

**CITY OF PHOENIX PLANNING COMMISSION**  
**Regular Meeting**  
**Monday, June 22, 2020**  
**6:30 PM at 220 N. Main St. (Phoenix Civic Center)**

1. **Call to Order/Roll Call**
2. **Pledge of Allegiance**
3. **Approval of the Agenda**
4. **Approval of Minutes**  
June 08, 2020, regular meeting (pg. 2)
5. **Public Comments:** Anyone wishing to speak about non-agenda issues or topics is encouraged to do so. Please step up to the podium, state your name and address for the record, and limit your comments to 5 minutes.
6. **New Business:**  
None
7. **Old Business:**
  - a. Public hearing: Recommendation to City Council regarding Comprehensive Plan Urbanization Element, CP-20-002(Staff Report, Proposed Element, Existing Element)(pg. 4)
8. **Comments from the Commissioners**
9. **Planning Director's Report**
10. **Adjournment**

**City of Phoenix Planning Commission  
Regular Meeting – Monday, June 08, 2020  
220 N. Main St. - Phoenix Plaza Civic Center**

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**1. CALL TO ORDER and ROLL CALL**

Vice-Chair Dickson called the regular meeting of the Planning Commission to order on Monday, June 08, 2020, at 6:30 p.m. at the Phoenix Plaza Civic Center.

**ROLL CALL**

**PRESENT:** Vice-Chair Dickson, Krista Peterson, Marcia Monceaux, Terry Helfrich

**ABSENT:** Micki Summerhayes

**STAFF PRESENT:** Ryan Nolan, City Planner  
Bonnie Pickett, City Recorder

**2. PLEDGE OF ALLEGIANCE**

**3. APPROVAL OF AGENDA**

**4. APPROVAL OF MINUTES**

Motion: To Approve February 24, 2020, Meeting Minutes. **MOVED BY HELFRICH, SECONDED BY PETERSON.** No further discussion.

**MOTION APPROVED BY UNANIMOUS VOTE**

**5. PUBLIC COMMENT**

None

**6. NEW BUSINESS**

a. Public hearing: Recommendation to City Council regarding Comprehensive Plan Land Use Element, CP-20-001

Ryan Nolan, City Planner summarized his staff report for the commission.

Commissioner Helfrich questioned the objection by the Department of Land Conservation and Development (DLCD) about the proposed Urban Growth Boundary (UGB) expansion.

Mr. Nolan explained that DLCD's concern is that we don't need as much land over the next twenty years. He noted that Phoenix is in a very unique position to take larger chunks of land having I-5 access close to large pieces of commercial land where other Cities of similar size would not be able to increase their UGB the way Phoenix could.

No public comment.

Motion: I move to continue the public hearing until June 22, 2020, at 6:30 pm at the Phoenix Civic Center. MOVED BY MONCEAUX, SECONDED BY PETERSON. No further discussion.

**MOTION APPROVED BY UNANIMOUS VOTE**

**7. OLD BUSINESS**

None

**8. COMMENTS FROM COMMISSIONERS**

None.

**9. PLANNERS REPORT**

None.

**10. ADJOURNMENT**

The meeting adjourned at 6:53 p.m.

Bonnie Pickett  
City Recorder

# City of Phoenix Urbanization Element

CP 20-002

Study Session

City Council

April 6, 2020



# Statutory Requirements

OAR 660-015-0000(14)

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.



# Statutory Requirements

OAR 660-015-0000(14)

(1) Demonstrated need to accommodate long range urban population, consistent with a 20-year population forecast coordinated with affected local governments, [...]; and



# Statutory Requirements

OAR 660-015-0000(14)

(2) Demonstrated need for housing, employment opportunities, livability or uses such as public facilities, streets and roads, schools, parks or open space, or any combination of the need categories in this subsection (2)... .



# Statutory Requirements

In determining need, local government may specify characteristics, such as parcel size, topography or proximity, necessary for land to be suitable for an identified need. Prior to expanding an urban growth boundary, local governments shall demonstrate that needs cannot reasonably be accommodated on land already inside the urban growth boundary.



# Statutory Requirements

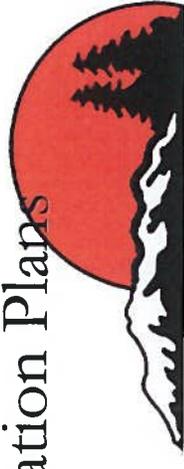
## Boundary Location

- (1) Efficient accommodation of identified land needs;
- (2) Orderly and economic provision of public facilities and services;
- (3) Comparative environmental, energy, economic and social consequences; and
- (4) Compatibility of the proposed urban uses with nearby agricultural and forest activities occurring on farm and forest land outside the UGB.



# Urbanization Factors

1. Need to Accommodate Demand for Residential Land Uses
2. Need to Accommodate Demand for Employment Land Uses
3. Orderly Provision of Public Facilities
4. ESEE Considerations
5. Regional Plan Element & Land Use and Transportation Plans



# Residential Land Needs

- 902 projected new residents by 2039
- 25 – 35 acres needed
- Need to finalize RBLLI, determine available land  
Note: not feasible to remove residential exception land on south side of Camp Baker/Hilsinger



# Residential Land Needs

Discussion points:

- Proceed with removal of “Hillside Residential” lands outside of city limits?
- Suggestions for efficiency measures within existing UGB?





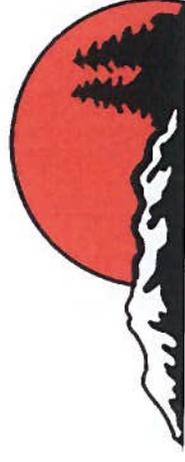
# Employment Land Needs

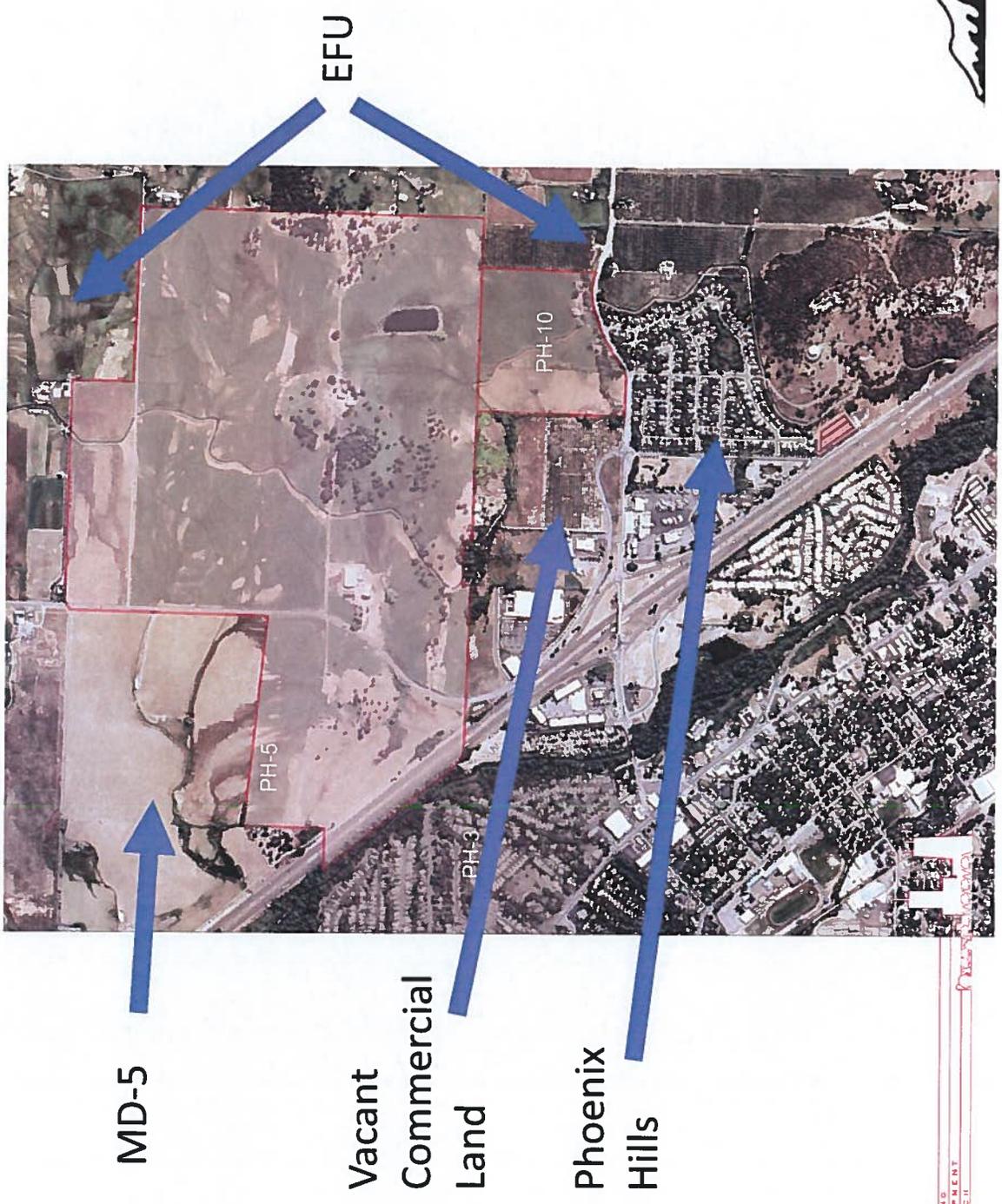
- 1,106 “local” jobs (consistent with Economic Element Scenario 3)
- 20-year deficiency of 22 acres industrial, 18 acres public employment
- Relatively little “Industrial” or “Commercial” land with the exception of I-B



# Employment Land Needs

- +/- 5,000 regional jobs in the South Valley Employment Area over a 50-year period
- 270 acres of employment land needed for regional demand over a 50-year period
  - +/- 200 acres over the next 20 years



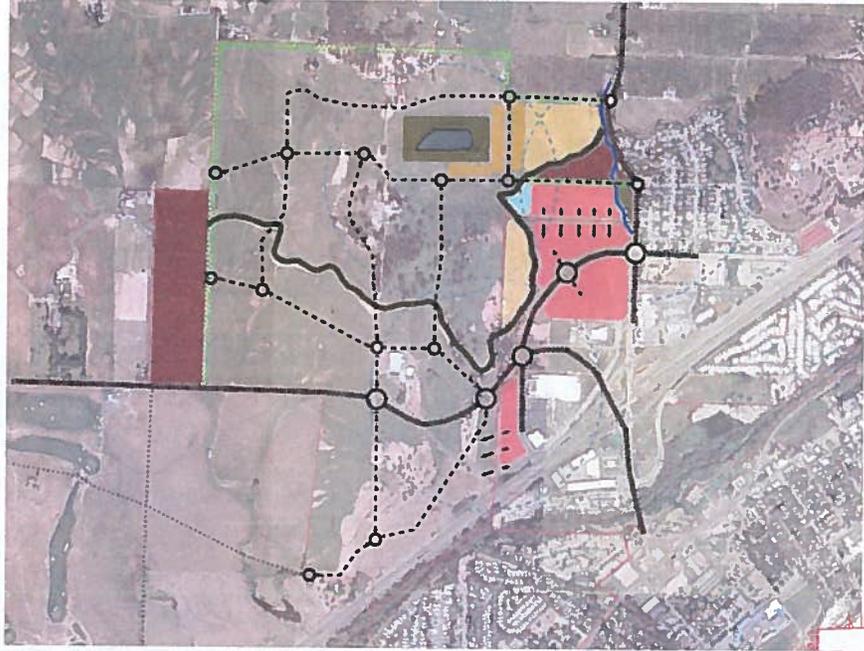


# PH-5 & PH-10 Conceptual Land Use and Transportation Plans





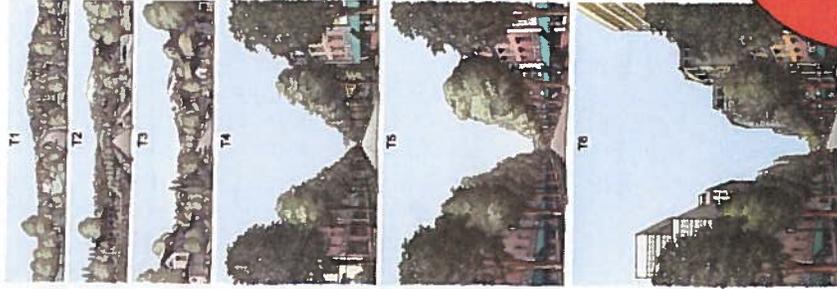
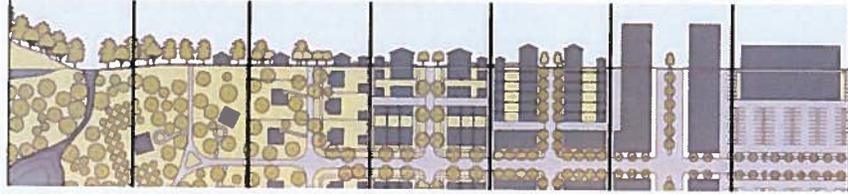
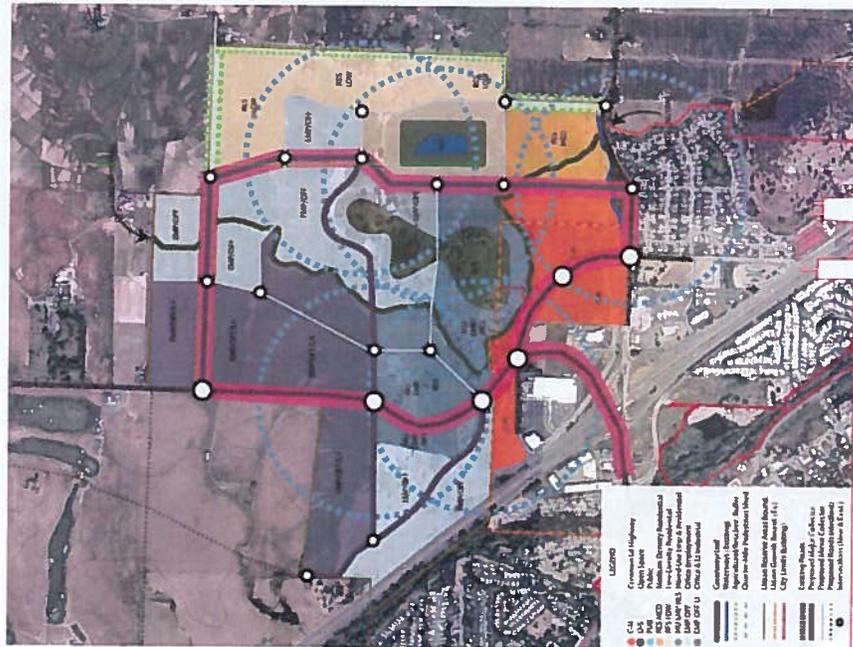
# PH-5 & PH-10 Conceptual Land Use and Transportation Plans







# PH-5 & PH-10 Conceptual Land Use and Transportation Plans



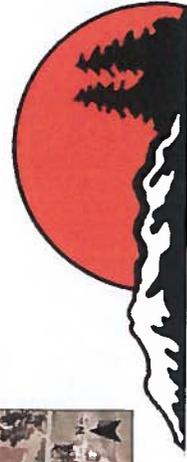
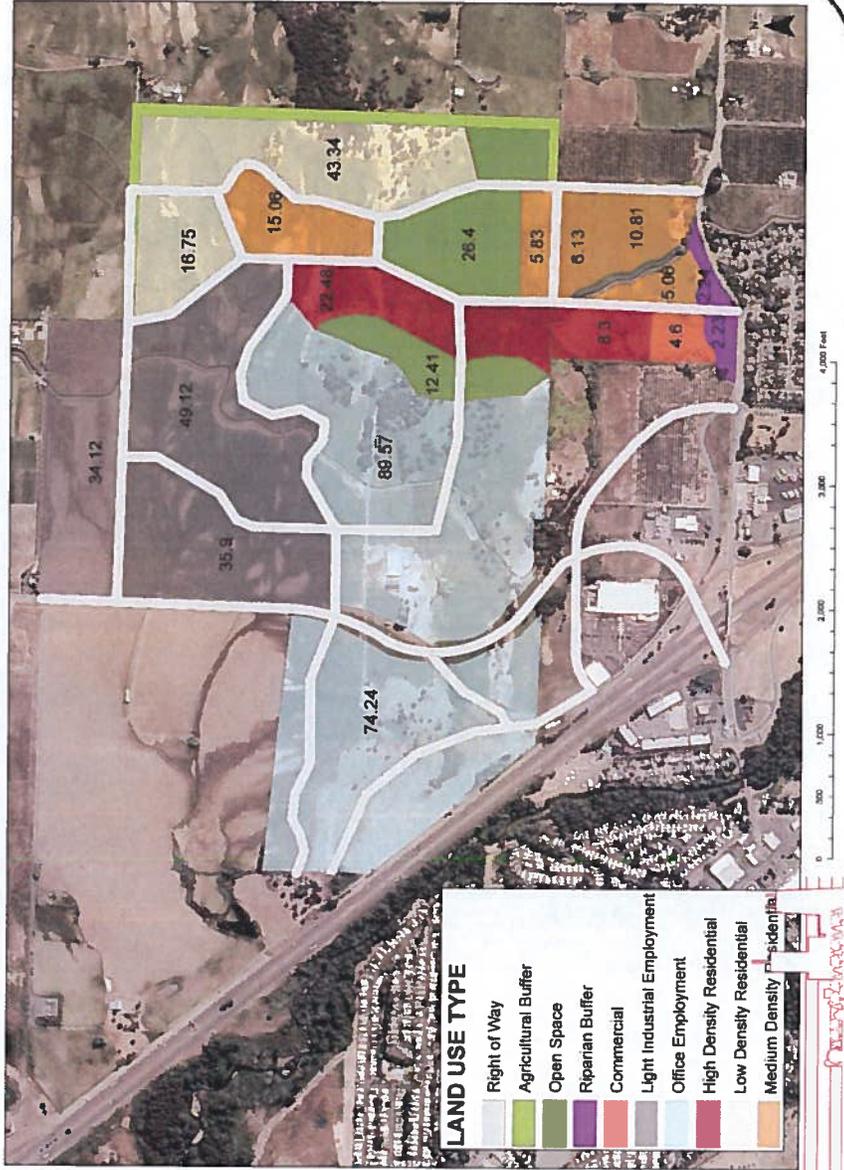






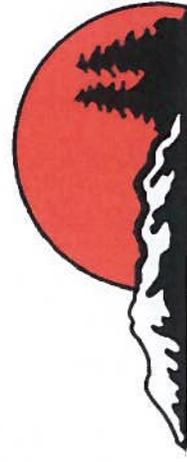
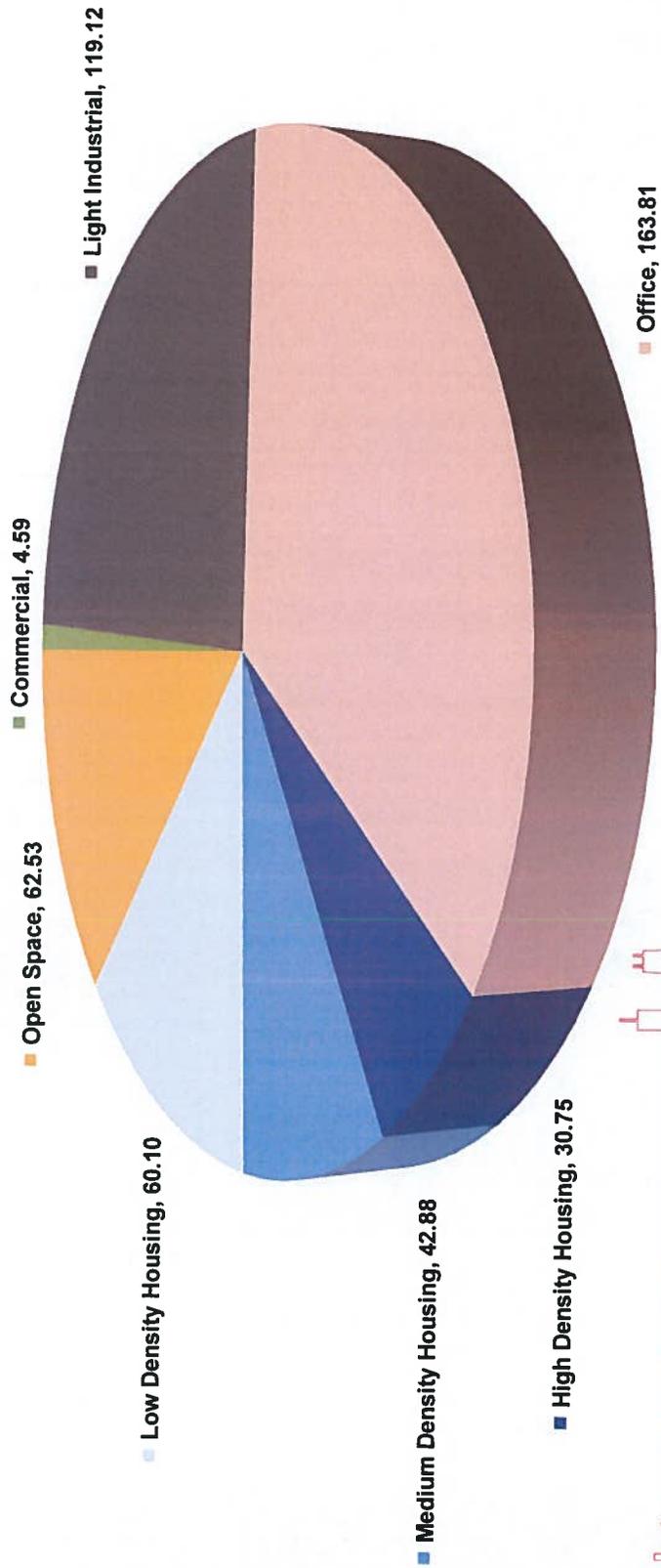
# PH-5 & PH-10 Conceptual Land Use and Transportation Plans

Phoenix URA Conceptual Land Use and Transportation Plans--Scenario 2



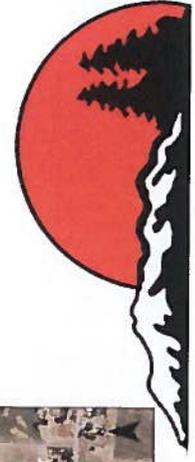
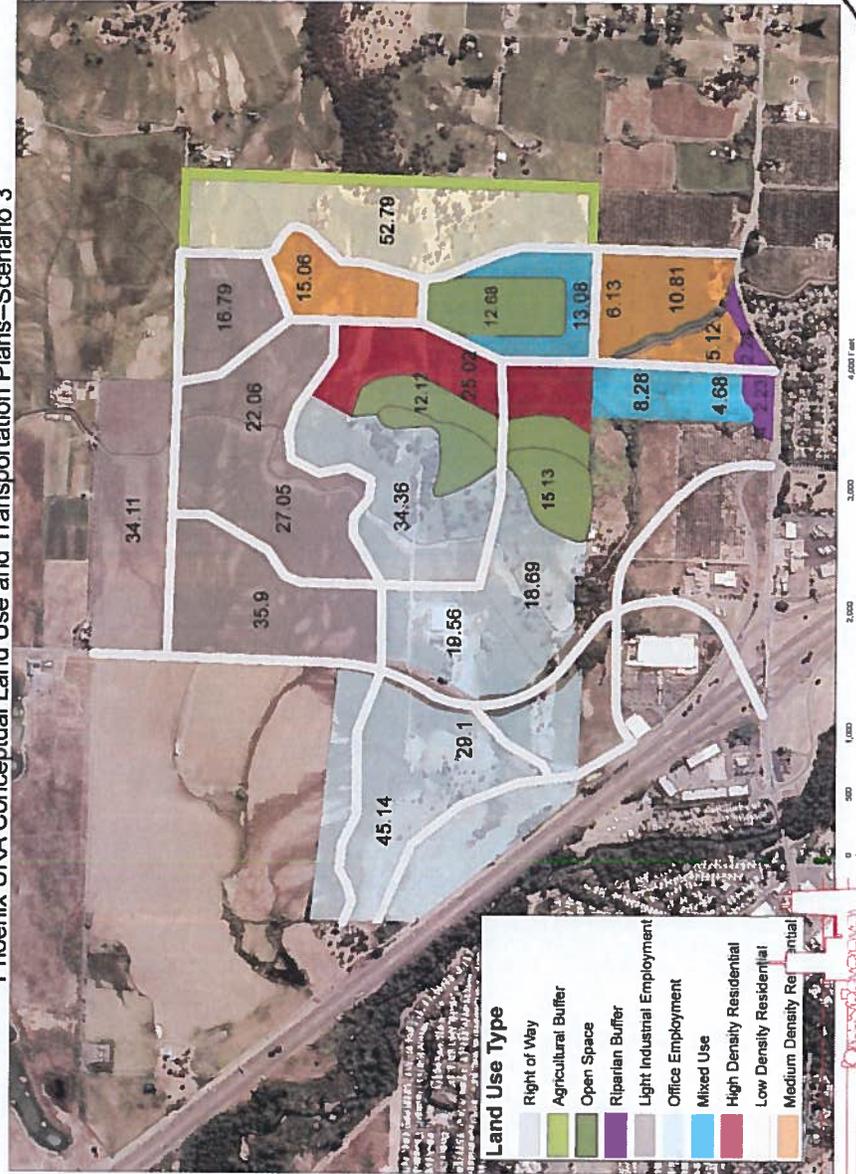
# PH-5 & PH-10 Conceptual Land Use and Transportation Plans

