas and commercial areas.*
7. *To encourage all systems and efforts for the collection, reuse and recycling of metallic and non-metallic wastes.*
8. *The County will work closely with individuals and appropriate government officials at all levels to ensure that the County continues to receive its share of the Columbia River power pool.*
9. *The County will encourage the development of alternative energy sources in County industries and businesses.*
10. *The County should encourage firms and agencies seeking to study these potential power sources to locate trial projects here, through a publicity campaign directed at interested institutions, business concerns and public agencies.*
11. *Priority consideration in overall planning should be given to implementation measures that will encourage achievement of maximum efficiency in energy utilization.*
12. *The allocation of land and uses permitted on the land should seek to minimize the depletion of non-renewable sources of energy.*
13. *Land use actions should, to the maximum extent possible, seek to recycle and re-use vacant land and those uses which are not energy efficient.*

14. *Land use development in the County should, to the maximum extent possible, combine increasing density gradients along high capacity transportation corridors to achieve greater energy efficiency.*
15. *All plans should be directed toward energy conservation and should consider as a major determinant the existing and potential capacity of the renewable energy sources to yield useful energy output. Renewable energy sources include water, sunshine, wind, geothermal heat and municipal, forest and farm waste.*
16. *Land use development shall be based on utilization of the following techniques and implementation devices which can have a material impact on energy efficiency:*
 - a. *Lot size, dimension, and siting controls;*
 - b. *Building height, bulk and surface area;*
 - c. *Density of uses, particularly those which relate to housing densities;*
 - d. *Availability of light, wind, and air;*
 - e. *Compatibility of and competition between competing land use activities; and*
 - f. *Systems and incentives for the collection, reuse and recycling of metallic and nonmetallic waste.*

Response: Refer to responses above to *Public Facilities and Services 1. General Policies*, in particular subparagraphs A, B, D through G, I, J through L, M and N, and the response to 5. *Utilities*. Site development planning and development review/construction permitting following approval of this proposed Comprehensive Plan Map Amendment/Zone Change will necessarily involve coordination with one or more suppliers of energy to achieve consistent, reliable service to the Site. At this time the applicant anticipates service will be provided by Pacific Power via transmission lines from the south, which may also serve other data centers in the vicinity and increase density on those lines. Within that process, the parties are directed by these policies to pursue efficient solutions and incorporate renewable resource technologies wherever it is feasible to do so. Therefore, the proposed amendments are consistent with this policy.

Urbanization Element

Port of Morrow (Industrial Lands Outside an Urban Growth Boundary)

Recognized previously throughout the Plan for its economic importance to the County, necessitates special consideration in this element to those lands under jurisdiction of the Port of Morrow which are located outside the urban growth boundary of the City of Boardman and, are intended and vital for industrial development. Said properties (i.e. owned, controlled and managed by the Port of Morrow) involve a total of approximately 4,000 acres located east and southeast of the City of Boardman and bordered on the northwest by the Columbia River for a distance of about 3,600 feet (2/3 mile). Of this 4,000 acres, approximately 1,980 acres are available for future industrial development.

Major industrial development currently exists on Port property of which 350 acres is already identified as a Food Processing Industrial Park.

The major portion of the property under Port jurisdiction is located in Sections 1,2, 3, 4, 9, 10, 11,12 and 24 (Section 24 designated for effluent disposal) of Township 4 North, Range 25 East, and Sections 6 and 18 of Township 4 North, Range 26 East.

Existing ownerships and development patterns, coupled with the economic factors vital to the County, necessitates the designation of the Port of Morrow and properties controlled thereby as industrial. Such

designation and appropriate implementing zoning does not, however, preclude the continuance of some agricultural use of said properties as an interim beneficial use until needed for industrial development.

Response: The applicant notes that the Comprehensive Plan's Port of Morrow statement refers to land in Port jurisdiction within Section 24 as "designated for effluent disposal" without mentioning that the whole of the Boardman Airport facility, including all lands zoned ALI, is located within that Section. The Port of Morrow is also the record owner of four parcels of land in Section 24, north of Interstate 84 (tax lot 130, 04N24E) and three parcels with Columbia River frontage (tax lots 123, 126 and 128, 04N24E). As noted in the response above for *Transportation Element/Water Transportation*, the Port's properties with Columbia River frontage are uniquely capable of supporting Columbia River freight transportation, as compared to sites without such River frontage. Enabling EDCC use of the Site will, at least in part, satisfy market demand for EDCC development, and reduce the likelihood that river-frontage properties will be absorbed for EDCC use in the future. The proposal is therefore consistent with this policy.

Review and Revision Processes

Response: This Section of the Comprehensive Plan allows the County Board of Commissioners, Planning Commission, or a private property owner or authorized representative to initiate Comprehensive Plan amendments. The Section also provides direction for the review process, including public notices and hearings, and approval criteria; the latter refer specifically to (1) criteria in Morrow County Zoning Ordinance Article 8 Amendments, and (2) evidence of compliance with Statewide Planning Goals, including coordination and compliance with State agencies. The applicant's submittal includes evidence specifically addressed to those approval requirements, as detailed above in this report. Morrow County staff will process the request pursuant to procedural direction in the Morrow County Zoning Ordinance, consistent with the procedural direction of this Section. The proposal and the review procedure will thus comply with this Section.

Morrow County Transportation System Plan (TSP) Policies

The Transportation Element of the Comprehensive Plan contains a total of 28 policies. Below, the applicant has excerpted and responded to the policies identified as relevant and applicable to the proposed amendment.

4. *Streets and roads shall be classified in accordance with the function served or designated; such classifications shall have improvement standards established therefore, and planning decisions associated therewith shall take into account the interrelationships of such functions and adjoining land uses.*

Response: Exhibit 9 contains a Transportation Analysis that includes Transportation Planning Rule compliance findings. That analysis finds that trip generation by the future use of the entire Site with the proposed zoning designation change will be lower than that of allowed development of the SAI-zoned portion of the Site under its current SAI zoning. As a result, the proposed amendment will not significantly affect the functioning or TSP designation of any of the roads serving the Site. The amendment is consistent with this policy.

5. *The County shall both establish and operate within effective and efficient street and road maintenance and acceptance management systems.*

Response: Vehicular access to the Site will be provided by extending Boardman Airport Lane across the north-south rail spur to the Carty Generating Station to serve the Site. See Exhibit 17.C (Port of Morrow Road Access Letter). Boardman Airport Lane is located within the Goal exception area of the Airport Light Industrial (ALI) zone. As more fully described in Exhibit 9.A (Supplemental Traffic Memo), the Port of Morrow has already constructed Boardman Airport Lane to meet and/or exceed design and traffic volumes associated with Arterials under the County's TSP and the roadway is expected to operate

adequately as constructed. The road ends at the east edge of the rail spur corridor, which is labeled as 150-foot-wide at this position on Morrow County Tax Map 04N24E. Only a crossing of that rail corridor is necessary to reach the Site on the west side of the railroad right-of-way. With approval of the proposed Goal exceptions, none of the required road extension will be within a resource (non-exception) zone. This access route takes advantage of the existing road network, adding no new roadways, intersections, or other roadway extensions to the street network. For these reasons, the proposal is consistent with this policy.

6. *Transportation systems, to the fullest extent possible, shall be planned to utilize existing facilities and rights-of-ways, and shall avoid dividing existing economic farm units and urban social units unless no feasible alternative exists.*

Response: As noted in the response to policy #5 above, Boardman Airport Lane is an existing improved road that can provide access to the Site with only a limited (150 feet) western extension to cross a railroad spur. Doing so will not divide any existing farm units or urban social units. The proposal is consistent with this policy.

9. *The County shall recognize the relationship between land use and street function. Transportation shall be considered according to street classification policies in extension of existing development or approval of new development.*

Response: The Transportation Analysis and Supplemental Traffic Memo (Exhibits 9 and 9.A) demonstrate that land use activities allowed under the proposed Comprehensive Plan Map/Zoning change will maintain consistency with existing street classifications and classification policies. With respect to Boardman Airport Lane, the Supplemental Traffic Memo explains that the roadway was constructed to County Arterial II standards and has the capacity to support future projected traffic volumes consistent with the proposed zone change.

10. *The County shall require that road improvements necessitated by development shall be constructed in accord with street classification policies, and financed by the developer. (Such road improvements include roads affected by the impact of the development).*

Response: Based on the Transportation Analysis and Supplemental Traffic Memo (Exhibits 9 and 9.A), reasonable worst case trip generation under the proposed Comprehensive Plan Map/Zoning change will be lower than potential trip generation from the SAI-zoned portion of the Site under its current zoning. Because the improved Boardman Airport Lane and Tower Road have capacity to accommodate projected traffic, the proposal will not produce traffic impacts that will necessitate road improvements.

The Transportation Analysis assumes a 2% annual increase in background traffic under both current and proposed zoning. Under that assumption, growth in background traffic volumes together with Site-generated trips will produce a failing condition under current SAI zoning at the westbound I-84 ramp and at the Tower Road-Boardman Airport Lane and Tower Road-Kunze Lane intersections during the 20-year analysis period. Under the proposed zoning, the westbound ramp failure is avoided, and the failure at the remaining two facilities is less severe and thus delayed. Further, Site Plan Review and approval by the County will be required at the time of development, and the need for mitigation improvements will be addressed under implementing code criteria and standards during Site Plan Review.

11. *The County shall limit further development which prevents streets from serving their function (including causing streets to have lower speed limits than the function necessitates).*

Response: As noted in the above statements, projected trip generation by the Site is lower under the proposed Comprehensive Plan Map/Zoning amendment, maintaining consistency with the TSP designations and capacities of streets serving the Site. The proposal is consistent with this policy.

19. *The County should work with the Port, private concerns, federal and state agencies to evaluate and develop those Port facilities that are most economically desirable for full utilization of the Port's geographic advantages.*

Response: Boardman Airport Lane is part of the street network designed and constructed by the Port of Morrow to serve the Boardman Airport and surrounding properties, consisting of land areas in the Airport Industrial (AI), Airport Light Industrial (ALI), Space Age Industrial (SAI), and EFU zones, including the Site. The applicant has communicated with staff of the Port regarding Site access by way of Boardman Airport Lane, and the Traffic Engineer has coordinated with staff of ODOT and Morrow County regarding the scope and approach used in the Transportation Analysis. These consultations assure that the proposal is compatible with full utilization of Port facilities, consistent with this policy. See Exhibit 17.C (Port of Morrow Road Access Letter).

27. *It shall be the policy of Morrow County to protect the Morrow County Airport at Lexington, Army Depot Airport and the Boardman airport from incompatible uses through the application of the criteria established by State Aeronautics publication "Airport Compatibility Guidelines, 1981."*

Response: In addition to the steps reported in the response to policy #19 above, this narrative/findings report addresses the requirements of the Airport Overlay Zone and related regulatory requirements to ensure compliance with FAA requirements. The proposed Limited Use Overlay Zone provisions incorporate specific provisions to assure compatibility with Airport operational and safety requirements. This policy is met.

28. *The County recognizes the importance of deep-water docking facilities to the economy and designates these sites as a deep-water transportation resource. The primary use of these sites will be for docking barges, cargo handling and support activities.*

Response: The Site has no shoreline frontage on the Columbia River or a tributary, so the proposed Comprehensive Plan Map/Zoning amendment does not diminish opportunities for river-oriented and river-dependent uses on other lands within the County's inventory of available zoned land. Adoption of the proposed amendment will enable the County to respond to the growing regional demand for data center development, in effect relieving some market pressure that could otherwise lead to development of River-adjacent properties for data center use (which is neither river-oriented nor river-dependent).

Morrow County Zoning Ordinance (MCZO)

Article 8. Amendments

Section 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 applicant's evidence includes a report from Johnson Economics (Exhibit 8) that documents a recent economic/land development trend: deployment of Artificial Intelligence (AI) services across a wide range of applications is spurring a rapid – and only recently emerging – expansion in computing demand. That growth is in turn spurring demand for land suitable for Exascale Data Center Campus siting, to meet the rapidly expanding market demand. The Johnson Economics report projects that Morrow

County can expect EDCC development to absorb an estimated 3,000 acres of land within the coming ten-year period.

