



Oregon

Theodore R. Kulongoski, Governor

Department of Land Conservation and Development

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April 24, 2007

To: Interested Persons

From: Lane Shetterly, Director



Re: Ballot Measure 37 (ORS 197.352) Claim Number M130508

Claimant: Alice Williams

Enclosed, in regard to the above-referenced claim for compensation under Ballot Measure 37 (ORS 197.352), is the Final Staff Report and Recommendation of the Department of Land Conservation and Development, and the Final Order.

This Final Staff Report and Recommendation and the Final Order constitute the final decision on this claim. No further action will be taken on this matter.

BEFORE THE DEPARTMENT OF ADMINISTRATIVE SERVICES,
THE DEPARTMENT OF LAND CONSERVATION AND DEVELOPMENT OF
THE STATE OF OREGON

IN THE MATTER OF THE CLAIM FOR) FINAL ORDER
COMPENSATION UNDER ORS 197.352) CLAIM NO. M130508
(BALLOT MEASURE 37) OF)
Alice Williams, CLAIMANT)

Claimant: Alice Williams (the Claimant)

Property: Township 12S, Range 2W, Section 35, Tax lot 200, Linn County
(the Property)

Claim: The demand for compensation and any supporting information received
from the Claimant by the State of Oregon (the Claim).

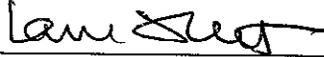
Claimant submitted the Claim to the State of Oregon under ORS 197.352. Under OAR 125-145-0010 *et seq.*, the Department of Administrative Services (DAS) referred the Claim to the Department of Land Conservation and Development (DLCD) as the regulating entity. This order is based on the record herein, including the Findings and Conclusions set forth in the Final Staff Report and Recommendation of DLCD (the DLCD Report) attached to and by this reference incorporated into this order.

ORDER

The Claim is denied as to laws administered by DLCD and the Land Conservation and Development Commission (LCDC) for the reasons set forth in the DLCD Report.

This Order is entered by the Director of the DLCD as a final order of DLCD and the Land Conservation and Development Commission under ORS 197.352, OAR 660-002-0010(8), and OAR chapter 125, division 145, and by the Administrator for the State Services Division of the DAS as a final order of DAS under ORS 197.352, OAR chapter 125, division 145, and ORS chapter 293.

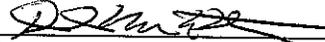
FOR DLCD AND THE LAND
CONSERVATION AND
DEVELOPMENT COMMISSION:



Lane Shetterly, Director
DLCD

Dated this 24th day of April, 2007.

FOR THE DEPARTMENT OF
ADMINISTRATIVE SERVICES:



David Hartwig, Administrator
DAS, State Services Division

Dated this 24th day of April, 2007.

NOTICE OF RIGHT TO APPEAL OR OTHER JUDICIAL RELIEF

You are entitled, or may be entitled, to the following judicial remedies:

1. Judicial review under ORS 183.484: Judicial review under ORS 183.484 may be obtained by filing a petition for review within 60 days from the service of this order. A petition for judicial review under ORS 183.484 may be filed in the Circuit Court for Marion County or the Circuit Court in the county in which you reside.
2. A cause of action under ORS 197.352 (Measure 37 (2004)): If a land use regulation continues to apply to the subject property more than 180 days after the present owner of the property has made written demand for compensation under ORS 197.352, the present owner of the property, or any interest therein, shall have a cause of action in the circuit court in which the real property is located.

(Copies of the documents that comprise the record are available for review at the Department's office at 635 Capitol Street NE, Suite 150, Salem, Oregon 97301-2540)

ORS 197.352 (BALLOT MEASURE 37) CLAIM FOR COMPENSATION

**OREGON DEPARTMENT OF LAND CONSERVATION AND DEVELOPMENT
Final Staff Report and Recommendation**

April 24, 2007

STATE CLAIM NUMBER: M130508

NAME OF CLAIMANT: Alice Williams

MAILING ADDRESS: 37548 Sodaville Cutoff Drive
Lebanon, Oregon 97355

PROPERTY IDENTIFICATION: Township 12S, Range 2W, Section 35
Tax lot 200
Linn County

DATE RECEIVED BY DAS: October 31, 2006

180-DAY DEADLINE: April 29, 2007

I. SUMMARY OF CLAIM

The claimant, Alice Williams, seeks compensation in the amount of \$54,830 for the reduction in fair market value as a result of land use regulations that are alleged to restrict the use of certain private real property. The claimant desires compensation or the right to divide the 5-acre subject property into two 2.5-acre parcels for residential development. The subject property is located at 37548 Sodaville Cutoff Drive, near Lebanon, in Linn County. (See claim.)