SCENARIO 2



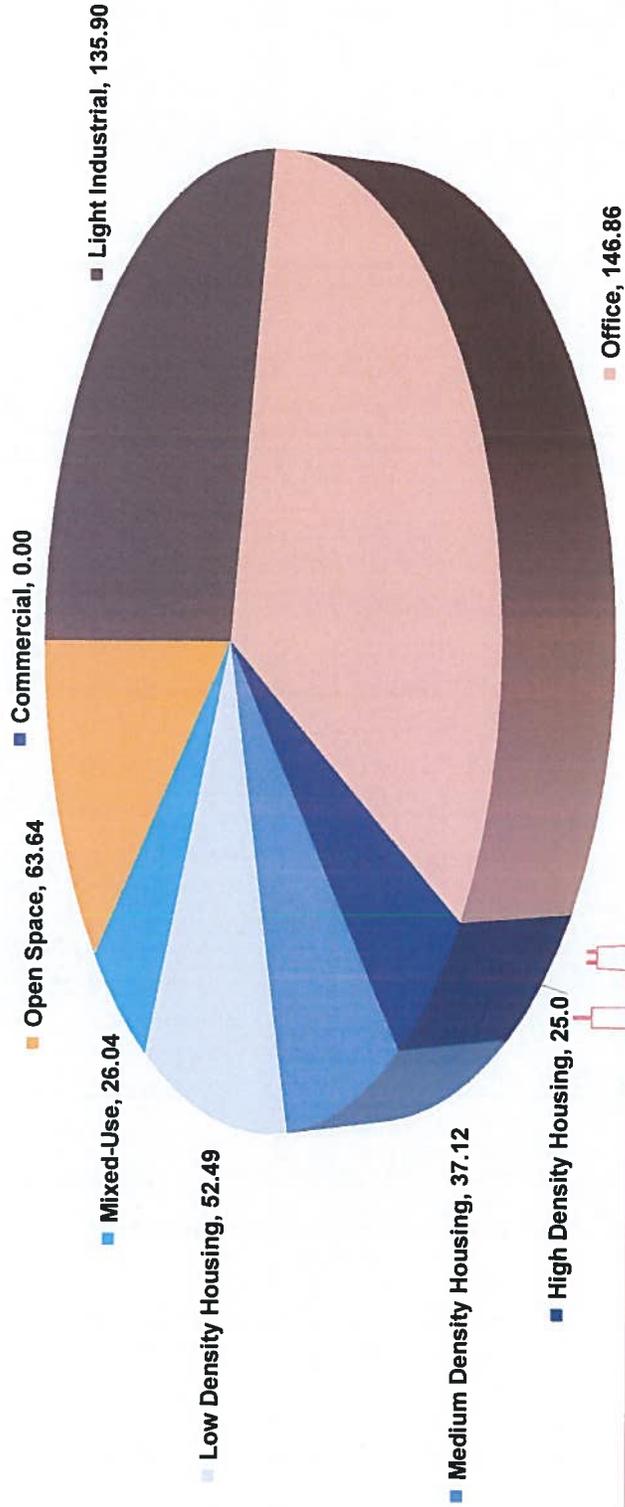
# PH-5 & PH-10 Conceptual Land Use and Transportation Plans

Phoenix URA Conceptual Land Use and Transportation Plans—Scenario 3



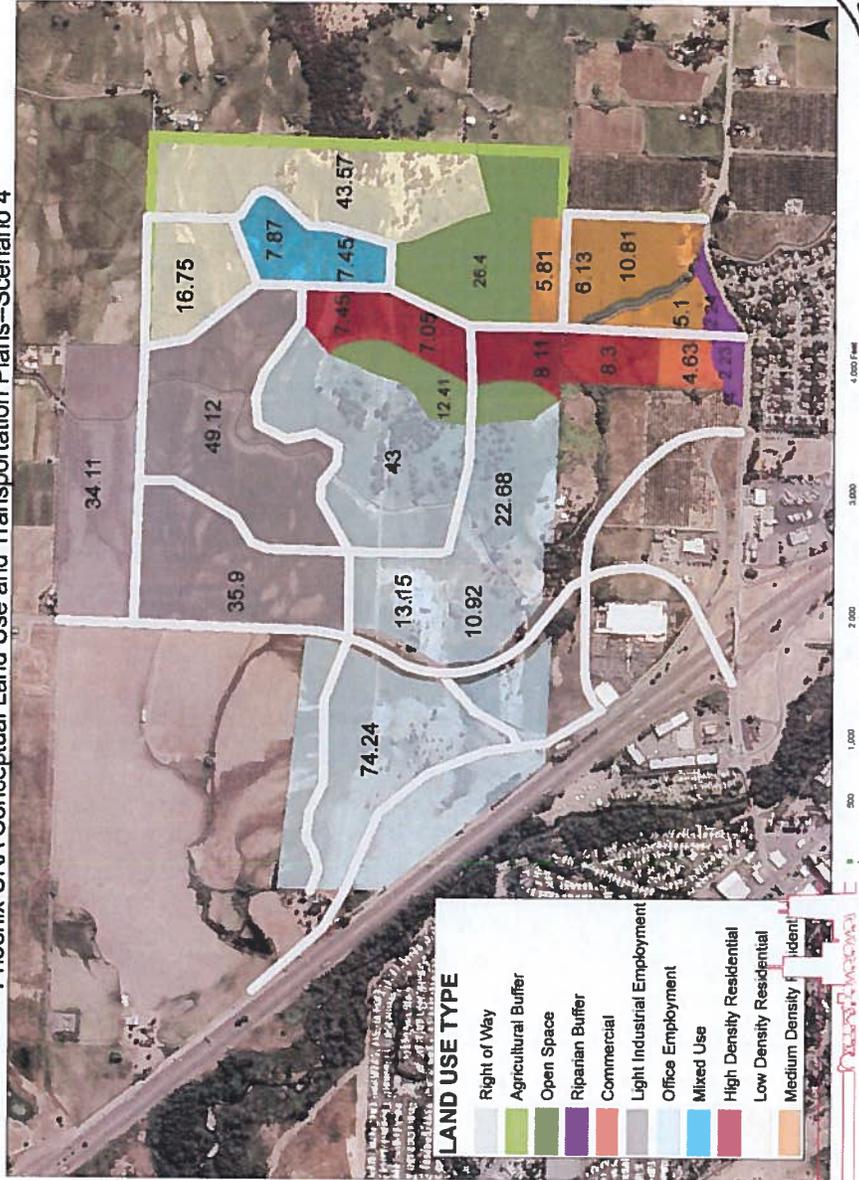
# PH-5 & PH-10 Conceptual Land Use and Transportation Plans

SCENARIO 3



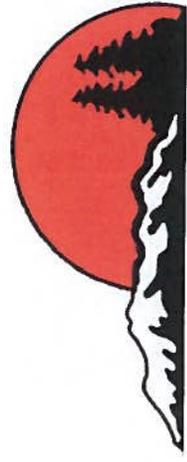
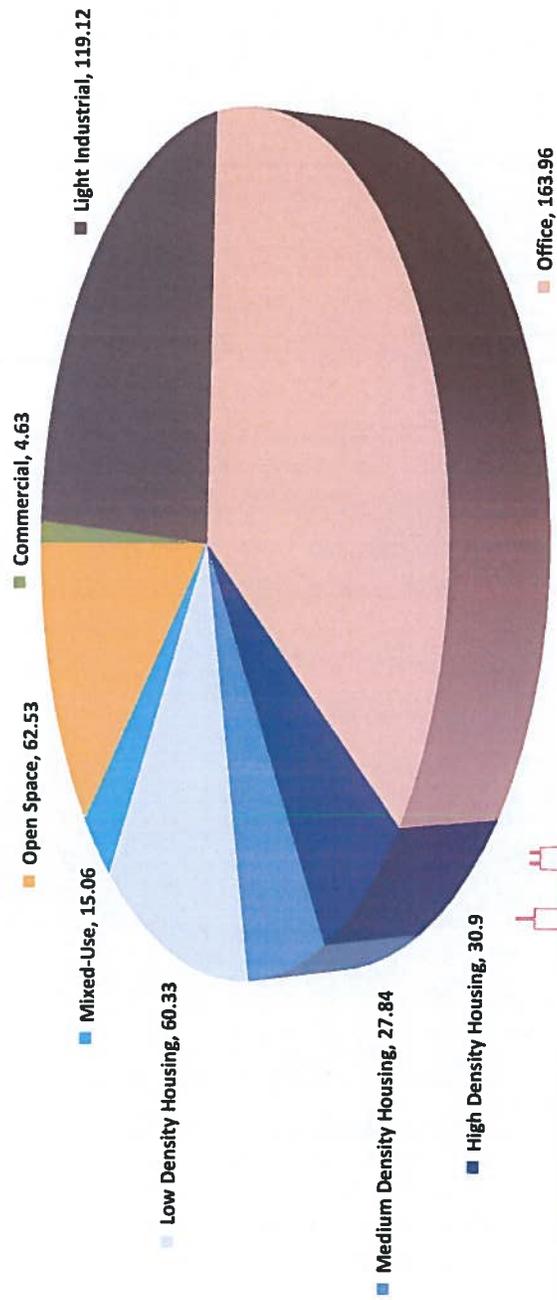
# PH-5 & PH-10 Conceptual Land Use and Transportation Plans

Phoenix URA Conceptual Land Use and Transportation Plans—Scenario 4



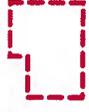
# PH-5 & PH-10 Conceptual Land Use and Transportation Plans

SCENARIO 4



# Proposed PH 5 Addition to UGB

Proposed Urban  
Growth Boundary  
1,296.78 Acres Total



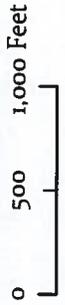
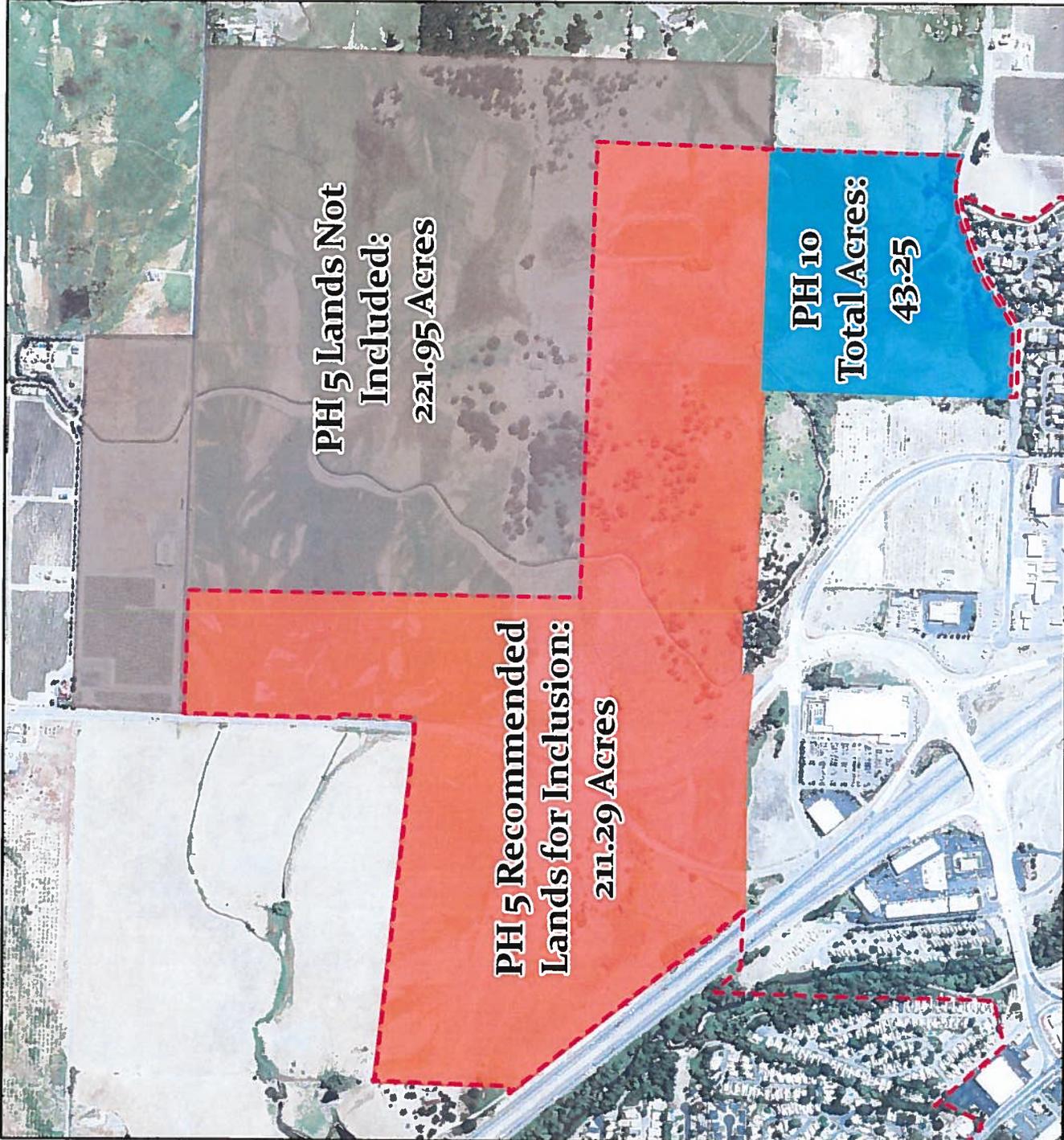
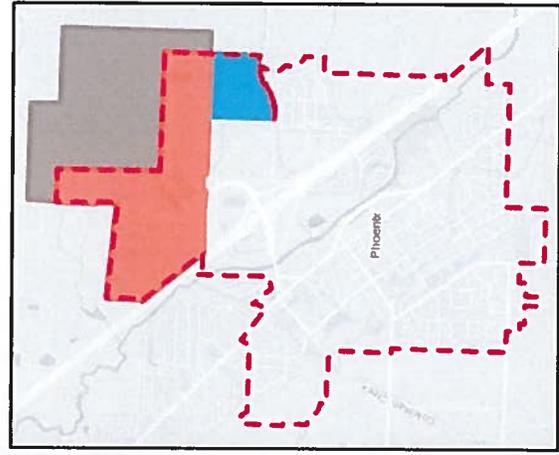
PH 5 Lands Not  
Included



Proposed PH 5  
Addition to UGB



Proposed PH 10  
Addition to UGB



Created: 06/2020, N. Hart-Brinkley  
 Sources: Oregon State Imagery Program, DCGAMI, ODFW, Jackson County  
 Spatial Reference: NAD 1983 StatePlane  
 Oregon South FIPS 3602 Feet



Department  
112 W. 2<sup>nd</sup> Street, Phoenix, Oregon 97535  
Office: 541-535-2050

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**Exhibit 1  
Staff Report  
&  
Findings of Fact and Conclusions of Law**

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- File Number:**
- Date of Report:** June 15, 2019
- Type of Action:** Type IV Legislative Action
- Action Requested:** Comprehensive Plan Amendment—applicant is requesting that the current Urbanization” of the City’s Comprehensive Plan be replaced in its entirety.
- Street Address:** N/A
- Date of Application:**
- Applicant:** City of Phoenix, Phone: 541-535-2050 ext. 316
- Applicant Address:** 112 W. 2<sup>nd</sup> Street  
Phoenix, OR 97535
- Information Reviewed:** Application file; City of Phoenix Comprehensive Plan
- Attachments:** Proposed Urbanization Element  
Urbanization Element approved August 20, 1984
- Related permits:** N/A
- Date of 1<sup>st</sup> Evidentiary Hearing:** Monday, June 8, 2020
- Date of 2<sup>nd</sup> Evidentiary Hearing:** TBD
- Staff Recommendation:** Adopt Findings of Fact and Conclusions of Law as presented in this staff report and recommend adoption of the updated Urbanization Element by the Phoenix City Council.

**I. Introduction**

The City of Phoenix (the City) adopted the current Urbanization Element on August 20, 1984, Ordinance Number 576.

The City has prepared a new Urbanization Element that will replace the current Element in its entirety. The Element has been prepared in order to address development that has occurred over the last twenty years; the adoption of the Regional Plan Element by the City in 2012, an updated Transportation System Plan in 2016, an updated Parks and Recreation Master Plan in 2017, an updated Housing Element in 2018, and an updated Economic Element in 2019; and to direct future development of



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1 the City in a manner that is consistent with community development goals and various regulatory  
2 requirements.

3 This Urbanization Element evaluates the current state of development within the City and considers  
4 and recommends policy needed to affect changes that will be required in order to ensure the  
5 provision of urban land that will meet the needs of the community over the next 20 years (2019  
6 through 2039).

7 The Urbanization Element examines the current development status of land within the City's UGB:  
8 lands that have been developed, those that are not able to be developed, and those that are available  
9 for development. It considers the future need for land that can be developed for housing,  
10 employment, and urban infrastructure and amenities (roads, parks, etc.). These considerations are  
11 based on conclusions drawn from other adopted Elements within its Comprehensive Plan, most  
12 notably its Housing, Economic, Land Use, Parks and Recreation Elements (aka Parks Masterplan),  
13 Regional Plan, and Transportation System Plan (TSP). Several other long range planning documents  
14 contribute significantly to the factual basis of this Urbanization Element including a Regional  
15 Economic Opportunity Study, completed in 2016, and a Local Economic Opportunity Analysis,  
16 completed in 2017.

17 Based upon factual information and the analytical conclusions drawn therefrom, the Urbanization  
18 Element recommends modification of Phoenix's UGB in a configuration depicted in Exhibit A.  
19 According to the Urbanization Element, the proposed modification of the UGB would provide 39  
20 acres of land for residential development, 254 acres of land for employment development, and 30  
21 acres of open space. The proposed UGB would, based on the information found in the  
22 aforementioned Comprehensive Plan Elements and supporting long range planning documents,  
23 would meet Phoenix's need for urbanizable land over the next 20 years, from 2019 – 2039.

24 The proposed amendment to the City's current Comprehensive Plan would replace, in its entirety,  
25 the Urbanization Element.

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## II. Review Procedure

29 Amendments to the comprehensive plan require a Type IV Legislative review process according to  
30 Table 12: 4.1.2 Summary of Development Decisions/Permit by Type of Decision-making Procedure.  
31 Section 4.1.6 of the Phoenix Land Development Code defines that procedure.

32  
33 Type IV actions require a "minimum of two hearings, one before the Planning Commission and one  
34 before the City Council [...]". The Department of Land Conservation and Development (DLCD)  
35 must be notified of the first public hearing of an amendment to the Comprehensive Plan "at least 35



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1 days before” the hearing. At least 20 days, but no more than 40 days before the first hearing, the  
2 following notices must be issued:

- 3  
4 1. Each owner of property that would undergo a zone change as a result of the action;  
5 2. Any affected government agency;  
6 3. Recognized neighborhood groups affected by the action;  
7 4. Any person who requests notice in writing; and  
8 5. All mailing addresses within a manufactured home park, pursuant to ORS 227.175.  
9

10 At least 10 days before a scheduled City Council public hearing, notice must be published on the City’s  
11 website, at City Hall, and “other locations as appropriate.”  
12

13 **Findings of Fact:**

- 14 1. Notice of the proposed comprehensive plan amendment was provided to the DLCD on  
15 \_\_\_\_\_, and notices of revised submittal were provided on  
16 \_\_\_\_\_ and again on \_\_\_\_\_.  
17 2. External agencies including Fire District 5, Jackson County Roads and Parks, ODOT, Jackson  
18 County Planning & Development Department, Rogue Valley Sewer District, RVTD, and  
19 RVCOG were provided notices and asked to provide written comments on XXXX, 2020.  
20 3. A notice was posted on the City’s website, at City Hall, the community information kiosk, and  
21 post office and further publicized through the City’s social media outlet(s).  
22 4. This action does not constitute a zone change, and no zone changes pertaining to individual  
23 properties currently in the Urban Growth Boundary or the City’s jurisdictional boundaries are  
24 recommended for further action by the Urbanization Element.  
25 5. There are no recognized neighborhood organizations that will be affected by the proposed  
26 amendment. In fact, the City has only 1 active neighborhood organization that is located in the  
27 Phoenix Hills/Meadowview subdivision.  
28

29 **Conclusions of Law:**

30 The noticing requirements for a Type IV land use action have been duly performed for the first  
31 public hearing. The application **CONFORMS TO THE REQUIREMENTS OF PHOENIX**  
32 **LAND DEVELOPMENT CODE** for comprehensive plan amendments.  
33

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34  
35 **III. Standards of Review**  
36

37 Section 4.1.6.G of the PLDC defines “Decision-Making Considerations” or Standards of Review for  
38 Type IV land use actions. This section requires that the Statewide Planning Goals and Guidelines  
39 promulgated under ORS 197 must be met. These include  
40



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- 1 Goal 1: Citizen Involvement. To develop a citizen involvement program that ensures the opportunity  
2 for citizens to be involved in all phases of the planning process.  
3
- 4 Goal 2: Land Use. To establish a land use planning process and policy framework as a basis for all  
5 decision and actions related to use of land and to assure an adequate factual base for such decisions  
6 and actions.  
7
- 8 Goal 3: Agricultural Lands. To preserve and maintain agricultural lands.  
9
- 10 Goal 4: Forest Lands. To conserve forest lands by maintaining the forest land base and to protect the  
11 state's forest economy by making possible economically efficient forest practices that assure the  
12 continuous growing and harvesting of forest tree species as the leading use on forest land consistent  
13 with sound management of soil, air, water, and fish and wildlife resources and to provide for  
14 recreational opportunities and agriculture.  
15
- 16 Goal 5: Natural Resources, Scenic and Historic Areas, and Open Spaces. To protect natural resources  
17 and conserve scenic and historic areas and open spaces.  
18
- 19 Goal 6: Air, Water, and Land Resources Quality. To maintain and improve the quality of the air, water  
20 and land resources of the state.  
21
- 22 Goal 7: Areas Subject to Natural Hazards. To protect people and property from natural hazards.  
23
- 24 Goal 8: Recreational Needs. To satisfy the recreational needs of the citizens of the state and visitors  
25 and, where appropriate, to provide for the siting of necessary recreational facilities including  
26 destination resorts.  
27
- 28 Goal 9: Economic Development. To provide adequate opportunities throughout the state for a  
29 variety of economic activities vital to the health, welfare, and prosperity of Oregon's citizens.  
30
- 31 Goal 10: Housing. To provide for the housing needs of citizens of the state.  
32
- 33 Goal 11: To plan and develop a timely, orderly and efficient arrangement of public facilities and  
34 services to serve as a framework for urban and rural development.  
35
- 36 Goal 12: Transportation. To provide and encourage a safe, convenient and economic transportation  
37 system.  
38
- 39 Goal 13: Energy Conservation. To conserve energy.  
40



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1 Goal 14: Urbanization. To provide for an orderly and efficient transition from rural to urban land  
2 use, to accommodate urban population and urban employment inside urban growth boundaries, to  
3 ensure efficient use of land, and to provide for livable communities.

4  
5 Section 4.1.6.G.2 of the PLDC requires that comments from state, local, and federal agencies are  
6 considered.

7  
8 Section 4.1.6.G.3 requires that the impacts of any intergovernmental agreements are considered  
9 during the review of an amendment to the Comprehensive Plan.

10  
11 Finally, Section 4.1.6.G.4 requires that amendments to the Comprehensive Plan must comply with  
12 the standards of review established in Chapter 4.7 – Land Use District Map and Text Amendments.  
13 According to Section 4.7.2.B, these criteria include

- 14
- 15 1. The proposed amendment is consistent with the purpose of the subject section and article.
- 16
- 17 2. The proposed amendment is consistent with other Provisions of this Code.
- 18
- 19 3. The proposed amendment is consistent with the goals and policies of the Comprehensive  
20 Plan, and most effectively carries out those goals and policies of all alternatives considered.
- 21

22 **Findings of Fact:**

- 23
- 24 1. The State of Oregon, Jackson County and six cities in Southern Oregon approved the Regional  
25 Problem Solving Plan. Following this, all of the cities incorporated the agreement into their  
26 Comprehensive Plans as a Regional Plan Element.
- 27
- 28 2. The City has solicited comment and guidance from the public throughout the process of  
29 updating its Comprehensive Plan, including informal public meetings (open houses), focused  
30 stakeholder meetings, and formal Public Hearings. Numerous public engagement events have  
31 occurred since the City began updating its Comprehensive Plan's Transportation System Plan in  
32 2014. The City created a citizen advisory committee (CAC) that worked directly with staff to  
33 prepare Conceptual Land and Transportation plans for Urban Reserve Areas PH-5 and PH-10.  
34 The City also coordinated stakeholder outreach meetings for property owners in PH-10 and PH-  
35 5 during that process. A Citizen's Advisory Committee was also convened to review and advise  
36 staff and consultants during the preparation of important technical documents that provided the  
37 basis for the amendment of the Housing and Economic Elements. The Parks Commission, an  
38 advisory body comprised of citizens, worked closely with a consultant to update the City's Parks  
39 and Recreation Masterplan (the Parks Element). Altogether, these various planning initiatives  
40 that provide the basis for the amendment of the Urbanization Element have involved scores of  
41 public meetings and hundreds of hours.



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1 A publicly noticed study session with the City Council was conducted on May 6, 2020. Staff  
2 received no public comments at the study session. The City has also directly contacted property  
3 owners in unincorporated portions of the City’s UGB concerning future development plans for  
4 those lands. Specifically, the City has contacted property owners on the south side of Camp  
5 Baker Road, in the immediate vicinity of the intersection of Camp Baker and Hilsinger Road,  
6 and property owners in the extreme southeast corner of the City’s current Urban Growth  
7 Boundary, in order to ascertain interest in the future development of these properties at urban  
8 densities. The City received several responses from property owners in the vicinity of Camp  
9 Baker Road and Hilsinger roads, all expressing a desire to remain in the City’s UGB. Given these  
10 responses and the fact that many of these properties are no longer suitable for resource land, the  
11 current UGB proposal does not remove these lands from the UGB. It is understood, however,  
12 that many of these properties are unlikely to develop to urban intensities during the 20-year  
13 planning period.

14  
15 As of this writing, the City had not received comments on the proposed Urban Growth  
16 Boundary from owners of properties in the Hillside Residential-designated lands north and east  
17 of I-5. These lands are proposed to be removed from the UGB.

18  
19 **Conclusions of Law: THIS APPLICATION CAN BE FOUND TO COMPLY WITH**  
20 **GOAL 1.**

- 21  
22 3. **Goal 2 Findings of Fact:** The Urbanization Element is derived from other comprehensive plan  
23 elements, including the recently adopted Land Use Element, that provide “a land use planning  
24 process and policy framework” in accordance with OAR XXXX.