Up to the present, comprehensive land use planning by jurisdictions in the vicinity (i.e., Morrow, Gilliam and Umatilla Counties, and their cities located close to the I-84/Columbia River corridor) has relied on estimates of industrial/employment land needs that have been based on a familiar mix of historic demand drivers, supplemented by Economic Opportunities Analyses (EOAs) to identify strategic opportunities and make projections for associated land needs; however, the novel nature of the emerging trend includes the very recent advent of demand for AI services, which has recently dramatically accelerated demand for mass computation capabilities requiring multiple buildings on large campus sites served by direct connections to high-capacity power transmission lines and fiber optic communications/internet service.

The Johnson Economics report identifies changes in the need and market demand for tracts of industrial land suitable for the specific needs of EDCCs. These changes in local conditions are sufficient to warrant the proposed change in the zoning of the Site. This criterion is met.

- 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.*
- 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.*
 - 2. A plan 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 applicant's submittal includes correspondence from utility service providers indicating their capacity and willingness to provide water and power services to the Site consistent with anticipated data center use (see Exhibit 17). And it is feasible to rely on on-site services for industrial wastewater and sanitary sewer, as described above, until such time infrastructure for treatment and disposal of wastewater is extended to the Site by the Port of Morrow. Regarding transportation, the applicant has provided a Transportation Planning Rule (TPR) compliance report which addresses the "significantly affect" standards set forth in this section; this analysis establishes that the proposed change in zone designation and associated allowed development results in no roadway or intersection that would be significantly affected by approval of the proposed zone change. That conclusion is reasonable due to the proposed Limited Use (LU) Overlay designation restricting use to data center, which is consistent with the types of travel demand reducing strategies authorized in subparagraphs a and c, and the net reduction in

vehicular trips to and from the Site as compared with reasonable worst-case trip generation under current zoning. Please also refer to the narrative describing compliance with OAR 660-012-0060 above. This criterion is met.

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 there should bear the burden, if any, of introducing that zone into their area.*

Response: This Section contains four discrete tests, all of which are met by this proposal as follows:

- *the proposed amendment is consistent with unamended portions of the Comprehensive Plan and supports goals and policies of the Comprehensive Plan:* Above, under the “Morrow County Comprehensive Plan” heading, the applicant has identified Policies and Objectives of the Morrow County Comprehensive Plan that are relevant to, or could be affected by, the proposed amendment. The applicant has provided statements responding to each, explaining why the proposed amendment is consistent with those Policies and Objectives.
- *there is a public need for the proposal:* As noted in the economic report from Johnson Economics (Exhibit 8), recent accelerating growth in data processing as a service, largely associated with broad adoption of AI services, is causing a rapid increase in demand for, and construction of, Exascale Data Center Campuses. EDCCs involve multiple buildings and ancillary facilities, such as dedicated power stations connected to high-capacity power lines, and leading firms in the nascent industry seek to build them and bring them into online service as quickly as possible.
- *the need will be best served by allowing the request:* Exhibit 7 contains an analysis of alternative potential rezoning areas within a large vicinity east and west of the Site pursuant to Oregon Administrative Rules (OAR) exceptions standards. That analysis examines both the eligibility of alternative areas in light of their exemptions status and case precedents, as well as the suitability of eligible alternative areas with respect to multiple location factors for EDCCs. Exhibit 8 contains an economic analysis that estimates demand for an additional 3,000 acres devoted to data center development in the area within a ten-year period. Taken together, the two analyses demonstrate that (1) there is an urgent need to allocate and zone land to meet the rising demand for growth in the regional EDCC market, and (2) the Site is the best situated location with respect to multiple factors, whether examined individually or in combination. (The latter is preferable, from the standpoint of arriving at a contextual understanding of the optimal combination of factors.) For these reasons, the Site is the preferred location for rezoning to meet the identified need.
- *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 there should bear the burden, if any, of introducing that zone into their area:* The analysis in Exhibit 7 demonstrates why the Site is the preferred location for redesignation to allow data center development (and *only* data center development) to address the specific need identified in the economic analysis (Exhibit 8). Regarding the question of placing a burden on the owners of property where the new zoning would be introduced, this application has been presented by the current owner of the property to be rezoned, as well as much of the surrounding area. The applicant/owner has adequately considered how the proposed rezoning would affect its properties and operations, and is satisfied that rezoning as proposed is preferable to maintaining the existing zoning designations as they apply to their property. This criterion is satisfied.

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

Response: Economic development is an important public health and welfare issue of concern to Morrow County. Of particular interest in this case is evidence indicating that the recent, rapid and broad-based popular adoption of AI technology services is spurring a strategic inflection point (i.e., a rapid increase in demand for large tracts of land to support Exascale Data Center Campus development and use).

In the past few years, communities in the Columbia River corridor have already found themselves well positioned to compete to attract regional data center developments: the presence of sufficient electric power and transmission lines, Interstate 84, and high-capacity fiber optic facilities in the Columbia River corridor, together with available suitably-zoned land with sufficient buffering from other uses has already led to numerous data center development projects completed or now in process. Those projects, however, have generally occupied about 150 acres or less, and have utilized land already zoned to allow data center development, reducing available inventories of industrially-zone buildable land available to meet other economic development needs and objectives.

The recent emergence of Exascale Data Center Campuses – large, multi-building data center campuses with power consumption of one megawatt (MW) or more and on-site power stations connected directly to high-capacity electric transmission lines – forms a new class of large-scale industrial development. Demand for EDCC development has potential to undermine previous economic development planning by rapidly consuming a significant share of lands previously designated for industrial/employment use, reducing local buildable land inventories available to meet communities’ growth needs. For this reason, identifying particularly suitable locations and designating land for EDCC development and use contributes to public health and welfare, by meeting emerging needs while keeping adopted Economic Development planning on track.

Separately, regarding public health and welfare issues associated with impacts of industrial development and use activities, EDCCs are normally equipped with backup diesel generators to avoid, or at least mitigate, occasional disruptions in data processing due to instability or outages in the electric transmission system. A data center activates its backup generators if and when a problem occurs in the electric transmission system serving the facility, to test that equipment is operational, and to maintain critically-needed stable power and avoid interruption of computing processes or disruptions in service to customers. When activated, diesel backup generators do produce some noise and diesel exhaust that would typically be detectable outside the data center property itself. In populated areas, such generator activations and operations can result in perceived impacts at sensitive receptor sites, such as residences, even though the actual noise levels, air emissions and other effects may in fact be in compliance with applicable federal, state and local standards. By contrast, the relative isolation of the Site for the proposed zone change – west of the Boardman Airport, on the south side of the I-84 corridor and on the east bank of Sixmile Creek – dramatically reduces potential for such perceived impacts.

Finally, as addressed more fully in Exhibit 9.A (Supplemental Traffic Memo), any required emergency access to the site will be identified and provided prior to any development of the site for data center use and be subject to County review and approval via required Site Plan Review. See MZCO 5.020.E.9; see also MZCO 4.010(C) (“it is the responsibility of the landowner to provide appropriate access for emergency vehicles at the time of development”). This ensures that safety/access issues are thoroughly evaluated, and that effective life/safety access will be made available at the stage of development when more information is known about actual site design and site access/circulation requirements.

For the above reasons, the proposal contributes to public health and safety. This criterion is met.

Article 3. Use Zones

Section 3.110. Limited Use Overlay Zone, LU

The purpose of the Limited Use Overlay Zone is to limit the list of permitted uses and activities allowed in the zone to only those uses and activities which are justified in the comprehensive plan 'reasons' exception statement under ORS 197.732(1)(c). The Limited Use Overlay Zone is intended to carry out the administrative rule requirement for 'reasons' exceptions pursuant to OAR 660-14-018(3).

Response: The proposed zone change includes adopting an LU Overlay on the whole Site, limiting its potential use to Data centers and existing uses allowed in the EFU district. Findings of compliance with applicable standards are provided below.

- A. *Overlay Zone Requirements. When the Limited Use Overlay Zone is applied, the uses permitted in the underlying zone shall be limited to those uses and activities specifically referenced in the ordinance adopting the Limited Use Overlay Zone. The Limited Use Overlay Zone cannot be used to authorize uses other than those expressly provided in the underlying zone. Reasonable conditions may also be imposed by the Limited Use Overlay Zone when necessary to carry out the provisions of the comprehensive plan and this ordinance. Until the overlay zone has been removed or amended through the plan amendment process the only permitted uses and activities in the zone shall be those specifically referenced in the adopting ordinance.*

The Limited Use Overlay Zone is to be applied through the plan amendment and rezoning process at the time the primary plan and zone designation is being changed. The ordinance adopting the overlay zone shall include findings showing that

1. *No other zoning district currently provided in the zoning ordinance can be applied consistent with the requirements of the 'reasons' exception statement because the zoning would allow uses beyond those justified by the exception;*

Response: There are Morrow County base zones in which data center is an allowed use, but they also include use lists that would allow activities other than data centers within the Site. Because such other uses would be inconsistent with purpose of this application and the exceptions from Statewide Planning Goals requested by this application, the LU Overlay is necessary and appropriate in conjunction with the proposed base rezoning to General Industrial (MG). This criterion is met.

2. *The proposed zone is the best suited to accommodate the desired uses(s); and*

Response: Applying the MG zone to the Site, together with an LU Overlay restricting land use to data center, is the best way to provide land for large-campus Exascale Data Center Campus development and use because:

- General Industrial (MG) is an industrial zone in which data center is an outright permitted land use.
- Data centers are typically consistent with the form, appearance, and sometimes very large scale of industrial sites and buildings in the MG zone.
- The Site is particularly well suited for data center use because it is proximate to critically needed facilities and services, such as electrical transmission lines and fiber-optic data/communications lines, but also distant from sensitive land uses, such as residences.
- The proposed LU Overlay will reserve the full area of the Site for data center use, ensuring that other forms of employment development will not seek to locate within the Site instead of at currently planned locations for such uses, consistent with previous Economic Opportunities Analysis (EOA) work and Comprehensive Plan efforts to date.

Based on the above facts and findings, this criterion is met.

3. *It is required under the exception rule (OAR 660, Division 4) to limit the uses permitted in the proposed zone.*

Response: Findings are provided above responding to the “reasons” exception rules in OAR 660-004. It is necessary to limit the allowed land uses at the Site to Data Center because allowing a wider range of uses would potentially engender a variety of deleterious effects on adopted plans. For example, allowing other industrial or commercial activities within the Site would compromise planning efforts to achieve a compact urban form, to limit commuting distances and Vehicle Miles Traveled (VMT) in urban areas, and to minimize construction- and maintenance costs associated with providing public utility services in urban areas. This criterion is met.

- B. *Official Plan/Zoning Map. The official plan/zoning map shall be amended to show an LU suffix on any parcel where the Limited Use Overlay Zone has been applied.*

Response: This Section provides direction to staff for implementation of approved LU Overlay designations and requires no factual evidence from the applicant. The applicant proposes that the LU Overlay designation limiting allowed land use to data centers be applied to the entirety of the 1,298-acre site.

- C. *Site Plan Requirement. In addition to limiting the uses in the zone it may be necessary to require County approval of the location of buildings, access and parking, screening and other site planning considerations in order to ensure the compatibility of the permitted uses with the area. This requirement may be added by specific reference in the adopting ordinance. The ordinance shall indicate any special concerns or locational requirements that must be addressed in the site plan and be approved by the Planning Commission.*

Response: The 1,298-acre Site for proposed MG/LU Overlay rezoning to allow data center use is located in an isolated and agriculturally non-productive area west of the Boardman Airport. The Site abuts the south boundary of the Interstate 84 corridor, and its western boundary is formed by the east bank of Sixmile Creek, a natural drainageway whose confluence with the Columbia River is a short distance north of the Site. The surrounding area is not designated for any types of future development, such as residential, that would be considered sensitive to impacts affecting compatibility of uses. In this context, it is not necessary or warranted to require preliminary site development plans at this stage because no sensitive uses that could be affected are located proximate to the proposed area for redesignation. Additionally, the applicant notes that proposed development(s) within the Site will be subject to Morrow County’s land use review and site plan approval procedures on a project-by-project basis; impacts on other uses in the vicinity can be considered at that time, and Morrow County has authority to impose reasonable conditions of approval to ensure compliance with applicable Site Plan Review standards.