II. SUMMARY OF STAFF RECOMMENDATION

Based on the findings and conclusions set forth below, the Department of Land Conservation and Development (the department) has determined that the claim is not valid because the claimant's desired use of the subject property was prohibited under the laws in effect when the claimant acquired the property in 1994. (See the complete recommendation in Section VI. of this report.)

III. COMMENTS ON THE CLAIM

Comments Received

On March 15, 2007, pursuant to Oregon Administrative Rule (OAR) 125-145-0080, the Oregon Department of Administrative Services (DAS) provided written notice to the owners of surrounding properties. According to DAS, one written comment was received in response to the 10-day notice.

The comment does not address whether the claim meets the criteria for relief under ORS 197.352. Comments concerning the effects a use of the subject property may have on surrounding areas are generally not something that the department is able to consider in determining whether to waive a state law. If funds do become available to pay compensation, then such effects may become relevant in determining which claims to pay compensation for instead of waive a state law. (See the comment letter in the department's claim file.)

IV. TIMELINESS OF CLAIM

Requirement

ORS 197.352(5) requires that a written demand for compensation be made:

1. For claims arising from land use regulations enacted prior to the effective date of Measure 37 (December 2, 2004), within two years of that effective date, or the date the public entity applies the land use regulation as an approval criteria to an application submitted by the owner, whichever is later; or
2. For claims arising from land use regulations enacted after the effective date of Measure 37 (December 2, 2004), within two years of the enactment of the land use regulation, or the date the owner of the property submits a land use application in which the land use regulation is an approval criteria, whichever is later.

Findings of Fact

This claim was submitted to DAS on October 31, 2006, for processing under OAR 125, division 145. The claim identifies the property's five-acre minimum lot size requirement as restricting the claimant's desired use of the subject property. Only laws that were enacted or adopted prior to December 2, 2004, are the basis for this claim.

Conclusions

The claim has been submitted within two years of the effective date of Measure 37 (December 2, 2004), based on land use regulations enacted or adopted prior to December 2, 2004, and is therefore timely filed.

V. ANALYSIS OF CLAIM

1. Ownership

ORS 197.352 provides for payment of compensation or relief from specific laws for "owners," as that term is defined in ORS 197.352. ORS 197.352(11)(C) defines "owner" as "the present owner of the property, or any interest therein."

Findings of Fact

The claimant, Alice Williams, acquired the subject property on December 30, 1994, as reflected by a decree of dissolution included with the claim.¹ The Linn County Assessor's Office confirms the claimant's current ownership of the subject property.

Conclusions

The claimant, Alice Williams, is an "owner" of the subject property as that term is defined by ORS 197.352(11)(C), as of December 30, 1994.

2. The Laws That are the Basis for This Claim

In order to establish a valid claim, ORS 197.352(1) requires, in part, that a law must restrict the claimant's use of private real property in a manner that reduces the fair market value of the property relative to how the property could have been used at the time the claimant acquired the property.

Findings of Fact

The claim indicates that the claimant desires to divide the 5-acre subject into two 2.5-acre parcels and for residential development, and that the current zoning prohibits the desired use.

The claim is based generally on Linn County's Rural Residential zone and the applicable provisions of state law that require such zoning. The claimant's property is zoned RR-5 by Linn County, consistent with Statewide Planning Goal 14 (Urbanization), which generally requires that land outside urban growth boundaries be used for rural uses. The county's RR-5 zone requires a minimum of five acres for the creation of a new lot or parcel and was adopted in September 1980.

Goal 14 was effective on January 25, 1975, and requires that local comprehensive plans identify and separate urbanizable land from rural land in order to provide for an orderly and efficient transition from rural to urban land use. In 2000, as a result of a 1986 Oregon Supreme Court decision,² the Land Conservation and Development Commission (the Commission) amended Goal 14 and adopted OAR 660-004-0040 (Application of Goal 14 to Rural Residential Areas), which was effective on October 4, 2000. The rule states that if a county rural residential zone in effect on October 4, 2000, specifies a minimum lot size of two acres or more, the area of any new lot or parcel shall equal or exceed the minimum lot size that is already in effect (OAR 660-004-0040(7)(c)). Some relief from this provision is available for lots or parcels having more than one permanent habitable dwelling pursuant to OAR 660-004-0040(7)(h). The rule also provides that a county's minimum lot size requirement in a rural residential zone shall not be amended to allow a smaller minimum lot size without approval of an exception to Goal 14 (OAR 660-004-0040(6)). Because Linn County's rural residential zone was in effect on October

¹ The claimant asserts that she acquired the property in 1986, but she has not submitted documentation to support that acquisition date.