25  
26 This update of the Urbanization Element addresses several policy recommendations made by the  
27 City’s recently adopted Land Use Element. Goal 4 of the Land Use Element requires the City to  
28 “Maintain adequate land within the City’s Urban Growth Boundary to provide for needed urban  
29 development as determined by other Comprehensive Plan Elements [...]” (p. 25). Specifically,  
30 Policy 4.3 directs the City to “Plan for future land uses in areas that are likely to be included in an  
31 amended Urban Growth Boundary and implement changes to the City’s land development code  
32 as needed to ensure efficient, fiscally sustainable land development.” (p. 25) This Urbanization  
33 Element identifies parcels to be included in and removed from Phoenix’s UGB and assigns those  
34 lands Comprehensive Land Use Plan (future land use) designations.

35  
36 Goal 2 of this Urbanization Element establishes a decision-making process and standards of  
37 review for annexation of lands included in Phoenix’s UGB from Urban Reserve Areas. It requires  
38 that “neighborhood or special area plans shall be submitted to and approved by the City using a  
39 Type IV Land Use decision process prior to or simultaneously with a request to annex any lands  
40 that have been designated as Urban Reserve Areas by the Regional Plan.”



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1 This Urbanization Element also addresses Land Use Element Goal 6. Policy 6.1 directs the City  
2 to “Develop implementation measures and land use regulations for PH-5 in accordance with the  
3 Economic Element and such that large assemblages of employment land are preserved in order  
4 to accommodate the development needs of large, traded-sector employers.” (p. 26) Employment  
5 land designations depicted in Exhibit A are consistent with Table 4-1 in the Regional Economic  
6 Opportunity Study that is reproduced in Policy 6.1.

7  
8 This Urbanization Element further addresses Goal 2 in Policies 2.2, 2.3, and 2.4, all of which  
9 provide specific guidance for the future use of lands within PH-5.

10  
11 **Conclusions of Law: The Urbanization Element provides a framework for land use**  
12 **decision-making, and is consistent with and relies on the Comprehensive Plan Land Use**  
13 **Element, which itself provides a foundation for land use decisions. THIS APPLICATION**  
14 **CAN BE FOUND TO COMPLY WITH GOAL 2.**

- 15  
16 4. Goals 3 and 4 **Findings of Fact:** Goals 3 and 4 govern resource lands that do not exist within the  
17 City’s current Urban Growth Boundary. As documented in the Regional Plan, there are no Forest  
18 Lands within Phoenix’s current UGB, nor are there any within the proposed expansion area in  
19 either PH-10 or 5.

20 PH-5 and 10 are currently agricultural resource lands. However, the Regional Plan investigated  
21 very closely the agricultural resource land impacts of potential future urbanization of resource  
22 lands over a very large area surrounding Phoenix’s UGB, including 1,220 acres in the “northern  
23 part of PH-A” which includes the PH-5 and 10. PH-5 and 10 were selected for further  
24 consideration and ultimately designated as Urban Reserves due to the relative benefit of  
25 urbanization of these lands as opposed to urbanization of other candidate lands. The Regional  
26 Plan concludes, “Urban growth in this area is not expected to adversely effect the long-term  
27 viability of other resource land in the area, provided the Region’s agricultural buffering standards  
28 are implemented in conjunction with future urban development” (p. 33). Phoenix adopted the  
29 buffering standards in its Regional Plan Element and into its Land Development Code.

30 Regarding PH-10, specifically, the Regional Plan found that “Because of the close proximity to I-  
31 5 and the Fern Valley Interchange, traffic resulting from future urbanization of this area would  
32 not likely extend eastward into nearby farm land” (p. 14). Development of the Hillside Residential  
33 lands removed from the modified UGB proposed by the Urbanization Element would, by  
34 comparison, extend additional traffic east of the City’s current UGB and well into agricultural land  
35 and active agricultural operations. The Regional Plan also observes that “PH-10 contains three  
36 undersized agricultural parcels [...] it is unlikely these would ever be consolidated into a single  
37 agricultural unit. As such they each represent a small contribution to the regional supply of high  
38 value agricultural land and are well located from an impacts standpoint to other land when  
39 compared to the growth impact and pressures that would be expected on alternative lands on the



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1 west side of Phoenix where much larger blocks of high value soils and intensive cultivation are  
2 present” (p. 14).

3 In addition, the modified UGB delineated by the updated Urbanization Element would remove  
4 37 acres of employment land from the UGB on the west side of the City and preserved for  
5 agricultural use. The same is true for approximately 50 acres of Hillside Residential land on the  
6 east side of the City that would be removed from the UGB and preserved for agricultural use  
7 (Urbanization Element, p. 14).

8 **Conclusions of Law: The Urbanization Element and the modified UGB that it presents**  
9 **considers the impact of urbanization on resource lands and avoids, the greatest extent**  
10 **possible, those impacts. The location of the modified UGB, furthermore, preserves nearly**  
11 **90 acres of resource land by removing them from the City’s UGB.**

12 **THIS APPLICATION CAN BE FOUND TO COMPLY WITH GOAL 3.**

13 **GOAL 4 CAN BE FOUND NOT TO APPLY TO THIS APPLICATION.**

- 14 5. Goal 5 and 6 addresses a wide variety of natural and other resources, ranging from wildlife habitat  
15 to historically and culturally significant places and features. The City of Phoenix maintains a  
16 Natural and Historic Resources Elements within its Comprehensive, as well as implementing  
17 regulations that identify Resources and Resource Sites, as defined by OAR 660-0023. Portions of  
18 the City’s 2017 Parks Master Plan directly address one of the City’s most significant natural  
19 resources, Bear Creek. The City’s Land Development Code currently affords substantial  
20 protection of riparian areas, wetlands, and other surface bodies of water. The Urbanization  
21 Element does not recommend amendment of these land use management measures or propose  
22 changes to policies that would undermine or prevent the City of Phoenix from managing  
23 environmentally sensitive lands and cultural resources in a manner that is consistent with Goal 5.

24 Payne Creek runs along southern edge of PH-10. Both the Urbanization Element and the Regional  
25 Plan Element conclude that development impacts on the stream can be managed through  
26 application Phoenix’s Land Development Code which provides for robust protections of riparian  
27 areas (see Urbanization Element, p. 14).

28 A wetland in the southeast corner of PH-5 is identified by the National Wetlands Inventory. The  
29 modified UGB would include this wetland (really a pond with wetland surrounding its edges) in  
30 its entirety in PH-5. The wetland would be surrounded by designated Open Space, creating the  
31 opportunity for a unique community park, approximately 30 acres in size.

32 Other environmental impacts are discussed below in ESEE Considerations, which draws heavily  
33 from analysis performed during preparation of the Regional Plan. On balance, urbanization of  
34 PH-5 and 10 was found to provide relatively fewer negative environmental impacts compared with  
35 other lands considered for urbanization during Regional Problem Solving. In addition, removal of  
36 both the “Helicopter Pad” and certain Hillside Residential lands can be found to provide net  
37 environmental benefits. Development of both of these lands, one for employment and the other



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1 for residential, would have involved increased vehicle miles traveled due to their relative  
2 remoteness and inaccessibility.

3 To the extent that the Urbanization Element is consistent with and supportive of the City's  
4 Comprehensive Plan Parks Master Plan, Historic Resources, and Natural Resources Elements, the  
5 Urbanization Element can be found to be comply with Statewide Planning Goals 5 and 6. **THIS**  
6 **APPLICATION CAN BE FOUND TO COMPLY WITH GOALS 5 AND 6.**  
7

- 8 6. Goal 7: The City has a Natural Disasters and Hazards Element within its Comprehensive Plan  
9 that was adopted by the City on August 20, 1984 and acknowledged by DLCDC on August 17,  
10 1984. Adoption of the updated Urbanization Element would not amend this document.  
11

12 The Natural Disasters and Hazards Element addresses steep slopes and floodplains. The  
13 Urbanization Element includes several policy recommendations supportive of the Natural  
14 Disasters and Hazards Element's policies pertaining to development on steep slopes. Most  
15 significantly, a little more than 50 acres of Hillside Residential-designated land is proposed to be  
16 removed from the City's UGB. Potential residential development displaced by this action would  
17 be allocated to PH-10, which is relatively flat and potentially much less vulnerable to natural  
18 disasters in particular earthquake and landslides. PH-10's superior access to the City's existing  
19 transportation network would also facilitate better emergency access and response to future  
20 development. Evacuation of residents and workers in the event of a natural disaster such as  
21 wildfire would also be much more direct and efficient relative to the development of existing  
22 Hillside Residential lands.  
23

24 The Urbanization Element, furthermore, does not itself amend the City's Land Development  
25 Code that regulates development on steep slopes or within floodplains. The implementing  
26 regulations would continue to function as they have in the past, restricting development on lands  
27 that are known to be vulnerable to the effects of landslides, flooding, etc.  
28

29 **THIS APPLICATION CAN BE FOUND TO COMPLY WITH GOAL 7.**  
30

- 31 7. Goal 8: The City recently (2017) adopted an updated Parks and Recreation Master Plan pursuant  
32 to this Goal. The Urbanization Element implements one of its recommendations by identifying  
33 30 acres of Open Space designated land in PH-5 that could eventually be developed as a large  
34 community park serving new residential development in PH-10 and on the east side of PH-5 as  
35 residential land is eventually developed in that area.  
36

37 **THIS APPLICATION CAN BE FOUND TO COMPLY WITH GOAL 8.**  
38

- 39 8. Goal 9: Over the past 6 years, the City has worked diligently to address Goal 9 through a series of  
40 planning studies that culminated in the recent adoption of an updated Economic Element. The  
41 Urbanization Element incorporates important information and policy recommendations found in



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1 that document as basis for the proposed configuration of its UGB. Most notably, it identifies  
2 significant employment land deficiencies and proposes corrective land use policies that have been  
3 carefully considered in the configuration of the proposed Urban Growth Boundary. These include  
4 Policies 4.3, 6.1, 6.2, 6.3, 6.4, 6.5, and 6.6.  
5

6 The recently adopted Land Use Element and Comprehensive Land Use Map (aka “Future Land  
7 Use Map”) preserve existing employment land that is suitable for development while seeking  
8 greater efficiency in the use of that land. Drawing on the Economic Element and the two studies  
9 upon which its is based, the Urbanization Element and Land Use Element identify a “local” need  
10 for roughly 22 acres of Industrial land and 18.44 acres of Public Employment land (p. 22). The  
11 need for “local-serving” Industrial land is assumed to be satisfied coincidentally with inclusion of  
12 employment land in Phoenix’s UGB to meet “regional” employment in PH-5; 6.5 acres of  
13 employment land in PH-10 could provide public employment land.

14 A Regional Economic Opportunity Study was completed to measure the need for regional  
15 employment land in PH-5, aka the “South Valley Employment Area.” It identified a need for all  
16 of the employment in PH-5 for the primary purpose of accommodating large footprint traded  
17 sector industrial development over the next 20 years.

18 The Urbanization Element and Regional Economic Opportunity Study acknowledge both the  
19 need for this land to provide unique economic development opportunities within this region, while  
20 tempering the urgency of that project with the challenges of realizing such an ambitious vision.  
21 Funding needed public infrastructure will be challenging, and it is likely that development will  
22 follow an incremental path as one project is completed and the SDC’s and other revenues it  
23 generates can be invested in infrastructure needed to support subsequent development. In this  
24 way, the modified UGB meets the requirements of Goal 9 while laying the foundation for the long  
25 term economic viability and benefit of developing the South Valley Employment Area in PH-5.

26 **THIS APPLICATION CAN BE FOUND TO COMPLY WITH GOAL 9.**  
27

- 28 9. Goal 10: The City recently updated its Housing Element (2018) along with the completion of a  
29 Housing Needs Analysis and Residential Buildable Land Inventory (RBLI). These long range  
30 planning documents provide, in large part, the factual basis for Goal 10 compliance of the  
31 Urbanization Element. Based on the Housing Element, Housing Needs Analysis, and (updated)  
32 Residential Buildable Land Inventory, the Urbanization and Land Use Elements report  
33 deficiencies in the City’s supply of residential land. The Urbanization Element proposes changes  
34 to the Urban Growth Boundary, pursuant to OAR 660-008-0000 which requires “the provision  
35 of adequate numbers of needed housing units, efficient use of buildable land within the urban  
36 growth boundaries [...]”.

37 First, the proposed boundary removes roughly 50 acres of Hillside Residential land. According  
38 to the RBLI, 47.37 acres of the total 65.82 “Vacant” acres can be found to be “Unbuildable” due  
39 to slope greater than 25%. Another 3.72 acres have slopes between 15 and 25% and are



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1 considered to be “Constrained”, that is they can be developed but at lower than average  
2 densities:

3 Staff calculated that the City has built single-family dwellings at an average rate of 4.89  
4 dwelling units per net acre on non-sloped land. [Based on analysis of subdivisions developed  
5 on sloped land it was found that] Land with slopes of 15-20% developed at an average  
6 density of 3.9 dwelling units per net acre [approximately 3.12 dwellings per acre] (or 80% of  
7 average density) and 3.2 dwelling units per acre (or 65% of average density) on land with  
8 slopes [of] 21-25%.” 2016 RBLI, p. 19

9 The remaining 14.73 acres are, in reality, further constrained by inadequate access to  
10 transportation, water, and sanitary sewer facilities. Access to these lands crosses resource land  
11 (zoned Exclusive Farm Use) which is not in the City’s current UGB, and improving the existing  
12 narrow dirt road would require acquisition and dedication of public right-of-way, which in turn  
13 would require a Goal 14 Exception. Providing sanitary sewer and water would be difficult and  
14 expensive, if not logistically impossible due to the location and elevation of Phoenix’s east side  
15 water reservoir and the location of sanitary sewer collection and main lines which are located on  
16 the west side of I-5 and Bear Creek. In both cases, Goal 14 Exceptions may be required casting  
17 uncertainty on the likelihood that these lands would be developed to urban densities during the  
18 20-year planning period and beyond.

19 In addition to the practical and regulatory challenges posed by the Hillside Residential designated  
20 lands in question, it is worth noting that residential development in this area would be the least  
21 connected to Phoenix’s transportation network and the most distant of any of the City’s  
22 residential development from services and amenities. This would impose additional, hidden  
23 housing costs for all households as it forces dependence upon one mode of transportation—the  
24 automobile—and would increase the average length of trips. The cost of maintaining and  
25 operating automobiles would disproportionately affect lower and middle income households,  
26 increasing the likelihood that housing would be developed for higher income households. The  
27 2017 Housing Needs Analysis identified surpluses of housing for households earning more  
28 \$75,000/year, but a significant deficit of 129 homes for households earning less than  
29 \$75,000/year (p.40). This does not account for future population growth. The following table,  
30 which is based on one found on page 51 of the HNA, depicts housing need by household  
31 income:

Household Income Category	<30%	30-50%	50-80%	80-120%	>120%
Percent of Total	23%	14%	20%	21%	22%
Attainable housing types	Subsidized apartment	Apartments, duplex, triplex, quadplex, ADU, cottage, mfg.	SFR attached & detached	All	All



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1 The table supports the idea that greater housing variety is needed in Phoenix in order to meet  
2 the needs of 57% of its current residents. The proposed UGB is built around the assumption  
3 that Phoenix's historical housing development pattern which has strongly favored single family  
4 detached homes over all other types of housing must shift in order to provide more housing  
5 options that meet the needs of Phoenix's changing population. Residential development in the  
6 portion of the UGB that is expanded into PH-10 and 5 would provide a housing mix that is 50%  
7 single family (both attached and detached), 25% medium density (single family attached,  
8 duplexes, triplexes, quadplexes, and cottage clusters), and 25% high density (quadplexes and  
9 larger multi-unit buildings developed in complexes).

10 Concerning Goal 10, development of Hillside Residential lands are less likely to provide housing  
11 for households that need it most. For these reasons, it can be found that removal of Hillside  
12 Residential land and allocation of its development potential on lands within the City's Urban  
13 Reserve Areas, PH-10, is consistent with Goal 10 and ORS 197.303-307.

14 Removal of constrained land from the City's UGB and allocation of that development potential  
15 to lands that are relatively free of such constraints and therefore more readily developed is a  
16 more efficient use of buildable land. Thus it is consistent with and supportive of Goal 10.

17 **THIS APPLICATION CAN BE FOUND TO COMPLY WITH GOAL 10.**

18  
19 10. Goal 11: The City of Phoenix has a Public Facilities Element in its Comprehensive Plan that was  
20 adopted on March 2, 1998. That plan was partially updated in 2016 with the adoption of the City's  
21 new Transportation System Plan. The TSP includes two high-level public improvement projects  
22 for PH-5 and 10. Neither "S-8" nor "S-9" is included in the TSP's tier-one (funded) project list.  
23 In addition, full buildout of PH-5 in its entirety will add congestion to several intersections in the  
24 vicinity of southeast Medford and Phoenix. Those impacts will need to be mitigated as  
25 development occurs. This is addressed in greater detail under "Goal 12" below.

26 Many of the needed improvements to the City's water system that were identified in the Public  
27 Facilities Element have been constructed to address the needs of Phoenix's current population.  
28 In particular, the Medford Water Commission Intertie project and construction of a 1MG  
29 reservoir on the City's east side were completed more than 10 years ago. The City also recently  
30 completed a new water system master plan that will need to be incorporated with any future update  
31 of the Public Facilities Element. That plan accounted for planned growth in PH-5 and 10.

32 Rogue Valley Sewer Services provides sanitary sewer for the City of Phoenix. A trunkline exists  
33 on the west side of Bear Creek. A connection under I-5 provides service to properties on the east  
34 side of I-5. Capacity of the system, according to RVSS, is adequate to meet the needs of PH-5 and  
35 10 at complete buildout.



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1 Serving Hillside Residential lands on the east side of I-5 would be difficult given topography and  
2 access issues. Removal of these lands from the UGB avoids the construction of costly public  
3 infrastructure that would have been difficult and expensive to maintain over the long term.

4  
5 **THIS APPLICATION CAN BE FOUND TO COMPLY WITH GOAL 11.**

6  
7 11. Goal 12: The City's recently updated Transportation System Plan directly addresses and satisfies  
8 the requirements of Goal 12. The Urbanization Element is consistent with that plan and  
9 supportive of its goals and objectives. Urbanization Element recommends certain measures that  
10 would improve the efficient operation of the City's transportation network and protect its capacity  
11 over the long term. Higher density residential development, for example, that is concentrated  
12 closer to public transportation and other transportation options reduces single occupant vehicle  
13 trips when compared to the development of Hillside Residential lands that are further from  
14 existing services and by their very location increase the number of vehicle miles traveled. This is  
15 in part due to the fact that the Regional Plan Element requires substantial residential and  
16 employment development occur in "activity centers."

17 Although an internal road network for PH-5 and 10 has not yet been planned, the Conceptual  
18 Land Use and Transportation Plans that support the Urbanization Element depict a rudimentary  
19 network of local streets that provide connections within these areas and to regional transportation  
20 facilities like North Phoenix Road, I-5, and OR-99. Discussion of transportation system adequacy  
21 and the potential impacts of vehicular traffic generated by the development of PH-5 and 10 are  
22 addressed under the Public Facilities section and more thoroughly in the "Conceptual Land Use  
23 and Transportation Plans" section of the Element. The development of PH-5 and 10 were  
24 analyzed by ODOT's Transportation Planning Unit which determined, generally speaking, that  
25 development in these areas would not impair the function of regional and state transportation  
26 facilities. Complete buildout of PH-5 will likely require construction of the South Stage  
27 Overcrossing at some point during the planning period in order to mitigate traffic generated by  
28 that development. This is addressed by Policy 3.2 which commits Phoenix to identifying funding  
29 mechanisms for all capital improvements associated with development of PH-5 and 10. Much of  
30 the cost will be borne by developers, either through direct investment in needed infrastructure or  
31 through payment to the City of System Development Charges that are used by the City to fund  
32 capital improvements.

33 The Urbanization Element is consistent with and supportive of the Transportation System Plan.

34  
35 **THIS APPLICATION CAN BE FOUND TO COMPLY WITH GOAL 12.**

36  
37 12. Goal 13: The Energy Conservation Element in Phoenix's Comprehensive Plan was adopted on  
38 August 20, 1984 and acknowledged by DLCD on August 17, 1984. The Urbanization Element  
39 does not amend or recommend the amendment of the Energy Conservation Element.



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1  
2 The Urbanization Element presents a development pattern in PH-5 and 10 whereby various land  
3 uses are located in a manner that makes more efficient use of the City's infrastructure, particularly  
4 its transportation network. By concentrating higher density residential development and more  
5 intensive employment land uses closer to existing public transportation and regional  
6 transportation facilities and to one another, the development pattern embraced by the  
7 Urbanization Element reduces the length of trips made by all modes of transportation from origin  
8 to destination and provides higher efficiency travel options to more residents and visitors. This is  
9 one of the central tenants of the City's Regional Plan Element, which is directly supported by the  
10 Urbanization Element.

11  
12 Urban services themselves can be more efficiently delivered through a development pattern that  
13 thoughtfully considers efficient utilization of resources. The reduction in the amount of slope  
14 constrained land, for example, would result in urban development that requires less expenditure  
15 of energy and resources in the development process and future operations and maintenance of  
16 those facilities upon which development depends. The City has experienced the challenges  
17 imposed by hillside development in the past. As the explained in the City's Public Facilities  
18 Element, the Amerman Pump Station requires a continuous draw on the City's resources,  
19 including energy consumption. Energy efficient deliver of urban services is a key consideration in  
20 development of the City's current Urban Growth Boundary and any future amendment.

21  
22 The Urbanization Element is consistent with and supportive of Goal 13.

23  
24 **THIS APPLICATION CAN BE FOUND TO COMPLY WITH GOAL 13.**

25  
26 13. Goal 14: The Comprehensive Plan Urbanization Element was adopted by Ordinance  
27 Number 576 on August 20, 1984 and acknowledged by the DLCD on August 17, 1984. This  
28 element established the City's Urban Growth Boundary, and has not been amended since its  
29 original adoption. Minor changes have been made to UGB, but only to address mapping  
30 discrepancies and errors that were discovered over time.

31 The Urbanization Element is meant to satisfy OAR 660-015-0000(4) which requires communities  
32 to "provide for an orderly and efficient transition from rural to urban land use, to accommodate  
33 urban population and urban employment inside urban growth boundaries, to ensure efficient use  
34 of land, and to provide for livable communities."

35 Consistent with OAR 660-24-0040, Phoenix has adopted a Housing Element and Housing Needs  
36 Analysis that evaluates need for residential land to provide an adequate supply of housing for its  
37 residents over a 20-year planning period, from 2019-2039, based on the most recent population  
38 projection prepared by Portland State University's Center for Population Research. The City has  
39 also adopted an Economic Element for the same planning period, completed in accordance with  
40 OAR 660-009. Buildable Land Inventories described in OAR 660-024-0050 have been completed



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1 during the preparation of these documents, consistent with OAR 660-007-0045 and OAR 660-  
2 009-0015. The Residential Buildable Land Inventory was recently updated with the preparation of  
3 this Urbanization Element. These plans evaluated capacity of the current UGB to provide  
4 adequate land for needed housing, employment and other urban uses. Having completed this  
5 analysis, the Urbanization Element finds a need for approximately 35 gross acres of residential  
6 land and 165 gross acres of employment land.

7 Pursuant to OAR 660-024-0050(4), prior to expanding its Urban Growth Boundary, the City will  
8 “demonstrate that needs cannot reasonably be accommodated on land already inside the urban  
9 growth boundary.” This is primarily addressed by the Urbanization Element in “Urbanization  
10 Factors, Need to Accommodate Residential Land Uses” and “Urbanization Factors, Need to  
11 Accommodate Employment Land Uses”, pages 4-10. Demand for residential land is found to  
12 exceed buildable residential land available for future development within the City’s current UGB.  
13 Deficits are identified for all categories of residential development, with an overall deficiency of  
14 35 to 36 acres, depending on density assumptions made in calculating land demand. The  
15 Urbanization Element presents two residential development scenarios, advancing a “preferred”  
16 scenario or option that would provide a greater range of housing types than that observed  
17 historically. It should be noted that using the higher density assumptions in the “preferred”  
18 scenario has the effect of reducing the amount of needed residential land, however modestly.

19 According to its 2017 Housing Needs Analysis, historically 75% of the City’s housing inventory  
20 has been single family detached homes, with very little middle density housing (single family  
21 attached townhomes, for example, account for less than 1% of its total dwelling units). The  
22 Urbanization Element proposes a significant change in this development pattern by proposing  
23 that 50% of future residential development would be single family detached; 25% of future  
24 residential development would be middle density housing such as duplexes, townhomes, and  
25 cottage clusters; and the final 25% of future residential development would be higher density  
26 housing types like quadplexes and larger multiplex buildings (pp. 5-6). The shift toward more  
27 medium and higher density residential development creates somewhat of a paradox: residential land  
28 use would become more efficient by several measures, but would require more Medium Density  
29 Residential and High Density Residential designated land that is particularly scarce within the  
30 City’s current UGB. As the updated Residential Buildable Land Inventory finds, there are only  
31 0.75 acres of buildable High Density Residential designated land; 7.71 acres of Medium Density  
32 Residential designated land; and 20.28 acres of developable Low Density Residential designated  
33 land. Much of this inventory are, in fact, vacant remnants of Partially Vacant properties. Although  
34 infill development can be a way for cities to achieve greater land efficiency and density of  
35 development (which has occurred recently in Phoenix), these opportunities are relatively few and  
36 an unreliable mechanism for achieving a dramatic shift in the mix of housing types. A modified  
37 UGB achieves greater efficiency in residential development by facilitating a shift away from  
38 Phoenix’s reliance on single family detached housing.

39 “Efficiency Measures” are, nevertheless, addressed in the Urbanization Element and its supporting  
40 plans. Phoenix, the Element explains, has recently amended its Land Development Code in a



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1 manner that encourages development of a broader range of housing types. That development,  
2 however, must occur on a relatively small number of infill lots and is unlikely to achieve the  
3 Committed Residential Densities required by the Regional Plan. The Element proposes to remove  
4 approximately 50 acres of Hillside Residential designated land from the UGB, and allocate its  
5 holding capacity to lands in PH-10 and 5. In doing so, Phoenix will be able to achieve the  
6 residential density targets established by the Regional Plan. Achieving those densities in the current  
7 unincorporated UGB, which is dominated by Hillside Residential land, is unrealistic given the  
8 much lower densities at which Hillside Residential land is developed.