Section 3.092. Airport Safety and Compatibility Overlay Zone, ASC

- A. *Purpose. The purpose of this overlay zone is to protect and support the continued operation of the Boardman public use airport by establishing compatibility and safety standards and to reduce potential safety hazards for persons living, working or recreating near that airport.*

Response: The subject site is located to the west of the Boardman Airport and is partially within the imaginary horizontal and conical surface areas surrounding the runway. This section applies to development of the site.

- B. *Definitions. Definitions in this section apply specifically to this overlay zone and are intended to supplement the definitions in Article 1.
[list of definitions omitted for brevity]*

Response: The definitions in this subsection were referenced to evaluate compliance with the standards of the ASC.

- C. *Imaginary Surface Delineation. The airport elevation and the location and dimensions of the runway, primary surface, runway protection zone, approach surface, horizontal surface, conical surface and transitional surface shall be delineated for each airport subject to this overlay zone and shall be made part of the Official Zoning Map. All lands, waters, and airspace or portions thereof, that are located within these surfaces shall be subject to the requirements of this overlay zone.*

Response: A map of the imaginary surfaces for the Boardman Airport, including the boundary of the subject site, is included in Exhibit 13. As indicated in the exhibit, the subject site is partially within the horizontal and conical surface areas.

- D. *Notice of Land Use and Permit Applications within Overlay Zone Area. Except as otherwise provided, written notice of applications for land use or limited land use decisions in the area within this overlay zone, including comprehensive plan or zoning amendments, shall be provided to the airport sponsor and the Department of Aviation in the same manner as notice is provided to property owners entitled by law to written notice of land use or limited land use applications.*
1. *Notice shall be provided to the airport sponsor and the Department of Aviation when the property or a portion thereof that is subject to the land use or limited land use application is within 5,000 feet of the sides or ends of the runway.*
 2. *Notices required by this section need not be provided to the airport sponsor or the Department of Aviation where the land use or limited land use application:*
 - a. *would only allow structures less than 35 feet in height, measured from grade;*
 - b. *involves property located entirely outside the approach surface;*
 - c. *does not involve uses that emit smoke dust, or steam; sanitary landfills or water impoundments; or radiotelephone, television or similar transmission facilities or electrical transmission lines; and*
 - d. *does not involve wetland mitigation, creation, enhancement or restoration.*

Response: This subsection provides notice requirements for the County to follow when it processes land use and permit applications within the ASC. Under MZCO 5.020, data center development on this Site will be subject to Site Plan Review and this notification will occur as part of that land use permitting process.

- E. *Height Limitations on Allowed Used in Underlying Zone. All uses permitted by the underlying zone shall comply with the height limitations in the Section unless standards of the underlying zone are more restrictive.*
1. *Except as provided in paragraph 2, no structure or tree or other object of natural growth shall be allowed to penetrate an airport imaginary surface.*
 2. *For areas within airport imaginary surfaces but outside of the approach and transition surfaces, where terrain is at higher elevations than the airport runway surfaces where existing structures and permitted development penetrate the airport imaginary surfaces, a local government may authorize structures up to 35 feet in height.*

Response: Following approval of the requested amendments, the site will be zoned MG, which does not include height limitations. A Limited Use Overlay will restrict permitted uses to data centers with related ancillary improvements and associated infrastructure facilities, and the uses allowed in the EFU district. As shown in Exhibit 13, the grade of the site varies from approximately 440 feet at the south end to approximately 340 feet at the north end. The ASC horizontal surfaces intersect the eastern edge of the site at an elevation of 542 feet. The conical surface ascends westward across the site to an elevation of 742 feet at the outermost perimeter of the conical surface area. At the eastern edge of the Site, nearest to the airport, a structure would have to be over 100 feet in height to penetrate the conical surface. Across

the rest of the Site, structures could be well over 100 feet without penetrating the surface. Therefore, it will be feasible for future development to comply with the ASC, which can be confirmed through the County's development review process at such time new structures are proposed.

- F. Procedures. An application for a land use or limited land use approval on property within this overlay zone shall provide the following information in addition to any other required information:*
- 1. A map or drawing showing the location of the property in relation to the airport imaginary surfaces.*
 - 2. Elevation profiles and a site plan, drawn to scale, including the location and height of all existing and proposed structures, measured from existing grade.*

Response: A map of the site in relation to the Boardman Airport imaginary surfaces is included in Exhibit 13. A conceptual site plan for a future EDCC, which includes elevation contours, is included in Exhibit 4; however, as this is a conceptual plan for prospective future development, building height is unknown. As described in the response to subsection (E), above, it will be feasible for future development to comply with the standards of the ASC. Final compliance will be demonstrated when development is proposed through site plan review.

- G. Land Use Compatibility Requirements. Any land use allowed in the underlying zone may be permitted in the overlay zone, subject to the following standards:*
- 1. The user shall comply with the height standards in Section (E) of this Chapter.*
 - 2. The use shall not include a place of public assembly.*
 - 3. The uses shall not create a bird attractant. If the airport sponsor determines that there is a potential for attracting birds, the application shall include a study demonstrating that any hazard to use of the airport is mitigated.*
 - 4. The use shall not cause light or glare that projects lighting directly onto a runway or taxiway, or imitates airport lighting*

Response: These standards will be applied through the County's site plan review process when there is a specific development proposal.

- H. Prohibited Uses. Notwithstanding the underlying zoning, the following uses are prohibited in the Airport Safety and Compatibility Overlay Zone:*
- 1. New residential Development.*
 - 2. New Public Assembly Facilities.*

Response: The proposed Limited Use Overlay does not include residential development or public assembly facilities. This standard is met.

- I. Nonconforming Uses.*
[remainder of this subsection omitted for brevity]

Response: The site does not contain any nonconforming uses. This section does not apply.

Findings for Amendments Applicable to the Proposed Downzone Area

Compliance with Criteria for Goal Exceptions and Comp Plan Amendments

As explained above in the Introduction section, an integral component of this application is the request to amend the County Comprehensive Plan Map designation of Industrial to Agriculture, and the corresponding map designation of Spage Age Industrial to Exclusive Farm Use, for a single contiguous rectangular area containing approximately 1,605 acres. This concurrent rezoning will enhance Goal 3 protections to an existing agricultural land area, much of which is irrigated and used for crop production,

by prohibiting the development of a wide range of intensive industrial uses allowed under the current SAI zoning designation. The evidence and findings presented below demonstrate that the EFU designation is appropriate for the proposed 1,605-acre “downzone” area.

Because this component of the proposal does not involve allowing urban or non-resource uses or related urban infrastructure, no exceptions from the applicable Statewide Planning Goals are required. The following statements explain why the proposed change complies with applicable Statewide Planning Goals, as well as Morrow County’s standards identified in the Comprehensive Plan and Zoning Ordinance.

OAR 660, Division 4 – Interpretation of Goal 2 Exception Process

Response: OAR 660-004 is not applicable because the proposed redesignation/zone change, from Industrial/SAI to Agriculture/EFU, does not require a Goal exception.

OAR 660, Division 12 – Transportation Planning

Response: OAR 660-012 is applicable. Please see findings below in the response to Statewide Planning Goal 12 (Transportation).

OAR 660, Division 14 – Application of the Statewide Planning Goals to Newly Incorporated Cities, Annexation, and Urban Development on Rural Lands

Response: OAR 660-014 is not applicable because the proposed redesignation/zone change from Industrial/SAI to Agriculture/EFU effectively removes the proposed 1,605-acre downzone area from the current allowance of urban industrial use under the SAI zone designation.

Compliance with Statewide Planning Goals

Goal 1 (Citizen Involvement)

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

Response: Morrow County’s acknowledged comprehensive plan and land use regulations specify public involvement procedures required for plan amendments. The procedures include notice to the public, as well as State of Oregon agencies including the Departments of Land Conservation and Development (DLCD) and Transportation (ODOT), the Confederated Tribes of the Umatilla Indian Reservation (CTUIR), and other interested parties. Public hearings before the Morrow County Planning Commission and Morrow County Board of Commissioners provide for public involvement in the planning process as required under Goal 1. By following the County’s established public involvement procedures, Goal 1 is met.

Goal 2 (Land Use Planning)

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

Response: The factual evidence and analysis findings presented in this application package demonstrate that the proposed zoning redesignation package complies with Statewide Planning Goals as well as Morrow County implementing regulations in the Comprehensive Plan and Zoning Ordinance. The downzone request will convert land currently in agricultural use from an Industrial/Space Ace Industrial (SAI) designation to Agriculture/EFU to ensure that no net loss of productive agricultural land will occur with the proposed redesignation of the Site, as discussed in detail above in this report. Based on the

discussion below regarding compliance with applicable Comprehensive Plan policies, the proposal maintains consistency with policies in the Comprehensive Plan, and thus satisfies Goal 2 requirements.

In preparing to submit this request, the applicant's team has coordinated with staff of affected local governments (cities and counties), CTUIR, and utility service providers to identify issues of concern and address them in the analysis and recommendations, and to obtain data to support the analysis.

Goal 3 (Agricultural Lands)

Goal: To preserve and maintain agricultural lands.

Response: Goal 3 requires Morrow County to protect agricultural lands for farm uses through appropriate zoning. With respect to the Site, discussed in detail above, this application package includes detailed responses to "reasons" exception standards in OAR 660-004 and supporting evidence, which demonstrate that the proposed zoning redesignation package complies with Goal 3. With respect to the proposed "downzone" area, the proposed conversion of approximately 1,605 acres from Industrial/SAI designation to Agriculture/EFU will ensure that no net loss of productive agricultural land will occur. The applicant has provided geotechnical/soils analysis documentation (see Exhibit 10.B) demonstrating that the "downzone" area contains superior soil conditions, 775-acres of which is actively farmed and irrigated. This 775 acres in particular exhibits Class IVe soils and is far more suitable for the proposed Agriculture/EFU designation than the EFU-zoned soils at the Site, which has many agricultural limitations, would require substantial financial and time investment to achieve a cultivation condition, and even if such condition were achieved, would still be inferior to the agricultural condition of the downzone study area. See Exhibit 10.B. As noted in the Downzone Area Soils Report, given these limitations the land proposed for upzoning is not likely to become cultivation land, while much of the land (775 acres) proposed for downzoning is likely to remain in high-value crop production due to favorable soil conditions and associated improvement (irrigation, land leveling, access, etc.). The applicant has also provided aerial photographic evidence of center-pivot irrigation in use in the southern portion of the area, together with evidence of the potential for expanded irrigation within the remaining downzone area (See Figure II-4). For these reasons, Goal 3 is satisfied.

Goal 4 (Forest Lands)

Goal: To conserve forest lands by maintaining the forest land base and to protect the state's forest economy by making possible economically efficient forest practices that assure the continuous growing and harvesting of forest tree species as the leading use on forest land consistent with sound management of soil, air, water, and fish and wildlife resources and to provide for recreational opportunities and agriculture.

Response: The proposal does not propose to designate or affect lands designated for forest uses. Goal 4 does not apply.

Goal 5 (Open Spaces, Scenic and Historic Areas and Natural Resources)

Goal: To protect natural resources and conserve scenic and historic areas and open spaces.

Response: The County Comprehensive Plan has not identified any inventoried significant natural, scenic, historic or open space areas within or near the proposed "downzone" area. See the attached Significant Resource Inventory Map, Exhibit 11., and also a map excerpt in Exhibit 16. Per the analysis in the Natural Resources Assessment, there are no significant Goal 5 resources that would be affected by this proposal to amend land use designations.

Based on the facts and findings above, the proposal complies with Goal 5.

Goal 6 (Air, Water and Land Resources Quality)

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

Response: The State of Oregon has adopted statutes and administrative rules to protect air, water and land resources from environmental impacts of development and land use activities. The effect of the proposed redesignation of the “downzone” area will be to protect it from urban industrial development within its approximately 1,605 acres. Like other agricultural operations, activities within the “downzone” area will be required to comply with applicable local, state, and federal regulations regarding air, water and land resources quality as they apply in EFU-zoned areas. The proposed downzone is therefore consistent with Goal 6.

Goal 7 (Areas Subject to Natural Disasters and Hazards)

Goal: To protect people and property from natural hazards.

Response: The proposed “downzone” area does not contain mapped flood or geologic hazards (see FEMA FIRM Panels, Exhibit 14, and DOGAMI SLIDO Maps, Exhibit 15). The proposed amendment will have no effect on Morrow County’s compliance with Goal 7.