² *1000 Friends of Oregon v. LCDC (Curry County)*, 301 Or 447 (1986).

4, 2000, and requires a minimum lot size of five acres, the minimum lot size for any new lot or parcel must equal or exceed five acres.

When the claimant acquired the property on December 30, 1994, it was subject to Linn County's acknowledged comprehensive plan. At that time the subject property was zoned RR-5, which required a five-acre minimum lot size and permitted dwelling as an outright use. Residential development of the subject property at that time would have been subject to the provisions of the county's comprehensive plan and land use ordinances, including the provision of Goal 14 implemented by those regulations.

Conclusions

The current standards established by Goal 14 and OAR 660-004-0040, do not allow the claimant's desired division of the subject property. However, the claimant's desired division of the property was also prohibited under the laws in effect when she acquired the property in 1994. Laws enacted or adopted since the claimant acquired the subject property do not restrict its desired use relative to the uses permitted at the time the claimant acquired the property on December 30, 1994.

3. Effect of Regulations on Fair Market Value

In order to establish a valid claim, ORS 197.352(1) requires that the land use regulation(s) (described in Section V.(2) of this report) must have "the effect of reducing the fair market value of the property, or any interest therein."

Findings of Fact

The claim includes an estimate of \$54,830 as the reduction in the subject property's fair market value due to the regulations that restrict the claimant's desired use of the property. This amount is based on the claimant's assessment of the property's value.

Conclusions

As explained in Section V.(1) of this report, the claimant is Alice Williams who acquired the subject property on December 30, 1994. The claimant has not established that she is entitled to relief under ORS 197.352 because the claimant's desired division of the property was prohibited under the zoning in effect when she acquired the property. Laws enacted or adopted since the claimant acquired the subject property do not restrict her desired use relative to uses permitted at the time the claimant acquired the property on December 30, 1994. Therefore, the fair market value of the subject property has not been reduced as a result of land use regulations enforced by the Commission or department.

4. Exemptions Under ORS 197.352(3)

ORS 197.352 does not apply to certain land use regulations. In addition, under ORS 197.352(3), certain types of laws are exempt from ORS 197.352.

Findings of Fact

The claim is based on state land use regulations that restrict the use of the subject property, including Goal 14 and OAR 660-004-0040, which Linn County has implemented through its current RR-5 zone. With the exception of provisions of Goal 14 in effect when the claimant acquired the subject property on December 30, 1994, these land use regulations were enacted or adopted after the claimant acquired the property. However, the regulations in effect when the claimant acquired the property prohibit the claimant's desired use of the property.

Conclusions

With the exception of amendments to Goal 14 and the adoption of OAR 660-004-0040, land use regulations that restrict the claimant's desired use of the subject property were in effect when the claimant acquired the property in 1994. These state land use regulations are not exempt under ORS 197.352(3)(E) to the extent they were adopted after the claimant acquired the property in 1994. However, laws in effect when the claimant acquired the property prohibit her desired division of the property.

VI. FORM OF RELIEF

ORS 197.352(1) provides for payment of compensation to an owner of private real property if the Commission or the department has enforced one or more laws that restrict the use of the property in a manner that reduces its fair market value. In lieu of compensation, the department may choose to not apply the law in order to allow the present owner to carry out a use of the property permitted at the time the present owner acquired the property. The Commission, by rule, has directed that if the department determines a claim is valid, the Director of the department must provide only non-monetary relief unless and until funds are appropriated by the legislature to pay claims.

Findings of Fact

Based on the findings and conclusions set forth in this report, laws enforced by the Commission or the department do not restrict the claimant's desired use of the subject property relative to what was permitted when the claimant acquired the property in 1994 because the claimant's desired division of property was prohibited under the laws in effect when she acquired it. Therefore, state land use regulations adopted after the claimant acquired the property do not reduce the property's fair market value.

Conclusions

Based on the records and the foregoing findings and conclusions, the claimant has not established that she is entitled to relief under ORS 197.352(1) as a result of land use regulations enforced by the Commission or the department because the claimant's desired use of the subject property was prohibited under the laws in effect when the claimant acquired the property in 1994.

VII. COMMENTS ON THE DRAFT STAFF REPORT

The department issued its draft staff report on this claim on April 3, 2007. OAR 125-145 0100(3), provided an opportunity for the claimant or the claimant's authorized agent and any third parties who submitted comments under OAR 125-145-0080 to submit written comments, evidence and information in response to the draft staff report and recommendation.