9 Evaluation of employment land need also relies on the assumption that future development will  
10 occur at a higher number of jobs on a per acre basis. Even with higher than average job densities,  
11 Phoenix will still experience a 22 acre shortage of “local-serving” industrial employment land and  
12 an 18 acre shortage of “local-serving” public employment land. Although it has a surplus of 39  
13 acres of commercial employment land, much of this land consists of small parcels and the vacant  
14 portions of Partially Vacant properties. The exception is Interstate Business designated  
15 employment where several large, vacant parcels are readily available for development. For the  
16 purposes of calculating need for employment land, the “local-serving” employment land (that is  
17 employment land demand generated by Phoenix’s local economic growth as opposed to “regional”  
18 demand discussed below) are assumed to be met by the employment land allocated to PH-5 to  
19 meet demand for regional employment. Two hundred and fifty-four (254) acres of employment  
20 land would be added to meet demand for regional and “local-serving” employment land; 6.5 acres  
21 of employment land are added in PH-10 to serve adjacent residential development and address  
22 the impracticality of leaving a relatively small enclave of employment land outside of the modified  
23 UGB. Small islands of resource land surrounded by urban land undermine the efficient delivery  
24 of urban infrastructure and leave fragments of agricultural land that cannot be used efficiently for  
25 their intended purpose.

26 The Urbanization Element also removes 33 acres of employment land from the City’s existing  
27 UGB. Known as the “Helicopter Pad” due to its lack of access, it can be found that this  
28 employment land cannot be efficiently developed. Its development potential would more easily be  
29 realized in PH-5.

30 Finally, roughly 30 acres of Open Space designated land will be added to Phoenix’s UGB in  
31 fulfillment of Regional Plan requirements that 12% of PH-5 be devoted to Open Space. With 60%  
32 of PH-5 coming into the UGB, this amount of Open Space enables future inclusions of land from  
33 PH-5 into the UGB while maintaining the required percentage.

34 The Urbanization Element demonstrates compliance with the remaining Urbanization Factors.  
35 Public facilities and services are available to serve development on these lands or it can reasonably  
36 be assumed that these facilities can be provided during the planning period. These facilities and  
37 services include roads, drinking water, and sanitary sewer. Each of these are addressed on pages  
38 10-11 of the Element.



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1 ESEE Considerations were analyzed at length during the Regional Plan process, and many are  
2 referenced and relied upon by the Urbanization Element. They have, however, been updated to  
3 address several new considerations including the adoption of a new Parks Master Plan, a new  
4 water system masterplan, and a new Transportation System Plan and subsequent work that  
5 evaluated the transportation issues associated with the complete build-out of PH-5 and 10.

6  
7 **THIS APPLICATION CAN BE FOUND TO COMPLY WITH GOAL 14.**

- 8  
9 14. The Application has been provided to relevant state and local reviewing entities for comment.  
10 These included the Department of Land Conservation and Development (DLCD), Rogue Valley  
11 Transit District, Rogue Valley Council of Governments, and Jackson County. No federal  
12 reviewing entities were identified.

13  
14 **THIS APPLICATION CAN BE FOUND TO COMPLY WITH THE**  
15 **REQUIREMENTS OF SECTION 4.1.6.G.2 OF THE PLDC TO SOLICIT**  
16 **COMMENT FROM APPROPRIATE LOCAL, STATE, AND FEDERAL AGENCIES.**

- 17  
18 15. UGMA/URMA  
19 **SECTION 4.1.6.G.3 OF THE PHOENIX LAND DEVLEOPMENT CODE DOES**  
20 **NOT APPLY TO THIS APPLICATION.**

- 21  
22 16. The amendment proposed by the Application is consistent with the purpose of the  
23 Comprehensive Plan; it is consistent with other provisions of the Phoenix Land Development  
24 Code; and it is consistent with the goals and policies of the Comprehensive Plan, and most  
25 effectively carries out those goals and policies of all alternatives considered.

26  
27 **THIS APPLICATION CAN BE FOUND TO COMPLY WITH THE**  
28 **REQUIREMENTS OF SECTION 4.1.6.G.4 AND 4.7.2.B OF THE PHOENIX LAND**  
29 **DEVELOPMENT CODE.**

30  
31 **Conclusions of Law:**

- 32 **1. THE REQUESTED ACTION IS CONSISTENT WITH STATE PLANNING GOALS**  
33 **AND GUIDELINES AND CONFORMS TO THE REQUIREMENTS FOR**  
34 **APPROVAL OF AN AMENDMENT TO THE CITY'S COMPREHENSIVE PLAN AS**  
35 **ESTABLISHED BY THE PHOENIX LAND DEVELOPMENT CODE.**
-



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**IV. Staff Recommendation**

1  
2  
3 Planning Commission should recommend that the City Council adopt the proposed Comprehensive  
4 Plan amendment **with** findings of fact and conclusions of law as presented in this staff report and  
5 supporting documents.

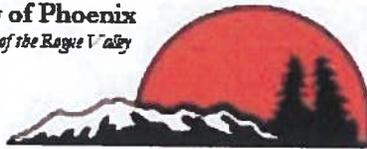
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# CITY OF PHOENIX URBANIZATION ELEMENT

City of Phoenix  
*Heart of the Rogue Valley*



## Comprehensive Plan

# URBANIZATION ELEMENT

July XX, 2020 (Ordinance No. XXX)  
Acknowledged by DLCD XX, 2020  
DLCD Approval Order #XXXXXX

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# CITY OF PHOENIX URBANIZATION ELEMENT

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## Summary

### Statewide Planning Goal 14 and Urbanization

According to Oregon's Statewide Planning Goals and Guidelines, urbanization is process by which rural lands are developed for urban uses at greater intensities and densities than are found in rural areas outside of population centers. Urban land uses are familiar to anyone, and the concept of urban density or intensity of those uses is as well. This is particularly true for communities throughout Oregon, which manage the process of urbanization through the use of "Urban Growth Boundaries" (UGB).

The mechanism itself is quite simple to understand, even if the process for establishing and changing UGBs is not: lands within a UGB are intended to be developed for housing, employment, and other functions that we would expect to find in towns and cities; lands outside of a UGB are intended to be used for agriculture, forestry and other resource-based activities (known collectively as "Resource Lands") or preserved as natural wildlands. Statewide Planning Goal 14: Urbanization is intended 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.*

According to OAR 660-015-0000(14), establishing or amending an Urban Growth Boundary must be based on several factors:

1. "Demonstrated need to accommodate long range urban population, consistent with a 20-year forecast [...]" and
2. "Demonstrated need for housing, employment opportunities, livability or uses such as public facilities, streets and roads, schools, parks or open space [...]"

The location of the UGB itself must address

1. "Efficient accommodation of identified land needs";
2. "Orderly and economic provision of public facilities and services";
3. "Comparative environmental, energy economic, social consequences" of the boundary's location; and
4. Compatibility of the proposed urban uses with nearby agricultural and forest activities occurring on farm and forest land outside the UGB."

Consistent with OAR 660-015-0000(14), this Urbanization Element addresses the City's need for urban land during the 20-year period from 2019 to 2039.

### History of Urbanization in Phoenix

Phoenix devised its first Urban Growth Boundary in July 1978 followed by its first Comprehensive Plan and Land Development Code several years thereafter. At the time, it was estimated that 1,033 acres were in the Urban Growth Boundary, of which less than half were in the City's political boundary. Both the 1998 Land Use Element and the recently adopted updated Land Use Element found the number of acres within Phoenix's UGB to be around 1090 acres. Both of those documents utilized more accurate Geospatial Information Systems and methods to measure Phoenix's UGB.

The original UGB has been amended several times, but only to address very minor discrepancies. The Boundary has not been modified in any substantial way to address a demand for urban land for residential, employment, or other urban uses in 40 years. Phoenix has changed during this period of time. Although population growth

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has slowed considerably from its average annual growth rate of 5.5 between 1960 and 1980, it has nevertheless continued to grow, and its supply of developable residential land has steadily diminished—particularly residential land better suited to medium and higher density housing types. This is documented in the recently updated Housing and Land Use Comprehensive Plan Elements. This is true for employment land as well. The Land Use Element found that, “between 1998 and 2019, 72% of Phoenix’s nearly 200 developable employment land acres were developed leaving only 55.6 acres [...]” (p. 8).

The portion of urban land committed to the various land use categories has remained relatively stable since the UGB was established, but the development status of that land has changed significantly. According to the Land Use Element, 34% of the UGB was considered to be “developable” in 1998. That shrank to just under 10% by 2019 (Land Use Element, p. 7). As stated in its recently adopted Economic Element, Phoenix has no developable industrial-designated land remaining within its UGB, and readily developable (land that is not “partially-vacant” or “redevelopable”) commercial land close to the center of the community (Commercial and City Center designated land) is in short supply as well.

Prior to updating many of the components of its Comprehensive Plan, the City of Phoenix participated in Regional Problem Solving along with six other cities and Jackson County. The resulting long range plan considered regional population and employment growth over a 50 year planning period and prescribed a number of ways to manage that growth. In doing so, that plan (which was adopted by Phoenix and other participating jurisdictions into their own comprehensive plans) identified Urban Reserve Areas in accordance with OAR 195.137-145. The Urban Reserve Areas were assessed based on the relative superiority of their characteristics for urbanization compared to other lands. Lands designated as URAs were found to be generally better suited to more efficient urban development, while their conversion from resource land (or lands that were underdeveloped in some instances) posed fewer and less severe negative consequences. Similar to the locational criteria for Urban Growth Boundaries, each URA was analyzed using the following criteria:

1. Efficient Accommodation of Identified Needs: relatively speaking, could the URA better accommodate needed housing and employment land development than other candidate lands.
2. Orderly and Economic Provision of Public Facilities and Services: relatively speaking, could the URA be reasonably served by urban infrastructure and services.
3. ESEE Consequences: what is the overall impact of urbanization of a URA given all of the economic, social, environmental, and energy benefits and costs of urbanization.
4. Compatibility of the Proposed Urban Uses with Nearby Agriculture and Forest Activities Occurring on Farm and Forest Land Outside the Urban Growth Boundary.

Having completed this process, lands within URAs are considered to be “first priority lands” according to OAR 660-021-0060. These are the lands into which a city would expand its Urban Growth Boundary.

The Regional Plan also establishes several “Performance Indicators” that govern development of existing unincorporated UGBs and any URA lands that become a part of an expanded UGB. Most notably, the performance indicators establish minimum residential densities; a minimum amount of development in “mixed-use/pedestrian-friendly areas”; and preparation of conceptual transportation and land use plans demonstrating consistency with preferred land use distributions. Consistent with Performance Indicator 9, the City of Phoenix also completed a Regional Economic Opportunity Study that is the “mechanism” which provides the justification for expansion of employment lands to meet regional employment needs. This study was used to prepare conceptual land use and transportation plans. Altogether, these plans describe three different scenarios for the urbanization of URAs PH-5 and PH-10.

Comparisons with present, future trends and community preferences

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## Urban Growth Boundary Locational Criteria

OAR 660-024-0065 defines the criteria that must be applied in determining the location of an Urban Growth Boundary. The process described in this administrative rule requires that cities identify a “preliminary study area” and, subsequently, a “study area.” The preliminary study area must include

- Urban reserves;
- Lands within one-half a mile of the City’s acknowledged UGB; and
- Exception lands “contiguous to exception” lands within one-half mile of the acknowledged UGB.

In this case, Phoenix (along with five other cities in the “Greater Bear Creek Valley”) established urban reserves through Regional Problem Solving. According to OAR 660-021-0030(2), lands designated as urban reserves have been selected “based upon the locational factors of Goal 14 [...]” Division 21-0060 further defines urban reserves as the first lands to be included in a city’s Urban Growth Boundary. Appendix 2 of the Regional Plan Element of the Phoenix Comprehensive Plan thoroughly and comprehensively documents the process and factors considered in designating Phoenix’s Urban Reserve Areas (URAs). The preliminary and final study areas were identified and evaluated through this effort.

Having identified Urban Reserve Areas and completed the analysis required to establish first priority lands for inclusion in its UGB, Phoenix will use the following criteria when determining exactly which parts of which Urban Reserve Areas are most consistent with the “Urbanization Factors” described below, and best meet the City’s need for urban land that will provide housing, employment, and other urban services and amenities for its residents and businesses. These factors include

- Contiguity with the Phoenix’s acknowledged political boundary or acknowledged UGB;
- Suitability of particular lands to meet the unique requirements of particular types of needed urban land. Suitability means the ability of natural features and characteristics of land to accommodate and support a particular urban use, such as its parcelization at the time of inclusion into the City’s UGB and the degree to which it can achieve parcelization that best accommodates an urban land use or uses through lawful land division and other land use entitlement processes.
- Access to existing urban infrastructure and facilities, and the relative benefit of inclusion of particular lands for the future orderly provision of public facilities and the extent to which inclusion supports further long term economically sustainable operation of those facilities. Relative benefits include consideration of the extent to which inclusion of lands within the City’s UGB will avoid unnecessary costs in the future; and
- Consistency with Conceptual Land Use and Transportation Plans and all applicable Regional Plan Performance Indicators and other relevant comprehensive plan elements.

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## Urbanization Factors

### Need to Accommodate Residential Land Uses

#### Summary

Demand for residential land was determined through the 2017 Housing Needs Analysis, adopted by the City in 2018 along with an updated Housing Element. That report analyzed the need for different types of housing based on Phoenix's community profile. Based on the most recent 2018 population projections from Portland State University's Population Research Center, Phoenix can expect 902 new residents by the year 2039. At an average household size of 2.22 people/household, Phoenix will need to develop 417 dwelling units.<sup>1</sup>

With Phoenix's current inventory of buildable land (which has been updated in the process of drafting this Urbanization Element) this will require roughly 35 acres of residential land in a modified UGB that will contract at its extreme southeast corner and expand into the Urban Reserve Area known as PH-10 and PH-5. PH-10 will be included in Phoenix's UGB in its entirety.

The proposed configuration of the UGB presented in Exhibit A relies on several important considerations:

1. Roughly 50 acres of Hillside Residential land will be removed from the current UGB. The holding capacity (that is the number of homes that could have been constructed on these lands) is re-allocated to residential lands in a modified UGB;
2. Housing mix and associated Comprehensive Plan Designations have been shifted to achieve a range of housing options that better fits household income patterns and enables compliance with Regional Plan Performance Indicator 5 Committed Residential Densities, for 6.6 dwelling units/gross acre until 2035, and 7.6 dwelling units/gross acre thereafter. The planning period for this Urbanization Element crosses into this later period, and therefore the higher average minimum residential density was addressed.

Two scenarios were evaluated in order to determine how best to provide adequate housing for Phoenix's residents over the next 20 years. The first scenario provides a "baseline" or "business as usual" scenario and relies on assumptions that are more consistent with historical residential development patterns in Phoenix which have been produced a housing inventory that is 75% single family detached homes. The following table summarizes future deficiencies in Phoenix's inventory of buildable residential lands during the 20-year planning period, from 2019-2039, based on the residential density assumptions used in the 2017 Housing Needs Analysis:

Comp Plan Designation	Capacity of Existing Buildable Residential Land	Needed Dwelling Units	Surplus or Deficit of Dwelling Units by Comp Plan Designation	Gross Acres Surplus or Deficit
Low Density Residential	97	255	-135	-28.04
61%				
Medium Density Residential	56	63	-7	-0.98
15%				
High Density Residential	14	79	-55	-7.68
19%				
Residential Hillside	44	21	23	7.71
5%	167	417	-174	-36.41

<sup>1</sup> The 2017 HNA used the previous PSU projection which was significantly higher than the 2018 projection. All calculations for residential land need and sufficiency were updated with the newest projection. Calculations replicated the methods used in the HNA.

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4.77

Avg density (DU/gross acre)

Density assumptions DU/gross acre: LDR	4.80	Gross to net factor	0.25	6
Density assumptions DU/gross acre: MDR	7.20		0.25	9
Density assumptions DU/gross acre: HDR	18.40		0.25	23
Density assumptions DU/gross acre: HSR	3.00		0.25	3.75

Table 1: Phoenix Residential Land Capacity and Housing Sufficiency, Baseline Scenario  
Data and analysis by Red Arrow PDR LLC and RVCOG, 2020

The figures in Table 1 were generated based on the housing mix and “needed” average densities described in the Housing Needs Assessment which promoted modest increases to historical average densities and shift in housing type mix. Several important conclusions can be drawn from this approach, some of which are discussed in greater detail in the next subsection which addresses the update to the 2016 Residential Buildable Lands Inventory.

1. The current inventory of buildable residential land is inadequate to meet demand for housing that would typically be found in any of its residential comprehensive plan designations except for Residential Hillside where there is a surplus.
2. The needed average residential densities used in the calculations will not result in development that meets Regional Plan Performance Indicator 5 Committed Residential Density for the period between 2010-2035 or the period between 2036-2060. As shown in Table 1, the residential density for development across its residential comprehensive plan designations would average 4.77 dwelling units/acre, far below the committed average residential densities proscribed by the Regional Plan.

A “preferred” scenario was developed to address these problems. It is summarized in following table:

Comp Plan Designation	Capacity of Existing Buildable Residential Land	Needed Dwelling Units	Surplus or Deficit of Dwelling Units by Comp Plan Designation	Gross Acres Surplus or Deficit
Low Density Residential	97	209	-111	-18.53
50.00%				
Medium Density Residential	56	104	-49	-4.87
25.00%				
High Density Residential	14	104	-91	-4.53
25.00%				
Residential Hillside	44		-44	-7.33
0	167	417	-250	-35.26

Avg density (DU/gross acre)

7.10

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Density assumptions DU/gross acre: LDR	6.00	Gross to net factor	0.25	7.5
Density assumptions DU/gross acre: MDR	10.00		0.25	12.5
Density assumptions DU/gross acre: HDR	20.00		0.25	25.00
Density assumptions DU/gross acre: Re-Allocated Hillside	6.00		0.25	7.5

Table 2: Phoenix Residential Land Capacity and Housing Sufficiency, Preferred Scenario  
Data and analysis by Red Arrow PDR LLC and RVCOG, 2020

The figures in this table were generated based on the housing mix that more closely fits the needs and the resources of Phoenix’s changing population as described in the 2017 Housing Needs Assessment. Fifty (50) percent of future residential development is assumed to be lower density (LDR), most likely detached single family homes with some attached single family homes. The average density for this category was also increased from 4.8 du/gross acre to 6 du/gross acre. More homes would be built in the Medium Density Residential-designated land. According to the “preferred scenario”, twenty-five (25) percent of future residential development would consist of single family attached townhomes, small single family detached homes (e.g. cottages), duplexes, triplexes, and quads. Average density is assumed to be slightly higher than has been observed of existing medium density development in Phoenix (increasing from 7.2 dwelling units/gross acres to 10 dwelling units/gross acre), but consistent with medium density development that has occurred in Phoenix over the last 5 years. The final twenty-five (25) percent of future residential development would occur on High Density Residential-designated land. Again, it is assumed that average density for this category would increase slightly too, moving from 18.4 to 20 dwelling units/gross acre. The increased average densities are consistent with more recent development in Phoenix, and are similar to those found in other communities throughout the region. With an average planned density of 7.2 dwelling units/acre, this scenario would meet the Regional Plan performance indicator for committed residential density for the 2015-2035 period, nearly meeting the minimum committed residential density for the following planning period from 2036-2060. For these reasons, which are discussed in greater detail below, this scenario was used to determine the geography of the modified UGB.

## Residential Buildable Land Inventory 2020 Update

Phoenix’s Residential Buildable Land Inventory was completed in 2016 and incorporated into the Housing Needs Analysis completed by ECONorthwest in 2017. Although the pace of development has been slower in Phoenix than in some other communities in the region, residential construction has continued and less land is now available for residential development than in 2016. The Land Use Element also found a dwindling supply of developable land in most land use categories—residential and employment. Even in 2016, Phoenix lacked any single large tracts of developable residential land that were relatively free of development and environmental constraints. Nearly all of its undeveloped residential land is located east of I-5 and is difficult to develop for a variety of reasons that are discussed below. Other than its inventory of Hillside-Residential designated land, Phoenix’s developable residential land consisted primarily of the vacant portions of “Partially Vacant” properties. This in itself is problematic, because although state statute and administrative rules require that cities include the “vacant” portion of partially vacant land in residential buildable land inventories, such properties do not often subdivide and accommodate additional dwellings. For many homeowners with larger residential lots (larger than half an acre) enjoying additional private open space or the opportunity to construct accessory buildings is usually more appealing than acting as a developer to subdivide their property and build another home in what was once their larger than average backyard. Unsurprisingly, the vacant portion of a partially vacant property often remains just that—vacant. Those lands are, nevertheless, accounted for in the original RBLI and its 2020 update.

Planning Department staff at the City of Phoenix began the process of updating the RBLI in 2018, but work was only completed recently. Further analysis and parcel-by-parcel review of 2016 data revealed several important things:

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1. Not including Hillside Residential properties east of I-5, the availability of “Partially Vacant” property for development has declined. In fact, 13 of 33 Partially Vacant (Unconstrained) properties have been further developed to the point where any vacant portion of the property is now insufficient to accommodate further development or have been determined to be “developed” upon closer inspection of site development configuration and constraints. Configuration and constraints in this instance include large accessory buildings, insufficient access, etc. All told, the updated RBLI identified roughly 26 acres of Partially Vacant residential property (the 2016 RBLI identified roughly 28), of which 15 acres were identified as the vacant or “buildable” portion. Roughly 21 acres were “vacant” according to the 2016 RBLI, representing a 29% loss in developable land in this category.
2. Very few vacant residential properties (that are not the “vacant” portion of a Partially Vacant property) are available for development. In fact, there are only about 6 acres of Vacant Low Density Residential (LDR) designated land available for development, and virtually no High Density Residential land (0.40 acres in fact). There are only 6.70 acres of Medium Density Residential land are available for development.
3. Excluding Hillside Residential land, only 28.74 acres of developable residential land remain within Phoenix’s current UGB. This figure includes all Vacant and Partially vacant land with a residential comprehensive plan designation. This also accounts for any development constraints like steep slopes or riparian areas that may reduce the amount of development that can occur on these lands or prevent it entirely. Based on “needed” average residential densities used in the Housing Needs Analysis (see pages 49-50), these lands could accommodate 97 dwellings on LDR land; 56 dwellings on MDR land; and only 14 dwellings on HDR land. This leaves significant deficiencies in each category.

## Residential Land Development Efficiency

Demand for residential land can be met through greater land use efficiency within the City’s current Urban Growth Boundary and/or through its modification (expansion). Efficiency has been a goal for the City of Phoenix and is mentioned throughout its Comprehensive Plan. The shift from a housing inventory dominated by single family detached housing to one that better balances that housing type with medium and higher density housing types has long been contemplated within the City’s long-range planning documents.

With the adoption of its Housing Element, the City of Phoenix committed itself to further pursuing strategies to achieve these objectives and promote more efficient use of developable residential land within its existing Urban Growth Boundary. Most notably, the Phoenix Land Development Code was amended in 2018 to allow the development of any type of residential building in each of its three residential zones. The three zones implement each of the three residential Comprehensive Plan or “Future Land Use” designations. Although the City now allows any residential building type to be constructed within any of its three residential zones, minimum and maximum densities still apply which ensures that the lower density residential R-1 zone will remain relatively lower density at around 4 units/gross acre or 5 units/net acre; the medium density R-2 residential zone will remain relatively medium density at around 10 units/gross acre or 12 units/net acre; and the high density R-3 residential zone will remain relatively high density at 18 units/gross acre or 23 units/net acre. Although these policies may not appreciably increase the City’s overall density and the overall number of dwelling units because there are relatively few infill opportunities remaining within the Phoenix UGB and (especially) its current jurisdictional boundary, they will allow for incremental improvements in diversity of housing options available to a broader range of the City’s residents.

The recently adopted Land Use Element also established several policies that further support a wider range of housing options and greater land use efficiency including

- Policy 5.1. Continue to implement residential land use regulations that allow for different housing types within residential neighborhoods while focusing higher density housing types in closer proximity to existing and future public infrastructure and facilities, public transportation, and activity centers. Apply “transect” planning and similar principles in order to identify areas best suited for lower density and higher density residential development.
- Policy 5.2. Evaluate the costs and benefits of removing certain rural residential lands from the City’s Urban Growth Boundary in order to achieve greater land use efficiency, particularly those lands designated as

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“Hillside Residential” and those located on the south side of Camp Baker Road, and that are not likely to develop or redevelop at urban densities and would be relatively costly to the City to serve.

- Policy 5.4. Consider removal of “Hillside Residential” designation from the Comprehensive Plan and Map and revise relevant sections of the Phoenix Land Development Code to better regulate development of residential lands with slope constraints.

The configuration of the UGB depicted by Exhibit A assumes fulfillment of Land Use Element Policy 5.2 and removes approximately 50 acres of Hillside Residential designated land from the City’s UGB. This will achieve several benefits including a more efficient land development pattern and supports Land Use Element Policy 5.1 and Housing Element Goals 1, 2, and 3. To accommodate need for residential land over the 2019-2039 planning period, the UGB is proposed to expand into PH-10 to include 36 acres of medium density residential land, consuming PH-10’s entire Regional Plan allocation of residential land (85% according to the Regional Plan, p. XX). It is anticipated that these lands will receive an R-2 or similar zone as defined by the Phoenix Land Development Code. Typical housing types in this zone include smaller single family detached, single family attached, duplex, triplex, and accessory dwelling units (ADUs). A narrow strip of land in PH-5 is also included in the proposed modified UGB to provide connectivity to employment land and open space (which could eventually be developed as the “community park” described in the City’s Parks Masterplan). Connectivity between PH-5 and 10 is anticipated by the Regional Plan and was viewed as an integral part of the future urbanization of surrounding lands:

*PH-5 will ultimately be developed with a street system which includes an urban transportation corridor which, through PH-10, will ultimately connect Fern Valley Road to North Phoenix Road as an alternative connection to southeast Phoenix. From Medford that is separate and distinct from North Phoenix Road. The same will serve traffic moving between east Phoenix and Medford without need to travel near (and which will divert existing and future traffic away from) the interchange area. By diverting traffic away from the Fern Valley Interchange, its capacity will be preserved and intercity travel between Phoenix and Medford on Interstate 5 will be discouraged. A key objective of ODOT near urban areas is to reduce local traffic on its freeways, thereby preserving capacity of the intended purpose of the interstate system—to accommodate interstate travel. Phoenix Comprehensive Plan Regional Plan Element, p. 12*

For this reason, and to further provide for needed higher density housing types, roughly 6.5 acres of High Density Residential designated land is included in the southeast corner of PH-5. The strip is approximately 200 deep, intended to accommodate smaller higher order street (e.g. a collector) and residential development in a range of building formats on either side of the street.