Goal 8 (Recreational Needs)

Goal: To satisfy the recreational needs of the citizens of the state and visitors and, where appropriate, to provide for the siting of necessary recreational facilities including destination resorts.

Response: The proposal does not affect recreational facilities or land needed to meet Morrow County’s recreational needs. Goal 8 does not apply.

Goal 9 (Economic Development)

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

Response: Agriculture is a vital component of the Morrow County economy. The redesignation of the “downzone” area – from Industrial/SAI to Agriculture/EFU – is proposed to ensure that the proposed redesignation of the Site to allow data center use (the subject of the exceptions discussed in the above section of this report) will not cause a net decrease in the total amount of Goal 3 resource land in Morrow County protected for agricultural use. Additionally, because soil conditions and irrigation capacity are superior for agriculture at the “downzone” area as compared to the Site, the net effect is to ensure the long-term productivity of an almost equal acreage of higher quality farmland in Morrow County. See Exhibits 10 and 10B.

In 1987, Morrow County, at the request of Boeing, completed the exceptions process in order to change its Comprehensive Plan and zoning designation for approximately 14,080 acres of EFU land to an Industrial Comp Plan designation and Space Age Industrial (SAI) zoning.²⁰ In 1996, the County further amended the SAI zone to allow farm uses as a permitted use to respond to changes making it possible to irrigate portions of this area and to allow interim uses pending Boeing long-term efforts to develop portions of the area for industrial uses.²¹

²⁰See Morrow County Ordinance 001-87b (Rezone of 14,080 acres of lands zoned for Exclusive Farm Use to Space Age Industrial).

²¹ See Morrow County Ordinance MC-C-6-96 (An Ordinance amending the Morrow County Comprehensive Plan and Zoning Ordinance allowing Farm Use as an outright use in the Space Age Industrial and General Industrial-Limited Use Overlay Zone).

Since the time of the 1987 redesignation, no development consistent with the “Space-Age Industrial” uses the zoning was intended to generate or attract has occurred. While such development may occur in the future, there is scant evidence of economic demand within that economic sub-sector to date for the approximately 13,500 acres currently in the SAI zone.²² The proposed downzone will reduce the County’s SAI-zoned land inventory by approximately 1,605 acres or 12.2%, from approximately 13,159 acres (after the proposed conversion of 331 acres of the Site to MG/LU Overlay) to a total of approximately 11,564 acres. Given the apparent lack of economic demand for SAI development to date, there is no evidence to suggest that an SAI inventory reduction of about 12.2% will in any way compromise the County’s ability to attract economic user(s) of the remaining 11,564 acres of land in the SAI zone.

For these reasons, the proposal, including in particular the “downzone” component, will continue to further the goal of providing *“adequate opportunities ... for a variety of economic activities vital to the health, welfare, and prosperity of Oregon’s citizens”* and is consistent with Goal 9.

Goal 10 (Housing)

Goal: To provide for the housing needs of citizens of the state.

Response: The proposal does not affect the provision of housing. The proposed amendments have no effect on Morrow County’s compliance with Goal 10.

Goal 11 (Public Facilities and Services)

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

Response: The proposed amendments in the “downzone” area – from Industrial/SAI to Agriculture/EFU – will designate the area agricultural resource land, making it ineligible for extension of such facilities. In this context, it is appropriate to consider whether such ineligibility could potentially compromise future utility extensions that would be necessary to serve other SAI-zoned areas that will require public facilities. Significantly, the large SAI-zoned area is situated on both sides of Tower Road, which is likely to serve as the primary corridor for transportation access as well as public facilities infrastructure to serve the area. Because the proposed “downzone” area is situated at the far eastern edge of the SAI zone, its redesignation to EFU will not impose a barrier to public facilities extension(s) to serve any other SAI-zoned property from the central Tower Road corridor. The proposed downzone maintains compliance with Goal 11 and prior actions of Morrow County that imply future extensions of public facilities to serve development in the remaining SAI-zoned areas.

Goal 12 (Transportation)

Goal: To provide and encourage a safe, convenient and economic transportation system.

Response: The proposed downzoning will eliminate the current allowance of urban development based on existing SAI zoning within the approximately 1,605-acre “downzone” area, and proposes redesignation as Exclusive Farm Use, allowing only rural farm and limited non-farm uses. Such change will not only reduce potential reasonable-worst-case trip generation from the “downzone” area itself (based on EFU-rather than SAI-zone land uses), it will also reduce the overall potential for vehicle trips from urban sources/destinations on County roads in the vicinity and at the Tower Road interchange.

²² Current SAE acreage figures are approximately, reported based on Geographic Information Systems (GIS) data obtained from Morrow County.

OAR 660, Division 12 – Transportation Planning

660-012-0060 – Plan and Land Use Regulation Amendments

- (1) *If an amendment to a functional plan, an acknowledged comprehensive plan, or a land use regulation (including a zoning map) would significantly affect an existing or planned transportation facility, then the local government must put in place measures as provided in section (2) of this rule, unless the amendment is allowed under section (3), (9) or (10) of this rule. A plan or land use regulation amendment significantly affects a transportation facility if it would:*
- (a) *Change the functional classification of an existing or planned transportation facility (exclusive of correction of map errors in an adopted plan);*
 - (b) *Change standards implementing a functional classification system; or*
 - (c) *Result in any of the effects listed in paragraphs (A) through (C) of this subsection based on projected conditions measured at the end of the planning period identified in the adopted TSP. As part of evaluating projected conditions, the amount of traffic projected to be generated within the area of the amendment may be reduced if the amendment includes an enforceable, ongoing requirement that would demonstrably limit traffic generation, including, but not limited to, transportation demand management. This reduction may diminish or completely eliminate the significant effect of the amendment.*
 - (A) *Types or levels of travel or access that are inconsistent with the functional classification of an existing or planned transportation facility;*
 - (B) *Degrade the performance of an existing or planned transportation facility such that it would not meet the performance standards identified in the TSP or comprehensive plan; or*
 - (C) *Degrade the performance of an existing or planned transportation facility that is otherwise projected to not meet the performance standards identified in the TSP or comprehensive plan.*

Response: In Exhibit 9, the applicant has provided a report that addresses the requirements of the Transportation Planning Rule (OAR 660-012) (TPR Analysis); its findings, conclusions and recommendations have been incorporated into the recommended findings in this report. In relevant part, the TPR Analysis concludes that vehicular traffic generated by uses allowed under EFU zoning will have a less significant impact compared with the potential vehicular traffic generated under the existing SAI zone designation. For these reasons, based on the TPR Analysis, the proposed downzoning does not “significantly affect” a transportation facility as defined in OAR 660-012-0060(1)(a) through (c). Goal 12 is met, and further analysis of potential impacts under OAR 660-012-0060 is not required.

- (5) *The presence of a transportation facility or improvement shall not be a basis for an exception to allow residential, commercial, institutional or industrial development on rural lands under this division or OAR 660-004-0022 (Reasons Necessary to Justify an Exception Under Goal 2, Part II(c)) and 660-004-0028 (Exception Requirements for Land Irrevocably Committed to Other Uses).*

Response: This provision is not applicable because the proposed “downzone” does not seek to allow residential, commercial, institutional or industrial development on rural lands.

660-012-0065 – Transportation Improvements on Rural Lands

- (1) *This rule identifies transportation facilities, services and improvements which may be permitted on rural lands consistent with Goals 3, 4, 11, and 14 without a goal exception.*

660-012-0070 – Exceptions for Transportation Improvements on Rural Land

(1) *Transportation facilities and improvements which do not meet the requirements of OAR 660-012-0065 (Transportation Improvements on Rural Lands) require an exception to be sited on rural lands.*

(a) *A local government approving a proposed exception shall adopt as part of its comprehensive plan findings of fact and a statement of reasons that demonstrate that the standards in this rule have been met. A local government denying a proposed exception shall adopt findings of fact and a statement of reasons explaining why the standards in this rule have not been met. However, findings and reasons denying a proposed exception need not be incorporated into the local comprehensive plan.*

(b) *The facts and reasons relied upon to approve or deny a proposed exception shall be supported by substantial evidence in the record of the local exceptions proceeding.*

Response: The “downzoning” component of this application does not involve transportation improvements on rural lands; OAR 660-012-0065 and -0070 are not applicable.

Goal 13 (Energy Conservation)

Goal: To conserve energy.

Response: The proposed “downzone” area currently supports extensive agricultural activity with center-pivot irrigation and sufficient access to allow continued and enhanced farming. The proposed designation change will require no energy inputs or practice changes relative to existing conditions because the established farm use will continue under the new zoning, while eliminating the possibility of industrial development of the 1,605-acre area in the future. For those reasons, the proposal is consistent with Goal 13.

Goal 14 (Urbanization)

Goal: To provide for an orderly and efficient transition from rural to urban land use, to accommodate urban population and urban employment inside urban growth boundaries, to ensure efficient use of land, and to provide for livable communities.

Response: The proposed “downzone” area is not located adjacent to an Urban Growth Boundary (UGB), where the proposed Agriculture/EFU redesignation could foreseeably conflict with the purpose of Goal 14: notably, to foster and achieve efficient urban growth and development patterns in the future. Because the “downzone” area’s location is suitable for continued farming use, its redesignation for Agriculture/EFU zoning will maintain consistency with Goal 14 by focusing urban growth and development pressures appropriately on other areas proximate to established UGBs.

Goal 15 (Willamette River Greenway)

Goal: To protect, conserve, enhance and maintain the natural, scenic, historical, agricultural, economic and recreational qualities of lands along the Willamette River as the Willamette River Greenway.

Response: The proposed “downzone” area is not located near the Willamette River Greenway. Goal 15 does not apply.

Goal 16 (Estuarine Resources)

Goal: To recognize and protect the unique environmental, economic and social values of each estuary and associated wetlands; and

To protect, maintain, where appropriate develop, and where appropriate restore the long-term

environmental, economic, and social values, diversity and benefits of Oregon’s estuaries.

Response: The proposed “downzone” area is not located near estuarine resources. Goal 16 does not apply.

Goal 17 (Coastal Shorelands)

Goal: To conserve, protect, where appropriate, develop and where appropriate restore the resources and benefits of all coastal shorelands, recognizing their value for protection and maintenance of water quality, fish and wildlife habitat, water dependent uses, economic resources and recreation and aesthetics. The management of these shoreland areas shall be compatible with the characteristics of the adjacent coastal waters; and

To reduce the hazard to human life and property, and the adverse effects upon water quality and fish and wildlife habitat, resulting from the use and enjoyment of Oregon’s coastal shorelands.

Response: The proposed “downzone” area is not located near coastal shoreland areas. Goal 17 does not apply.

Goal 18 (Beaches and Dunes)

Goal: To conserve, protect, where appropriate develop, and where appropriate restore the resources and benefits of coastal beach and dune areas; and

To reduce the hazard to human life and property from natural or man-induced actions associated with these areas.

Response: The proposed “downzone” area is not located near beach and dune areas. Goal 18 does not apply.

Goal 19 (Ocean Resources)

Goal: To conserve marine resources and ecological functions for the purpose of providing long-term ecological, economic, and social value and benefits to future generations.

Response: The proposed “downzone” area is not located near the ocean. Goal 19 does not apply.

Compliance with Morrow County Comprehensive Plan and Land Use Regulations

Morrow County Comprehensive Plan

In this section, the applicant has identified and excerpted Comprehensive Plan Goals and Policies that may be affected by the proposed change, followed by response statements.

Citizen Involvement [detailed provisions omitted for brevity]

Response: This proposal does not propose to amend any Citizen Involvement goals or policies. The County will comply with Citizen Involvement goals and policies in the acknowledged Comprehensive Plan by processing the application in accordance with the procedures in Article 8 of the Morrow County Zoning Ordinance.

General Land Use Element

General Land Use – Future

- Farm: In order to protect the agricultural element of the County's economic base, productive farm lands should be protected from encroachment by non-agricultural uses. Farm land in Morrow County is best managed in large units....

Response: The proposed “downzone” area is already a productive farm site, not adjacent to any UGB, with center-pivot irrigation and sufficient access to allow farming on the property. The established farm use will continue under the new zoning, while eliminating the possibility of industrial development of the 1,605-acre area in the future. For those reasons, the proposal is consistent with the Farm General Land Use Element.