## Need to Accommodate Employment Land Uses

As documented by the Land Use Element, land designated for employment uses by the Comprehensive Plan has remained relatively stable since the 1998 update of that element. Approximately 21 acres have been lost through conversion to other urban uses (probably “Roads” associated with the Fern Valley Interchange project). Most of the City’s developable employment land is designated “Interchange Business” and located around the Exit 24 Interchange. The City has no developable land remaining for industrial employment development. There is also relatively little developable land remaining in “Commercial” and “City Center” categories: 2.70 acres in the City Center designation and only 11 acres in the Commercial designation. The amount of land in the “Commercial” designation includes the vacant remnants of “Partially Vacant” land of developed sites that are unlikely to develop. Only 1.50 acres of Commercial-designated land is Vacant and developable. For the purposes of comparison, this amount of land would accommodate a small office building, freestanding retail commercial building (e.g. a restaurant), or a contractor’s office with shop and storage space.

The City’s Economic Element concludes that even after applying the most ambitious land use efficiency measures, Phoenix will not have enough employment land, neither commercial nor industrial, to meet future “local” demand. More specifically, Phoenix will experience an approximately 22 acre shortage of industrial designated employment land. It will also experience an approximately 18 acre shortage of “Public Employment”

# CITY OF PHOENIX URBANIZATION ELEMENT

designated land. It will have a surplus of 39 acres of commercial designated employment (again, these lands are mostly located on “Interchange-Business” designated lands).

Across the entire UGB, Phoenix will be short 1.82 acres of employment land, the deficit attributable to the lack of Public Employment and Industrial land. At first glance, it would seem that Phoenix could accommodate the supply deficiencies in its Public Employment and Industrial lands by simply re-designating its Commercial land. That strategy, however, is not feasible in reality due to two factors. First, Industrial land uses tend to require larger sites, and the Economic Element and Employment Buildable Land Inventory (EBLI) finds that

*[...] Phoenix will need 89 employment sites to accommodate the projected 1,106 jobs that Phoenix could capture over the next 20 years. In an ideal world where the land development needs of an employer are met perfectly by available, Phoenix would be able to meet most of that overall needs (sic) within its current UGB. A closer look, however, reveals that even under such ideal circumstances, the current supply of employment land within the City's UGB is deficient approximately 10 employment sites in the 1-2 acre category. (p. 30)*

Second, Phoenix's supply of available employment land is located around the Fern Valley Interchange and designated “Interchange Business.” Lands within this designation are intended to “provide services and goods for the traveling public [...] such businesses are commonly known as ‘destination’ retail, and include a truck stop and dealership, auto repair/service stations, restaurants, hospitality, storage and distribution facilities, offices, and regional/national retailers. These uses, as a group, generate significant traffic volumes because they draw and depend on customers from a large trade area who will generally drive to reach these destinations” (p. 15). Rather than replace these uses with lower traffic generating industrial uses, and eventually create a development pattern where higher traffic generating retail uses are located further away from the interchange, the existing location of I-B lands is comparatively more efficient. It is, therefore, not recommended that Industrial and Public Employment lands assume the location of lands that are currently designated I-B. This leaves Phoenix with a 20-year projected deficit of 22 acres of Industrial employment land and 18.44 acres of Public Employment land.

In addition to “local-serving employment land,” that is the land needed to meet the needs for economic development generated by the City of Phoenix itself, the Regional Economic Opportunity Study (REOS) also identified a 20-year need for 272 acres of employment land (REOS, p. 42). Demand was based on extrapolation of the 10-year OED Rogue Valley employment forecast which projected nearly 30,000 new jobs over the next 20 years, across Jackson and Josephine Counties.

The REOS analyzed two separate scenarios assessing the prospects for specific industries that have been successful in the local economy and those that are currently underrepresented (p. 39). The preferred scenario was a hybrid of the two. The types of uses contemplated for PH-5 include small to mid-size distribution firms; mid to large advanced manufacturing firms; and traded sector financial, professional, scientific, technical and health service operations (REOS, p. i). PH-5 could be developed, at least in part, as a multitenant business park. Opportunities to locate within such an environment are known to be extremely limited.<sup>2</sup> Other employment users would locate on larger, individual tracts of land.

This strategy is designed to achieve several important benefits, most notably

- Greatest focus on traded sector employers rather than service sector employers;
- Complementary rather than competitive role with respect to the Central Point (CP-1B) freeway site which is anticipated to be oriented to large scale, land-extensive transportation and distribution uses;

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<sup>2</sup> The lack of locations within business park settings was identified as early as 2007 by the Bear Creek Valley EOA that was completed during Regional Problem Solving. The REOS demonstrates that this has not changed.

# CITY OF PHOENIX URBANIZATION ELEMENT

- Also complementary to Medford's MD-5 area (directly adjoining PH-5) which is anticipated to be developed for a greater mix of commercial office and retail as well as institutional uses and possibly phased to follow and build-on initial PH-5 absorption due to closer proximity to the Fern Valley Road interchange with I-5. (p. 41)

This Urbanization Element proposes to modify the City's UGB to facilitate achievement of this strategy. Therefore, almost 254 acres of employment are proposed to be added to the City's UGB. These are gross acres, that is they include all existing and future right-of-way and other public facilities and infrastructure.<sup>3</sup> A 32-acre parcel north of Campbell Road is not included in the proposed UGB. That land is owned by a winery that has recently invested significant resources in preparing and planting new vineyards and constructing a processing facility. The owners of the winery have never responded to inquiries made by the City regarding potential inclusion of these lands in the UGB, and given the significance of recent and ongoing business investments the City has concluded that the property owners are not interested in such an opportunity.

Assuming that 25% of the gross acreage is committed to use for public facilities (mostly roads), roughly 190 "net" acres would be available for development. Some of this land will be lost to environmental constraints that are discovered through the development due diligence process. Soil conditions, existence of wetlands and other environmentally sensitive lands that have not already been identified will result in some additional loss of developable land, but the exact extent of this impact cannot be known at determined at this time. For the purposes of this Urbanization Element, these lands are assumed to be relatively unconstrained to the extent that they are relatively flat and are not traversed by any known natural surface bodies of water with the exception Payne Creek in PH-10 and an approximately 3 acre pond in the southeastern corner of PH-5. This pond is identified as "wetland" by the National Wetland Inventory. Rather than compensate for the loss developable land, the pond has been located in the "Open Space" area that could be developed as a community park approximately 30 acres in size.<sup>4</sup>

In PH-10, 6.55 acres of employment land are included the modified UGB to provide a small commercial area serving the adjacent residential development in PH-10. This is the best location for the Regional Plan required 15% allocation of employment land in PH-10. Not including this land would leave an enclave of land outside of the UGB within this part of PH-10, posing a number of challenges for its continued use as agricultural land and its inclusion in the UGB at some future time.

Need for 22 acres of local-serving industrial employment land and 18 acres of local-serving public employment land are assumed to be satisfied within the 253 gross acres of employment land in PH-5 and 6.5 gross acres of employment land in PH-10. Need for local-serving employment land is not, therefore, added to the need for regional-serving employment land.

## Employment Land Development Efficiency

The proposed modified UGB would remove 33 acres of employment currently inside the UGB. As mentioned elsewhere in the Element, the employment land known as the "Helicopter Pad" cannot be easily developed and poses relatively more significant negative impacts on the surrounding community than development of

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<sup>3</sup> Recent GIS analysis of PH-5 and 10 conducted during the preparation of the Urbanization Element revealed a discrepancy in the actual size of PH-5 when compared with the Regional Plan. The Regional Plan determined that there are 427 total acres in PH-5, when in fact there are roughly 433. Land use allocations in the Regional Plan dictate that 66% of the land in PH-5 is to be developed for employment; 22% is reserved for residential development; and the remaining 12% is to be used for Open Space (as defined within the Regional Plan). Sixty-six percent (66%) of 433 acres is 285.

<sup>4</sup> 30 acres is roughly 12% of the total employment land (253 acres) and residential land (6.5 acres) proposed to be included in the modified UGB.

# CITY OF PHOENIX URBANIZATION ELEMENT

employment land in PH-5. These include routing of freight traffic associated with industrial land uses through a well-established residential neighborhood.

## Orderly Provision of Public Facilities

The Comprehensive Plan includes a Transportation System Plan that was recently updated in 2016; a Public Facilities Element, adopted in 1998; and a Parks Master Plan, adopted in 2017. These three comprehensive plan components (supplemented by several other long-range infrastructure and land use planning documents) address the provision of urban infrastructure and services essential to land development at urban intensities.

In the context of the previous two sections of this chapter (Need to Accommodate Residential Land Uses and Need to Accommodate Employment Land Uses), two types of infrastructure will be most affected by projected population growth and economic development: the transportation system and drinking water. Other infrastructure is sufficient to meet the needs of residents and businesses currently and in the future (over the next 20 years).

## Public Utilities and Services

### Transportation

Phoenix updated its Transportation System Plan in 2016. This document assessed the current condition of the City's transportation network and identified capital improvement and other projects to accommodate projected transportation needs of its residents and businesses. It did not consider the urbanization of rural lands as they are included in an expanded Urban Growth Boundary, but did identify two "tier-two", unfunded projects for PH-5 and 10. That work, which focused specifically on the future urbanization of PH-5 and PH-10, was conducted separately when the City, supported by a Transportation and Growth Management grant, contracted with the Rogue Valley Council of Governments to develop Conceptual Transportation and Land Use plans. Those plans were intended to ensure regional coordination of transportation facilities and to measure the adequacy of existing facilities in meeting the transportation needs of an urbanized PH-5 and 10. North Phoenix Road is the only "higher order" street that directly serves PH-5; Fern Valley Road provides access to PH-10. I-5 Exit 24 and OR-99, which is the primary commercial corridor that currently serves Phoenix, were also addressed by these plans. Five different preliminary land use development and transportation scenarios were analyzed by ODOT's Transportation Analysis Unit (TPAU). Two of the three scenarios were found to impact existing transportation facilities to the extent that they were not considered further (Phoenix URA Screening Level Analysis Technical Memorandum, May 27, 2016). The three remaining scenarios were analyzed in greater detail.

Modeling demonstrated that under existing conditions, the buildout of PH-5 with a projected employment base of approximately 1,800 workers and the addition of approximately 1,000 households would create significant traffic impacts on several facilities. Mitigation was identified for each of these impacts, and most impacts and mitigation strategies were shared by all three scenarios. Technical Memorandum #5 also evaluated the consequences of building out each of the three scenarios if the proposed "South Stage Extension" were not constructed. If SSE were not built, Grove and Fern Valley Road would experience additional congestion, requiring mitigation (mostly construction of additional dedicated righthand turn lanes at intersections). The SSE was not found to significantly impact freeway area traffic. In the other words, not building the SSE will not significantly increase congestion within the freeway area (p. 11)

On the other hand, connecting to the City's transportation network to the "Helicopter Pad" would be highly problematic. The City has only two options: extend Dano Drive across the CORP railroad with a new railroad crossing or obtain an exception to Goal 14 and construct a road north from Houston Road (4<sup>th</sup> Street) to its south property line. The first option is unlikely to be approved by the railroad due to minimum spacing

# CITY OF PHOENIX URBANIZATION ELEMENT

requirements between improved crossings. There are already improved railroad crossings at Houston Road/West 4<sup>th</sup> Street and West 1<sup>st</sup> Street. The crossing would be extremely costly (several millions of dollars) and would place heavy freight traffic on a residential street in close proximity to Phoenix High School and established residential neighborhoods. The second option depends on the outcome of a complicated land use process under the jurisdiction of Jackson County. Assuming that the City, or a private party, were successful in obtaining the exception, access would need to be secured from Houston Road through private property and a road would need to be constructed just to serve the Helicopter Pad. For these reasons, the Helicopter Pad property is removed from the UGB in favor of more easily and efficiently developed employment land in PH-5.

Hillside Residential lands that are removed from the UGB with this Urbanization Element update would also require a Goal 14 exception if they were to be developed. Several hundred feet of road would need to be constructed just to reach any future residential development. Residential development in PH-10 and the southeastern corner of PH-5, by contrast will not require a Goal 14 exception and would be much more efficient by serving more individual residences than could ever be built on the Hillside Residential land.

## Sanitary Sewer

Phoenix is served by the Rogue Valley Sanitary Sewer district which provides for the collection of wastewater and transmission of that wastewater to a regional treatment facility. The collection system (which in this document means “collection” pipes, “trunk lines”, and “interceptors”) is considered to be adequate for the amount of effluent generated by existing residences and businesses. While developing the Conceptual Land Use and Transportation plans for PH-5 and 10, representatives from RVSS stated that the collection system has enough capacity to serve urban development in those areas as well.

Existing collection infrastructure is available to the edge of the existing Urban Growth Boundary in the vicinity of Home Depot and the Lazy Boy Showroom furniture store and could be extended in order to service development that occurs in an expanded UGB. Existing collection systems serving development on the east side of I-5 cross the highway, flowing west to the 36 inch RVSS regional interceptor that runs along Bear Creek.

Access and capacity for the Hillside Residential land that is proposed to be removed from the UGB with this Urbanization Plan update is questionable, but would likely be more expensive given the lack of nearby connections. Long term operations and maintenance would also likely be more expensive.

## Drinking Water

The 1998 Comprehensive Plan Public Facilities Element assessed Phoenix’s water system under 2008 demand projections. It summarized improvements that had been made to the system while identifying need for others. Many of the recommended improvement projects, including the Medford Water Commission Water intertie project, have been completed. The City also completed upgrades to its SCADA system in 2016, improving its ability to efficiently manage its existing storage facilities.

The City completed a “Water Master Plan Update” in 2019. This study evaluated conditions in 2025, 2040, and 2070. Future growth areas (Urban Reserves Areas) were included in the analysis. Based on these assumptions, the study provides a number of recommendations to address identified system deficiencies. Development in northeast Phoenix (PH-5 and 10) and/or inclusion of PH-3 in its UGB and, eventually, its political jurisdiction would enable the City to eliminate one of its two pump stations (Experiment Road) and associated legacy transmission line, thus eliminating significant ongoing operations and maintenance expenses (ES-3). The City has sufficient storage capacity, but should construct a new 3.0MG reservoir to meet future demand conditions by 2040. Ideally, this reservoir would be located in PH-5, but there are other options. The new reservoir would simplify operations and reduce operations and maintenance expenses associated with the Shop Reservoirs and Experiment Station Road supply system (ES-4, 5).

# CITY OF PHOENIX URBANIZATION ELEMENT

Providing water to the Hillside Residential land removed with this Urbanization Element update would be difficult and expensive given the location and size of the current east side reservoir and the topography that any new supply lines would cross. Long term operations and maintenance would likely be more expensive when compared with residential development of PH-10 and the southeastern corner of PH-5.

## Stormwater

The City of Phoenix owns and operates its own stormwater management system. In older parts of the City, the collection and conveyance system consisted of open roadside ditches and former irrigation channels. Over time, the City has constructed new collection and conveyance facilities, usually as it constructs and reconstructs roads. Phoenix now manages stormwater under a joint Municipal Separate Storm Sewer System (MS4) that is administered by RVSS. Water quality treatment features (bioswales, detention/retention basins, etc.) are typically installed during development and located onsite. In some cases, however, stormwater treatment facilities are regional in nature, serving an entire residential subdivision, for example. All of these facilities are required to meet the standards and specifications of the Rogue Valley Stormwater Design Manual, which strongly encourages the use of Low Impact Development stormwater management measures. This approach, which seeks to minimize disruption to the natural hydrological cycle, can reduce stormwater runoff and improve water quality. Stormwater collection, conveyance, and storage facilities are always constructed with the development that these improvements serve.

## Private Utilities

### Electric

Phoenix is served by Pacific Power and Light. Service is adequate for the needs of development within the City's current UGB and could accommodate the full buildout of PH-5 and 10.

### Natural Gas

Avista provides natural gas to Phoenix and other communities in the Rogue Valley. A large transmission line connecting the Rogue Valley with the supplies in eastern Oregon runs in close proximity to the eastern boundary of PH-5 but does not encroach into it. Avista has been upgrading service lines to individual properties throughout the City over the past several years. Natural gas is available in sufficient quantities to serve development in PH-5 and 10 and is easily accessible to these URAs.

## Efficient Use of Land within the Existing Urban Growth Boundary

Land use efficiency can be measured in several different ways. Most obviously, it can be measured in the density or intensity of the use a given area of land. In this sense, development that concentrates more economic activity and provides more services and amenities on each and every square foot of land is more efficient. Land use efficiency might also be measured in terms of economic efficiency; efficient land use is that which generates the most benefits at the least cost. Both of these concepts are considered here.

As mentioned above, the City of Phoenix has taken actions over the past several years to improve land use efficiency with its UGB. These measures are described above in "Need to Accommodate Residential Uses". Following a steady trend toward greater residential density that has been observed over the past several decades, the City has amended its Land Development Code to allow for greater range of housing types within its residential zones.

The UGB as modified by this Urbanization Element would also shift residential development in Phoenix from a pattern that has favored single family detached homes to the exclusion of other housing types. According to the 2017 Housing Needs Analysis, "only about 1% [of Phoenix's housing stock] is single-family attached (e.g., townhouses). In comparison, these housing types account of 22% of Jackson County's housing stock, and 34%

# CITY OF PHOENIX URBANIZATION ELEMENT

of Medford's" (p. 11). The HNA concludes, "One of City's key challenges in future housing development will be to encourage multifamily development, as a way to provide a wider range of housing options" (p. 11). As demonstrated by Table 2, residential development in PH-10 and PH-5 would be 50% Lower Density Residential (which will include some single family attached housing), 25% Medium Density Residential (townhouses, duplexes, triplexes, cottage clusters, and quadplexes), and 25% High Density Residential (quadplexes and higher number unit multifamily buildings). Density in each of these comprehensive plan designations will also need to move a little higher in order to meet Regional Plan Committed Residential Density targets.

As discussed throughout this document, the proposed UGB removes certain employment and residential lands from its UGB in order to develop more efficiently. Specifically, approximately 50 acres of Hillside Residential is removed from the UGB, replaced by a little more than 7 acres of land in PH-10 (Table 2). The same number of dwellings will be constructed on much less land, preserving more land for agricultural uses, and ensuring that the City is responsible for maintaining no more infrastructure than is necessary to support development. In these ways, removing the Hillside Residential lands from the City's UGB is more efficient than that offered by the UGB's current configuration.

Similarly, removing the Helicopter Pad and its 33 acres of employment land from the UGB and allocating its capacity to accommodate employment development to PH-5 is a more efficient use of land.

## Environmental, Social, Energy, and Economic (ESEE) Considerations

The Environmental, Social, Energy, and Economic considerations for the potential urbanization of PH-5 and 10 were addressed through Regional Problem Solving and the Regional Plan. The process and its findings are documented in Appendix 2 of the Regional Plan. The subject lands are a part of Area PH-A and, along with PH-B and PH-C, comprised a broad study area of 3,720 acres of which 1,872 acres passed a "course filtering" process and were included "for further study" (p. Regional Plan Element, p. 32). The conclusions reached through further consideration of ESEE Consequences for PH-5 and 10 are summarized in the following:

1. Selection of lands within a quarter mile of the City's existing UGB and lands within ½ mile of North Phoenix Road is "expected be positive as this land is well situated to service regional economic development needs [...] Such economic development would also have beneficial impacts on general fund revenues that would accrue to the City of Phoenix" (p. 33). These conclusions are further supported by the Regional Economic Opportunity Study that determined that PH-5 presents a singular economic development opportunity along the I-5 corridor, from at least Redding, California to Eugene, Oregon. Considering various factors including interstate transportation access, site size and development characteristics and conditions, that study found that there simply is no alternative for the development of large site employment development within this geography and probably beyond.

The Regional Plan also contemplates a transportation network within PH-5 and 10 "which includes an urban transportation corridor which, through PH-10, will ultimately connect Fern Valley Road to North Phoenix Road as an alternative connection to southeast Phoenix from Medford that is separate and distinct from North Phoenix Road" (p. 12). This network could better improve trip distribution that might otherwise focus impacts on highway interchanges and the segment of I-5 between Phoenix and Medford.

2. Positive social consequences "will also result from employment land generating needed fund revenues" (p. 33). Additionally, the Conceptual Land Use and Transportation plans propose a development pattern of mixed use, walkable neighborhoods. All three scenarios locate housing in close proximity to employment, recreation, and urban service destinations, thus promoting opportunities for active transportation and a full-service community. According to the Regional Plan, "efficient arrangements of urban land residential and employment opportunities support community vitality over time [...] This area has a great opportunity to integrate proximal residential and employment opportunities which will enable people to walk and bicycle from home to work" (p. 12).

# CITY OF PHOENIX URBANIZATION ELEMENT

3. “The comparative environmental consequences of Urban Reserves in this area are not expected to be appreciably different than other potential areas” (p. 33). More efficient transportation systems and networks and the efficient arrangement of urban land uses is expected “to be positive, primarily from an air quality perspective” (p. 12).

Environmentally sensitive lands in PH-5 and 10 include wetlands identified in the National Wetland Inventory and Payne Creek. The UGB’s proposed configuration does not include any wetlands identified in the NWI. It is possible, and even likely, that wetlands will be discovered as more thorough investigation is conducted through future development processes. The will, as it has in the past, work closely with the Department of State Lands and the Department of Environmental Quality to ensure that development complies with state and federal wetland regulations. One wetland identified in the NWI that is located at the southeastern corner of PH-5 will be included in the modified UGB. The wetland, which is 3.32 acres including a 25-foot buffer, and XX acres of surrounding land have been included in the modified UGB to partially meet the 12% minimum open space requirement in the Regional Plan. The Regional Plan Element requires 52 acres of open space throughout the entirety of PH-5. The modified UGB includes almost XX acres, or 40% of the total 52 acres required. This coincides with the fact that almost XXX acres (168.05 acres of employment land, 6.5 acres of residential land, and XX acres of open space) of PH-5 are included in the modified UGB.

Payne Creek, which runs through portions of Phoenix’s current jurisdictional boundaries, is protected by the City’s Land Development Code that prohibits development within 50 feet of a classified stream’s top of bank. This loss of developable land due to environmental constraint has been accounted for in determining the amount of land needed for inclusion in the City’s UGB. The Regional Plan identified this as an environmental constraint, but only accorded 4 acres to the constrained area. Closer inspection of Payne using recent aerial photography and geospatial analysis finds that with a 25 foot buffer as required by the City’s Land Development Code (which complies with state administrative regulations and statutes protecting fish bearing streams) the constrained area is much larger and will consume 7.1 acres of land along Fem Valley across the southern border of PH-10.

Removal of Hillside Residential land the Helicopter Pad will ensure that nearly 90 acres of resource land does not urbanize and will continue to provide wildlife habitat and other ecological services like stormwater runoff storage and management.

4. Due to its location and immediate access to the regional transportation network, the development of PH-5 for employment “can be expected to have comparative energy benefits over other potential urban reserve areas” (p. 33). Efficient urbanization and development patterns “can translate into positive energy consequences through job-housing balance and alternative transportation opportunities over time” (pp. 12-13). The Economic Element, one of the long range planning documents upon which the Urbanization Element is built, advocates for “employment/population parity” (p. 104).

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## Conceptual Land Use and Transportation Plans

Regional Plan Performance Indicators 7 and 8 require that prior to expansion of an Urban Growth Boundary into an Urban Reserve Area, a city must first prepare “Conceptual Land and Transportation Plans” (p. 16). Pursuant to this requirement, the City of Phoenix prepared such plans with the assistance of RVMCOG and ODOT’s Transportation Planning Unit (TPAU) under a Transportation and Growth Management grant.

The Conceptual Land Use and Transportation Plans for PH-5 and 10 presented and analyzed three individual scenarios, each slightly different in configuration. They were adopted by Phoenix City Council resolution on February 21, 2017 (Exhibit B). The modified UGB presented with this updated Urbanization Element is substantially consistent with these plans. The plans considered development impacts on “regionally significant transportation corridors” (Regional Plan Element, p. 16). The plans were prepared in collaboration with “the Rogue Valley Metropolitan Planning Organization, applicable irrigation districts, Jackson County and other affected agencies” (p. 16). Documentation of this is provided in a letter from the RVMPO Policy Advisory Committee dated January 24, 2017 and addressed to then City Manager, Jamie McLeod-Skinner. Importantly, the letter states that

*All scenarios include a network of higher-order streets connecting to North Phoenix Road and Fern Valley Road. An RVTD transit stop is proposed in PH-5 that will be reached from Fern Valley Road. The transportation plans appear to have no significant impact on the regional transportation system. ODOT’s Transportation Analysis Unit (TPAU) reviewed three scenarios and concluded that there were no capacity or queuing issues in the I-5 interchange area. The report acknowledges that traffic growth will be substantial, but the reconstructed North Phoenix Road from OR99 to Grove Road and the I-5 interchange are projected to still operate acceptably through 2038. Exhibit C, RVMPO Comments on Future Growth of Areas PH-5 and PH-10.*

Despite the fact that these conclusions were based on the assumption that the South Stage Overcrossing, the letter notes that “the RVMPO anticipates eventual construction of the connection”.

Regarding land use, and Committed Residential Densities specifically, the letter states that

*Phoenix’s target density is 6.6 units per gross acre through 2035, increasing to 7.6 units per acre thereafter. Using a mix of low-, medium-, and high-density residential zoning, the targets will be met. The City’s high density residential designation permits up to 26 units per acre, which will balance the lower densities.*

The letter continues by stating that the Conceptual Land Use plans also comply with Performance Indicator 6, Mixed-Use/Pedestrian-Friendly Areas. The letter concludes that

*The Policy Committee finds that the conceptual plans create no barrier to inter-jurisdictional connectivity and are consistent with other Regional Plan performance indicators. These comments are provided to affirm that Phoenix followed the requirements of the Regional Plan to prepare its conceptual plans in collaboration with the RVMPO.*

The three scenarios are attached to the Urbanization Element as Exhibit B.

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# CITY OF PHOENIX URBANIZATION ELEMENT

## Goals and Policies

### Goal 1

**Maintain adequate land within the City's Urban Growth Boundary to provide for needed urban development as determined by other Comprehensive Plan Elements, particularly the Regional Plan, Housing, Economic, and Parks and Recreation Elements, and in compliance with Statewide Planning Goals.**

#### Policy 1.1

In order to meet residential, employment, and other urban land development needs in the most efficient manner possible, certain lands have been removed from the City's UGB. These include approximately 50 acres of Hillside Residential land and 33 acres of Industrial land.

### Goal 2

**Ensure efficient urban development patterns that comply with Regional Plan performance indicators.**

#### Policy 2.1

Neighborhood or Special Area Plans shall be submitted to and approved by the City using a Type IV Land Use decision process, and adopted into the City's Comprehensive Plan as a separate Element, prior to or simultaneously with a request to annex any lands included in the City's UGB that have been designated as Urban Reserve Areas (URA) by the Regional Plan. At minimum, these plans shall demonstrate the following:

1. Consistency with the arrangement of proposed land uses and urban infrastructure (e.g. transportation network) depicted by applicable Conceptual Land Use and Transportation plans that have been adopted for that particular URA;
2. Compliance with applicable Regional Plan performance indicators, especially indicators 3-10.
3. Conformance with all other applicable goals and policies of the City's Comprehensive Plan.

#### Policy 2.2

The City shall develop land use regulations that ensure the availability of tracts of land within PH-5 suitable for development by larger, traded-sector employers consistent with the findings and conclusions of the Economic Element, the Local Economic Opportunity Analysis, and the Regional Economic Opportunity Analysis.

In particular, these regulations shall be consistent with the parcelization depicted in Policy 6.1 of the Land Use Element, reproduced from Table 4-1 of Regional Economic Opportunity Study. Amendments of its Land Development Code necessary to effectively implement this policy shall be adopted by the City prior annexation of any lands in PH-5.

#### Policy 2.3

Upon annexation, lands in PH-5 with an employment comprehensive land use plan designation, such as "Industrial", shall receive "Light Industrial" or similar zoning consistent with Regional Plan Performance Indicator XX.

# CITY OF PHOENIX URBANIZATION ELEMENT

## Policy 2.4

All proposed amendments to the Comprehensive Plan or Land Development Code that would have the effect of altering the commitment of employment lands in PH-5 for the purpose of creating the South Valley Employment Area as described by the Regional Plan and the City's Regional Economic Opportunity Study shall require amendment of the Regional Plan in accordance with Section 11. Corrective Measures and Plan Adjustments, Regional Plan Amendments.

## Policy 2.5

The City shall review its Land Development Code to identify barriers to compliance with Regional Plan Residential Committed Densities and consistency with the projected densities and dwelling units as described in Table 2: Phoenix Residential Land Capacity and Housing Sufficiency, Preferred Scenario. The City shall adopt any necessary amendments of its Land Development Code prior annexation of any residential designated lands in PH-10 or 5.

## Goal 3

**Provide urban infrastructure sufficient to meet the needs future development of the next 20 years.**

### Policy 3.1

The City shall update the Comprehensive Plan Public Facilities Element in order to incorporate the findings and recommendations of its recently completed Water System Master Plan.

### Policy 3.2

The City shall investigate funding mechanisms for capital improvements and ongoing operations and maintenance of public facilities and infrastructure required for planned development within its UGB, especially infrastructure supporting development of PH-5.

## Goal 4

**Implement economic development strategies to support buildout of employment lands in PH-5 according the City's long range plans, including the Regional Economic Opportunity Study.**

### Policy 4.1

The City shall collaborate with regional partners, particularly SOREDI, to actively market PH-5 development opportunities to large footprint, traded-sector employers in target industries identified by the REOS and other regional economic development studies such as the One Rogue Regional Economic Development Strategy.

### Policy 4.2

The City shall explore the feasibility and benefits of developing portions of PH-5 through public-private-partnerships with property owners. Community support and participation may consist of less direct means, such as development incentives, or more direct means.

# CITY OF PHOENIX URBANIZATION ELEMENT

## Conclusions

Based on underlying long range planning documents, including but not limited to its Housing Element, Economic Element, and Parks and Recreation Master Plan, the City of Phoenix Urban Growth Boundary will need to be modified in order to meet the needs of its residents and employers for urban land. The amended Comprehensive Land Use Map, included in this Urbanization Element as Appendix A, depicts the City's Urban Growth Boundary modified to meet these needs.

The changes from the current, acknowledged UGB to the UGB depicted by the map in Appendix A are summarized in the following:

1. The modified UGB will only include lands from PH-5 and PH-10 Urban Reserve Areas.
2. 50.5 acres of Hillside Residential-designated land in the southeast corner of its current UGB are removed from the modified UGB and their estimated residential holding capacity is transferred to new UGB areas in PH-10. Parcels removed from the UGB are identified in the following table:

Jackson Co. Map Taxlot #	Total Acres (Jackson Co. Assessor)
381W10 1800	22.31
381W10 1801	20.72
381W15A 1400	1.45
381W15A 1500	5.18
381W15A 1300	0.39

50.05 acres

Table 3: Hillside Residential Lands to be Removed from Phoenix UGB

3. 33 acres of employment land, commonly known as the "Helicopter Pad", are removed from the modified UGB. These lands were determined to be "unbuildable" in the Employment Buildable Land Inventory (EBLI). Parcels removed from the UGB are identified in the following table:

Jackson Co. Map Taxlot #	Total Acres (Jackson Co. Assessor)
381W09CA3000	9.04
381W09C200	11.83
381W09B4901	5.01
381W09B4900	5.52
381W09C300	1.61

33 acres

Table 3: Hillside Residential Lands to be Removed from Phoenix UGB

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4. The following amounts of urban land are included in the modified UGB to meet demonstrated demand for residential and employment development and open space:

Jackson Co. Map Taxlot #	URA	Residential Total Acres	Employment Total Acres	Open Space Total Acres	Total Acres Included in Modified UGB
381W10800	PH-10	19.06	0	0	19.06
381W10700	PH-10	6.27	0	0	6.27
381W10600	PH-10	7.93	6.54	0	14.47
381W10100	PH-5	6.55	35.21		
381W10101	PH-5	0		0	
381W031600	PH-5	0			
381W04500	PH-5	0		0	
381W04502	PH-5	0		0	
381W09A103	PH-5	0		0	
381W09A100	PH-5	0		0	
381W10103	PH-5	0		0	
381W09A105	PH-5	0		0	
381W09A101	PH-5	0		0	
		39.81	254	30	324

Table 4: Land Included in Modified UGB by General Land Use Category

5. Lands included in Phoenix's modified UGB will be assigned City of Phoenix Comprehensive Land Use Plan designations upon adoption of the new UGB in the manner depicted in Exhibit A.

# CITY OF PHOENIX URBANIZATION ELEMENT

## Exhibits

Exhibit A: City of Phoenix Urban Growth Boundary, Adopted XX, 2020

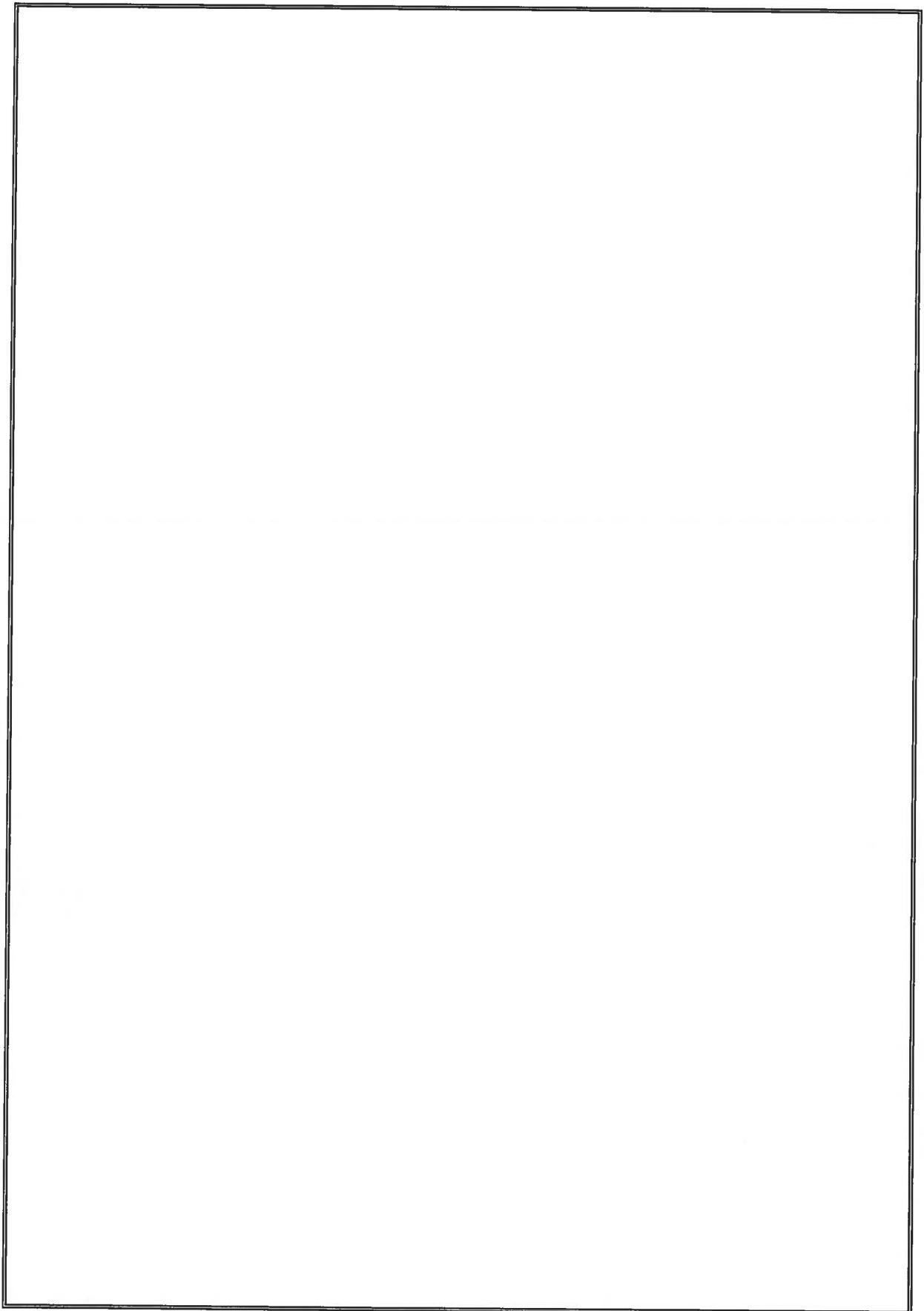
Exhibit B: PH-5 and 10 Conceptual Land Use and Transportation Plans

Exhibit C: RVMPO Comments on Future Growth of Areas PH-5 and PH-10

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# URBANIZATION ELEMENT

ORDINANCE NO. 576  
AUGUST 20, 1984



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SECTION XIII  
URBANIZATION

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INTRODUCTION

The Urban Growth Boundary (UGB) for Phoenix defines the area within which urban development and growth is expected to occur by year 2000. The lands outside the City limits but within the UGB are commonly referred to as “urbanizable” lands and will remain within the County’s jurisdiction until annexed to the City and developed for urban uses to City standards.

“To provide for an orderly and efficient  
transition from rural to urban land use.”

The initial establishments of the urban growth boundary, as well as changes to the boundary, are based on the consideration of seven factors, which will be discussed in greater detail later in this section.

Establishment of and changes to the boundary must be a cooperative process between the City and Jackson County. Lands within the UGB shall be considered available over time for urban uses with conversion to urban uses based on the consideration of the following:

1. Orderly, economic provision for public facilities and services;
2. Availability of sufficient land for the various uses to ensure choices in the marketplace;
3. LCDC goals; and
4. Encouragement of development within urban areas before conversion of urbanizable areas.

The Phoenix Comprehensive Plan has designated sufficient amounts of urbanizable land to accommodate its expansion needs to Year 2000. The Plan includes a balance of land use types, including housing, commercial, industrial, parks, etc. to provide for a population projection of 6,465. It should be pointed out here, that any 20-year plan is subject to periodic modification and revision, based on shifts in trends, policies, and other factors. This Plan is the City’s blueprint for the future at this time. The Plan itself should be considered more important than the time-frame for which it was prepared. Such unforeseen occurrences as recessions or population booms will affect the timing of this plan, but should not significantly affect the land use allocations or physical content of the plan. This plan may be achieved by 1995, or perhaps not until 2010. Thus, periodic updates will help to keep the timing of the plan on track and will allow for fine-tuning along the way.

## BACKGROUND OF THE UGB & COMPREHENSIVE PLAN

The Phoenix Urban Growth Boundary contains 1,032.7 acres. Of that total, 474.7 acres are within the present City limits and the remaining 558 acres are considered "urbanizable". Population growth within the UGB is expected to increase by 180 percent by year 2000, an increase of 4,156 persons. However, because of City growth and development policies and an emphasis on higher density housing areas, the needed land area is 117.5 percent greater than the area within the present City limits. The land uses proposed in this Comprehensive Plan, including residential densities, have been tailored to fit comfortably within the UGB and to include an appropriate balance of all land uses and housing types.

The Urban Growth Boundary for Phoenix was established in July, 1978, at which time an Urbanization Agreement between the City and Jackson County was adopted. The City then complete the text of its Comprehensive Plan for areas within the UGB and adopted that Plan and related regulatory measures on September 29, 1980. Although the text of the Plan was completed, the City did not have a Comprehensive Plan map and, due to a lack of professional staff and a planning budget, had to delay the map's completion.

In August, 19982, the City of Phoenix contracted with the Rogue Valley Council of Governments (RVCOG) for limited technical assistance, amounting to approximately 15 hours per month. The primary task of the contract planner was to provide planning support to the City Planning Commission, write staff reports, handle routine planning matters, and advise the City Council, as necessary. In addition, and as time permitted, the planner was also given the task of completing the Comprehensive Plan Map and Zoning Map and to get the Plan "package" ready for submittal to LCDC for compliance review.

On April 18, 19983, the Plan and Zoning maps were adopted by the City. Because of the time that had elapsed since original adoption of the Plan text, some other revisions were made to the text, including an update of the population projections and a Land Use Inventory. The revised document and related findings of fact were adopted on June 6, 1983 and the entire package was submitted to LCDC for review shortly thereafter.

The original urban growth boundary, as established by the City and County in 1978 was left intact. Although the City's population projection was increased in 1983, it was determined that there was sufficient land area within the UGB to make any expansion unnecessary. Since 178 there have been two minor amendments to the UGB, one to include the City's well sites and another to include the remainder of a tax lot that was split unintentional. The City feels that the UGB was placed in the most suitable and realistic location and that it will effectively serve the City's growth needs for many years with few, if any, amendments.

## CONSIDERATION OF URBANIZATION FACTORS

In accordance with Goal #14, the establishment of the Phoenix urban growth boundary was based on consideration of the following seven factors:

### 1. DEMONSTRATED NEED TO ACCOMMODATE LONG-RANGE URBAN POPULATION GROWTH REQUIREMENTS CONSISTENT WITH LCDC GOALS:

- A. The City of Phoenix has projected a year 2,000 population of 6,465, which is an annual growth rate of 5.3 percent from the base year of 1980.
- B. The City of Phoenix grew at an annual rate of 5.5 percent from 1960 to 1980. The 1980-2000 projection is slightly lower than that rate to reflect the slowed growth and general economic problems of the early 1980s. It is anticipated that population growth and development will accelerate during the middle 1980s and eventually resume the historical trend.
- C. Future population is proposed to be accommodated in a variety of housing types, price ranges and densities, which is consistent with the objectives of Goal #10. The amount of residential land needed to accommodate those various densities and types of housing has been considered in determining the area needed for future growth.
- D. Phoenix is in a unique location between the larger cities of Medford and Ashland and on the Interstate 5 Freeway, Highway 99, and the Southern Pacific Railway line. This location makes Phoenix very attractive as a community in which to live and work. The locational advantages are also expected to result in a somewhat higher growth rate in Phoenix than will occur in most other Southern Oregon cities.
- E. Due to the current emphasis on "urban-centered growth", Jackson County's Comprehensive Plan and implementing measures will effectively limit rural growth and development and will result in greater development pressures in existing urban areas. The City of Phoenix has a responsibility to accommodate its fair share of the new population growth and development, which is provided for in the Comprehensive Plan.

### 2. NEED FOR HOUSING, EMPLOYMENT OPPORTUNITIES, AND LIVABILITY:

- ..A. The City of Phoenix already has a wide range of housing opportunities, ranging from lower-cost apartment units to single-family hillside "view" homes. Other housing alternatives are also available, including condominiums and mobile homes. Residential neighborhoods include a combination of older areas and new subdivisions, all of which are well maintained, for the most part, relatively stable, quiet, and attractive. The City will continue to be a desirable residential community.
- ..B. Based on the identified needs documented in the Housing section of this Plan, the City plans to further diversify its housing stock to provide a greater balance of housing types and densities, in order to provide for the economic levels of future resident, and also to adequately accommodate the residential needs of the projected population.

- ..C. The City of Phoenix has identified the following housing needs, by type, for the year 2000 (See Housing Section XI)
- Single-family (Conventional) ----1,078 D.U.
  - Mobile Home (In parks) ----- 319 D.U.
  - Mobile Home (In subdivisions)--- 240 D.U.
  - Duplex (Two-family units) ----- 300 D.U.
  - Multiple-family ----- 389 D.U.
- ..D. In order to accommodate the year 2000 housing needs, the City has allocated 373.3 “net” acres for residential development within the UGB (including areas within the City). The overall “net” density, if the complete acreage is used, will be 6.3 dwellings per acre.
- ..E. It has been determined that many of the 160 dwelling outside the City limits, but within the UGB, will remain on larger than typical sized urban lots. At least 78 of these units are “rural residential” dwellings associated with small hobby farms or small agricultural units that will be partitioned or subdivided as urbanization occurs. However, because of the need and desire for larger lot sizes, particularly in the southwestern portion of the urbanizable area, the density in this area is expected to be somewhat lower than densities of new subdivisions in other areas.
- F. A significant portion of the future housing needs will be met within the present City limits on undeveloped acreages and vacant lots. A certain amount of “transitional” development will also occur which will tend to upgrade the housing stock while increasing density slightly. The Housing section of the Plan estimates that 494 new dwelling will be added within the present City limits by year 2000.
- G. In order to ensure a greater range of housing opportunities, the City is proposing to lower the proportion of single-family dwellings to 45.6% of the housing stock and provide a more even distribution of other housing types, as shown in Figures XI-16 and XI-17 of the Housing section.
- H. Phoenix currently has a very small industrial base, located primarily along the railroad frontage. There are much better locations for new industry within the UGB that are needed to provide new jobs and a stronger tax base for the community. The most promising of these sites are in the vicinity of the Fern Valley Road/I-5 Freeway Interchange. The City has designated lands in this area for light industry and commercial to take advantage of the transportation facility (freeway) and existing facilities such as the availability of utilities and services, and the major truck stop facility that has been developed on the east side of the freeway.
- I. There is no land within the present City limits that is suitable or available for future industrial development.
- J. Livability is a primary concern of the Comprehensive Plan and of City residents and officials. All land uses have been planned in a manner

that will minimize conflict and promote efficiency. The residential neighborhoods are of major concern and the Plan will help insure that they remain quiet, comfortable, safe, and of the highest possible overall quality.

- K. Emphasis is given in the Plan to the preservation of the natural environment, specifically the Bear Creek Greenway, which will provide trails and recreational opportunities when development is completed. The Bear Creek Greenway, flood plain areas, and other environmental features have been figured into the land needs calculations for the establishment of the urban growth boundary. This combination of preservation and recreational opportunities will help increase the quality of the community and ensure a desirable environment in which to live, work, and play for decades to come.

3. ORDERLY AND ECONOMIC PROVISION FOR PUBLIC FACILITIES AND SERVICES:

- A. The basic circulation/transportation system for Phoenix already exists in the form of the I-5 Freeway, Highway 99, the railroad, and other major and secondary arterial streets. The design of the community around these facilities will be most cost effective and will necessitate only improvements and upgrading, rather than costly acquisition and new road systems. Local streets as development ordinances.
- B. The City of Phoenix recently completed major improvements to its water system that will provide for the water needs of the City beyond year 2000.
- C. The City's sewer system is adequate to serve the needs of the projected growth and sewer system extensions will be made as development occurs. The Bear Creek Valley Sanitary Authority (BCVSA) system carries the waste to the Medford Treatment Plant, which is undergoing expansion to handle growth needs of all communities it serves.
- D. Phoenix Park is currently being develop and will provide for community recreation (and open space), particularly in the developing southwest portion of the community. The city has a park commission, budget, maintenance crew, and five percent of all annexation fees go toward the City's park system to ensure that future residents will be adequately served with recreational facilities.
- E. All other major public facilities and services needed to serve the City are provided for in the Public Facilities & Service section of this plan and will be adjusted appropriately as growth occurs. All public facilities and services will be monitored throughout the planning period to ensure the appropriate level of service at all times. The City's Site Review process also helps to ensure that facilities and services are provided at adequate levels.

4. MAXIMUM EFFICIENCY OF LAND USE WITHIN AND ON THE FRINGE OF THE EXISTING URBAN AREA:

- A. The City/County Urbanization Agreement provides for a coordinated transition for rural to urban development as the City grows. Land that is currently within the City will be developed first, if possible followed by lands adjacent to the City limits to avoid "leap-frogging".

- B. All areas within the proposed UGB can be provided with urban level services and facilities. These will be adequately in condition and capacity to serve the new growth prior to or concurrent with any land use changes or annexations, in accordance with City development and annexation policies.
- C. The existing framework of highways, arterial streets, and other transportation facilities will provide the basis for future growth, which will avoid costly and unnecessary acquisition and construction. Other utility systems will also be extended in a coordinated manner to avoid duplications and ensure that the proper capacities are maintained for further extensions of the systems.
- D. The development of potential in the downtown (core) area of the community will be maximized by providing adequate opportunities for commercial development and expansion, and by locating higher density residential areas within easy walking distance of shopping and employment. A total of 190 multi-family dwellings are proposed to be added within the present City limits and all will be within walking distance (not more than four blocks) of the business district and shopping.
- E. The City has been careful to plan for fringe-area land uses that will be the most compatible with agricultural uses outside the UGB, where they occur. Only low-density single-family residential lands will abut agricultural lands to minimize the numbers of dwellings and people that will be exposed to any potential conflicts.
- F. Concept illustrations are included in the Land Use Plan section (XIV) to show ways by which land use compatibility can be increased, both within the central portions of the community and along the fringes.

5. ENVIRONMENTAL, ENERGY, ECONOMIC AND SOCIAL CONSIDERATIONS:

- A. The Phoenix Comprehensive Plan is based, in part, on the concept of urban-centered growth, while ensuring the protection of existing environmental features, such as the Bear Creek Greenway which will become a major focal point of the community
- B. With the exception of the Bear Creek corridor, there are no significant environmental features within the Phoenix UGB that would be adversely impacted by urban development. In fact, the concept of providing for growth within existing urban areas such as this one, will help ensure the protection of more valuable natural environments elsewhere.
- C. Energy conservation has been incorporated into the Phoenix Plan through the use of existing transportation facilities, the clustering of high densities near the City's business/shopping districts, and by other plan proposals that will promote walking and bicycling. The Greenway's bicycle facilities will also help promote energy-efficient forms of transportation, such as walking, jogging, or bicycling.
- D. Industrial areas are proposed in locations that will make the most efficient use of the rail and freeway facilities with minimal impact on residential areas.

- E. Phoenix is in need of an economic boost. The UGB is designed to include key sites for economic development, both commercial and industrial, utilizing both the freeway and the railroad for transportation. The City has proposed approximately 160 acres for commercial development and about 100 acres for industrial development by year 2000 (including existing development, which will allow new opportunities for much needed economic development.
  - F. Social concerns include the City's emphasis on quality residential neighborhoods which are provided with an adequate level of park and recreational opportunities, public schools, police and fire protection, water, sewer, and all facilities and services needed to ensure a high quality residential environment.
  - G. The City's efforts to provide a greater balance of housing within the community will have a positive social impact in the areas of affordability and adequate choice of housing type, size, density, location, and other factors that are important to the residents.
  - H. The location of Phoenix in relation to the region also provides numerous social advantages, including opportunities for college education, arts, music, recreation, entertainment, and other cultural and social opportunities available locally or in nearby cities or areas. Thus, Phoenix is a very desirable location for new development and an attractive community in which to live.
6. RETENTION OF AGRICULTURAL LAND AS DEFINED, WITH CLASS I BEING THE HIGHEST PRIORITY FOR RETENTION OF CLASS VI THE LOWEST PRIORITY:
- A. Because of limited available and buildable lands within the City limits, Phoenix must expand outward to accommodate future growth. Areas least suitable for agricultural use are in the extreme southeastern portion of the UGB and could not be served by facilities until growth has occurred to that point. Therefore, any expansion of Phoenix will unavoidably occur on Class I-IV soils.
  - B. The long-term environmental consequences of including agricultural lands in the UGB will be the conversion of these lands to urban uses. The application was given to areas during the establishment of the boundary, it was found that most of the subject lands have already been committed to non-farm uses by past land divisions into parcels that are no longer economically viable as agricultural units. Also, this past partitioning has created a suburban environment that is not conducive to continued agricultural activities, although the soil classification may be appropriate.
  - C. In establishing the UGB, Phoenix and Jackson County included only those lands necessary to provide for the projected land needs of the community and avoided larger blocks of viable farmland.
  - D. It is the City's policy that all lands within the UGB that are still in agricultural uses will be encouraged to continue those uses, until such time as the land is needed for urban purposes. Even at that time, the decision to annex and convert the land to urban uses will be at the discretion of the property owner, with City approval.