- Industrial: An objective of the Plan is to accommodate industry without encroaching on residential or agricultural development. Additionally, industry is to be protected from encroachment by noncompatible uses.

The industrial land designated in the Plan and on the land map reflects the needs of industry for (a) access to highway, rail, and water transportation; (b) access to electric power and natural gas; (c) extensive, level building sites; and (d) room for expansion.

The following general policies shall be followed in guiding future industrial development:

1. *Industrial uses should not encroach on residential or agricultural uses. For example, cattle feed lots, which are incompatible with most other uses, should be surrounded by sufficient open space to provide a protective buffer.*

Response: As explained above in the response to Statewide Goal 9 (Economic Development), the proposed 1,605-acre downzone from SAI to EFU represents an approximately 12.2% reduction of available SAI-zoned land, leaving Morrow County with approximately 11,562 acres – or 18 square miles of SAI-zoned land – remaining in inventory for future development as planned under the SAI zoning designation. The “downzone” area’s location at the edge of the SAI-zoned area, as well as its significant size (1,605 acres represents an area of 2.5 square miles), will allow future SAI development on the remaining SAI-zoned land without introducing an industrial-agricultural compatibility problem. This policy is met.

2. *Interim uses in areas designated for industrial use should be limited to those that will not deter later industrial development.*

Response: This provision is not applicable because the change to the Agriculture designation and EFU zoning will make agriculture a permanent rather than an interim use of the “downzone” area.

3. *When conflicts between different uses arise, consideration should be given to the general good of the economy and to the need for basic industry that will create new, continuing local employment.*

Response: The applicant, Threemile Canyon Farms LLC, is the owner not only of the proposed “downzone” area but also the adjacent lands in the SAI zone. As owner, Threemile has selected the area for EFU conversion because they have concluded that it will not create a conflict if and when development and use of the adjacent SAI-zoned property occurs. This policy is met.

- Significant Resource Overlay Zone: The purpose of the Significant Resource Overlay Zone is to identify areas and sites in Morrow County identified as Significant Goal 5 Resources and designated: ‘3A’ to preserve the site; and ‘3C’ to limit conflicting uses. Such sites are subject to the applicable plan policies of the comprehensive plan and Section 3.200 ‘Significant Resource Overlay Zone’ or Section 3.300 ‘Historic Building and Sites’ of the Morrow County Zoning Ordinance.

Response: The proposed “downzone” area contains no significant resources designated by Morrow County through the Goal 5 process. Goal 5 resources will not be affected by this proposal.

- Limited Use Overlay Zone: The purpose of the Limited Use Overlay Zone is to limit the list of permitted uses and activities allowed in the underlying zone to only those uses and activities which are justified in the Comprehensive plan ‘reasons’ exception statement under ORS 197.732(1)(c) and OAR 660-04-018(3). When the Limited Use Overlay is applied, the uses permitted in the underlying zone shall be limited to those and activities specifically referenced in the adopting ordinance applying the Limited Use Overlay Zone. Reasonable conditions may also be imposed by the Limited Use Overlay Zone when necessary to carry out the provisions of the plan and zoning ordinance.

Response: These provisions are not applicable because the “downzone” request does not require a reasons exception; therefore, no Limited Use Overlay is proposed or required for the “downzone” area.

- Space Age Industrial Zone: The proposed Space Age Industrial designation is intended to recognize those areas devoted to or most suitable for space age technology research and development. Uses of land inconsistent with those purposes with these purposes [SIC] will not be authorized.

Response: With the proposed redesignation of “downzone” area, the Morrow County inventory of SAI-zoned land will remain at approximately 11,564 acres, or approximately 18 square miles of land.²³ The relatively minor change will not compromise Morrow County’s ability to realize the intended development potential of the SAI land use designation.

Objectives and Policies

...

3. *To continue efforts to identify lands suitable for development and areas where development should be restricted.*

Response: As explained above in findings for this policy as it applies to the proposed data center Site, the “downzone” area is proposed for conversion from SAI to EFU because its soil characteristics are in fact superior to those of the Site for purposes of commercial farming – which is already in practice within the “downzone” area, supported by center-pivot irrigation. Per this policy, it is appropriate to use EFU zoning to protect this productive agricultural land, keep it in farm production, and restrict potential for it to be converted to industrial use. The proposed Industrial/SAI-to-Agriculture/EFU change is therefore consistent with this objective/policy.

4. *To continually monitor the land requirements and locations for projected economic development and population growth.*

Response: As noted above, the proposed amendments, including conversion of the “downzone” area from SAI to EFU, will reduce the Morrow County inventory of SAI-zoned land from 13,500 to 11,564 acres, approximately. That land inventory figure – representing about 18 square miles of land eligible for Space-Age Industrial development – maintains Morrow County’s ability to attract and support one or more users within that industrial category.

²³ Acreage figures are approximate, reported based on Geographic Information Systems (GIS) data obtained from Morrow County. Total area in SAI zoning is 13,500 acres +/-, before proposed reductions of 331 and 1,605 acres by rezoning to MG/LU Overlay and EFU, respectively.

5. *To determine the public facilities and services required by the County to accommodate existing unmet public needs and expected needs resulting from population growth.*

Response: The proposed SAI-to-EFU change relieves the need for the County to plan public facilities and services to the 1,605-acre “downzone” area, because it will be redesignated as Agriculture resource land and zoned for Exclusive Farm Use.

9. *Plan/Zone Map Requirements:*

- a. *To insure consistency between the Comprehensive Plan Map and Zoning Map, a single plan/zone map shall be adopted with the zone designations and described in B, below. All plan and zone changes shall be in compliance with all applicable Statewide Planning Goals, County plan policies and procedures.*

Response: This proposal is to amend the adopted Plan/Zone Map. This report and its supporting evidence demonstrate compliance of the proposed plan/zone change with the Statewide Planning Goals and County plan policies and procedures. This requirement is satisfied.

Agricultural Lands Element

Introduction

“Agricultural Lands” as set forth within the context of Statewide Planning Goal No. 3 are defined as land of predominately Class I, II, III, IV, V, and VI soils as identified in the Soil Capability Classification System of the United States Soil Conservation Service, and other lands which are 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. Lands in other classes which are necessary to permit farm practices to be undertaken on adjacent or nearby lands, shall be included as agricultural land in any event.

Within the same context, “Farm Use” is defined in reference as set forth in ORS 215.203 and includes the non-farm uses authorized by ORS 215.283.

Morrow County agriculture contributes about \$72 million in annual income to the County and supports local food processing, transportation, trade, and service employment and payrolls. The County's agricultural sector has consistently ranked among the top ten Oregon counties in total agricultural productivity. As agriculturalists enter new crop markets and as continued irrigation and technological advancements are developed, the sector's importance to the County and state will be ensured.

Problems facing County agriculture include formation of water allocation policies between local, state, and inter-state interests, shortages in affordable labor supplies, increased costs of supplies, electricity, equipment, and transportation, development of new markets for County products and in some areas, increased land use pressures among competing interests (i.e., industrial, commercial, recreational, and agricultural). Proper planning, policy formulation, education, and coordination efforts may alleviate some of these problems in the future.

Agricultural Lands Exceptions

Objectives

1. *To maintain a viable agricultural base, preserve agricultural lands for agriculture, and to protect agriculture as a commercial enterprise.*

Response: The proposed SAI-to-EFU conversion puts productive agricultural land now in use for farming under the protections of the Agriculture Comprehensive Plan designation and EFU zoning. The proposed action contributes directly to this three-part objective.

2. *To conserve natural resources constituting important physical, social, aesthetic and economic assets through the development and adoption of realistic land use and development policies intended to achieve an economic-environmental balance, minimize public costs, and maximize energy conservation.*

Response: The proposed approximately 1,605-acre “downzone” area contains approximately 775 acres of productive irrigated agricultural soils but no other inventoried significant natural resources. Compared to the approximately 967-acre EFU-zoned portion of the Site (proposed for resignation from EFU to MG/LU Overlay), its geology and soils characteristics support commercial farming, which is not feasible within the Site, based on findings in the Soils Report (Exhibits 10 and 10.A). Thus, the “downzone” area superior as compared to the Site for Agriculture/EFU designation and farm use. On balance, the overall effect of the proposed package of Comprehensive Plan Map/Zoning designation changes is preferable to the current land use designations with respect to conserving productive agricultural land for farming. The proposal is therefore consistent with this objective.

3. *To minimize and actually prevent conflict between farm and non-farm uses and resultant increased economical costs to the agricultural sector.*

Response: The applicant, Threemile Canyon Farms LLC, is the owner not only of the proposed “downzone” area but also the adjacent lands in the SAI zone. As owner, Threemile has selected the area for EFU conversion because they have concluded that it will not create a conflict if and when development and use of the adjacent SAI-zoned property occurs. The proposal furthers the goal of preventing farm/non-farm conflicts, as intended by this objective.

4. *To provide maximum opportunity for optimum management and operational practices, and provide adequately efficient supportive resources and services.*

Response: As discussed above for Objective 3, the proposed land designation changes will improve the overall quality and farm productivity of land in the County’s EFU inventory by replacing the Site’s approximately 967 acres of non-farmable land with the “downzone” area’s approximately 1,605 acres of land that is currently zoned SAI, 775 acres of which is irrigated, productive farmland. The resulting improved alignment between zoning designation and productive agricultural capacity contributes to this objective by preserving better-quality farmland in EFU for long-term use in accordance with optimum agricultural management and operational practices.

Agricultural Policies

1. *It shall be the policy of Morrow County, Oregon, to preserve agricultural lands, to protect agriculture as its main economic enterprise, to balance economic and environmental considerations, to limit non-compatible nonagricultural development, and to maintain a high level of livability in the County.*

Response: The proposed land designation changes will improve the overall quality and farm productivity of land in the County’s EFU inventory by replacing the Site’s approximately 967 acres of non-farmable land with the “downzone” area’s approximately 1,605 acres of SAI-zoned land, 775 acres of which is irrigated, productive farmland. The proposal is consistent with this policy.

17. *The County, Port, regional and state agencies should work with private citizens to secure utilization of the Navy’s north Morrow tract, so that when market conditions permit, the land may be*

developed for more intensive agriculture, or other compatible and/or complementary uses including industrial and energy purposes.

Response: The proposed “downzone” area is not within or near the Navy’s north Morrow tract. The proposed Agriculture/EFU redesignation has no effect on this policy.

Forest Lands Element

Response: No designated Forest Lands are affected by this proposal. This Element is not applicable.

Natural & Cultural Resources Element

Response: As directed by Statewide Planning Goal 5 and its implementing statutes and administrative rules, Morrow County has inventoried resources; has analyzed Environmental, Social, Economic, and Energy (ESEE) consequences of conservation/protection versus allowing development impacts; and has adopted designations of significant Goal 5 resources. Such significant resource designations include land resources (soils, minerals, vegetation, and water resources); air resources; air, water, and land quality; fish and wildlife; fisheries; wildlife; scientific and cultural resources; and historical resources.

The proposed “downzone” area for redesignation from Industrial/SAI to Agriculture/EFU does not contain any designated significant Goal 5 resources; therefore, the proposed amendment will have no effect on Goal 5 compliance.

Natural Hazards Element

1. *Flood risk will be managed by limiting or regulating development in areas identified by the Federal Emergency Management Agency Flood Insurance Rate Maps or in areas identified by the County to be at risk to life or property due to flooding. County regulations will be compliant with National Flood Insurance Program requirements for development in flood prone areas*
2. *County land use regulations will assure proposed developments will receive a review of potential natural hazards and that sufficient authority exists to modify or deny applications where such hazards exist. Such provisions shall, at a minimum, require specific information clearly determining the degree of hazard present from applicants who seek approval to develop residential, commercial, or industrial uses within known areas of natural disasters and hazards.*

Response: The proposed “downzone” area does not contain areas within a Federal Emergency Management Agency (FEMA) flood hazard boundary, nor does it contain any of the other seven high-risk-factor natural hazard areas identified by this element of the Morrow County Comprehensive Plan (i.e., drought, earthquake, landslide, volcano, wildfire, windstorm, and winter storm). See Exhibits 14 and 15. Morrow County has adopted land use and development permitting regulations that are sufficient to ensure the safety of future permitted uses and associated development, if any, within the “downzone” area, as required by Natural Hazard Policy #2, recited above. The proposal complies with the Natural Hazards Element.