- E. The Comprehensive Plan propose only the lowest residential densities along the periphery of the UGB to minimize any potential impact on nearby farmlands. Buffering guidelines are included in the Land Use Plan section of this document to guide residential neighborhood planning and to minimize urban/rural conflicts.
- F. Urbanizable lands in the southwestern portion of the UGB consist of many small "rural-residential" home sites of one or two acres, or less. There are no major farm units in this area and most agricultural that exists is being pursued for personal use or as a hobby for extra income. This area, because of its density and need for public facilities, such as water and sewer, will benefit by eventual annexation to the City.
- G. Areas within the UGB on the east side of the freeway are, for the most part, not considered high priority agricultural areas. A small proportion of the area is actually in agricultural use of any kind with the remainder consisting of vacant land, some of which is swampy, and rocky hillside lands that are used for limited grazing.
- H. The Phoenix Plan and UGB have been designed to retain and avoid those agricultural areas of highest quality and potential and to include only those areas of marginal agricultural potential, but greatest need for urbanization. All affected property owners have been included in the planning efforts and have provided their expert opinions on the agricultural issues. The present UGB, therefore, is considered to be the most suitable and realistic boundary in which to accommodate the City's future growth, at least through the year 2000.

7. COMPATIBILITY OF THE PROPOSED URBAN USES WITH NEARBY AGRICULTURAL ACTIVITIES:

- A. Agricultural areas east of the freeway are very limited, with the exception of scattered orchards. Urban development in that area will be low-density residential, oriented away from the agricultural operation. New residential streets will not follow the UGB, but will be within the boundary so that the subdivisions can be oriented inward, which will minimize access to agricultural lands.
- B. Buffering concepts are included in the Land Use section of this Plan to guide development along the periphery of the UGB in the most suitable manner. In addition, the City/County urbanization agreement states that plans (and implementation measures) for areas on the periphery of the UGB may include provisions for:
  - Acquisition by public agencies;
  - Lower densities than allowed elsewhere in the City;
  - Use separators, such as setbacks;
  - Establishing criteria for determining compatibility of certain urban and certain rural uses; and
  - Other techniques deemed to be suitable by the City and County.
- C. Southwest of the City, the area is already divided into many small rural-residential lots. The proposed low-density development will have no adverse impact on these areas, or larger farm units to the west.

## PLAN FOR URBANIZATION

The Urban Growth Boundary for Phoenix was designed to accommodate the City's year 2000 population projection and related development needs. All major land uses have been projected into the future, as have residential uses by housing types and anticipated densities. These figures are included in the Housing section and Land Use Plan section of this document.

At the present time, Phoenix is accommodating a population of 2,309 on about 475 acres. The year 2000 projections show a population of 6,465 and 1,032 acres. According to the City's Plan, the year 2000 overall density would be about 6.3 persons per acre, compared to the present 4.9 persons per acre in the present City limits. The overall density will increase even with additional lands provided for non-residential purposes. The reason is that the year 2000 projections do not allow for vacant land being "left over" after the planning period, and there will also be a higher overall residential density.

The Urban Growth Boundary is shown on the Comprehensive Plan Map, which is included in the Land Use Plan section (XIV).

Annexation and amendments to the urban growth boundary are governed by state law and by the policies and procedures of the City/County urbanization agreement, which is contained in the appendix of this document. Provisions for periodic review and amendment of the Plan and UGB are contained in the Land Use Plan (Section XIV) of this document

\* \* \*



# Oregon

Kate Brown, Governor

## Department of Land Conservation and Development

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April 29, 2020

Eric Swanson  
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City of Phoenix  
112 W 2nd Street  
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**SUBJECT: Local File No. CP20-002, DLCD File No. 002-20; Urbanization Element**

Eric,

The Department of Land Conservation and Development (DLCD) would like to take this opportunity to offer comments on the proposed amendments to the Urbanization Element. Please place this letter into the record on the aforementioned file.

As we have done previously, we applaud the City for embarking on this comprehensive planning effort towards establishing an adequate base of housing and employment land and better balancing the current jobs/housing disparity in the City.

Since you haven't been part of this conversation over its entirety, I would like to start by providing the overall context of the Regional Problem Solving Plan (Regional Plan) and the Urban Reserves established through the Regional Plan process.

The Urban Reserves established as part of the Regional Plan were meant to meet residential and employment needs for the long-term period of fifty years. This should be kept in context when evaluating all subsequent comprehensive planning work performed by the cities which participated in the twelve-year creation of the Regional Plan. Phoenix in particular received substantially more land than it could justify on its own because of its central location in the Valley and the unique opportunities presented by the South Valley Employment Center.

The South Valley Employment Center (Urban Reserve, PH-5) is meant to provide a regional hub for large lot traded sector employment. Specifically, the area is meant to address a deficiency of land to attract medium to large footprint employers. The only commercial employment allowed, per the Regional Plan, is for ancillary or supportive uses.

While the Regional Economic Opportunities Analysis<sup>1</sup> (REOA) completed by the City indicates a need for 272 acres of employment land over the next 50 years, the current proposal attempts to justify a need for 190 acres of that land to be added to the City's Urban Growth Boundary (UGB) in order to meet the 20-year need as shown in the table below (excerpt from proposed Urbanization element).

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<sup>1</sup> The REOA and the local EOA were locally adopted as part of the Economic Element adoption process (local file CP19-02; DLCD file 001-19) however, notice of the adoption was never sent to DLCD.

Site Size (Range)	Avg. Assumed Size Based on REOS Table 4-3	Proposed Number of Sites 2019-2039 Planning Period	Total Gross Acres
100+	100	1	100
20-50	25	2	50
5-20	10	3	30
<5	5	2	10
			190

Table 1: Proposed Parcelization of Employment Lands in PH-5 During the 2019-2039 Planning Period

190 acres is approximately 70% of the overall 272 acres, which was identified in the REOA and the Regional Plan to meet a need for 50 years<sup>2</sup>. Therefore 190 acres is more akin to a 35-year land supply (at least). 110 acres, which is still a very substantial amount for a community of Phoenix's size, is more consistent with a 20-year land supply.

As we have mentioned previously, if those 110 acres, or a portion thereof, are developed, then a subsequent UGB amendment would be justified. Any UGB amendment under 50 acres in size can utilize the Post Acknowledgement Plan Amendment process, which is the standard process used for plan amendments and zone changes. It is a much more expedited process than the traditional UGB amendment process. We encourage communities to do more regular updates to their UGBs as opposed to waiting until land supply is scarce.

As such, our suggestion would be to reduce the proposed 100 acre site down to 50 acres and to eliminate some of the 5-20 acre sites. If a prospective company was interested in a larger piece of land, then the 50 acre site could be combined with one of the surrounding parcels to create a larger site. While this approach is not always practical due to different ownership patterns, in this case the land area in question is largely owned by one entity (ARROWHEAD RANCH HOLDING COMPANY, LLC). This approach would result in a distribution as such:

Site Size (Range)	Avg. Assumed Size Based on REOS Table 4-3	Proposed Number of Sites 2016-2039 Planning Period	Total Gross Acres
50+	50	1	50
20-50	25	2	50
5-20	10	1	10
<5	5	2	10

120

The total acreage in the aforementioned distribution is more consistent with the 20-year need as established in the REOA and Regional Plan. Additionally this distribution provides a higher

<sup>2</sup> Also relevant to this discussion is the fact that the REOA relied on a "region" (I-5 corridor from Redding, CA to Eugene, OR) which was much larger than the "region" relied upon in the Regional Plan (The Greater Bear Creek Valley). This variation creates an issue with consistency between the REOA and the Regional Plan for the purposes of a UGB amendment by potentially overestimating the amount of employment land needed by the "region" as defined in the Regional Plan.

percentage of large lot opportunities for future employers, which is also more consistent with the Regional Plan justification for this area.

Additionally, we would like to take this opportunity to point out that any future UGB amendment will need to include a conceptual plan for all areas proposed to be brought into the UGB (as per the requirement of the Regional Plan). Furthermore, we will also be looking for adequate safeguards to ensure that the large lot distribution and industrial nature of the PH-5 area remains intact and is not easily modified. An example of such as safeguard would be to require a Regional Plan amendment in order to reduce the size of any lot below the original size range.

We believe making the changes recommended above will help ensure the proposed Urbanization Element is consistent with the Regional Plan and REOA and therefore will substantially increase the chance of success for a future UGB amendment. It will also provide a very substantial amount of developable land to the City of Phoenix for regionally significant employment opportunities.

Please keep us informed of any future meetings or study sessions on this matter.

Sincerely,



**Josh LeBombard**

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Cc: Matt Brinkley (via email)  
Ryan Nolan (via email)



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June 5, 2020

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**SUBJECT: Local File No. CP20-002, DLCD File No. 002-20; Urbanization Element**

Eric,

This letter is intended to follow up on the previous letter we sent on April 29, 2020 regarding the proposed amendment to the Urbanization Element. In that letter we provided a very high level background of the regional planning process and offered some general suggestions to create better consistency with the Regional Plan. This letter is meant to supplement that information with a more detailed analysis of the current proposal including the economic opportunities analyses used to support many of the conclusions in the Urbanization Element as well as the Economic Element.

#### **Total amount of justifiable employment land.**

The Regional Economic Opportunities Study (REOS) takes into consideration economic development potential through inclusion of the two-county Rogue Valley region as well as the greater six-county area spanning Southern Oregon and Northern California. The REOS recommends inclusion of regional employment lands in an amount of 272 acres, which could accommodate an estimated 2,925 jobs<sup>1</sup>, based on the job distribution and average number of jobs per firm indicated in the 2007 Bear Creek Valley Economic Opportunities Analysis. However, there are a few problems with this analysis and conclusion.

First, the two county geographic region used in the REOS is larger than the region used in the Regional Plan, which established Urban Reserves for six communities in the Greater Bear Creek Valley, including Phoenix. The region used in the Regional Plan was roughly the Rogue Valley Metropolitan Planning Organization area, minus the City of Jacksonville. The Regional Plan condition states "[p]rior to the expansion of the city of Phoenix Urban Growth Boundary into any Urban Reserve Area to accommodate employment land need, the region shall agree on a mechanism (such as a Regional Economic Opportunities Analysis) to assist the city of Phoenix in justifying the regional need for urban reserve PH-5". The region referred to can only be the region established in the Regional Plan. Using a larger region overestimates the regional jobs figures.

The REOS also does not appear to adequately substantiate a need for the PH-5 property. The analysis seems to simply calculate the amount of jobs predicted to occur in the two county

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<sup>1</sup> Found on page 42 of the REOA, in the chart titled "PH-5 Illustrative Employment Parcel Size Distribution".

region and then jumps right into distributing a portion of those jobs to the entirety of the 272 acre PH-5 site in a targeted absorption schedule. What is lacking is supporting information to create the nexus between the regional need, which ought to be the region as depicted in the Regional Plan, and the ability for the PH-5 site to accommodate an equitable proportion of that need while preserving the ability for other communities in the region to offer employment possibilities- especially in the smaller acreage (<20 acre) range.

There also appears to be a few contradictions in the Economic Element regarding the inventory of similar sites in the larger region. For instance, page 15 of the Element indicates that a 140 acre site exists in Douglas County- in Sutherlin. Then on page 30, the Element states that the PH-5 area "is the only place between Eugene/Springfield and Redding that can satisfy this need". The REOS also lists the site as 130 acres in the appendix (page 60). The Oregon Prospector website lists the site in Sutherlin as 192 acres:  
<https://www.oregonprospector.com/oregon/property/620-SW-Stearns-Lane-Sutherlin-Oregon/57F79F70-8E65-4FD9-947D-965ECC0A6D05>.

Lastly, Phoenix's current proposed urbanization of 190 acres of new employment land far exceeds the employment land supply required by even its accelerated jobs-population parity scenario (discussed on page 4 of this letter). As explained in the Economic Element<sup>2</sup>, this scenario would require an additional 90 gross acres of employment land to house 1,106 new jobs.

We recommend that these discrepancies be reconciled.

#### **100-acre site needs analysis.**

As we've stated previously, DLCD is supportive of the creation of a large industrial employment site of regional economic significance such as identified in Phoenix's Economic Element. The REOS conducted in 2016 includes an "illustrative parcelization" table to demonstrate one possible model that would accommodate identified regional industry and employment growth. Included in this table was a site size category of 50+ acres demonstrating how a single parcel with an average site size of 67 acres would fit into a potential parcelization scheme. The Economic Element incorporated the exact contents of this parcelization example as Table 4-3, "Recommended Parcelization of Regionally Demanded Employment Land," again identifying a single 67-acre site in a 50+ acre category. The proposed Urbanization Element further enlarges this site size category as a 100+ acre site, calling for the inclusion of a 100-acre site in its 20-year growth plan.

The inclusion of the 100-acre site in the proposed amendment to the Urbanization Element has little supporting analysis to justify its inclusion in a future UGB amendment at present. The Economic Element makes reference to a very large site, stating that no site in excess of 100 acres exists in the Rogue Valley but that information regarding demand for such a site was received late in the process of creating the document (p. 22). DLCD acknowledges that demand

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<sup>2</sup> As pointed out earlier, the Economic Element was adopted locally (local file CP19-02; DLCD file 001-19) however, notice of the adoption was never sent to DLCD. Furthermore, while the REOS and the local EOA were referenced in the Economic Element as appendices, neither of the EOAs were ever submitted to DLCD as part of the notice and thus cannot be acknowledged as such.

for such a site is potentially plausible, and further, that the economic impact of a new large industrial employer within the target industries identified by Phoenix would be monumental.

However, references within the Economic Element to conversations with SOREDI and Business Oregon describing demand for a 100+ acre site are not an adequate substitute for detailed analysis and documentation that would justify the inclusion of a parcel of this size. Analysis in the REOS is limited to sites of 50+ acres and a 100 acre site is an altogether different level of proposed development. Furthermore, as we suggested in our April 29 letter, the site is largely owned by one entity and smaller sites could be combined to result in a larger tract if necessary. This would address the concern raised on page 30 of the Economic Element where it is stated “[t]here is not a single site or even a tract of available land in the 100-acre range in the entire Rogue Valley.

As such, we recommend that Phoenix must either:

1. Perform the necessary analysis to demonstrate demand for a 100-acre site and include it as substantial evidence during the process of amending its UGB to include PH-5. In this case, Phoenix must also make a finding identifying the substantial evidence relied upon to determine the future employment land supply which includes the proposed 100 acre site; or
2. Amend the parcelization pattern to account for the distribution currently supported by the REOS and develop policies to support future configurations which would allow the combination of parcels into a tract of 100+ acres to meet a future large lot employer.

**Available employment land – resolve inconsistencies with I-B zoning descriptions.**

Within the Economic Element and the Urbanization Element, the case is made several times to exclude the area around the Fern Valley Interchange zoned I-B from the available supply of industrial lands. While DLCDC is in agreement with Phoenix’s zoning priority to retain land adjacent to the Interchange zoned for use by consumers who are traveling via I-5, this land still needs to be included in employment land supply calculations as it is employment land, regardless of the consumer or exact intended type of business. Page 4 of the Urbanization Element identifies only 11 available commercially zoned acres but simultaneously acknowledges a 20 year surplus of commercial land in the amount of 39 acres. It is unclear how the I-B zoned land near the Fern Valley Interchange is included in these calculations.

We recommend future amendments to the Economic Element and any UGB amendment proposal distinctly identify how the I-B zone and its remaining developable employment land fits into regional versus local employment land demand projections, in order to fully inform the employment land supply required of the PH-5 master planning process.

**Potential conflict with master plan scenarios included with the Urbanization Element.**

The Regional Plan has a specific condition related to urban reserve PH-5. It states “[d]evelopment of the portion of PH-5 designated as employment land is restricted to industrial zoning.” The intent of this condition was to ensure that the eventual buildout of PH-5 would be industrial in nature and also provide opportunities that cannot be found elsewhere so as to not compete with land available in other communities in the region. The scenarios illustrated in the Urbanization Element depict a significant share of office uses and commercial uses which may conflict with that provision.

During the regional planning process the condition to require “industrial zoning” was deliberately chosen over restricting the uses completely to “industrial uses”. It was recognized that Light Industrial zones typically allow for ancillary or supportive commercial uses including offices which would be compatible with the intent of including this area as an Urban Reserve for a primarily light industrial employment center. Phoenix’s Light Industrial zone is consistent with this intent. For instance, regarding Office uses in the Light Industrial zone, the Phoenix code states “Offices and other commercial uses are permitted when they are integral to a primary industrial use (e.g., administrative offices, wholesale of goods produced on location, and similar uses).”

The various scenarios devote a significant portion to office and commercial uses without providing the distinction that these are for offices supportive of the primary industrial use. DLCD provided these same comments during the Transportation and Growth Management grant process which developed these scenarios. As such, we recommend the Urbanization element and scenarios be adjusted to reconcile this potential conflict by adding the aforementioned distinction and/or adjusting the percentages of these uses to be ancillary to the primary industrial use.

**Jobs/population parity policies & goals.**

During the Economic Element process, Phoenix worked with DLCD to reach an adjusted employment growth scenario that is based on the city’s current UGB-held population achieving jobs/population parity with Jackson County through accelerated employment growth. This approach increased the 20-year employment growth projection from 375 to 1,106 by 2038, nearly doubling Phoenix’s existing total employment over the 20-year planning period. The Economic Element identified a need for 90 acres of “local” employment land to achieve this ambitious jobs-population parity scenario.

However, no policy was adopted or stated in the community vision or goals that prioritizes jobs/population parity. Aside from urbanization, no other policies to support the increase in proportional job growth are cited in the Economic Element. Traditional economic development strategies such as growing industry partnerships, workforce development, entrepreneurship support, enhanced business recruitment efforts, and support for local businesses with expansion potential are unmentioned in the goals and policies adopted in the Economic Element. The REOS states that rapid absorption of new employment land is “unlikely” without “aggressive competitive positioning” (p 44). It is not clear what strategies Phoenix plans to pursue to grow a larger share of jobs than has been demonstrated by its historical employment growth trends.

We recommend Phoenix consider adopting an explicit goal of achieve jobs-population parity and develop policies and measures to support its implementation, rather than referencing it in the abstract.

**Pace of Employment Land Acquisition.**

Many communities take a more restrained approach to incorporating new employment lands into their UGB because of the expense associated with the Goal 9 requirement (OAR 660-009-0025) that 25 percent of all available employment land be available as short term supply. Considerable investment would be required to ensure that 47.5 acres (25% of the proposed 190 acres) of employment land is shovel ready.

We recommend Phoenix adopt policies and measures that ensure its compliance with the short term supply requirement of Goal 9, which also requires that all plans include detailed strategies for preparing the total land supply for development and policies describing dates, events, or both that trigger local review of the short-term supply of land. Alternatively, the City should reduce the amount of land proposed for inclusion into the UGB to meet this commitment.

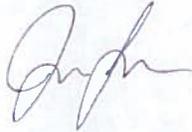
### **Conclusion**

The City ought to make changes to create consistency with the Regional Plan and substantiate the existing proposed need for 190 acres including a 100-acre site. If the City cannot substantiate the current proposal, it should amend the proposal to reduce the amount of needed land to a size supported by existing documentation.

We do not believe a reduction in the amount of land added to the UGB would undermine the economic development opportunities for the City. Reiterating what we said in our April 29 letter, we encourage communities to engage in more regular updates to UGBs as opposed to waiting until land supply is scarce. Thus, we would support the inclusion of findings in the likely upcoming UGB amendment which would provide support for future incremental UGB amendments if portions of the land brought into the UGB during this cycle are developed.

We appreciate the opportunity to participate in this conversation.

Sincerely,



**Josh LeBombard**

Southern Oregon Regional Representative | Community Services Division

Cell: (541) 414-7932

[josh.lebombard@state.or.us](mailto:josh.lebombard@state.or.us) | [www.oregon.gov/LCD](http://www.oregon.gov/LCD)

Cc: Matt Brinkley (via email), Ryan Nolan (via email)



Josh LeBombard  
Southern Oregon Regional Representative  
Community Services Division  
By email

Re: Phoenix Urbanization Element

May 4, 2020

Dear Josh,

I have reviewed your letter dated April 29, 2020 and have prepared this letter in response at the request of Eric Swanson, City of Phoenix Interim City Manager. Before beginning that discussion, I want to thank you for providing Phoenix with those comments and working with the City as it endeavors to plan for its future employment, housing, and other urban amenities and facilities. The City wishes to maintain a constructive relationship with all stakeholders throughout this process, and work toward consensus whenever possible.

As you know, the South Valley Employment Center (or "Area" as it is also referred to) represents a unique opportunity to attract large footprint traded sector employers to this region and even to this state. It can also support economic development efforts that are closer to home by providing larger development sites that are needed to retain local businesses as they expand and outgrow existing facilities. The Regional Plan required Phoenix to prepare a "mechanism (such as a Regional Economic Opportunities Analysis) to assist the city of Phoenix in justifying the regional need for urban reserve PH-5" (Phoenix Comprehensive Plan Regional Plan Element, p. 17). The City of Phoenix hired E.D. Hovee & Company several years ago to assist in meeting this requirement. As you point out in your April 29 letter, that study did identify a need for 272 acres of employment land in PH-5, but it did not assume that that demand would occur over a 50-year period as you suggest it did. Rather, the study examined the potential for development of PH-5 to provide employment to a regional labor market over the next 20 years; the industries that might be most attracted to its unique site development characteristics; and how such a large site would best be developed in order to accommodate the needs of targeted industries (Section VII, Recommended Scenario, Phoenix Regional Economic Opportunity Study, pp. 41 – 46).<sup>1</sup>

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<sup>1</sup>It should be mentioned that in a footnote on page two of your letter you incorrectly state that "the REOA relied on a 'region' which was much larger than the region relied upon in the Regional Plan [...] This variation creates an issue with consistency between the REOA and the Regional Plan for the purposes of a UGB amendment by potentially overestimating the amount of employment land needed by the 'region' as defined in the Regional Plan." The REOS did not rely on a larger "region" for the purposes of measuring and projecting economic growth in the Greater Bear Creek Valley as you assert. It relied on data collected by the OED for Jackson and Josephine counties and extrapolated over a 20-year planning period: The REOS looked at the I-5 corridor to determine the availability of similar employment land development opportunities and identify the competitive advantages of locating traded sector industries in PH-5. The REOS concluded unequivocally that PH-5 is the only opportunity for large footprint, campus-style employment development in close proximity to I-5 from Redding, California to metropolitan Portland.

The foregoing has several important implications for the process of urbanizing PH-5. E.D. Hovee & Company determined the ideal parcelization of PH-5 in order to conserve irreplaceable large employment development sites while meeting the demand for some smaller site development. The configuration is summarized in the following table, reproduced from the Regional Economic Opportunity Study:

Site Size	% of Jobs	Added Jobs	Avg. Jobs/Site	# of sites needed	PH-5 Site Allocation			Gross Site Avg.
					#	Capture	Avg. Size	
50+ Acres	16%	4,680	572	6	1	17%	67	67
20-50 Acres	14%	4,095	147	20	4	20%	25	100
5-20 Acres	14%	4,095	71	41	8	20%	10	80
< 5 Acres	56%	16,380	7	1742	5	0.30%	5	25
Total (All Sites)	100%	29,250	11.50	1809	18			272

These parcel sizes are averages observed in similar developments and applied to the context of our regional economy. For example, the largest parcel was assumed to require approximately 70 acres on average. The draft Urbanization Element proposes to include approximately 190 of the 272 gross acres of employment land in PH-5 based on these and other findings found within the REOS.

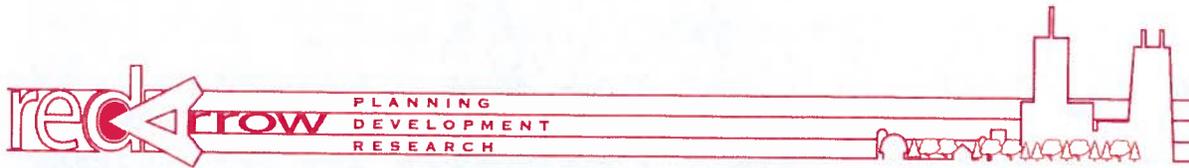
In your letter you propose, perhaps just for the sake of illustration, an alternative whereby 110 or 120 acres would be brought into Phoenix's UGB to meet regional and, presumably, local demand for employment land. This is based on simple arithmetic: the 20-year planning period is approximately 40 percent of the 50-year planning period used to designate urban reserves like PH-5. You conclude, therefore, that Phoenix should only need to add another 110 acres, or 40 percent of the total, to its Urban Growth Boundary to meet the demand for employment land.

As you know, the establishment and modification of UGBs is seldom so simple and that is true in this particular case. Your concept ignores, for example, the fact that the REOS identified existing potential demand for employment land that exceeds the acreage you recommended. You assume, for example, that the largest development site would only require 50 gross acres of land, and that there is only demand for one development site in the 5-20 acre range.

Regarding the large site, the REOS states the following:

"Recommended is at least one site of 50+ acres be allocated for a large traded sector use, as for advanced manufacturing or a significant financial, professional, scientific, technical or health services employer. With the illustrative distribution noted, 67 gross acres translates to between 50-57 acres of net site area after deducting land needed for right of way, etc. [...]."  
Phoenix Regional Economic Opportunity Study, 2016, p. 43

A single 50-acre site, as you propose, would likely be insufficient to meet the needs of an employer it is intended to accommodate. I understand that the parcelization scheme you propose is only meant to demonstrate that a total of 120 acres could accommodate the needs of several site development categories, but your assumption that 120 acres of employment land is



sufficient to meet demand is itself flawed and should not be relied upon as the basis Phoenix's proposed UGB amendment. It is not supported by the facts presented in the REOS or the Local Economic Opportunity Analysis, nor have you provided any factual basis of your own that would contradict those facts.

You also suggest that any supply deficiencies can be addressed after the fact through a subsequent UGB amendment. It is a fact that "smaller" UGB amendments under 50 acres provide a relatively faster path to expansion of a UGB. But the success of a future amendment should not be relied upon as a means of addressing a known or suspected deficiency in the amendment currently under consideration. A subsequent amendment may provide relief in the future, but the proposed amendment should attempt to meet a community's need for urban land now as best it can.

The City is open to working with you and other stakeholders to reach a final Urban Growth Boundary Amendment proposal that meets the City's and region's need for large employment sites as conceived of as the South Valley Employment Area by the Regional Plan. We acknowledge the wisdom of your advice concerning "safeguards" that may be necessary to conserve larger tracts of land for that purpose, and we look forward to working with you toward developing such safeguards.

Respectfully,

Matt Brinkley  
Principal  
Red Arrow Planning, Development, and Research LLC

Cc: Eric Swanson, Interim City Manager; Ryan Nolan, Principal Planner, Rogue Valley Council of Governments; Phoenix City Council



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Southern Oregon Office • PO Box 2442 • Grants Pass, OR 97528

June 8, 2020

Via email:

Phoenix City Council  
C/O Eric Swanson, City Manager (eric.swanson@phoenixoregon.gov)  
112 W. 2<sup>nd</sup> Street  
Phoenix, Oregon 97535

RE: Urbanization Element (Local File No. CP20-002, DLCD File No. 002-20)

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Dear Mayor and City Council Members,

Thank you for the opportunity to provide comments on the city's adoption of a revised Urbanization Element to the Comprehensive Plan. 1000 Friends of Oregon is a non-profit organization dedicated to working with Oregonians to support livable communities. Our membership includes Phoenix residents who support the mission and values of the Oregon land use program. Among these Oregon values are the protection of resource land and the provision of adequate housing to meet the needs of all Oregonians.

1000 Friends was deeply involved in the Regional Problem Solving (RPS) planning process that resulted in the South Valley Employment Center concept and the urban reserves that are the subject of some of this work. We support your efforts to plan for your community's long range needs and our comments are meant to help strike the appropriate balance for Phoenix to facilitate economic development, support jobs, and provide adequate housing while protecting the fiscal health of the city and the surrounding resource lands that contribute so much to the economy and the livability of the Rogue Valley..

The Urbanization Element does not sufficiently justify its need for employment land. In short, the underlying documents contain inconsistencies and unfounded assumptions, proper credit is not taken for the land inside the existing UGB that can accommodate future employment, and the need for additional employment land is overstated. We turn to each of these issues below, after first addressing this hearings process.

### **Hearings Process and Availability of Documents**

1000 Friends has been involved in the development and local adoption of the various elements of the Comprehensive Plan that Phoenix has been in the process of updating. We had requested, and up through the hearings for the Economic Element, we had been receiving notice of all hearings related to these matters. We recognize that staffing changes have occurred, but we received no notice of this hearing, and no indication that final drafts were available.

The review outlined in this letter was based on a draft Urbanization Element that was posted to the city's website at the end of last week. Upon going online this morning to check the agenda for tonight's Planning Commission hearing, we discovered that new materials and another revised draft of the document has been posted, apparently just this morning. There is no indication of what has been changed from the prior draft. Due to the very late nature of this change, we have not had time to review the latest draft. We do note, however, that the Planning Commission is being asked to vote on a set of Findings and Conclusions that contain XXX's in place of specific citations and numbers that are relevant to the proceeding.

We recognize the challenges that these times present in holding hearings with all of the most recent information and with full and meaningful participation. However, we strongly urge the city to slow this process down to ensure full compliance with Statewide Planning Goal 1 by making sure that decision-makers and the public have sufficient time to review the latest, complete information prior to hearings, and to participate in them with adequate notice.

### **The Jobs Number Basis for the Implied Land Need is not Supported**

In the process of developing the Economic Element, the City considered several scenarios for assuming job growth during the 20-year planning horizon of the next UGB. We support the City in adopting a preferred goal of achieving a jobs/population parity. According to the still-unacknowledged Economic Element, meeting this goal would mean the addition of 1,106 jobs, requiring about 90 additional acres in the UGB.<sup>1</sup> We note that achieving this goal is an extremely ambitious proposition that will take a deliberate and concerted effort on the part of the city, and that that is less likely to be successful in the absence of explicit policies and goals.

The Regional Economic Opportunities Study (REOS) also concludes that *additional* jobs are possible under the assumptions in that document, and the Economic Element and this Urbanization Element use those assumptions to argue that somewhere between another 100 and 180 acres are justified as needed in an expanded UGB.<sup>2</sup> Whatever number for regional employment is finally decided on, there is no evaluation in any of the documentation suggesting it is realistic to expect Phoenix to be able to get past the already ambitious jobs/population parity and provide even more developed land to accommodate even more regional employment over the planning horizon, and no analysis of what policy or other changes may need to be made to do so. Absent that, there is no factual basis for concluding that any more land is needed beyond that necessary to achieve the jobs/population parity.

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<sup>1</sup> Comprehensive Plan Economic Element, pp. 18-19. Note that even the need for this amount of acreage may be overstated, as described below.

<sup>2</sup> It is not really clear how many acres are being proposed, as the amounts and justifications seem to vary depending on the document. In some places it appears that the REOS argues for 272 acres during this planning horizon. In other places that amount is acknowledged, but the draft of the Urbanization Element reviewed for these comments used different rationale to argue that it should be 190 acres. \*\*\*We also note that the revised version posted on the website this morning appears to suggest 165 acres is the correct amount (at p. 9). We have not had an opportunity to evaluate whatever justification, if any, is in the new version in time for these comments. This highlights the appropriateness of the suggestion above for the City to slow this hearings process until the document base being relied on for the decision-making process is complete and stable.

### **The Relationship Between the Various “Regions” Studied in the Supporting Documentation is Not Clear**

It was already noted during the hearings for the still-unacknowledged Economic Element that that document relied on studies (particularly the REOS) that discussed “Regions” that were not consistent with the “Region” as defined in the RPS process and on which the South Valley Employment Center concept was based. In various places those documents discuss an area between Redding and Eugene, the area consisting of Jackson and Josephine counties, Jackson County, and the RPS Region. Various numbers are presented for the amount of regional employment that might be expected over different parts of these geographies.

The “Region” that is used to determine the jobs, and thus the land need, for any planning horizon must be the RPS region. Further, predictions of how many jobs might eventually be accommodated by Phoenix in the South Valley Employment Center must be relatable to Phoenix and also account for the ability of other jurisdictions to compete for the same jobs. Instead, what is provided is an “illustrative distribution of parcel sizes” for the portions of PH-5 that were designated for employment during RPS.<sup>3</sup>

Thus far none of the revised elements of the Comprehensive Plan or the supporting documents explain why it is reasonable for Phoenix to assume that it will, for example, capture 20 percent of all of the jobs that will locate on 5 to 20 acre sites in Jackson and Josephine counties during the planning horizon.<sup>4</sup> The document may arguably show that PH-5 provides the *opportunity* to capture those jobs—but it does not demonstrate a realistic chance that it could happen at that or any other level. The same is true for the assumptions that Phoenix will capture 20 percent of all the jobs in the same region that locate on sites 20-50 acres, or 17 percent of all jobs that will locate on sites 50+ acres.

These are significant flaws that cascade through several documents that need to be addressed prior to a proposal for a UGB expansion.

### **Additional Regional Employment Land is not Supported**

One further addition was made late in the hearings process for adopting the Economic Element that added even more land to the proposal. This was based on the assertion that there is a need for a 100 acre employment site to be included in the next UGB expansion. This assertion appears to be based on the conclusion that the studies mentioned failed to account for the possible need for such a site. A careful reading of the REOS shows that there was, in fact, one 50+ acre site included in their parcel-size distribution calculations, and that for purposes of the calculations that parcel was assumed at 67 acres.<sup>5</sup> That site could easily be made larger by shifting just a few assumptions in the rest of the example provided.

That addition, carried through to the Urbanization Element, is not supported by any evidence that there will be any more jobs to accommodate than were assumed in the earlier analysis, and thus does not justify any additional land need. At best, it suggests that Phoenix should reconsider the size allotments of the land that can be justified for inclusion, consider the adoption of policies to

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<sup>3</sup> REOS, p. 42.

<sup>4</sup> This assumption is in the REOS at p. 42 .

<sup>5</sup> REOS, p. 42.

preserve larger lots from being subdivided, and reserve a portion of those acres if it wishes to accommodate a large development. In the interest of keeping expectations realistic as the UGB expansion process unfolds, we recommend that the Economic Element be revised accordingly prior to adoption.<sup>6</sup>

### **The Capacity of Land Within the UGB to Support Future Employment is Under-Stated**

We support the proposal to remove the employment land west of the tracks. It is appropriate to add that capacity back into the UGB in a more usable location.

In its analysis of local employment needs, the urbanization element states that there is a deficit of 22 acres of industrial land and 18 acres of public employment land for a total of approximately 40 acres of needed employment land. It also identifies a surplus of 29 acres of commercial employment land. The two rationales provided to explain why the deficit cannot be made up with the surplus of lands currently zoned as Interchange Business (IB) are as follows:

- 1.) Industrial land requires larger sites.
- 2.) It is more efficient to locate industrial sites away from the Interchange Business zone to avoid displacing high traffic “destination” retail.

The first rationale does not attempt to describe why at least some industrial businesses could not locate on parcels in Interchange Business, but only that industrial sites “tend” to require larger sites. The Economic Element purports to show a specific need for as many as five sites under 5 acres (and seven more between 5 and 20)<sup>7</sup> and states that Interchange Business uses include light industrial.<sup>8</sup> ) Within the IB zone, there are five parcels between two and five acres, one that is nearly ten acres, and one that is nearly 12 acres. These sites could potentially accommodate some light industrial or public employment uses and be subtracted from the demand for land for the urban growth boundary expansion proposal.

The second rationale posits that the rezoning any IB areas for lower traffic generating industrial uses would be inefficient because higher generating traffic retail uses would locate further away. We understand this concern for some retail uses. However, some industrial uses (included in OAR 660-009-0005 and permitted in IB) are well suited to be near highway interchanges as well, including warehousing, storage, product manufacturing, and distribution. Thus, the argument that this land cannot accommodate any of the uses contemplated in PH-5 is not supportable.

These two flawed rationales leave an unknown amount of land needed to meet local employment needs. Further analysis is needed justify what portion of the demand in the draft Urbanization Element cannot be accommodated within existing lands inside the UGB. The need for additional land must be adjusted to account for that accommodation.

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<sup>6</sup> Similarly, at p. 4 of the Economic Element, it is stated that “Based on the analysis provided in the Regional Economic Opportunity Study, there is “regional” demand for the entire employment land allocation of 272 acres in PH-5.” It is implied, but not explicitly stated, that this need is for the next 20 years. A careful reading of the REOS does not support this conclusion as written in the Economic Element, either.

<sup>7</sup> This is repeated in the draft Urbanization Element at p. 5.

<sup>8</sup> Comprehensive Plan Economic Element p. 10.

**Conclusions and Recommendations:**

Overall it does not appear that the City is ready to reach the conclusions contained in the proposed Urbanization Element now before the Planning Commission. We respectfully recommend that the City take the time to revise the still-unacknowledged Economic Element and the draft Urbanization Element to address the weaknesses outlined above prior to proceeding with these hearings and a UGB expansion proposal.

Thank you for your consideration of this matter and for thoughtfully planning the development of Phoenix for generations to come. Please place these comments in the hearing record for this matter, and notify us of any future hearings or decisions on this matter and subsequent related matters at the Grants Pass address above.

Sincerely,

/s/

Greg Holmes  
Food Systems Program Director/  
Southern Oregon Advocate  
1000 Friends of Oregon

/s/

Alexis Biddle  
Urban Lands Advocate  
1000 Friends of Oregon

## Supplemental Findings 1:

Response to 1000 Friends of Oregon letter dated June 8, 2020

TO: City of Phoenix Planning Commission and City Council

FROM: Matt Brinkley

DATE: June 15, 2020

The City of Phoenix received a letter from Greg Holmes and Alexis Biddle, both representing 1000 Friends of Oregon ("Friends"), regarding the proposed update of Phoenix's Urbanization Element. The City appreciates comments that encourage the City to strengthen and clarify certain parts of the Urbanization Element and the findings supporting it.

Notably absent from Friends' letter is any substantial recognition of the difficult, resource intensive work completed by the City of Phoenix over the course nearly two decades to plan for the future needs of its residents and those in surrounding communities. Mr. Holmes and Mr. Biddle, for example, do not mention that the proposed modified Urban Growth Boundary would remove 33 acres of employment land and 50 acres of residential land from its acknowledged UGB in order to achieve greater land use efficiency.

Responses to the central arguments made by Mr. Holmes and Mr. Biddle can be found in the following:

**1. Friends states that they did not receive adequate notice of the proceedings scheduled before the Phoenix Planning Commission on June 8, 2020.**

We acknowledge that a revised draft of the Urbanization Element was made public prior to the hearing, but not in enough time to provide meaningful review by stakeholders and the public. Due to this fact, the hearing was continued to June 22, 2020. Friends and other stakeholders will be provided updated materials (including this response and revised Urbanization Element and staff report) roughly a week before that hearing. It is Friends prerogative, as it is any other interested party, to request further continuance of the matter.

The letter continues by attempting to conflate this oversight with "compliance with Statewide Planning Goal 1". It should be noted that the letter does not attempt to contradict findings in the staff report that describe compliance with Goal 1. As Friends is well aware through its "deep involvement" in Regional Problem Solving and subsequent efforts to implement the Regional Plan, Phoenix has been an important part of a long term planning process that has involved hundreds if not thousands of hours of public involvement including, more recently, updates made to Phoenix's Comprehensive Plan in support of the Regional Plan. 1000 Friends should understand that Phoenix, like other signatories to the Regional Plan, has invested nearly two decades to this process. The City will carefully consider this Urbanization Element through a public process just as it has adoption of the Regional Plan and other long range plans, and it will work to better ensure that stakeholders like Friends are alerted to upcoming actions and decisions. But the City has an obligation to continue working toward implementation of land use and development goals that meet the needs of this community in accordance with state and local laws and regulations.

**2. 1000 Friends contests the "jobs number basis for implied land need."**

The City strongly disagrees with many of the statements made by Friends on this issue.

First, the letter misapprehends “implied need” for local employment land as stated in the Economic Element. The Economic Element identified a need for 90 acres of employment land, but also recognized that the acknowledged UGB can accommodate all of the demand for commercial employment land within the UGB. Friends asserts in a footnote at the bottom of page 2 that “even the need for this amount of acreage *may* be overstated, as described below” (emphasis added). But Friends fails to provide any substantive evidence or analysis of evidence already provided in the Economic Element of the significance of this “overstatement” of need for employment land. Friends has not undertaken any quantitative study of local employment real estate market conditions of its own—only the City of Phoenix has done that with a Local Economic Opportunity Analysis and Regional Economic Opportunity Study. Rather, Friends’ assertion seems to rely on additional assertion found later in the letter. On page 4 of the letter, 1000 Friends questions assumptions upon which the sufficiency of the acknowledge UGB to accommodate demand for industrial employment land are based. Friends never challenges the fact that Phoenix has no available land currently designated for industrial use, rather it questions why Phoenix cannot simply undertake legislative changes to its comprehensive plan and land development code to address a shortage of two types of employment land. But this is not evidence that would contradict the City’s finding of a land inventory deficiency; it is a policy recommendation related to land use efficiency and should not be confused with the former. In short, Friends does not provide any evidence to contradict the fact that under current policy conditions within the acknowledged UGB, the City of Phoenix has no land designated for industrial employment development.

Friends’ reasoning also fails to consider that the UGB has a finite amount of land for any purpose, residential, employment or otherwise. If commercial employment land were to be redesignated as and developed for industrial employment through comprehensive plan amendment and zone change processes, this would deplete land that is needed for commercial uses. Merely changing the regulatory status of land so that it might be used for other types of development does not eliminate underlying demand for the type of development for which the land was originally intended. All things being equal, there is enough I-B designated land to achieve this objective of absorbing need for industrial and public employment land within existing I-B designated lands—at least in the most simplistic sense. But this conclusion does not account for the fact that most of the lands within this comprehensive plan designation are between 2 to 5 acres. While properties in this size range may accommodate smaller industrial users, they will not accommodate the larger footprint traded-sector employers that PH-5 was intended to accommodate. The two largest parcels within the I-B designation have already undergone site plan review as retail and service commercial developments that would include retail commercial space, drive-through restaurants, and a hotel and RV campground. In the face of reality, Friends provide only the unsupported assertion that the aforementioned “sites could potentially accommodate some light industrial or public employments uses and be subtracted from the demand for land for the urban growth boundary expansion proposal” (p. 4). By its own admission Friends cannot explain just how much need for light industrial or public employment land can in fact be accommodated.

Friends’ assertions ignore the stated purpose of “Interchange Business” designated land and the manner in which that designation has in fact allowed for beneficial development in the City of Phoenix. These lands have in fact been developed for exactly the purpose stated

on page 15 of the Land Use Element. Existing uses include a truck stop, semitruck dealership and repair facility, a Home Depot home improvement store, a Lazy Boy retail showroom, a motel and RV park, a manufactured home dealership, and a recently constructed self-storage facility. All of these businesses benefit from close proximity to I-5 and the visibility afforded by that location. These businesses also generate substantial vehicular traffic by the very nature of their operations: they are regional destinations for the “traveling” public.

Friends would have the City upend a development pattern that has proven successful for the City in terms of providing locations within the City that are well suited to the particular needs of these businesses while providing jobs and services to residents of the City of Phoenix and surrounding communities. Instead, Friends would have Phoenix eschew furtherance of this development pattern, replacing future uses like these with industrial uses that will not benefit from proximity the Fern Valley interchange in the same way, all the while pushing future commercial employment development further from the interchange. Friends dismisses this concern relying on its assertion that “some industrial uses (included in OAR 660-009-0005 and permitted in IB) are well suited to be near highway interchanges [...] including warehousing, storage, product manufacturing, and distribution. Thus, the argument that this land cannot accommodate any of the uses contemplated in PH-5 is not supportable” (p. 4).

Simply asserting that light industrial uses could occur on these lands based on little more than an inaccurate reading of the Land Use Element’s description of the purpose of the I-B comprehensive plan designation and the application of a definition found within state administrative rules does not make Friends argument true any more than wishing it were so. Friends argument misconstrues the function of the I-B comprehensive plan designation. It is not a regulatory zone. Land in the I-B designation is zoned Commercial Highway, as is the case of the land in question. The purpose of that zone does not mention industrial uses:

*The purpose of the Commercial Highway district to provide for the development of easily accessible **commercial** areas that are intended to accommodate a mixture of retail businesses, services, and professional offices to serve commercial and retail needs of the community and surrounding areas. In addition, this district will accommodate uses served by vehicles, such as auto repair or auto sale, which are not compatible with the City Center.* (Phoenix Land Development Code, p. 63)

The table of permitted uses for the C-H zone does allow for some light industrial use including truck stops, truck and heavy equipment sales, distribution facilities. Manufacturing is only permitted by-right if it has a “retail outlet”, and then only if it is under 5,000 square feet. Manufacturing in excess of 5,000 square feet requires a conditional use permit, as do warehouses, transportation, freight and distribution uses (p. 64). It is also important to note that manufacturing cannot involve the “Processing of Raw Materials”, which is categorically not permitted. In any case, the issue is not that some of these uses may be benefit from close proximity to an interstate interchange; the issues is that retail and service commercial uses described by the Land Use Element of the Comprehensive Plan and regulated by the Phoenix Land Development Code benefit more from immediate proximity to such facilities that provide visibility to literally tens of thousands of passersby. Locating such commercial operations in such a way also accrues benefits for the community by concentrating high trip generating retail operations close to high capacity transportation infrastructure. The Land Use Element and Phoenix Land Development Code, both duly adopted by the City of Phoenix, understand this.

And as Friends most surely knows through its extensive involvement in Regional Problem Solving, the types of land uses contemplated by the I-B comprehensive plan designation and permitted within the C-H Commercial Highway zone are only allowed to be developed within the PH-5 as incidental to industrial and traded-sector employment development. In other words, once the remaining commercial land in the City's acknowledged UGB is developed, it will have little to no opportunity for any additional development of that type through future expansions of its UGB into PH-5.

Finally, Friends does not acknowledge that the Economic Element and Urbanization Element treat "local-serving" and regional employment as one and the same. The Economic Element states this clearly:

*It should be emphasized that although the regional employment land need identified in the REOS is largely exclusive of need for local-serving employment, the need for local-serving industrial employment land identified in the LEOA will likely overlap with regional need. The LEOA did not differentiate between the need for local-serving industrial land and regional-serving industrial land. In other words, local-serving industrial employment land could be accommodated within PH-5, and need not be located elsewhere. (Economic Element, p. 33)*

The Urbanization Element is built on the assumption that the 22 acre deficiency in industrial employment land and the 18 acre deficiency in public employment land can be absorbed by the expansion of Phoenix's UGB into PH-5.

### **3. Friends question Phoenix's capacity to support development of needed employment land.**

Friends claim to support the City's stated goal of achieving employment to population parity, but then imply, for reasons that are not explained in the letter, that it is not "realistic" to expect Phoenix "to be able to get past the already ambitious jobs/population parity and provide even more developed land to accommodate even more regional employment over the planning horizon."

But contrary to this and Friends further assertion that there is "no analysis of what policy or other changes may need to be made to do so", the City's long range planning documents provide such analysis. The Economic Element, for example, establishes policies to

*Support development of multi-modal transportation infrastructure"; "Support development of regional transportation and other infrastructure needed to accommodate build-out of PH-5, including construction of the South Stage Overcrossing, through Public-Private-Partnerships and other collaborative policy initiatives; Explore options for funding infrastructure construction and ongoing maintenance in PH-5, including but not limited to Local Improvement Districts, Reimbursement Agreements, System Development Charges [...]*  
Phoenix Comprehensive Plan Economic Element, p. 34

The Urbanization Element directly addresses the real challenges associated with the productive and efficient urbanization of previously undeveloped lands. Evidence can be found throughout the Urbanization Element, staff report, and supporting documents. Discussion in the Urbanization Element, specifically, begins on page with an evaluation of the "Orderly Provision of Public Facilities" and continues later in "Environmental, Social, Energy, and Economic (ESEE) Considerations" (pp. 10-15). It concludes with an assessment of "Conceptual Land Use and Transportation Plans" (p. 15). It is reasonable to conclude that these claims are better directed at the Urbanization Element's consideration of

Goal 11. Friends' letter does not directly address any of the evidence presented in the Urbanization Element in this matter.

#### 4. Relationship Between Various "Regions" Studied in the Supporting Documentation is Not Clear

Contrary to Friends assertion, the methodology for calculating potential need for regional employment land is clear as is the relationship between the various regions discussed within the study. The REOS provides discussion of the economic characteristics of four different geographies and of the availability of large assemblages of employment land that share PH-5's unique characteristics (understood in terms of suitability for development of large footprint, traded sector employment and supporting industries). This was purposefully included in the REOS not to obscure the methodology for calculating regional employment land need, but to demonstrate in greater detail the concept that led to the creation of PH-5 and the South Valley Employment Area in the Regional Plan in the first place: the need for locations within this region to accommodate traded sector employers that require large tracts of land and/or larger multitenant business parks and singular opportunity to meet that need in PH-5 (REOS, Section V. Regional Economic Potential, pp. 27-41).

Assessing the comparative advantages offered to employers in specific targeted industries by PH-5 versus other locations provides evidence of the potential feasibility of employment land development in PH-5 (and in doing responds to some of Friends other concerns discussed above), but it should not be confused with the justification for inclusion of these employment lands within Phoenix's UGB. Friends implies that this is the case, but that is not true. The methodology for determining the need for regional employment land in PH-5 uses OED employment projections for the "Rogue Valley" economic region consisting of Josephine and Jackson counties. This discussion begins on page 42 in the section that may be somewhat confusingly titled "Parcel Size Distribution." Extrapolating regional employment growth over a 20-year period from OED's 10-year projection (OED only provides 10-year projections), the authors of the REOS determined that the two-county region will add nearly 30,000 jobs over 20 years. According to the Local Economic Analysis and Economic Element, 71% of this growth will occur in Jackson County. The implications for absorption of growth within PH-5 are summarized in a table on page 42 and provide the basis for the ideal parcelization of PH-5 upon its buildout. It is important to understand that the parcelization program is a reaction to the need for regional employment land within certain industries, and not the other way around as Friends understands it. Nowhere in its letter does Friends contradict the fact that Jackson and Josephine counties are projected to grow by 30,000 jobs.

Contrary to Friends statements (which are not based on any substantial evidence), the parcelization table provides reasonable assumptions for the absorption of employment growth by PH-5. For example, the REOS strongly recommends that at least one site with an average size of 67 acres should be included in PH-5. This would account for only 1 such site needed throughout the two county region, or roughly 17% of the total of 6 such sites need in Jackson and Josephine counties to meet the need for large footprint employers. Friends mistakenly confuses PH-5's estimated capture of employment development sites of a certain size range with the percentage of total regional job growth captured. This leads it to the

erroneous conclusion that the REOS is making unreasonable assumptions about the likelihood that PH-5 will capture 17% of total regional job growth on a single 67 acre development site. The table, however, demonstrates something different: regionally, an estimated 4,680 new jobs in Jackson and Josephine counties will occur on an estimated 6 development sites that are larger than 50 acres, and PH-5 should be configured so as to provide for at least one of these sites. If that were to happen, PH-5 would not capture 17% of total regional job growth over the next 20 years. It would capture (on average) 572 or 2% of the estimated 30,000 jobs. Likewise, the REOS suggests that PH-5 should be configured to provide 4 development sites in the 20-50 acre range which would accommodate 588 new regional jobs (at an average of 147 jobs/employer or development site). This would account for only 2% of total regional job growth. The same holds true for development sites in the next smaller category. In the smallest category, sites under 5 acres, the 5 sites located in PH-5 would only capture 35 or 0.12% of total new regional jobs. If Friends' understanding of the table and basis for regional job growth were correct, its skepticism would be well-founded. But it is not. It is reasonable to conclude that PH-5 will capture these shares of total regional job growth. Comparing PH-5 with other development opportunities in other places (or the lack thereof) emphasizes the fact that without PH-5, this region is unlikely to achieve that goal.

We appreciate Friends dedication to the proper implementation of the state's land use system and its advocacy of the goals upon which that system is built. The draft Urbanization Element does those same things while honoring a community and a region's aspirations to provide economic opportunities for its citizens.

Respectfully,

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Cc: Eric Swanson, Interim City Manager; Ryan Nolan, Principal Planner, Rogue Valley Council of Governments; Phoenix City Council