Recreation Element

Response: The proposed “downzone” area does not contain areas identified by Morrow County as necessary or particularly suitable for recreational use. The proposal will have no effect on recreational resources or implementation of the Morrow County Parks Master Plan.

Economic Element

Problems and Opportunities / Industrial Diversification: In the 1980 Comprehensive Plan concern was outlined that the opportunity for growth and development should become more diversified. While that has taken time diversification away from just an agricultural economic base has been happening. More energy generation projects have been sited in Morrow County and the use of personal computing and other

devices has created the need for electronic data storage, or data centers. Two new developments at the Port of Morrow are driven from the need to create cleaner fuels and do less harm to the environment. While diversification has been taking place, it should continue as new opportunities emerge.

Problems and Opportunities / Industrial Sites and Port Planning: A concern raised in the 1980 Comprehensive Plan was about the need to assure adequate industrial land into the future and a request that the Port of Morrow complete a master plan. Over the intervening years the Port of Morrow has acquired additional land at the Tower Road interchange, both south and north of Interstate 84; acquired the Kinzua Mill Site just north of Heppner; and will soon have available to them 1,800 acres of industrially zoned land on the former Umatilla Army Depot. All of these locations, along with expansion of the East Beach Industrial Area, assures an adequate supply of industrial land for the current planning time frame. Planning and infrastructure work will need to continue to ensure that these industrial sites have adequate transportation, energy and utility investment. Floodplain concerns will also need to be addressed at the Kinzua Mill Site north of Heppner to facilitate development opportunities.

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.

Policy 4B: To utilize appropriate mechanisms in implementing regulations to ensure that any development adjacent to or in the vicinity of the Boardman Airport is a compatible use and will not impede future growth of the airport.

Response: The proposed “downzone” area is adjacent to land zoned PUB²⁴ (to the north and east), MG (to the south), and SAI (to the west). Redesignating this area from Industrial/SAI to Agriculture/EFU will increase the amount of Morrow County’s Industrial land that is adjacent to Agricultural land. However, under existing conditions, these industrial zoned areas have substantial shared boundaries with EFU zoning on multiple sides. This indicates that Morrow County does not consider the uses allowed in the EFU district to be incompatible with adjacent industrial uses. Therefore, the proposed Agriculture/EFU designation of the 1,605-acre “downzone” area does not conflict with this Goal.

Housing Element

Response: The proposed land use designation change has no effect on any land area designated for residential use. The Housing Element is not affected by it.

Public Facilities and Services Element

Findings

10. Utilities

²⁴ The Morrow County Parcel Explorer online GIS (Interactive Maps and Dashboards|Morrow County Oregon / <https://www.co.morrow.or.us/planning/page/interactive-maps-and-dashboards>) displays the Naval Weapons Systems Training Facility property (five tax lots comprising approximately 47,326 acres) as being in the “Public (PUB)” zone; however, that Zone Designation is not found in the current version of the table in Morrow County Zoning Ordinance Section 2.010, Identified Zone Designations. See Figures II-3 and II-4 above in the Introduction section of this report.

- C. *Electrical power substations can create negative environmental impacts on nearby property. Careful site planning and physical design can minimize adverse environmental effects.*

1. *General Policies*

- A. *Planning and implementation of public facilities and service programs necessary for the public health, safety and welfare shall guide and support development at levels of service appropriate for, but not limited to, the needs of the development to be served.*

- B. *Public facilities and services for urban areas shall be provided at levels appropriate to support optimum development (maximum density).*

Response: Because Tower Road is the logical, centrally-located corridor for provision of transportation access and public facilities and services to the SAI-zoned area generally, and because the proposed “downzone” area is at the eastern perimeter of the SAI-zoned area, its conversion to Agriculture/EFU designation will neither require further extension of planned future public facilities infrastructure, nor be in conflict with orderly service provision to the SAI-zoned area over time as its development may occur. Therefore, the proposal is consistent with these policies.

- C. *Public facilities and services for rural areas shall be provided at levels appropriate for rural use.*

Response: No rural areas outside the Site (the Goal exceptions area) will become eligible for public facilities and services as a result of approving this request. The proposed amendments will designate the 1,605-acre “downzone” area as Agriculture resource land in the EFU zone, in which provision of public facilities and services would require a new exception(s) procedure. This policy is met.

- D. *Providing public facilities and services to rural areas being changed to urban use shall be based upon: 1) the least time required to provide the service; 2) most reliable service; 3) lowest financial cost; and 4) adequate levels of service that satisfy long range needs.*

- E. *A public facility or service shall not be provided in an urbanizable area unless there is provision for the coordinated development of all the other urban facilities and services appropriate to that area.*

- F. *All utility lines and facilities shall be located on or adjacent to existing public or private right-of-way or through generally unproductive lands to avoid dividing existing farm units.*

- G. *Public facilities and services shall not be allowed beyond a level that development supported by such services exceeds the carrying capacity of the air, land and water resources; therefore, public facilities and services shall be the principal framework for gaging density levels and types of urban and rural land developments.*

Response: No provision of public facilities and services is proposed to the “downzone” area. The proposal is consistent with these policies.

- H. *Public facilities and services shall be appropriate to support an adequate housing market in areas undergoing development or redevelopment.*

Response: This proposal has no effect on this policy because it affects no land areas designated in the Comprehensive Plan for residential development.

- I. *All utility companies and irrigation companies affected by any and all land partitionings and subdivisions shall be notified and requested to make recommendations regarding compliance with long range development plans and specific utility easements.*

Response: Notwithstanding that this policy refers specifically to “land partitionings and subdivisions,” the applicant has coordinated with service providers in the preparation of this request. Correspondences indicating feasibility of service provision to the Site are attached in Exhibit 17. No provision of public services is proposed to the 1,605-acre “downzone” area. The proposal is consistent with the intent of this policy (albeit not in the context of a land partition or subdivision).

- J. *Methods for achieving desired types and levels of public facilities and services shall include without being limited to the following: 1) tax incentives and dis-incentives; 2) land use controls and ordinances; 3) multiple-use and joint development practices; 4) fee and less-than-fee acquisition techniques; 5) enforcement of local health and safety codes; and 6) a systems development charge as deemed appropriate and necessary.*

- K. *The primary goal shall be to achieve a maximum balance of public costs vs. benefits/revenues in the provision of public facilities and services.*

- L. *Equitable approaches and methods of financing shall be a basic goal.*

- M. *Morrow County should utilize development review processes to ascertain the impact of large projects on County and community services and should demand the sponsor to participate in meeting associated expenses.*

- N. *The County recognizes the need to provide adequate community facilities to serve area residents and shall support city efforts to obtain funding for construction and improvement of necessary public facilities.*

Response: No provision of public facilities and services is proposed to the “downzone” area, which will become ineligible for extension of public services as an Agriculture resource/EFU-zoned area. The proposal does not affect compliance with these policies.

2. Schools

- A. *Morrow County will work with the school district and sponsors of future large scale developments to ensure adequate school facilities for present and potential residents.*

Response: Growth in residential development (i.e., increase in the number of households) in a community or region is a principal metric for projecting population growth and planning for school facilities. The proposed designation change will not affect the residential buildable land inventory in Morrow County or its cities. The proposed redesignation will have no effect on this policy.

3. Law Enforcement

- A. *Law enforcement, police protection and justice facilities should be provided in adequate proportion to the growth rate.*
- B. *The County should evaluate alternatives for providing jail, or at a minimum, short term holding facilities and should investigate various methods of funding.*

4. General Services

- A. *The County recognizes the importance of community services for attracting new businesses and residents to the area and will encourage development of the service sector where it is feasible.*

- B. *Morrow County should cooperate with Wheeler and Gilliam Counties to obtain adequate health care for the area.*

Response: Agriculture/EFU-zoned areas in agricultural production are not associated with high or growing demand for law enforcement or other community- or health care services provided by the County or other service providers. The proposed SAI-to-EFU conversion will not significantly affect planning or delivery of such services in the region.

5. Utilities

- A. *Programs should be continued to develop additional sources of electric and other power sources to assure adequate service to the County area and its projected growth.*
- B. *Power substations should be centrally located to the service area as much as possible to assure economic service and facilitate energy conservation.*
- C. *Power substations should be planned and designed in a manner which will minimize negative environmental impacts on nearby properties and the public as a whole.*
- D. *Weatherization and other energy saving programs should be continued and supported by the power companies.*
- E. *Underground utilities should be encouraged in all new developments where aesthetically and economically feasible.*
- F. *Consideration of all new development shall be coordinated with. serving utilities relative to needed service locations and specifications, and easements and right-of-ways thereof. Included in such coordinated reviews shall be those utilities providing electrical, natural gas, cable television, and telephone services.*

Response: No provision of public utilities is proposed to the “downzone” area, which will become ineligible for extension of public utilities as an Agriculture resource/EFU-zoned area. The proposal does not affect compliance with these policies.

6. Water & Sewer

- A. *The County's basic policy on water and sewerage shall be to encourage intensive development to locate within existing cities whenever possible. Cities are organized to provide water and sewerage service. When development does occur in unincorporated areas, such as recreation developments, minimum State sanitation and health requirements must be met by the private interests involved, including an individual lot-by-lot approval for subsurface sewage disposal or approved alternatives.*

Response: No provision of public utilities is proposed to the “downzone” area, which will become ineligible for extension of public utilities as an Agriculture resource/EFU-zoned area. The proposal does not affect compliance with this policy.

7. Solid Waste

- A. *Solid waste disposal shall be accomplished in conformance with City and County solid waste management plans and applicable regulations.*
- B. *No solid wastes shall be disposed of in the County without prior approval by the County. No such approval shall be granted until all environmental and economical considerations have been satisfied and the protection of the County, its residents and its economy assured.*
- C. *Recycling shall be encouraged.*

Response: No solid waste disposal services to the “downzone” area are proposed because it will become an Agriculture resource/EFU-zoned area. The proposal does not affect compliance with this policy.

8. Fire Protection

- A. Fire protection shall be considered a common problem by the cities. County and fire protection districts.
- B. All new subdivision design shall take into consideration the need for both an ingress and egress route for emergency vehicles and evacuation traffic.
- C. All road and street names shall be clearly designated, as shall building addresses. Subdivisions shall be encouraged to install development layout signs at main entrances.

Response: Fire protection needs of the proposed “downzone” area will be limited, consistent with allowed uses in Agriculture resource/EFU-zoned areas. The proposal does not affect compliance with this policy.

Transportation Element

Water Transportation

The Port of Morrow, located in Boardman, operates an industrial park and power sources and three barge terminals for general, wood chip and grain shipments. Experience at the Port of Umatilla indicates that water transportation is a relatively inexpensive way of transporting certain bulk items, particularly with containerized cargo methods. Location of the Port of Morrow near the Hinkle railroad switchyard gives the Port the potential to become a center for an inexpensive way of shipping east coast or midwest goods to west coast centers.

The Columbia/Snake River system above Portland carries a significant amount of barge traffic (about 10 million tons per year). This relatively cheap form of transportation is an important part of the County's economy. Moving commodities by barge is a substantial component of the transportation network of the County. Deep-water barge docking facilities are an essential part of the system. There are three dock sites in Morrow County that are for the most part naturally occurring because the main channel of the Columbia River cuts close to the Oregon shoreline. These three sites are:

- 1. The Port of Morrow;*
- 2. The Boeing Riverfront property (west two miles from the Tower Road Interchange); and*
- 3. The Patterson Ferry Road site (one-quarter mile on each side of the road).*

Extensive dredging is not required for the current use or future development of these sites; only occasional minor dredging is necessary to maintain specific facilities. Morrow County has placed these sites in a special resource category and has adopted a plan policy to ensure their protection (Policy 27: Transportation Element).²⁵ The uniqueness of the dock sites is supported by the U.S. Army Corps of Engineers' John Day Lock and Dam Master Plan (July 1970). The Master Plan notes that 99% of the riverfront along the John Day pool has been designated for recreation, fish and wildlife resource purposes.

The Morrow County sites are the only barge dock sites in the upper end of the John Day pool. There are two other waterfront sites but both would require extensive dredging to develop as barge dock facilities (City of Umatilla, Port of Kennewick at Plymouth). In the lower half of the John Day pool, there are only three grain terminal barge dock facilities (Biggs, Arlington and Roosevelt WA). However, these sites are single purpose uses and are limited to current grain handling activities.

²⁵ The referenced policy appears as number 28 at the time of this application submittal; it is quoted and a response is provided below.

A recent study indicates that a potential for tripling the amount of cargo carried by barge exist [SIC] in the river system. These sites are among those identified to handle this increase by continuing to provide the low-cost energy efficient transportation alternative that barges provide for agricultural producers, processors and manufacturers in the region (Source: Columbia/Snake River Port Study, 1980).

Findings

4. *In addition to agriculturally-oriented firms already located at the Port of Morrow's industrial area, the Port has great potential for industrial and commercial development, and has identified an area with river frontage, as a future industrial park Site.*
5. *Barriers to the fullest development of this potential include inadequate access to the planned industrial zone, the constricted traffic pattern across the freeway in Boardman and into the Port property, the lack of dock facilities and of an airport, and the poor telephone service.*

Objectives

2. *To insure that all transportation systems within the County, to the fullest extent possible, be planned to utilize existing facilities and rights-of-ways provided that such is consistent with the environmental energy, land use, economic and social policies of the plan.*
5. *To classify streets and roads in accordance with function served or design function, and to insure compatible land uses adjacent thereto.*
9. *To include in all transportation plans considerations [SIC] of all appropriate transportation modes and to consider as a major determinant the carrying capacity of the air, land and water resources of the area, and more specifically, the affects [SIC] on agriculture and forestry base resources.*
28. *The County recognizes the importance of deep-water docking facilities to the economy and designates these sites as a deep-water transportation resource. The primary use of these sites will be for docking barges, cargo handling and support activities.*

Response: The changes in the proposed "downzone" area will substantially reduce potential vehicle trip generation from the area because travel demand associated with EFU uses is lower than that of SAI-zone uses. Therefore, the proposed SAI-to-EFU change will cause no significant impact on existing or planned facilities identified in the Transportation System Plan (TSP).

Specifically with respect to the Water Transportation element and Objective 28, the proposed "downzone" area is not located along the Columbia River and therefore cannot be used for river-oriented or river-dependent use. Its redesignation as Agriculture/EFU has no effect on compliance with the Water Transportation element and Objective 28.

Energy Conservation Element

Policies

1. *To encourage renewable and/or efficient energy systems, design, siting and construction materials in all new development and improvements in the County.*
2. *To conserve energy and develop and use renewable energy resources.*
3. *Encourage development of solar and wind resources.*

4. *To revise development regulations to encourage that the orientation of streets and buildings allow for utilization of solar energy and require landscaping to reduce summer cooling needs.*
5. *To regulate any object from casting a shadow on an existing solar collecting unit.*
6. *To encourage high density residential development in close and/or convenient proximity to high employment areas and commercial areas.*
7. *To encourage all systems and efforts for the collection, reuse and recycling of metallic and non-metallic wastes.*
8. *The County will work closely with individuals and appropriate government officials at all levels to ensure that the County continues to receive its share of the Columbia River power pool.*
9. *The County will encourage the development of alternative energy sources in County industries and businesses.*
10. *The County should encourage firms and agencies seeking to study these potential power sources to locate trial projects here, through a publicity campaign directed at interested institutions, business concerns and public agencies.*
11. *Priority consideration in overall planning should be given to implementation measures that will encourage achievement of maximum efficiency in energy utilization.*
12. *The allocation of land and uses permitted on the land should seek to minimize the depletion of non-renewable sources of energy.*
13. *Land use actions should, to the maximum extent possible, seek to recycle and re-use vacant land and those uses which are not energy efficient.*
14. *Land use development in the County should, to the maximum extent possible, combine increasing density gradients along high capacity transportation corridors to achieve greater energy efficiency.*
15. *All plans should be directed toward energy conservation and should consider as a major determinant the existing and potential capacity of the renewable energy sources to yield useful energy output. Renewable energy sources include water, sunshine, wind, geothermal heat and municipal, forest and farm waste.*
16. *Land use development shall be based on utilization of the following techniques and implementation devices which can have a material impact on energy efficiency:*
 - a. *Lot size, dimension, and siting controls;*
 - b. *Building height, bulk and surface area;*
 - c. *Density of uses, particularly those which relate to housing densities;*
 - d. *Availability of light, wind, and air;*
 - e. *Compatibility of and competition between competing land use activities; and*
 - f. *Systems and incentives for the collection, reuse and recycling of metallic and nonmetallic waste.*

Response: Refer to the “downzone” area-specific responses above to *Public Facilities and Services 1. General Policies* and the response to 5. *Utilities*. Following the proposed “downzone” area designation amendment, the applicant intends to continue the existing farming use within the portion of the

downzone area (about 775 acres) that is currently improved with center pivot irrigation. No expenditure of energy will be necessary because the “downzone” area is already in use for farming, including a center-pivot irrigation installation. The “downzone” proposal is consistent with this policy.

Urbanization Element

Port of Morrow (Industrial Lands Outside an Urban Growth Boundary)

Recognized previously throughout the Plan for its economic importance to the County, necessitates special consideration in this element to those lands under jurisdiction of the Port of Morrow which are located outside the urban growth boundary of the City of Boardman and, are intended and vital for industrial development. Said properties (i.e. owned, controlled and managed by the Port of Morrow) involve a total of approximately 4,000 acres located east and southeast of the City of Boardman and bordered on the northwest by the Columbia River for a distance of about 3,600 feet (2/3 mile). Of this 4,000 acres, approximately 1,980 acres are available for future industrial development.

Major industrial development currently exists on Port property of which 350 acres is already identified as a Food Processing Industrial Park.

The major portion of the property under Port jurisdiction is located in Sections 1,2, 3, 4, 9, 10, 11,12 and 24 (Section 24 designated for effluent disposal) of Township 4 North, Range 25 East, and Sections 6 and 18 of Township 4 North, Range 26 East.

Existing ownerships and development patterns, coupled with the economic factors vital to the County, necessitates the designation of the Port of Morrow and properties controlled thereby as industrial. Such designation and appropriate implementing zoning does not, however, preclude the continuance of some agricultural use of said properties as an interim beneficial use until needed for industrial development.

Response: The proposed “downzone” area is not part of the Port of Morrow’s land holdings. The proposed downzone will not affect compliance with the Port of Morrow component of the Urbanization Element.

Review and Revision Processes

Response: This Section of the Comprehensive Plan allows the County Board of Commissioners, Planning Commission, or a private property owner or authorized representative to initiate Comprehensive Plan amendments. The Section also provides direction for the review process, including public notices and hearings, and approval criteria; the latter refer specifically to (1) criteria in Morrow County Zoning Ordinance Article 8 Amendments, and (2) evidence of compliance with Statewide Planning Goals, including coordination and compliance with State agencies. The applicant’s submittal includes evidence specifically addressed to those approval requirements, as detailed above in this report. Morrow County staff will process the request pursuant to procedural direction in the Morrow County Zoning Ordinance, consistent with the procedural direction of this Section. The proposal and the review procedure will thus comply with this Section.

Morrow County Transportation System Plan (TSP) Policies

The Transportation Element of the Comprehensive Plan contains a total of 28 policies. Below, the applicant has excerpted and responded to the policies identified as relevant and applicable to the proposed amendment.

4. *Streets and roads shall be classified in accordance with the function served or designated; such classifications shall have improvement standards established therefore, and planning decisions*

associated therewith shall take into account the interrelationships of such functions and adjoining land uses.

Response: Exhibit 9 contains a Transportation Analysis that includes Transportation Planning Rule (TPR) compliance findings. The proposed changes in the “downzone” area – redesignating approximately 1,605 acres from Industrial/SAI to Agriculture/EFU – will reduce potential vehicle trip generation within the “downzone” area. As a result, the proposed amendment will not significantly affect the functioning or TSP designation of any of the roads serving the “downzone” area. The amendment is consistent with this policy.

5. *The County shall both establish and operate within effective and efficient street and road maintenance and acceptance management systems.*

6. *Transportation systems, to the fullest extent possible, shall be planned to utilize existing facilities and rights-of-ways, and shall avoid dividing existing economic farm units and urban social units unless no feasible alternative exists.*

Response: No new road extensions or other improvements are necessary for access to the “downzone” area to support commercial farming because it has already been successfully established in the 1,605-acre area. Access will continue to be by way of the existing road network, adding no new roadways, intersections, or other roadway extensions to the street network. For these reasons, the proposal is consistent with these policies.

9. *The County shall recognize the relationship between land use and street function. Transportation shall be considered according to street classification policies in extension of existing development or approval of new development.*

Response: The Transportation Analysis (Exhibit 9) demonstrates that land use activities allowed under the proposed Comprehensive Plan Map/Zoning change will maintain consistency with existing street classifications and classification policies.

10. *The County shall require that road improvements necessitated by development shall be constructed in accord with street classification policies, and financed by the developer. (Such road improvements include roads affected by the impact of the development).*

Response: Reasonable worst case trip generation by the “downzone” area under the proposed change from Industrial/SAI to Agriculture/EFU will be lower than potential trip generation from the area’s current SAI zoning. The “downzone” area is already developed and in use for farm production. As a result, the proposal will not produce traffic impacts that will necessitate road improvements.

11. *The County shall limit further development which prevents streets from serving their function (including causing streets to have lower speed limits than the function necessitates).*

Response: As noted in the above statements, projected trip generation by the “downzone” area following the SAI-to-EFU change will be lower, maintaining consistency with the TSP designations and capacities of existing roads serving the area. The proposal is consistent with this policy.

19. *The County should work with the Port, private concerns, federal and state agencies to evaluate and develop those Port facilities that are most economically desirable for full utilization of the Port's geographic advantages.*

Response: The “downzone” area is not within or proximate to Port facilities. The proposed downzoning will have no effect on compliance with this policy.

27. *It shall be the policy of Morrow County to protect the Morrow County Airport at Lexington, Army Depot Airport and the Boardman airport from incompatible uses through the application of the criteria established by State Aeronautics publication "Airport Compatibility Guidelines, 1981."*

Response: As noted above, commercial farming of the “downzone” area will continue under the proposed SAI-to-EFU change. If future structures are proposed within the “downzone” area, they will be required to comply with applicable FAA requirements and the specific structure location(s). This policy is met.

28. *The County recognizes the importance of deep-water docking facilities to the economy and designates these sites as a deep-water transportation resource. The primary use of these sites will be for docking barges, cargo handling and support activities.*

Response: As noted above, the “downzone” area is not adjacent to the Columbia River and is not suitable for use as a docking facility. The proposed “downzone” area change has no effect on compliance with this policy.

Morrow County Zoning Ordinance (MCZO)

Article 8. Amendments

Section 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: With respect to the proposed data center Site, the applicant’s evidence includes a report from Johnson Economics (Exhibit 8) that documents a recent economic/land development trend: deployment of Artificial Intelligence (AI) services across a wide range of applications is spurring a rapid – and only recently emerging – expansion in computing demand. That growth is, in turn, spurring demand for land suitable for Exascale Data Center Campus siting, to meet the rapidly expanding market demand. The Johnson Economics report projects that Morrow County can expect EDCC development to absorb an estimated 3,000 acres of land within the coming ten-year period. The Johnson Economics report identifies changes in the need and market demand for tracts of industrial land suitable for the specific needs of EDCCs. These changes in local conditions are sufficient to warrant the proposed change in the zoning of the Site.

The proposal to redesignate the approximately 1,605-acre “downzone” area, from the Industrial Comprehensive Plan designation and SAI zoning to the Agriculture designation and EFU zoning, is specifically designed to ensure that Morrow County’s inventory of zoned and productive EFU land will not be diminished as the County moves to respond to this significant change in economic conditions. In fact, the County’s overall EFU productivity will increase because the “downzone” area adds 1,605 acres to the County’s EFU inventory, 775 acres of which is already in irrigated farm production, while removing about 967 acres of land not suitable for commercial farming (See Soils Reports, Exhibits 10 and 10b). This criterion is met.

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.*

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.*
2. *A plan 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 proposed changes for the “downzone” area – from Industrial/SAI to Agriculture/EFU designation/zoning – will convert the approximately 1,605-acre area to an agricultural resource designation and zoning that allow only farming and other EFU allowed uses. The “downzone” area will then become ineligible for public services (unless and subject to a subsequent Goal exception adoption procedure). As noted above, potential trip generation from the “downzone” area will be significantly lower under the new zoning than the current SAI zoning, so the proposal will not significantly affect transportation facilities. For these reasons, the proposed “downzone” area amendment meets these approval criteria.

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 there should bear the burden, if any, of introducing that zone into their area.

Response: This Section contains four discrete tests, all of which are met by this proposal as follows:

- *the proposed amendment is consistent with unamended portions of the Comprehensive Plan and supports goals and policies of the Comprehensive Plan:* Above, under the “Morrow County Comprehensive Plan” heading, the applicant has identified Policies and Objectives of the Morrow County Comprehensive Plan that are relevant to, or could be affected by, the proposed amendment. The applicant has provided statements responding to each, explaining why the proposed amendment is consistent with those Policies and Objectives.
- *there is a public need for the proposal:* As noted in the economic report from Johnson Economics (Exhibit 8), recent accelerating growth in data processing as a service, largely associated with broad adoption of AI services, is causing a rapid increase in demand for, and construction of, Exascale Data Center Campuses requiring large campus sites. The proposed designation/zone change in the “downzone” area will ensure that, as the County moves to address that emergent public need, doing so will not result in a net loss of productive farmland under the protection of

Agriculture designation and EFU zoning. In fact, as noted above, the larger size and higher-productivity soil characteristics of the “downzone” area, as compared to the EFU-zoned portion of the proposed data center Site, will produce a net increase in Morrow County’s inventory of productive EFU-zoned land. That change furthers the public need to maintain farming as a key economic activity in Morrow County.

- *the need will be best served by allowing the request:* Exhibit 7 contains an analysis of alternative potential rezoning areas within a large vicinity east and west of the Site pursuant to Oregon Administrative Rules (OAR) exceptions standards. To summarize, that analysis identifies the Site as the preferred location for rezoning to meet the identified data center development need. To complement the proposed zoning changes to allow that use (i.e., redesignating the 1,298-acre Site²⁶ as Industrial with MG zoning and a Limited Use Overlay restricting use to data centers and associated facilities), the applicant proposes to redesignate the 1,605-acre “downzone” area from its current Industrial/SAI to Agriculture/EFU zoning. The complementary “downzone” request actually increases the County’s inventory of EFU-zoned land, and includes approximately 775 acres of irrigated, productive land. For these reasons, adopting the requested package of Comprehensive Plan designation and zoning changes is the preferred method of meeting the identified need.
- *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 there should bear the burden, if any, of introducing that zone into their area:* As noted above, the analysis in Exhibit 7 demonstrates why the Site is the preferred location for redesignation to allow data center development (and *only* data center development) to address the specific need identified in the economic analysis (Exhibit 8). By contrast, the “downzone” area will be added to the inventory of large tracts of land under EFU zoning in Morrow County; however, agriculture, and more particularly farming where soil characteristics and irrigation capacity support it, is the predominant land use throughout the County. The County’s Agriculture goals and policies are designed broadly to promote and support agricultural productivity wherever it is feasible throughout the County. So, in the particular case of the “downzone” area, the question is not one of *introducing* farming as the preferred use zoning, but rather that of *protecting in place* the continuation of established productive farming practices that are already in use within its 1,605 acres. Regarding the question of placing a burden on the owners of property where the EFU zoning is proposed, this application has been presented by the current owner of the property to be rezoned, as well as much of the surrounding area. The applicant/owner has adequately considered how the proposed rezoning would affect its properties and operations, and is satisfied that rezoning as proposed is preferable to maintaining the existing zoning designations as they apply to their property. This criterion is satisfied.

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

Response: Economic development is an important public health and welfare issue of concern to Morrow County. The changes proposed for the “downzone” area – from Industrial/SAI to Agriculture/EFU designation/zoning – are designed to protect the approximately 1,605-acre area from industrial development pressures and enable it to continue contributing to the agricultural economy of the County. Such economic productivity contributes to the local economy and also provides local property tax revenues that support County efforts to meet public health and welfare goals.

²⁶ Of the Site’s 1,264 acres, 331 acres are designated Industrial and zoned SAI, and the remaining 967 acres are designated Agriculture and zoned EFU. (Figures are approximate.)

For the above reasons, the proposal contributes to public health and safety. This criterion is met.

Article 3. Use Zones

Section 3.110. Limited Use Overlay Zone, LU

The purpose of the Limited Use Overlay Zone is to limit the list of permitted uses and activities allowed in the zone to only those uses and activities which are justified in the comprehensive plan 'reasons' exception statement under ORS 197.732(1)(c). The Limited Use Overlay Zone is intended to carry out the administrative rule requirement for 'reasons' exceptions pursuant to OAR 660-14-018(3). [detailed provisions omitted for brevity.]

Response: Regarding the proposed “downzone” area, Limited Use (LU) Overlay zone provisions do not apply because there are no goal exceptions required for the proposed downzone; therefore, no LU Overlay is required or proposed with respect to the area.

Section 3.092. Airport Safety and Compatibility Overlay Zone, ASC

- A. *Purpose. The purpose of this overlay zone is to protect and support the continued operation of the Boardman public use airport by establishing compatibility and safety standards and to reduce potential safety hazards for persons living, working or recreating near that airport.*

Response: The “downzone” area is located to the southeast of the Boardman Airport and is partially within the imaginary conical surface area surrounding the runway. See Exhibit 13. This section applies to development of the site.

- B. *Definitions. Definitions in this section apply specifically to this overlay zone and are intended to supplement the definitions in Article 1.
[list of definitions omitted for brevity]*

Response: The definitions in this subsection were referenced to evaluate compliance with the standards of the ASC.

- C. *Imaginary Surface Delineation. The airport elevation and the location and dimensions of the runway, primary surface, runway protection zone, approach surface, horizontal surface, conical surface and transitional surface shall be delineated for each airport subject to this overlay zone and shall be made part of the Official Zoning Map. All lands, waters, and airspace or portions thereof, that are located within these surfaces shall be subject to the requirements of this overlay zone.*

Response: A map of the imaginary surfaces for the Boardman Airport, including the boundaries of the Site and the “downzone” area, is included in Exhibit 13. As indicated in the exhibit, only the northwestern corner of the “downzone” area is located within the outermost band of the conical surface area, which transitions from Elevation 692’ at the northwest (nearer the runway) to Elevation 742’ at the southeast, at the outer edge of the regulatory conical surface. The land grade surface at that location corresponds approximately to Elevation 430’,²⁷ which indicates that compliance with this Section will limit structures within the northwest corner of the “downzone” area to a height limit of approximately 360’. The remainder of the “downzone” area lies outside the “Elev. 742’” outer boundary of the conical surface.

²⁷ Source: Google Earth Pro. Its elevation data at both ends of the Boardman Airport runway closely match the runway elevation callouts on the FAA map (Elev. 363’ at east and 392’ at west), so relative precision/correlation with the vertical data of the FAA map appears to be high.

Compliance with this Section is feasible and is subject to the Morrow County permitting process for proposed structures.

- D. Notice of Land Use and Permit Applications within Overlay Zone Area. Except as otherwise provided, written notice of applications for land use or limited land use decisions in the area within this overlay zone, including comprehensive plan or zoning amendments, shall be provided to the airport sponsor and the Department of Aviation in the same manner as notice is provided to property owners entitled by law to written notice of land use or limited land use applications.*
- 1. Notice shall be provided to the airport sponsor and the Department of Aviation when the property or a portion thereof that is subject to the land use or limited land use application is within 5,000 feet of the sides or ends of the runway.*
 - 2. Notices required by this section need not be provided to the airport sponsor or the Department of Aviation where the land use or limited land use application:*
 - a. would only allow structures less than 35 feet in height, measured from grade;*
 - b. involves property located entirely outside the approach surface;*
 - c. does not involve uses that emit smoke dust, or steam; sanitary landfills or water impoundments; or radiotelephone, television or similar transmission facilities or electrical transmission lines; and*
 - d. does not involve wetland mitigation, creation, enhancement or restoration.*

Response: This subsection provides notice requirements for the County to follow when it processes land use and permit applications within the ASC. Development within the “downzone” area will be subject to structure permitting (and possibly Site Plan Review, depending on the nature of the proposal) and this notification will occur as part of that permitting process.

- E. Height Limitations on Allowed Used in Underlying Zone. All uses permitted by the underlying zone shall comply with the height limitations in the Section unless standards of the underlying zone are more restrictive.*
- 1. Except as provided in paragraph 2, no structure or tree or other object of natural growth shall be allowed to penetrate an airport imaginary surface.*
 - 2. For areas within airport imaginary surfaces but outside of the approach and transition surfaces, where terrain is at higher elevations than the airport runway surfaces where existing structures and permitted development penetrate the airport imaginary surfaces, a local government may authorize structures up to 35 feet in height.*

Response: A map of the imaginary surfaces for the Boardman Airport, including the boundaries of the Site and the “downzone” area, is included in Exhibit 13. As indicated in the exhibit, only the northwestern corner of the “downzone” area is located within the outermost band of the conical surface area, which transitions from Elevation 692’ at the northwest (nearer the runway) to Elevation 742’ at the southeast. The land grade surface at that location corresponds approximately to Elevation 430’, which indicates that compliance with this Section will limit structures within the northwest corner of the “downzone” area to a height limit of approximately 360’. The remainder of the “downzone” area lies outside the “Elev. 742’” outer boundary of the conical surface. Compliance with this Section is feasible, without additional conditions of approval, and is subject to the Morrow County permitting process for proposed structures.

- F. Procedures. An application for a land use or limited land use approval on property within this overlay zone shall provide the following information in addition to any other required information:*
- 1. A map or drawing showing the location of the property in relation to the airport imaginary surfaces.*
 - 2. Elevation profiles and a site plan, drawn to scale, including the location and height of all existing and proposed structures, measured from existing grade.*

Response: A map showing the boundary of the proposed “downzone” area in relation to the Boardman Airport imaginary surfaces is included in Exhibit 13. As described in the response to subsection (E), above, it will be feasible for future development to comply with the standards of the ASC because surface grade within the conical surface area is approximately 360’ lower. Morrow County can therefore rely on its building construction permitting process to ensure that no buildings will penetrate the imaginary surfaces. Compliance will be demonstrated when any development is proposed through site plan review and/or permitting.

G. *Land Use Compatibility Requirements. Any land use allowed in the underlying zone may be permitted in the overlay zone, subject to the following standards:*

1. *The user shall comply with the height standards in Section (E) of this Chapter.*
2. *The use shall not include a place of public assembly.*
3. *The uses shall not create a bird attractant. If the airport sponsor determines that there is a potential for attracting birds, the application shall include a study demonstrating that any hazard to use of the airport is mitigated.*
4. *The use shall not cause light or glare that projects lighting directly onto a runway or taxiway, or imitates airport lighting*

Response: These standards will be applied through the County’s site plan and permit review processes if and when there is a specific development proposal within the “downzone” area.

H. *Prohibited Uses. Notwithstanding the underlying zoning, the following uses are prohibited in the Airport Safety and Compatibility Overlay Zone:*

1. *New residential Development.*
2. *New Public Assembly Facilities.*

Response: The “downzone” area will remain subject to this Section. No such uses are proposed. This standard is met.

I. *Nonconforming Uses.*
[remainder of this subsection omitted for brevity]

Response: The “downzone” area does not contain any nonconforming uses. This section does not apply.

IV. CONCLUSION

This report and accompanying evidence materials submitted by the applicant satisfy the burden of proof for the requested map and text amendments to the Morrow County Comprehensive Plan and Zoning Ordinance, which would rezone the 1,298-acre Site from Exclusive Farm Use (EFU) and Space Age Industrial (SAI) to General Industrial (MG) with Limited Use (LU) Overlay limiting the permitted land uses to data centers with related ancillary improvements and associated infrastructure facilities, as well as farm uses allowed in the EFU district.

To ensure conservation of productive high-value farmland, the proposal includes a reciprocal/complementary rezoning of an approximately 1,605-acre area that is currently in the Space Age Industrial (SAI) zone, much of which is irrigated and in active use for agricultural production, to return it from SAI (exception) to EFU (agricultural resource) zoning.

The applicant respectfully requests Morrow County to adopt the proposed amendments.